SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE TO
(RULE 14D-100)
TENDER OFFER STATEMENT UNDER SECTION 14(D)(1)
OR SECTION 13(E)(1) OF THE SECURITIES EXCHANGE ACT OF 1934

LANDS' END, INC.
(NAME OF SUBJECT COMPANY (ISSUER))

INLET ACQUISITION CORP.
A WHOLLY OWNED SUBSIDIARY OF
SEARS, ROEBUCK AND CO.
(NAMES OF FILING PERSONS (OFFERORS))

COMMON STOCK, PAR VALUE $.01 PER SHARE
(TITLE OF CLASS OF SECURITIES)

515086106
(CUSIP NUMBER OF CLASS OF SECURITIES)

ANASTASIA D. KELLY, ESQ.
SENIOR VICE PRESIDENT AND GENERAL COUNSEL
SEARS, ROEBUCK AND CO.
3333 BEVERLY ROAD
HOFFMAN ESTATES, ILLINOIS 60179
TELEPHONE: (847) 286-2500
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF FILING PERSONS)

With a copy to:
GARY P. CULLEN, ESQ.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM (ILLINOIS)
333 WEST WACKER DRIVE
CHICAGO, ILLINOIS 60606
TELEPHONE: (312) 407-0700

CALCULATION OF FILING FEE

TRANSACTION VALUATION*	AMOUNT OF FILING FEE**
$1,950,167,509.37	$179,415.41

* Estimated for purposes of calculating the amount of the filing fee only, in accordance with Rules 0-11(d) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). The calculation of the transaction valuation assumes the purchase of 30,012,942 outstanding shares of common stock of Lands' End, Inc. at a purchase price of $62.00 per share. The transaction valuation also includes the offer price of $62.00 less $30.13, which is the average exercise price per share, multiplied by 2,804,051, the estimated number of options outstanding.

** The amount of the filing fee, calculated in accordance with Section 13(e) of the Exchange Act, equals $92 per million dollars of the transaction valuation. Sent by wire transfer to the Securities Exchange lockbox on May 16, 2002.

[_]Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number or the Form or Schedule and the date of its filing.

Amount Previously Paid: $_____ Filing party: _____
Form or Registration No.: _____ Date Filed: _____

[_]Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:
[X]third-party tender offer subject to Rule 14d-1.
[_]issuer tender offer subject to Rule 13e-4.
[_]going-private transaction subject to Rule 13e-3.
[_]amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: [_]

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This Tender Offer Statement on Schedule TO (this "Statement") relates to the offer by Inlet Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Sears, Roebuck and Co., a New York corporation ("Sears"), to purchase all of the issued and outstanding shares of common stock, par value $.01 per share (the "Shares"), of Lands' End, Inc., a Delaware corporation (the "Company"), at a purchase price of $62.00 per share, net to the seller in cash. The terms and conditions of the offer are described in the Offer to Purchaser, dated May 17, 2002 (the "Offer to Purchase"), a copy of which is attached hereto as Exhibit (a)(1)(A), and the related Letter of Transmittal and the instructions thereto, a copy of which is attached hereto as Exhibit (a)(1)(B) (which, as they may be amended or supplemented from time to time, together constitute the "Offer").

Pursuant to General Instruction F to Schedule TO, the information contained in the Offer to Purchase, including all schedules and annexes thereto, is hereby expressly incorporated herein by reference in response to items 1 through 11 of this Statement and is supplemented by the information specifically provided for herein.

ITEM 1. SUMMARY TERM SHEET.

The information set forth in the section of the Offer to Purchase entitled "Summary Term Sheet" is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) The subject company and issuer of the securities subject to the Offer is Lands' End, Inc., a Delaware corporation. Its principal executive office is located at One Lands' End Lane, Dodgeville, Wisconsin 53595 and its telephone number is (608) 935-9341.

(b) This Statement relates to the Offer by the Purchaser to purchase all issued and outstanding Shares for $62.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal. The information set forth in the introduction to the Offer to Purchase (the "Introduction") is incorporated herein by reference.

(c) The information concerning the principal market in which the Shares are traded and certain high and low sales prices for the Shares in such principal market is set forth in "Price Range of Shares; Dividends" in the Offer to Purchase and is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF THE FILING PERSON.

(a), (b), (c) The information set forth in the section of the Offer to Purchase entitled "Certain Information Concerning Sears and the Purchaser" and in Schedule I to the Offer to Purchase is incorporated herein by reference.

ITEM 4. TERMS OF THE TRANSACTION.

(a)(1)(i)-(viii), (x), (xii) The information set forth in the Introduction

and in the sections of the Offer to Purchase entitled "Terms of the Offer," "Acceptance for Payment and Payment for Shares," "Procedures for Accepting the Offer and Tendering the Shares," "Withdrawal Rights," "Material U.S. Federal Income Tax Consequences," "Certain Effects of the Offer" and "Certain Conditions of the Offer" is incorporated herein by reference.

(a)(1)(ix), (xi) Not applicable.

(a)(2)(i)-(v) and (vii) The information set forth in the sections of the Offer to Purchase entitled "Material U.S. Federal Income Tax Consequences," "Background of the Offer; Past Contacts or Negotiations with the Company," "The Transaction Documents" and "Purpose of the Offer; Plans for the Company" is incorporated herein by reference.

(a)(2)(vi) Not applicable.

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

(a), (b) The information set forth in the sections of the Offer to Purchase entitled "Certain Information Concerning Sears and the Purchaser," "Background of the Offer; Past Contacts or Negotiations with the Company," "The Transaction Documents" and "Purpose of the Offer; Plans for the Company" is incorporated herein by reference.

ITEM 6. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS.

(a), (c)(1), (c)(3-7) The information set forth in the Introduction and in the sections of the Offer to Purchase entitled "Background of the Offer; Past Contacts or Negotiations with the Company," "The Transaction Documents," "Purpose of the Offer; Plans for the Company," "Dividends and Distributions" and "Certain Effects of the Offer" is incorporated herein by reference.

(c)(2) None.

ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) The information set forth in the section of the Offer to Purchase entitled "Source and Amount of Funds" is incorporated herein by reference.

(b), (d) Not applicable.

ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a), (b), (c), (d), (e) The information set forth in the Introduction and in the sections of the Offer to Purchase entitled "Certain Information Concerning Sears and the Purchaser," "Background of the Offer; Past Contacts or Negotiations with the Company," "The Transaction Documents," "Purpose of the Offer; Plans for the Company" and in Schedule I to the Offer to Purchase is incorporated herein by reference.

ITEM 9. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED.

(a) The information set forth in the Introduction and in the section of the Offer to Purchase entitled "Fees and Expenses" of the Offer to Purchase is incorporated herein by reference.

ITEM 10. FINANCIAL STATEMENTS.

(a), (b) Not applicable.

ITEM 11. ADDITIONAL INFORMATION

(a)(1) The information set forth in the sections of the Offer to Purchase entitled "Certain Information Concerning Sears and the Purchaser" and "The Transaction Documents" is incorporated herein by reference.

(a)(2) and (a)(3) The information set forth in the sections of the Offer to Purchase entitled "Terms of the Offer," "The Transaction Documents," "Certain Conditions of the Offer" and "Material Legal Matters; Regulatory Approvals" is incorporated herein by reference.

(a)(4) The information set forth in the section of the Offer to Purchase entitled "Certain Effects of the Offer" is incorporated herein by reference.

(a)(5) None.

(b) The information set forth in the Offer to Purchase is incorporated herein by reference.

ITEM 12. EXHIBITS

(a)(1)(A) Offer to Purchase.

(a)(1)(B) Letter of Transmittal.

(a)(1)(C) Notice of Guaranteed Delivery.

(a)(1)(D) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.

(a)(1)(E) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.

(a)(1)(F) Guidelines for Certification of Taxpayer Identification Number (TIN) on Substitute W-9.

(a)(5)(A) Joint Press Release issued by Sears and the Company on May 13, 2002, incorporated herein by reference to the Schedule TO, filed by Sears on May 13, 2002.

(a)(5)(B) Key Messages for Sears Corporate Strategic Leadership Team, incorporated herein by reference to the Schedule TO, filed by Sears on May 13, 2002.

(a)(5)(C) Letter to Sears Associates, dated May 13, 2002, from Alan J. Lacy posted on the Sears Intranet, incorporated herein by reference to the Schedule TO, filed by Sears on May 13, 2002.

(a)(5)(D) Slides used in Conference Call held on May 13, 2002, incorporated herein by reference to the Schedule TO, filed by Sears on May 13, 2002.

(a)(5)(E) Transcript of Conference Call held on May 13, 2002, incorporated herein by reference to the Schedule TO, filed by Sears on May 14, 2002.

(a)(5)(F) Summary Advertisement as published in the Wall Street Journal on May 17, 2002.

(a)(5)(G) Press Release issued by Sears on May 17, 2002.

(b) Not applicable.

(d)(1) Acquisition Agreement and Agreement and Plan of Merger, dated as of May 12, 2002, by and among Sears, Roebuck and Co., Inlet Acquisition Corp. and Lands' End, Inc.

(d)(2) Form of Tender Agreement, dated as of May 12, 2002, by and among Sears, Roebuck and Co., Inlet Acquisition Corp. and certain Stockholders.

(d)(3) Confidentiality Agreement, dated as of February 26, 2002, by and between Sears, Roebuck and Co. and Lands' End, Inc.

(d)(4) Letter Agreement, dated May 13, 2002, by and between Sears, Roebuck and Co. and
David F. Dyer.

(g) Not applicable.

(h). Not applicable.

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

SEARS, ROEBUCK AND CO.

/S/ PAUL J. LISKA
By: _____
Name: Paul J. Liska
Title: Executive Vice President and Chief Financial Officer

INLET ACQUISITION CORP.

/S/ W. ANTHONY WILL
By: _____
Name: W. Anthony Will
Title: Vice President and Treasurer

Dated: May 17, 2002

EXHIBIT INDEX

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(d)(4) Letter Agreement, dated May 13, 2002, by and between Sears, Roebuck and Co. and David F. Dyer.

(g) Not applicable.

(h) Not applicable.

EXHIBIT (a)(1)(A)

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
OF
LANDS' END, INC.

AT
$62.00 NET PER SHARE
BY
INLET ACQUISITION CORP.
A WHOLLY OWNED SUBSIDIARY OF
SEARS, ROEBUCK AND CO.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, JUNE 14, 2002, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS BEING MADE PURSUANT TO AN ACQUISITION AGREEMENT AND AGREEMENT AND PLAN OF MERGER, DATED AS OF MAY 12, 2002 (THE "MERGER AGREEMENT"), BY AND AMONG SEARS, ROEBUCK AND CO. ("SEARS"), INLET ACQUISITION CORP. (THE "PURCHASER") AND LANDS' END, INC. (THE "COMPANY" OR "LANDS' END"). THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (I) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER A NUMBER OF SHARES OF COMMON STOCK, PAR VALUE $.01 PER SHARE, OF THE COMPANY (THE "SHARES"), THAT, TOGETHER WITH ANY OTHER SHARES THEN BENEFICIALLY OWNED BY SEARS OR THE PURCHASER OR ANY OF THEIR SUBSIDIARIES, REPRESENTS AT LEAST TWO-THIRDS OF THE THEN ISSUED AND OUTSTANDING SHARES ON A FULLY DILUTED BASIS (THE "MINIMUM CONDITION"), AND (II) ANY APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED, HAVING EXPIRED OR BEEN TERMINATED. THE OFFER IS ALSO SUBJECT TO OTHER CONDITIONS SET FORTH IN THIS OFFER TO PURCHASE. SEE SECTION 15--"CERTAIN CONDITIONS OF THE OFFER."

IN CONNECTION WITH THE MERGER AGREEMENT, SEARS AND THE PURCHASER HAVE ENTERED INTO TENDER AGREEMENTS, EACH DATED AS OF MAY 12, 2002 (THE "TENDER AGREEMENTS"), WITH CERTAIN STOCKHOLDERS OF THE COMPANY (THE "TENDERING STOCKHOLDERS"), INCLUDING THE FOUNDER AND CHAIRMAN OF THE COMPANY. PURSUANT TO THE TENDER AGREEMENTS, THE TENDERING STOCKHOLDERS HAVE AGREED, AMONG OTHER THINGS, TO TENDER THEIR SHARES TO THE PURCHASER IN THE OFFER AND HAVE GRANTED SEARS A PURCHASE OPTION ON THEIR SHARES AT THE OFFER PRICE WHICH IS EXERCISABLE UPON THE OCCURRENCE OF CERTAIN EVENTS. THE SHARES SUBJECT TO THE TENDER AGREEMENTS REPRESENT APPROXIMATELY 55% OF THE SHARES THAT, AS OF MAY 12, 2002, WERE ISSUED AND OUTSTANDING. SEE SECTION 11--"THE TRANSACTION DOCUMENTS - THE TENDER AGREEMENTS."

THE BOARD OF DIRECTORS OF THE COMPANY (I) UNANIMOUSLY DETERMINED THAT THE TERMS OF THE OFFER AND THE MERGER ARE FAIR TO AND IN THE BEST INTERESTS OF THE STOCKHOLDERS OF THE COMPANY, (II) APPROVED THE MERGER AGREEMENT AND EACH OF THE TENDER AGREEMENTS AND APPROVED EACH OF THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, INCLUDING THE OFFER AND THE MERGER, AND THE TRANSACTIONS CONTEMPLATED BY THE TENDER AGREEMENTS AND (III) RECOMMENDS THAT THE COMPANY'S STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES TO THE PURCHASER PURSUANT TO THE OFFER.

IMPORTANT

ANY STOCKHOLDER OF THE COMPANY WISHING TO TENDER SHARES IN THE OFFER MUST (I) COMPLETE AND SIGN THE LETTER OF TRANSMITTAL (OR A FACSIMILE THEREOF) IN ACCORDANCE WITH THE INSTRUCTIONS IN THE LETTER OF TRANSMITTAL AND MAIL OR DELIVER THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO MELLON INVESTOR SERVICES LLC (THE "DEPOSITARY") TOGETHER WITH CERTIFICATES REPRESENTING THE SHARES TENDERED OR FOLLOW THE PROCEDURE FOR BOOK-ENTRY TRANSFER SET FORTH IN SECTION 3 --"PROCEDURES FOR ACCEPTING THE OFFER AND TENDERING SHARES" OR (II) REQUEST SUCH STOCKHOLDER'S BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE TO EFFECT THE TENDER OF SHARES TO THE PURCHASER. A STOCKHOLDER WHOSE SHARES ARE REGISTERED IN THE NAME OF A BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE MUST CONTACT SUCH PERSON IF SUCH STOCKHOLDER WISHES TO TENDER SUCH SHARES.

ANY STOCKHOLDER OF THE COMPANY WHO WISHES TO TENDER SHARES AND CANNOT DELIVER CERTIFICATES REPRESENTING SUCH SHARES AND ALL OTHER REQUIRED DOCUMENTS TO THE DEPOSITARY ON OR PRIOR TO THE EXPIRATION DATE (AS DEFINED HEREIN) OR WHO CANNOT COMPLY WITH THE PROCEDURES FOR BOOK-ENTRY TRANSFER ON A TIMELY BASIS MAY TENDER SUCH SHARES PURSUANT TO THE GUARANTEED DELIVERY PROCEDURE SET FORTH IN SECTION 3 --"PROCEDURES FOR ACCEPTING THE OFFER AND TENDERING SHARES."

QUESTIONS AND REQUESTS FOR ASSISTANCE MAY BE DIRECTED TO D.F. KING & CO., INC. (THE "INFORMATION AGENT") OR MORGAN STANLEY & CO. INCORPORATED (THE "DEALER MANAGER") AT THEIR RESPECTIVE ADDRESSES AND TELEPHONE NUMBERS SET FORTH ON THE BACK COVER OF THIS OFFER TO PURCHASE. ADDITIONAL COPIES OF THIS OFFER TO PURCHASE, THE LETTER OF TRANSMITTAL, THE NOTICE OF GUARANTEED DELIVERY AND OTHER RELATED MATERIALS MAY BE OBTAINED FROM THE INFORMATION AGENT. STOCKHOLDERS MAY ALSO CONTACT THEIR BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE FOR COPIES OF THESE DOCUMENTS.

THE DEALER MANAGER FOR THE OFFER IS:

MORGAN STANLEY

MAY 17, 2002

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SUMMARY TERM SHEET

Inlet Acquisition Corp., a wholly owned subsidiary of Sears, Roebuck and Co., is offering to purchase all of the outstanding shares of common stock of Lands' End, Inc. for $62.00 per share, net to the seller in cash. The following are answers to some of the questions you, as a stockholder of Lands' End, may have about the offer. We urge you to carefully read the remainder of this Offer to Purchase and the Letter of Transmittal and the other documents to which we

have referred because the information in this summary term sheet is not complete. Additional important information is contained in the remainder of this Offer to Purchase and the Letter of Transmittal.

WHO IS OFFERING TO BUY MY SECURITIES?

We are Inlet Acquisition Corp., a Delaware corporation formed for the purpose of making this tender offer. We are a wholly owned subsidiary of Sears, Roebuck and Co., a New York corporation. See the "Introduction" to this Offer to Purchase and Section 8--"Certain Information Concerning Sears and the Purchaser."

WHAT ARE THE CLASSES AND AMOUNTS OF SECURITIES SOUGHT IN THE OFFER?

We are seeking to purchase all of the outstanding shares of common stock of Lands' End. See the "Introduction" to this Offer to Purchase and Section 1--"Terms of the Offer."

HOW MUCH ARE YOU OFFERING TO PAY? WHAT IS THE FORM OF PAYMENT? WILL I HAVE TO PAY ANY FEES OR COMMISSIONS?

We are offering to pay $62.00 per share, net to you in cash. If you are the record owner of your shares and you directly tender your shares to us in the offer, you will not have to pay brokerage fees or similar expenses. If you own your shares through a broker or other nominee, and your broker tenders your shares on your behalf, your broker or nominee may charge you a fee or commission for doing so. You should consult your broker or nominee to determine whether any such charges will apply. See the "Introduction" to this Offer to Purchase.

DO YOU HAVE THE FINANCIAL RESOURCES TO MAKE PAYMENT?

Yes. Sears, our parent company, will provide us with sufficient funds to purchase all shares validly tendered in the offer and to provide funding for our acquisition of the remaining shares in the merger with Lands' End, which is expected to follow the successful completion of the offer in accordance with the terms and conditions of the merger agreement. The offer is not conditioned upon any financing arrangements. Sears intends to obtain the necessary funds from its ongoing free cash flow and a combination of unsecured long term public debt and long term securities sold into the asset-backed market. See Section 9-- "Source and Amount of Funds."

IS YOUR FINANCIAL CONDITION RELEVANT TO MY DECISION TO TENDER MY SHARES IN THE OFFER?

No. We do not think our financial condition is relevant to your decision whether to tender shares and accept the offer because:

- the offer is being made for all outstanding shares solely for cash;
- we, through our parent company, Sears, have sufficient funds available to purchase all shares validly tendered in the offer;
- the offer is not subject to any financing condition; and
- if we consummate the offer, we will acquire all remaining shares for the same cash price in the merger.

See Section 9--"Source and Amount of Funds."

HOW LONG DO I HAVE TO DECIDE WHETHER TO TENDER MY SHARES IN THE OFFER?

You will have at least until 12:00 midnight, New York City time, on Friday, June 14, 2002, to tender your shares in the offer. Furthermore, if you cannot deliver everything required to make a valid tender by that time, you may still participate in the offer by using the guaranteed delivery procedure that is described later in this Offer to Purchase. See Sections 1--"Terms of the Offer" and 3--"Procedures for Accepting the Offer and Tendering Shares."

CAN THE OFFER BE EXTENDED AND UNDER WHAT CIRCUMSTANCES?

Yes. The offer may be extended for varying lengths of time depending on the circumstances. We have agreed in the merger agreement that:

- We may, without the consent of Lands' End, and must at Lands' End request, extend the expiration date of the offer if, at the then current expiration date, (1) there is any statute, rule, regulation, legislation, judgment, order or injunction enacted or entered which prohibits the offer, prohibits or materially limits the ownership or operation of all or any material portion of the business or assets of Lands' End or imposes material limitations on the rights of ownership of Sears or us with respect to the shares of Lands' End, (2) (A) there is any general suspension of, or limitation on prices for, trading in securities on the New York Stock Exchange or in the Nasdaq National Market, (B) there is any declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or (C) there is any limitation (whether or not mandatory) by any U.S. governmental entity that materially and adversely affects the extension of credit by banks or other lending institutions in the United States, or (3) any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), shall not have expired or been terminated and all material consents and approvals required from governmental authorities to consummate the offer and the merger shall not have been made or obtained.

- We may, without the consent of Lands' End, extend the expiration date of the offer, if, at the then current expiration date, any of the conditions to the offer, other than those set forth in clauses (1), (2) or (3) of the foregoing paragraph or the minimum condition, is not satisfied or waived.

- If all conditions other than the minimum condition are satisfied or waived, we may on one occasion for a period not to exceed twenty business days, extend the expiration date beyond the then current expiration date.

- We may generally extend the offer for any period required by any rule, regulation, interpretation or position of the Securities and Exchange Commission (the "SEC") or the staff thereof applicable to the offer.

However, the expiration date may not be extended in any event beyond September 30, 2002. If at the expiration date of the offer or any subsequent expiration date, all of the conditions to the offer are satisfied or waived, but fewer than 90% of the issued and outstanding shares on a fully diluted basis, together with shares beneficially owned by Sears, us or any of our respective subsidiaries, have been tendered and not withdrawn in the offer, we may, without the consent of Lands' End, elect to provide a "subsequent offering period." A subsequent offering period, if one is included, will be an additional period of not less than three and no more than twenty business days beginning after we have purchased shares tendered during the offer. During the subsequent offer period stockholders may tender, but not withdraw, their shares and receive the offer price.

See Section 1--"Terms of the Offer" of this Offer to Purchase for more details on our obligation and ability to extend the offer.

HOW WILL I BE NOTIFIED IF THE OFFER IS EXTENDED?

If we extend the offer, we will inform Mellon Investor Services LLC, the depositary for the offer, of that extension and will issue a press release announcing the extension not later than 9:00 a.m., New York City time, on the next business day after the day on which the offer was scheduled to expire. See Section 1--"Terms of the Offer."

WHAT ARE THE MOST SIGNIFICANT CONDITIONS TO THE OFFER?

- We are not obligated to purchase any shares that are validly tendered unless the number of shares validly tendered and not withdrawn before the expiration date of the offer, together with any other shares we and Sears and our respective subsidiaries own, represents at least two-thirds of the then issued and outstanding shares on a fully diluted

basis. We call this condition the "minimum condition." See Section 11--"The Transaction Documents."

- We are not obligated to purchase any shares that are validly tendered if the board of directors of Lands' End withdraws or modifies its recommendation of the offer, the merger agreement or the merger.

- Subject to our obligation to extend the offer described above, we are not obligated to purchase shares that are validly tendered if, among other things, the applicable waiting period under the HSR Act shall not have expired or been terminated and any material consent or approval required from any governmental authority to consummate the offer and the merger shall not have been made or obtained.

The offer is also subject to a number of other important conditions. We can waive some of these conditions without the consent of Lands' End. We cannot, however, waive the minimum condition without the consent of Lands' End. See Section 15--"Certain Conditions of the Offer."

HOW DO I TENDER MY SHARES?

To tender your shares, you must deliver the certificates representing your shares, together with a completed letter of transmittal and any other documents required by the letter of transmittal, to Mellon Investor Services LLC, the depositary for the offer, prior to the expiration of the tender offer. If your shares are held in street name (that is, through a broker, dealer or other nominee), they must be tendered by your nominee through The Depository Trust Company. If you are unable to deliver any required document or instrument to the depositary by the expiration of the tender offer, you may still participate in the offer by having a broker, a bank or other fiduciary that is an eligible institution guarantee that the missing items will be received by the depositary within three New York Stock Exchange trading days. For the tender to be valid, however, the depositary must receive the missing items within that three trading day period. See Section 3--"Procedures for Accepting the Offer and Tendering Shares."

UNTIL WHAT TIME MAY I WITHDRAW PREVIOUSLY TENDERED SHARES?

You may withdraw your previously tendered shares at any time before the expiration of the offer. This right to withdraw will not apply to shares tendered in any subsequent offering period, if one is provided. See Section 4--"Withdrawal Rights."

HOW DO I WITHDRAW PREVIOUSLY TENDERED SHARES?

To withdraw previously tendered shares, you must deliver a written notice of withdrawal, or a facsimile of one, with the required information to the depositary while you still have the right to withdraw shares. If you tendered shares by giving instructions to a broker or bank, you must instruct the broker or bank to arrange for the withdrawal of your shares. See Section 4--"Withdrawal Rights."

WHAT DOES THE LANDS' END BOARD OF DIRECTORS THINK OF THE OFFER?

The Board of Directors of Lands' End (1) unanimously determined that the terms of the offer and the merger are fair to and in the best interests of the stockholders of Lands' End, (2) approved the merger agreement and each of the tender agreements and approved each of the transactions contemplated by the merger agreement, including the offer and the merger, and the transactions contemplated by the tender agreements and (3) recommends that the stockholders of Lands' End accept the offer and tender their shares to us pursuant to the offer.

HAVE ANY STOCKHOLDERS PREVIOUSLY AGREED TO TENDER THEIR SHARES?

Yes. Certain stockholders of Lands' End, including the founder and Chairman of Land's End, have agreed to tender Shares representing approximately 55% of Lands' End's issued and outstanding shares in the offer. See Section 11-- "The Transaction Documents."

IF TWO-THIRDS OF THE SHARES ARE TENDERED AND ACCEPTED FOR PAYMENT, WILL LANDS'

END CONTINUE AS A PUBLIC COMPANY?

No. Following the purchase of shares in the offer, we expect to consummate the merger. If the merger takes place, Lands' End no longer will be publicly owned. Even if for some reason the merger does not take place, if we purchase all of the tendered shares, there may be so few remaining stockholders and publicly held shares that Lands' End common stock will no longer be eligible to be listed on the New York Stock Exchange or other securities exchanges, there may not be an active public trading market for Lands' End common stock, and Lands' End may no longer be required to make filings with the SEC or otherwise comply with the SEC rules relating to publicly held companies. See Section 13-- "Certain Effects of the Offer."

WILL THE TENDER OFFER BE FOLLOWED BY A MERGER IF ALL OF THE LANDS' END SHARES ARE NOT TENDERED IN THE OFFER?

Yes. If we accept for payment and pay for at least two-thirds of the shares of Lands' End on a fully diluted basis, we will be merged with and into Lands' End. We have agreed to vote for or enter into a written consent with respect to all shares we acquire in the offer to cause the approval of the merger. If that merger takes place, Sears will own all of the shares of Lands' End and all stockholders of Lands' End (other than us, Sears and stockholders properly exercising dissenters' rights) will receive $62.00 per share in cash, without interest (or any higher price per share that is paid in the offer). See the "Introduction" to this Offer to Purchase.

IF I DECIDE NOT TO TENDER, HOW WILL THE OFFER AFFECT MY SHARES?

If you decide not to tender your shares in the offer and the merger occurs, you will receive the same amount of cash per share that you would have received had you tendered your shares in the offer, without any interest being paid on such amount, subject to any dissenters' rights properly exercised under Delaware law. Therefore, if the merger takes place and you do not exercise your right to dissent, the only difference to you between tendering your shares and not tendering your shares is that you will be paid earlier if you tender your shares in the offer. If you decide not to tender your shares in the offer and we purchase the tendered shares, but the merger does not occur, there may be so few remaining stockholders and publicly traded shares that Lands' End common stock will no longer be eligible for listing on the New York Stock Exchange or other securities exchanges and there may not be an active public trading market for Lands' End common stock. Also, as described above, Lands' End may no longer be required to make filings with the SEC or otherwise comply with the SEC rules relating to publicly held companies. See the "Introduction" to this Offer to Purchase and Section 13-- "Certain Effects of the Offer."

WHAT IS THE MARKET VALUE OF MY SHARES AS OF A RECENT DATE?

On May 10, 2002, the last trading day before we announced the tender offer, the last sale price of Lands' End common stock reported on the New York Stock Exchange was $51.02 per share. On May 16, 2002, the last

trading day before we commenced the tender offer, the last sale price of Lands' End common stock reported on the New York Stock Exchange was $61.84. We encourage you to obtain a recent quotation for shares of Lands' End common stock in deciding whether to tender your shares. See Section 6-- "Price Range of Shares; Dividends."

WHAT ARE THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF TENDERING SHARES IN THE OFFER OR IN THE MERGER?

The sale or exchange of shares pursuant to the offer or the merger will be a taxable transaction for United States federal income tax purposes and possibly for state, local and foreign tax purposes as well. In general, a stockholder who sells shares pursuant to the offer or receives cash in exchange for shares pursuant to the merger will recognize gain or loss for United States federal income tax purposes equal to the difference, if any, between the amount of cash received and the stockholder's adjusted tax basis in the shares sold or exchanged. See Section 5--"Material U.S. Federal Income Tax Consequences."

WHO SHOULD I CALL IF I HAVE QUESTIONS ABOUT THE TENDER OFFER?

You may call D.F. King & Co., Inc. collect at (212) 269-5550 or toll-free at (800) 290-6429 or Morgan Stanley & Co. Incorporated at (212) 761-4308. D.F. King & Co., Inc. is acting as the information agent and Morgan Stanley & Co. Incorporated is acting as the dealer manager for our tender offer. See the back cover of this Offer to Purchase.

To the Holders of Shares of
Common Stock of Lands' End, Inc.:

INTRODUCTION

Inlet Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Sears, Roebuck and Co., a New York corporation ("Sears"), hereby offers to purchase all outstanding shares of common stock, par value $.01 per share (the "Shares"), of Lands' End, Inc., a Delaware corporation (the "Company" or "Lands' End"), at a price of $62.00 per Share, net to the seller in cash (the "Offer Price"), upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with any amendments or supplements hereto or thereto, collectively constitute the "Offer").

The Offer is being made pursuant to an Acquisition Agreement and Agreement and Plan of Merger, dated as of May 12, 2002 (the "Merger Agreement"), by and among Sears, the Purchaser and the Company. The Merger Agreement provides, among other things, that, after the consummation of the Offer and subject to certain conditions, the Purchaser will be merged with and into the Company (the "Merger") with the Company continuing as the surviving corporation (the "Surviving Corporation"), wholly owned by Sears. Pursuant to the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than Shares held by the Company as treasury stock, or owned by Sears, the Purchaser or any of Sears' other wholly owned subsidiaries, all of which will be cancelled and retired and shall cease to exist, and other than Shares that are held by stockholders, if any, who properly exercise their dissenters' rights under the Delaware General Corporation Law (the "DGCL")), will be converted into the right to receive $62.00 or any greater per Share price paid in the Offer in cash, without interest (the "Merger Consideration").

In connection with the execution of the Merger Agreement, Sears and the Purchaser entered into Tender Agreements, each dated as of May 12, 2002 (the "Tender Agreements"), with certain stockholders of the Company, including Mr. Gary C. Comer, founder and Chairman of the Company and the Richard C. Anderson Trust, which is associated with Mr. Richard C. Anderson, the Vice Chairman of the Company (the "Tendering Stockholders"). Approximately 55% of the issued and outstanding Shares are subject to the Tender Agreements. Pursuant to the Tender Agreements, each Tendering Stockholder has agreed, among other things and upon the terms and conditions set forth therein, to tender his or its Shares to the Purchaser in the Offer and grant Sears a purchase option on their Shares which is exercisable upon the occurrence of certain events at the Offer Price, to vote such Shares in the manner specified in the Tender Agreements with respect to certain matters and to appoint Sears as the Tendering Stockholders' proxy to vote such Shares in certain circumstances.

The Merger Agreement and the Tender Agreements are more fully described in Section 11--"The Transaction Documents."

Tendering stockholders who are record owners of their Shares and tender directly to the Depositary (as defined below) will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by the Purchaser pursuant to the Offer. Stockholders who hold their Shares through a broker or bank should consult such institution as to whether it charges any such fees or commissions. Sears or the Purchaser will pay all charges and expenses of Morgan Stanley & Co. Incorporated, as dealer manager ("Morgan Stanley" or the "Dealer Manager"), Mellon Investor Services LLC, as depositary (the "Depositary"), and D.F. King & Co., Inc., as information agent (the "Information Agent"), incurred in connection with the Offer. See Section 17--"Fees and Expenses."

THE BOARD OF DIRECTORS OF THE COMPANY (I) UNANIMOUSLY DETERMINED THAT THE TERMS OF THE OFFER AND THE MERGER ARE FAIR TO AND IN THE BEST INTERESTS OF THE

STOCKHOLDERS OF THE COMPANY, (II) APPROVED THE MERGER AGREEMENT AND EACH OF THE TENDER AGREEMENTS AND APPROVED EACH OF THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, INCLUDING THE OFFER AND THE MERGER, AND THE TRANSACTIONS CONTEMPLATED BY THE TENDER AGREEMENTS AND (III) RECOMMENDS THAT THE COMPANY'S STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES TO THE PURCHASER PURSUANT TO THE OFFER.

Peter J. Solomon Company Limited ("PJSC"), the Company's financial advisor, delivered to the Board of Directors of the Company (the "Company Board") its written opinion, dated May 12, 2002, to the effect that, as of such date and based upon and subject to the matters stated in such opinion, the consideration to be received by holders of Shares pursuant to the Offer and the Merger was fair from a financial point of view to such stockholders. The full text of PJSC's written opinion, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is included as an annex to the Schedule 14D-9 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which is being mailed to stockholders with this Offer to Purchase. Stockholders are urged to read the full text of that opinion carefully and in its entirety.

The Offer is conditioned upon, among other things, (i) there being validly tendered and not withdrawn prior to the expiration of the Offer a number of Shares, that, together with any other Shares then owned by Sears or the Purchaser or any of their subsidiaries, represents at least two-thirds of the then issued and outstanding shares on a fully diluted basis (the "Minimum Condition"), and (ii) the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), having expired or been terminated and all material consents, approvals or authorizations required to be obtained prior to the consummation of the Offer and the Merger from any governmental or regulatory authority having been made or obtained. The Offer is also subject to other conditions set forth in this Offer to Purchase.

For purposes of the Offer, "on a fully diluted basis" means, as of any date, the number of Shares issued and outstanding, together with the Shares that may be issued by the Company pursuant to warrants, options, rights or obligations outstanding at that date, whether or not vested or then exercisable. The Company has advised Sears that, on May 12, 2002, 30,012,942 Shares were issued and outstanding and 2,804,051 Shares were subject to stock option grants. None of Sears, the Purchaser or any person listed on Schedule I hereto beneficially owns any Shares. The Tendering Stockholders have agreed in the Tender Agreements to tender their Shares to the Purchaser in the Offer. The shares subject to the Tender Agreements represent approximately 55% of the issued and outstanding Shares.

The Merger Agreement provides that following the purchase of and payment for Shares representing at least two-thirds of the then issued and outstanding Shares on a fully diluted basis, and prior to the Effective Time, (i) the size of the Company Board shall be increased to nine, (ii) all current directors shall resign, other than three directors who were directors on the date of the Merger Agreement and who are not employees of the Company or stockholders, affiliates, associates or employees of Sears or the Purchaser (such directors, the "Independent Directors"), and (iii) Sears shall be entitled to fill the vacancies so created to the Company Board. The Company has agreed to use its reasonable best efforts to promptly take all actions necessary to enable Sears' designees to be elected as directors of the Company. Until the Effective Time, the Company shall cause the Board to have at least three Independent Directors.

The Merger is subject to the satisfaction or waiver of certain conditions, including, if required, the approval and adoption of the Merger Agreement by the affirmative vote of the holders of two-thirds of the outstanding Shares. If the Minimum Condition is satisfied, the Purchaser would have sufficient voting power to approve the Merger without the affirmative vote of any other stockholder of the Company. The Company has agreed to obtain stockholder approval of the Merger Agreement and the Merger, if required, by written consent as promptly as practicable following the Purchaser's acceptance for payment of, and full payment for, the Shares tendered pursuant to the Offer and to promptly prepare and file with the SEC an information statement relating to the Merger and the Merger Agreement and cause the information statement to be mailed to its stockholders; provided that the Company may elect to obtain such stockholder approval by causing a meeting of the stockholders to be held. Sears and the Purchaser have agreed to vote their Shares in favor of and consent to the approval of the Merger and adoption of the Merger Agreement. See Section 11--"The Transaction Documents."

This Offer to Purchase and the related Letter of Transmittal contain important information that should be read carefully before any decision is made with respect to the Offer. This Offer to Purchase contains forward-looking statements that involve risks and uncertainties, including the risks associated with satisfying the various

conditions to the Offer. Certain of these factors, as well as additional risks and uncertainties, are detailed in the Company's periodic filings with the SEC. See Section 8--"Certain Information Concerning the Company."

THE TENDER OFFER

1. TERMS OF THE OFFER.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), the Purchaser will accept for payment and pay for all Shares validly tendered prior to the Expiration Date and not properly withdrawn as permitted under Section 4--"Withdrawal Rights." The term "Expiration Date" means 12:00 midnight, New York City time, on Friday, June 14, 2002, unless the Purchaser, in accordance with the Merger Agreement, extends the period during which the Offer is open, in which event the term "Expiration Date" means the latest time and date on which the Offer, as so extended (other than any extension with respect to the Subsequent Offering Period described below), expires.

The Offer is conditioned upon the satisfaction of the Minimum Condition and the other conditions set forth in Section 15--"Certain Conditions of the Offer." Subject to the provisions of the Merger Agreement, the Purchaser may waive any or all of the conditions to its obligation to accept for payment and pay for Shares pursuant to the Offer (other than the Minimum Condition).

The Purchaser may, without the consent of the Company, and must at the Company's request, extend the Expiration Date of the Offer from time to time if, at the then current Expiration Date, (1) there shall be any statute, rule, regulation, legislation, judgment, order or injunction enacted or entered which prohibits the offer, prohibits or materially limits the ownership or operation of all or any material portion of the business or assets of the Company or imposes material limitations on the rights of ownership of Sears or the Purchaser with respect to the Shares of the Company, (2) (A) there is any general suspension of, or limitation on prices for, trading in securities on the New York Stock Exchange or in the Nasdaq National Market, (B) there is any declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or (C) there is any limitation (whether or not mandatory) by any U.S. governmental entity that materially and adversely affects the extension of credit by banks or other lending institutions in the United States, or (3) any applicable waiting period under the HSR Act shall not have expired or been terminated and all material consents and approvals required from governmental authorities to consummate the Offer and the Merger shall not have been made or obtained. In addition, the Purchaser may, without the consent of the Company, extend the Expiration Date of the Offer, if, at the then current Expiration Date, any of the conditions to the Offer, other than those set forth in clauses (1), (2) or (3) above or the Minimum Condition, is not satisfied or waived. If all conditions other than the Minimum Condition are satisfied or waived, the Purchaser may on one occasion for a period not to exceed twenty business days, extend the Expiration Date beyond the then current Expiration Date. The Purchaser also may generally extend the Offer for any period required by any rule, regulation, interpretation or position of the SEC or the staff thereof applicable to the offer. However, the Expiration Date may not be extended in any event beyond September 30, 2002.

The Purchaser has agreed that, without the prior written consent of the Company, it will not make any change to the Offer that (i) amends or waives the Minimum Condition, (ii) decreases the Offer Price, (iii) changes the form of consideration payable in the Offer, (iv) decreases the number of Shares sought in the Offer, (v) imposes additional conditions or modifies any of the conditions to the Offer in any manner adverse to the holders of the Shares, or (vi) except as otherwise described above, extends the Offer.

The Merger Agreement also provides that if all conditions to the Offer are

satisfied or waived, and if the number of Shares that have been validly tendered and not withdrawn, together with the Shares beneficially owned by Sears, the Purchaser and any of their subsidiaries, is less than 90% of the Shares then issued and outstanding on a fully diluted basis, the Purchaser may elect, without the consent of the Company, to provide a

subsequent offering period in accordance with Rule 14d-11 of the Exchange Act (a "Subsequent Offering Period"). A Subsequent Offering Period is an additional period of time from three to twenty business days in length, beginning after the Purchaser purchases Shares tendered in the Offer, during which time stockholders may tender, but not withdraw, their Shares and receive the Offer Price. Rule 14d-11 provides that the Purchaser may include a Subsequent Offering Period so long as, among other things, (i) the Offer remained open for a minimum of twenty business days and has expired, (ii) the Purchaser immediately accepts and promptly pays for all Shares tendered during the Offer prior to the Expiration Date, (iii) the Purchaser announces the results of the Offer, including the approximate number and percentage of Shares tendered and accepted in the Offer, no later than 9:00 a.m., New York City time, on the next business day after the Expiration Date and immediately begins the Subsequent Offering Period, and (iv) the Purchaser immediately accepts and promptly pays for Shares as they are tendered during the Subsequent Offering Period. In the event that the Purchaser elects to provide a Subsequent Offering Period, it will provide an announcement to that effect by issuing a press release to a national news service on the next business day after the previously scheduled Expiration Date.

Subject to the applicable rules and regulations of the SEC and the provisions of the Merger Agreement, the Purchaser expressly reserves the right, at any time on or after the date of the Merger Agreement and before the Expiration Date, (i) to terminate the Offer or amend the Offer if any of the conditions set forth in Section 15--"Certain Conditions of the Offer" have not been satisfied or (ii) to waive any condition to the Offer (other than the Minimum Condition), in each case by giving oral or written notice of such extension, termination, waiver or amendment to the Depositary and by making a public announcement thereof.

The rights reserved by the Purchaser by the preceding paragraph are in addition to the Purchaser's rights pursuant to Section 15--"Certain Conditions of the Offer." Any extension, delay, termination, waiver or amendment will be followed promptly by public announcement. Such announcement, in the case of an extension, will be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date, in accordance with the public announcement requirements of Rule 14e-1(d) under the Exchange Act. Subject to applicable law (including Rules 14d-4(d) and 14d-6(c) under the Exchange Act, which require that material changes be promptly disseminated to stockholders in a manner reasonably designed to inform them of such changes), and without limiting the manner in which the Purchaser may choose to make any public announcement, the Purchaser shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release to a national news service.

If the Purchaser extends the Offer, is delayed in its acceptance for payment of Shares or is unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer, the Depositary may, nevertheless, on behalf of the Purchaser, retain tendered Shares, and such Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described herein under Section 4--"Withdrawal Rights." However, the ability of the Purchaser to delay the payment for Shares that the Purchaser has accepted for payment is limited by Rule 14e-1(c) under the Exchange Act, which requires that a bidder pay the consideration offered or return the securities deposited by or on behalf of stockholders promptly after the termination or withdrawal of such bidder's offer.

If the Purchaser makes a material change in the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer, the Purchaser will disseminate additional tender offer materials and extend the Offer to the extent required by Rules 14d-4(d), 14d-6(c) and 14e-1 under the Exchange Act. The minimum period during which an offer must remain open following a material change in the terms of the offer, other than a change in price, percentage of securities sought or inclusion of or changes to a

dealer's soliciting fee, will depend upon the facts and circumstances, including the materiality, of the change. In the SEC's view, an offer should remain open for a minimum of five (5) business days from the date the material change is first published, sent or given to stockholders and, if a material change is made with respect to information that approaches the significance of price and the percentage of Shares sought, a minimum of ten (10) business days may be required to allow for adequate dissemination and investor response. Accordingly, if, prior to the Expiration Date, the Purchaser decreases the number of Shares being sought or increases the consideration

offered pursuant to the Offer, and if the Offer is scheduled to expire at any time earlier than the tenth (10th) business day from the date that notice of such increase or decrease is first published, sent or given to stockholders, the Offer will be extended at least until the expiration of such tenth (10th) business day. As used in this Offer to Purchase, "business day" has the meaning set forth in Rule 14d-1 under the Exchange Act.

The Company has provided the Purchaser with the Company's stockholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares whose names appear on the Company's stockholder list and will also be furnished, for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing.

2. ACCEPTANCE FOR PAYMENT AND PAYMENT FOR SHARES.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment) and the satisfaction or waiver of all the conditions to the Offer set forth in Section 15--"Certain Conditions of the Offer," the Purchaser will accept for payment and will pay for all Shares validly tendered and not properly withdrawn promptly after the Expiration Date. Subject to the terms of the Merger Agreement and compliance with Rule 14e-1(c) under the Exchange Act, the Purchaser expressly reserves the right to delay acceptance for payment of Shares pending receipt of regulatory or governmental approvals and any applicable pre-merger notification laws or regulations of foreign jurisdictions, including, without limitation, the HSR Act. See Section 16--"Certain Legal Matters; Regulatory Approvals." If Purchaser decides to include a Subsequent Offering Period, Purchaser will accept for payment, and promptly pay for all validly tendered Shares as they are received during the Subsequent Offering Period. See Section 1--"Terms of the Offer."

In all cases (including during any Subsequent Offering Period), payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) the certificates evidencing such Shares (the "Share Certificates") or confirmation of a book-entry transfer of such Shares (a "Book-Entry Confirmation") into the Depositary's account at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3--"Procedures for Accepting the Offer and Tendering Shares," (ii) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message (as defined below) in lieu of the Letter of Transmittal and (iii) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when Share Certificates or Book-Entry Confirmations with respect to Shares are actually received by the Depositary.

The term "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility to and received by the Depositary and forming a part of a Book-Entry Confirmation, that states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant in the Book-Entry Transfer Facility tendering the Shares that are the subject of such Book-Entry Confirmation, that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Purchaser may enforce such agreement against such participant.

For purposes of the Offer (including during any Subsequent Offering Period),

the Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not properly withdrawn, if and when the Purchaser gives oral or written notice to the Depositary of the Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the Offer Price for such Shares with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments from the Purchaser and transmitting such payments to tendering stockholders whose Shares have been accepted for payment. If the Purchaser extends the Offer, is delayed in its acceptance for payment of Shares or is unable to

accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer, the Depositary may, nevertheless, on behalf of the Purchaser, retain tendered Shares, and such Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described herein under Section 4--"Withdrawal Rights" and as otherwise required by Rule 14e-1(c) under the Exchange Act.

If any tendered Shares are not accepted for payment for any reason pursuant to the terms and conditions of the Offer, or if Share Certificates are submitted evidencing more Shares than are tendered, Share Certificates evidencing unpurchased Shares will be returned, without expense to the tendering stockholder (or, in the case of Shares tendered by book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility pursuant to the procedure set forth in Section 3--"Procedures for Accepting the Offer and Tendering Shares," such Shares will be credited to an account maintained at the Book-Entry Transfer Facility), promptly following the expiration or termination of the Offer.

3. PROCEDURES FOR ACCEPTING THE OFFER AND TENDERING SHARES.

VALID TENDERS. In order for a stockholder validly to tender Shares pursuant to the Offer, either (i) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, together with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal) and any other documents required by the Letter of Transmittal must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase and either (A) the Share Certificates evidencing tendered Shares must be received by the Depositary at such address or (B) such Shares must be tendered pursuant to the procedure for book-entry transfer described below and a Book-Entry Confirmation must be received by the Depositary, in each case prior to the Expiration Date (or, with respect to any Subsequent Offering Period, if one is provided, prior to the expiration thereof), or (ii) the tendering stockholder must comply with the guaranteed delivery procedures described below.

BOOK-ENTRY TRANSFER. The Depositary will establish an account with respect to the Shares at the Book-Entry Transfer Facility for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the system of the Book-Entry Transfer Facility may make a book-entry delivery of Shares by causing the Book-Entry Transfer Facility to transfer such Shares into the Depositary's account at the Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer at the Book-Entry Transfer Facility, either the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in lieu of the Letter of Transmittal, and any other required documents, must, in any case, be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date (except with respect to any Subsequent Offering Period, if one is provided), or the tendering stockholder must comply with the guaranteed delivery procedure described below. DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

For Shares to be validly tendered during any Subsequent Offering Period, the tendering stockholder must comply with the foregoing procedures, except that required documents and certificates must be received during the Subsequent

Offering Period.

SIGNATURE GUARANTEES. No signature guarantee is required on the Letter of Transmittal (i) if the Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Section 3, includes any participant in the Book-Entry Transfer Facility's systems whose name appears on a security position listing as the owner of the Shares) of the Shares tendered therewith, unless such holder has completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the Letter of Transmittal or (ii) if the Shares are tendered for the account of a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a participant in the Security Transfer Agents Medallion

Program or any other "eligible guarantor institution," as such term is defined in Rule 17Ad-15 of the Exchange Act (each an "Eligible Institution" and collectively "Eligible Institutions"). In all other cases, all signatures on a Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 1 of the Letter of Transmittal. If a Share Certificate is registered in the name of a person or persons other than the signer of the Letter of Transmittal, or if payment is to be made or delivered to, or a Share Certificate not accepted for payment or not tendered is to be issued in, the name(s) of a person other than the registered holder(s), then the Share Certificate must be endorsed or accompanied by appropriate duly executed stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear on the Share Certificate, with the signature(s) on such Share Certificate or stock powers guaranteed by an Eligible Institution as provided in the Letter of Transmittal. See Instructions 1 and 5 of the Letter of Transmittal.

GUARANTEED DELIVERY. If a stockholder desires to tender Shares pursuant to the Offer and the Share Certificates evidencing such stockholder's Shares are not immediately available or such stockholder cannot deliver the Share Certificates and all other required documents to the Depositary prior to the Expiration Date, or such stockholder cannot complete the procedure for delivery by book-entry transfer on a timely basis, such Shares may nevertheless be tendered; provided that all of the following conditions are satisfied:

i. such tender is made by or through an Eligible Institution;

ii. a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by the Purchaser, is received prior to the Expiration Date by the Depositary as provided below; and

iii. the Share Certificates (or a Book-Entry Confirmation) evidencing all tendered Shares, in proper form for transfer, in each case together with the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message), and any other documents required by the Letter of Transmittal are received by the Depositary within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by manually signed facsimile transmission or mailed to the Depositary and must include a guarantee by an Eligible Institution in the form set forth in the form of Notice of Guaranteed Delivery made available by the Purchaser.

Notwithstanding any other provision of this Offer, payment for Shares accepted pursuant to the Offer will in all cases only be made after timely receipt by the Depositary of (i) certificates evidencing such Shares or a Book-Entry Confirmation of a book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility pursuant to the procedures set forth in this Section 3, (ii) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal and (iii) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when Share Certificates or Book-Entry Confirmations with respect to Shares are actually received by the Depositary.

THE METHOD OF DELIVERY OF SHARE CERTIFICATES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, RECEIPT OF A BOOK-ENTRY CONFIRMATION). IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

The tender of Shares pursuant to any one of the procedures described above will constitute the tendering stockholder's acceptance of the Offer, as well as the tendering stockholder's representation and warranty that

such stockholder has the full power and authority to tender and assign the Shares tendered, as specified in the Letter of Transmittal. The Purchaser's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the tendering stockholder and the Purchaser upon the terms and subject to the conditions of the Offer.

DETERMINATION OF VALIDITY. All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by the Purchaser, in its sole discretion, which determination shall be final and binding on all parties. The Purchaser reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment of which may, in the opinion of its counsel, be unlawful. The Purchaser also reserves the absolute right to waive any defect or irregularity in the tender of any Shares of any particular stockholder, whether or not similar defects or irregularities are waived in the case of other stockholders. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived to the satisfaction of the Purchaser. None of Sears, the Purchaser, the Dealer Manager, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. The Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

APPOINTMENT. By executing and delivering the Letter of Transmittal and tendering certificates or completing the procedure for book-entry transfer, as set forth above, the tendering stockholder will irrevocably appoint designees of the Purchaser as such stockholder's attorneys-in-fact and proxies in the manner set forth in the Letter of Transmittal, each with full power of substitution, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by the Purchaser and with respect to any and all other Shares or other securities or rights issued or issuable in respect of such Shares. All such powers of attorney and proxies will be considered irrevocable and coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, the Purchaser accepts for payment Shares tendered by such stockholder as provided herein. Upon such appointment, all prior powers of attorney and proxies given by such stockholder with respect to such Shares or other securities or rights will, without further action, be revoked and no subsequent powers of attorney and proxies or revocations may be given by such stockholder (and, if given, will not be deemed effective). The designees of the Purchaser will thereby be empowered to exercise all voting and other rights with respect to such Shares and other securities or rights, including, without limitation, in respect of any annual, special or adjourned meeting of the Company's stockholders, actions by written consent in lieu of any such meeting or otherwise, as they in their sole discretion deem proper. The Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered immediately upon the Purchaser's acceptance for payment of such Shares, the Purchaser must be able to exercise full voting, consent and other rights with respect to such Shares and other related securities or rights, including voting at any meeting of stockholders.

BACKUP WITHHOLDING. Under the "backup withholding" provisions of U.S. federal income tax law, the Depositary may be required to withhold and pay over to the Internal Revenue Service a portion of the amount of any payments made pursuant to the Offer. To avoid backup withholding, unless an exemption

applies, a stockholder who is a U.S. person (as defined for U.S. federal income tax purposes) must provide the Depositary with such stockholder's correct taxpayer identification number ("TIN") and certify under penalties of perjury that such TIN is correct and that such stockholder is not subject to backup withholding by completing the Substitute Form W-9 in the Letter of Transmittal. If a stockholder does not provide its correct TIN or fails to provide the certifications described above, the Internal Revenue Service may impose a penalty on the stockholder and any payment made to the stockholder pursuant to the Offer may be subject to backup withholding. All stockholders surrendering Shares pursuant to the Offer who are U.S. persons should complete and sign the Substitute Form W-9 included in the Letter of Transmittal to provide the information and certifications necessary to avoid backup withholding (unless an applicable exemption exists and is proved in a manner satisfactory to the Depositary). Certain stockholders (including, among others, all corporations and certain foreign individuals and entities) may not be subject to backup withholding. Foreign stockholders should complete and sign the appropriate Form W-8

(a copy of which may be obtained from the Depositary) in order to avoid backup withholding. Such stockholders should consult a tax advisor to determine which Form W-8 is appropriate. See Instruction 8 of the Letter of Transmittal.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from payments made to a stockholder may be refunded or credited against such stockholder's U.S. federal income tax liability, if any, provided that the required information is furnished to the Internal Revenue Service.

4. WITHDRAWAL RIGHTS.

Except as otherwise provided in this Section 4, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after July 15, 2002.

For a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of such Shares, if different from that of the person who tendered such Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3--"Procedures for Accepting the Offer and Tendering Shares," any notice of withdrawal must also specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares.

If the Purchaser extends the Offer, is delayed in its acceptance for payment of Shares or is unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer, the Depositary may, nevertheless, on behalf of the Purchaser, retain tendered Shares, and such Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described herein.

Withdrawals of Shares may not be rescinded. Any Shares properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be re-tendered by again following one of the procedures described in Section 3--"Procedures for Accepting the Offer and Tendering Shares" at any time prior to the Expiration Date or during the Subsequent Offering Period, if any.

No withdrawal rights apply during the Subsequent Offering Period with respect to Shares tendered in the Offer and accepted for payment. See Section 1--"Terms of the Offer."

ALL QUESTIONS AS TO THE FORM AND VALIDITY (INCLUDING TIME OF RECEIPT) OF ANY NOTICE OF WITHDRAWAL WILL BE DETERMINED BY THE PURCHASER, IN ITS SOLE DISCRETION, WHOSE DETERMINATION WILL BE FINAL AND BINDING. NONE OF SEARS, THE PURCHASER, THE DEALER MANAGER, THE DEPOSITARY, THE INFORMATION AGENT OR ANY OTHER PERSON WILL BE UNDER ANY DUTY TO GIVE NOTIFICATION OF ANY DEFECTS OR IRREGULARITIES IN ANY NOTICE OF WITHDRAWAL OR INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTIFICATION.

5. MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES.

The following is a summary of the material U.S. federal income tax consequences of the Offer and the Merger to stockholders of the Company whose Shares are tendered and accepted for payment pursuant to the Offer or whose Shares are converted into the right to receive cash in the Merger. The discussion is based upon

the Internal Revenue Code of 1986, as amended, Treasury regulations, judicial authorities, published positions of the Internal Revenue Service and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). This discussion is limited to stockholders of the Company who hold their Shares as capital assets for U.S. federal income tax purposes (generally, assets held for investment). The discussion does not address all of the tax consequences that may be relevant to stockholders of the Company who hold their Shares pursuant to the exercise of employee stock options or otherwise as compensation or to certain types of stockholders (such as insurance companies, tax-exempt organizations, financial institutions and broker-dealers) that are subject to special treatment under federal income tax laws. In addition, this discussion does not discuss the U.S. federal income tax consequences to any stockholder of the Company that, for U.S. federal income tax purposes, is a nonresident alien individual, a foreign corporation, a foreign partnership, or a foreign estate or trust, nor does it consider the effect of any state, local or foreign tax laws.

BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, EACH STOCKHOLDER SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR TO DETERMINE THE APPLICABILITY OF THE RULES DISCUSSED BELOW AND THE PARTICULAR TAX CONSEQUENCES OF THE OFFER AND THE MERGER TO SUCH STOCKHOLDER, INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL AND FOREIGN TAX LAWS AND OF CHANGES IN SUCH LAWS.

The sale or exchange of Shares for cash pursuant to the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes and generally for state, local and foreign income tax purposes as well. In general, a stockholder who sells Shares pursuant to the Offer or receives cash in exchange for Shares pursuant to the Merger will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the amount of cash received and the stockholder's adjusted tax basis in the Shares sold or exchanged. Gain or loss will be determined separately for each block of Shares (that is, Shares acquired at the same cost in a single transaction) tendered pursuant to the Offer or exchanged for cash pursuant to the Merger. Such gain or loss will be long-term capital gain or loss provided that a stockholder's holding period for such Shares is more than one year at the time of consummation of the Offer or the Merger, as the case may be. Capital gains recognized by an individual upon a disposition of Shares that have been held for more than one year generally will be subject to a maximum U.S. federal income tax rate of 20%. In the case of Shares that have been held for one year or less, such capital gains generally will be subject to tax at ordinary income tax rates. Certain limitations apply to the use of a stockholder's capital losses.

A stockholder whose Shares are sold or exchanged pursuant to the Offer or the Merger may be subject to backup withholding unless certain information and certifications are provided to the Depositary or an exemption applies. See Section 3--"Procedures for Accepting the Offer and Tendering Shares."

6. PRICE RANGE OF SHARES; DIVIDENDS.

The Shares trade on the New York Stock Exchange (the "NYSE") under the symbol "LE." The following table sets forth, for the periods indicated, the high and low sale prices per Share for the periods indicated. Share prices are

as reported on the NYSE based on published financial sources.

CALENDAR YEAR	COMMON STOCK HIGH	LOW
2000:		
First Quarter	$61.5000	$27.2500
Second Quarter	59.9375	28.2500
Third Quarter	40.5000	20.3800
Fourth Quarter	27.4700	18.7000
2001:		
First Quarter	$31.8000	$22.5000
Second Quarter	41.8100	26.2000
Third Quarter	43.6000	28.3700
Fourth Quarter	53.3800	28.0500
2002:		
First Quarter	$55.2000	$43.2000
Second Quarter (through May 16)	61.9000	43.2500

On May 10, 2002, the last full day of trading before the public announcement of the execution of the Merger Agreement, the closing price of the Shares on the NYSE was $51.02 per Share. On May 16, 2002, the last full day of trading before the commencement of the Offer, the closing price of the Shares on the NYSE was $61.84 per Share. The Company has not paid a dividend in cash on the Shares since December 29, 1993 and the setting aside for payment or paying any dividend on the Shares is prohibited by the Merger Agreement.

STOCKHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE SHARES.

7. CERTAIN INFORMATION CONCERNING THE COMPANY.

GENERAL. The Company is a Delaware corporation with its principal offices located at One Lands' End Lane, Dodgeville, Wisconsin. The telephone number for the Company is (608) 935-9341. According to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2002, the Company is a leading direct merchant of traditionally styled, casual clothing for men, women and children, accessories, footwear, home products, and soft luggage. The Company offers its products through multiple selling channels consisting of regular mailings of its monthly primary, prospecting and specialty catalogs as well as through the Internet, its international businesses, and its outlet and inlet stores.

AVAILABLE INFORMATION. The Shares are registered under the Exchange Act. Accordingly, the Company is subject to the information reporting requirements of the Exchange Act and, in accordance therewith, is required to file periodic reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the SEC's regional offices located at 233 Broadway, New York, New York 10279 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Information regarding the public reference facilities may be obtained from the SEC by telephoning 1-800-SEC-0330. The Company's filings are also available to the public on the SEC's Internet site (http://www.sec.gov). Copies of such materials may also be obtained by mail from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates.

SUMMARY FINANCIAL INFORMATION. Set forth below is certain summary financial information for the Company and its consolidated subsidiaries for the last two fiscal years excerpted from the Company's Annual Reports on Form 10-K for the periods ended January 26, 2001 and February 1, 2002 and the summary financial information for the Company and its consolidated subsidiaries for the quarters ended April 27, 2001 and May 3, 2002 excerpted from the Company's May 16, 2002 earnings release. More comprehensive financial information is included in such reports and other documents filed by the Company with the SEC, and the

following summary is qualified in its entirety by reference to such reports and other documents and all of the financial information and notes contained therein. Copies of such reports and other documents may be examined at or obtained from the SEC in the manner set forth above.

	QUARTER ENDED		FISCAL YEAR ENDED	
	APRIL 27, 2001	MAY 3, 2002	2001	2002
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
REVENUE				
Total revenue	$311,120	$341,175	$1,462,283	$1,569,062
OPERATING DATA				
Income from operations	10,506	25,644	61,660	113,164
Net income	5,858	16,496	34,657	66,916
Net income per share:				
Basic	0.20	0.55	1.15	2.27
Diluted	0.20	0.54	1.14	2.23
BALANCE SHEET DATA				
Total assets	470,750	588,376	507,629	599,120
Total current liabilities	132,393	161,059	178,874	185,564
Total stockholder's investment	321,106	415,941	314,188	400,718

CERTAIN PROJECTIONS PROVIDED BY THE COMPANY. The Company does not, as a matter of course, make public any forecasts as to its future financial performance. However, in connection with Sears' review of the Transactions, the Company provided Sears with certain projected financial information concerning the Company. The Company has advised Sears and the Purchaser that its internal financial forecasts (upon which the projections provided to Sears and the Purchaser were based in part) are, in general, prepared solely for internal use and capital budgeting and other management decisions and are subjective in many respects and thus susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. The projections also reflect numerous assumptions (not all of which were provided to Sears and the Purchaser), all made by management of the Company, with respect to industry performance, general business, economic, market and financial conditions and other matters. Such assumptions regarding future events are difficult to predict, and many are beyond the Company's control. Accordingly, there can be no assurance that the assumptions made by the Company in preparing the projections will prove accurate. It is expected that there will be differences between actual and projected results, and actual results may be materially greater or less than those contained in the projections. The inclusion of the projections herein should not be regarded as an indication that any of Sears, the Purchaser, the Company or their respective affiliates or representatives consider the projections to be a reliable prediction of future events, and the projections should not be relied upon as such. These projections are being provided only because the Company made them available to Sears and the Purchaser in connection with their discussions regarding the Offer and the Merger. None of Sears, the Purchaser, the Company or any of their respective affiliates or representatives makes any representation to any person regarding the projections, and none of them has or intends to update or otherwise revise the projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the projections are shown to be in error.

The projections provided to Sears by the Company included, among other things, the following forecasts and targets for the fiscal years indicated of the Company's total revenues, gross profit, pretax income and earnings per share (in millions, except per share data):

-	FORECAST	TARGET		
	FY 2003	FY 2004	FY 2005	FY 2006

Total Revenues....	$1,658.0	$1,806.4	$1,978.0	$2,154.1
Gross Profit.....	742.9	815.8	900.0	977.2
Pretax Income.....	133.4	152.0	175.9	193.4
Earnings per Share	$ 2.70	$ 3.07	$ 3.55	$ 3.91

These projections should be read together with the financial statements of the Company that can be obtained from the SEC as described above.

It is the understanding of Sears and the Purchaser that the projections were not prepared with a view to public disclosure or compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projections or forecasts. The projections do not purport to present operations in accordance with generally accepted accounting principles, and the Company's independent auditors have not examined, compiled or performed any procedures with respect to the projections presented herein, nor have they expressed any opinion or any other form of assurance of such information or its achievability, and accordingly assume no responsibility for them.

Except for these projections and as otherwise stated in this Offer to Purchase, the information concerning the Company contained herein has been taken from or is based upon reports and other documents on file with the SEC or otherwise publicly available. Neither Sears nor the Purchaser (i) has any knowledge that would indicate that any statements contained herein based upon such reports and documents are untrue or (ii) takes any responsibility for the accuracy or completeness of the information contained in such reports and other documents or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of any such information.

8. CERTAIN INFORMATION CONCERNING SEARS AND THE PURCHASER.

GENERAL. Sears is a New York corporation with its principal offices located at 3333 Beverly Road, Hoffman Estates, Illinois 60179. The telephone number of Sears is (847) 286-2500. Sears is a multi-line retailer that provides a wide array of merchandise and services. Sears' business is organized into four principal business segments--Retail and Related Services, Credit and Financial Products, Corporate and Other, and Sears Canada.

The Purchaser is a Delaware corporation with its principal offices located at 3333 Beverly Road, Hoffman Estates, Illinois 60179. The telephone number of the Purchaser is (847) 286-2500. The Purchaser is a wholly owned subsidiary of Sears. The Purchaser was formed for the purpose of making a tender offer for all of the common stock of the Company and has not engaged, and does not expect to engage, in any business other than in connection with the Offer and the Merger.

The name, citizenship, business address, business phone number, present principal occupation or employment and past material occupation, positions, offices or employment for each director and executive officer of Sears and the Purchaser for at least the last five (5) years and certain other information are set forth in Schedule I hereto.

Except as described in this Offer to Purchase and in Schedule I hereto, (i) none of Sears, the Purchaser or, to the best knowledge of Sears and the Purchaser, any of the persons listed in Schedule I to this Offer to Purchase or any associate or majority-owned subsidiary of Sears or the Purchaser or any of the persons so listed beneficially owns or has any right to acquire, directly or indirectly, any Shares and (ii) none of Sears, the Purchaser or, to the best knowledge of Sears and the Purchaser, any of the persons or entities referred to above nor any director, executive officer or subsidiary of any of the foregoing has effected any transaction in the Shares during the past sixty (60) days.

Except as provided in the Merger Agreement, the Tender Agreements or as otherwise described in this Offer to Purchase, none of Sears, the Purchaser or, to the best knowledge of Sears and the Purchaser, any of the persons listed in Schedule I to this Offer to Purchase, has any contract, arrangement, understanding or relationship with any other person with respect to any

securities of the Company, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of such securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, guarantees of profits, division of profits or loss or the giving or withholding of proxies.

Except as set forth in this Offer to Purchase, none of Sears, the Purchaser or, to the best knowledge of Sears and the Purchaser, any of the persons listed on Schedule I hereto, has had any business relationship or transaction with the Company or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the SEC applicable to the Offer. Except as set forth in this Offer to Purchase, there have been no contacts, negotiations or transactions between Sears or any of its subsidiaries or, to the best knowledge of Sears, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets. None of the persons listed in Schedule I has, during the past five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). None of the persons listed in Schedule I has, during the past five years, been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

AVAILABLE INFORMATION. Pursuant to Rule 14d-3 under the Exchange Act, Sears and the Purchaser filed with the SEC a Tender Offer Statement on Schedule TO (the "Schedule TO"), of which this Offer to Purchase forms a

part, and exhibits to the Schedule TO. Additionally, Sears is subject to the information reporting requirements of the Exchange Act and, in accordance therewith, is required to file periodic reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. The Schedule TO and the exhibits thereto, and such reports, proxy statements and other information, can be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the SEC's regional offices located at 233 Broadway, New York, New York 10279 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Information regarding the public reference facilities may be obtained from the SEC by telephoning 1-800-SEC-0330. Sears filings are also available to the public on the SEC's Internet site (http://www.sec.gov). Copies of such materials may also be obtained by mail from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates.

9. SOURCE AND AMOUNT OF FUNDS.

The Offer is not conditioned upon Sears' or the Purchaser's ability to finance the purchase of Shares pursuant to the Offer.

Sears and the Purchaser estimate that the total amount of funds required to purchase all of the outstanding Shares pursuant to the Offer and the Merger will be approximately $1.9 billion, including related fees and expenses. Sears has available to it sufficient funds to close the Offer and the Merger, and will cause the Purchaser to have sufficient funds available to close the Offer and the Merger. Sears intends to obtain the necessary funds from its ongoing free cash flow and a combination of unsecured long term public debt or long term securities sold into the asset-backed market. In the event that such financings are unavailable, Sears will utilize cash on hand and/or arrange alternate financing, which may include, among other financing alternatives, the issuance of its unsecured commercial paper or borrowings via a syndicate of multi-seller, asset-backed commercial paper conduit programs sponsored by various banks.

10. BACKGROUND OF THE OFFER; PAST CONTACTS OR NEGOTIATIONS WITH THE COMPANY.

In May 2000, the Company's then financial advisor contacted Sears to solicit interest with regards to the possible acquisition of the Company by Sears. On May 19, 2000, the Company and Sears executed a confidentiality agreement and

thereafter the Company provided Sears with an offering memorandum with respect to the Company.

In June 2000, Sears retained Morgan Stanley to serve as its financial advisor with respect to the possible acquisition.

On June 15, 2000, pursuant to a request from the Company's then financial advisor, Sears submitted a written, non-binding indication of interest for the acquisition of the Company in a cash tender offer for 100% of the outstanding common stock.

On June 26, 2000, representatives of Sears attended a presentation by the Company's management with respect to its business and operations. Subsequent to the management presentation, throughout late June and the first half of July 2000, Sears and its legal and financial advisors conducted due diligence investigations of the Company.

On July 16, 2000, the Company indicated to Sears that the Company would not meet its forecasts for both the second quarter and the full year of fiscal 2001. In mid-to-late July, 2000, Sears instructed Morgan Stanley to inform the Company's then financial advisor that it would not be making a bid for the Company at that time.

In August of 2001, the Board of Directors of Sears (the "Sears Board") discussed management's recommendation that Sears pursue either a retail distribution relationship or a business combination with the Company, including the fact that such a relationship or combination would be a good strategic fit with Sears' plan to reposition its Full-line Store product offerings. Following and pursuant to this discussion,

Mr. Alan J. Lacy, the Chairman of the Board of Directors, President and Chief Executive Officer of Sears, contacted Mr. Gary C. Comer, founder and Chairman of the Company, to express an interest in a potential retail distribution arrangement or business combination with the Company. Mr. Comer responded in early September that the Company was not interested in engaging in either a retail distribution relationship or other business combination discussions at that time.

In late February 2002, Sears was contacted by the Company's new financial advisor, PJSC, on behalf of the Company, soliciting Sears' interest in a combination with the Company.

In February 2002, the Company and Sears executed a new confidentiality agreement, containing customary terms and conditions, and PJSC provided an updated offering memorandum with respect to the Company. On March 26, 2002, Morgan Stanley contacted representatives of PJSC to discuss the process by which Sears would evaluate an acquisition of the Company.

At the March 2002 meeting of the Sears Board, Sears' management discussed with the Sears Board the fact that the Company had approached Sears as part of an auction process and was again interested in pursuing a transaction. Mr. Lacy told the board that management was actively pursuing this opportunity. The Sears Board then engaged in a discussion of the strategic benefits of such a transaction.

On April 2, 2002, in connection with the continuing discussions relating to a potential business combination, members of the Company's management made a presentation to management of Sears and representatives of Morgan Stanley concerning the Company, its current and historic financial performance and future prospects.

On April 11, 2002, Mr. Lacy met with Mr. David F. Dyer, the Company's President and Chief Executive Officer, in Dodgeville, Wisconsin to tour the Company's facility and to discuss other matters related to the transaction.

On April 15, 2002, Sears submitted to PJSC a non-binding written indication of interest to acquire all of the issued and outstanding Shares of the Company in a cash tender offer.

On April 16, 2002, Mr. Lacy called PJSC to discuss Sears' initial bid and other matters related to the potential transaction.

Thereafter, Sears and its financial and legal advisors resumed their due diligence examinations of the Company, including the review of legal documents and other written materials at the Company's outside law firm on April 18, 2002. Sears engaged in meetings and conference calls with the Company's management with respect to the Company's business, discussed with Company management the possible effects on the Company and Sears resulting from a potential combination and examined confidential materials.

On April 19, 2002, Sears received an invitation to submit a definitive proposal to acquire all the outstanding Shares of the Company, which set forth the procedures by which the Company would entertain proposals. PJSC forwarded to Sears the bid procedures letter together with a form of merger agreement and a form of tender agreement with respect to the proposed tender of Shares by the Company's largest stockholder in connection with the proposed transaction. The bid procedures letter requested a written definitive proposal be delivered to PJSC by the close of business on May 9, 2002.

On April 23 and 24, 2002, Sears' independent accountants met with the Company's accountants in furtherance of Sears' due diligence investigation.

On April 24, 2002, Mr. Lacy met with Mr. Comer in Chicago to discuss a potential transaction, the terms and conditions thereof, and Sears' intentions regarding the operation of the business if a transaction was completed.

On April 26, 2002, Sears' representatives and advisors met with the Company's management to discuss due diligence issues. Due diligence by Sears and its advisors continued through early May 2002.

On May 7, 2002, Morgan Stanley received a call from PJSC to discuss the potential proposal.

On May 9, 2002, Sears convened a meeting of the Sears Board. At this meeting, Sears management, as well as representatives of Morgan Stanley and Skadden, Arps, Slate, Meagher & Flom (Illinois), Sears' legal advisor, made presentations regarding the proposed transaction. Subsequently, the Sears Board unanimously authorized Sears management to submit a formal proposal for the acquisition of the Company and to enter into negotiations in that respect. After the board meeting, Mr. Lacy telephoned Mr. Dyer to discuss the details of Sears' proposal. Shortly thereafter, Sears submitted to PJSC a letter offering to pay $61.00 per Share in cash for all outstanding Shares of the Company, subject to, among other things, the approval of the respective boards of directors of the two companies. The letter was accompanied by mark-ups of the forms of merger and tender agreements. In addition, throughout the day on May 9, 2002, representatives of Morgan Stanley and PJSC engaged in conversations regarding the potential transaction.

On May 10, 2002, the Company's legal counsel contacted Sears' legal counsel for the purpose of discussing and clarifying certain provisions in the marked up merger and tender agreements. Later that day, the Company Board met to evaluate Sears' proposal to acquire the Company. At this meeting, the Company Board unanimously authorized the Company to commence negotiations with Sears regarding price and other terms. On May 11, 2002, representatives of the Company delivered to Sears and its representatives revised drafts of the merger agreement and tender agreement.

Beginning on May 11, 2002 and continuing through May 12, 2002, representatives of Sears and the Company, together with their respective financial and legal advisors, met to continue negotiations of the specific terms and provisions of the merger agreement and the tender agreement, including, without limitation, the conditions to the closing of the offer, the non-solicitation provisions and the circumstances under which the parties could terminate the merger agreement. During the course of the negotiations, the Company demanded an increase in the Offer Price, and in order to finalize such negotiations and to obtain certain concessions in other areas, Sears ultimately agreed to increase its offer to $62.00 per Share.

After resolution of all outstanding issues, Mr. Lacy made separate calls to thank and congratulate both Mr. Comer and Mr. Dyer. Mr. Lacy indicated to Mr. Comer that he believed that the Sears Board would approve the deal upon the current terms.

At a meeting held on the afternoon of May 12, 2002, the Company Board (i) unanimously determined that the terms of the Offer and the Merger are fair to and in the best interests of the stockholders of the Company, (ii) approved the Merger Agreement and each of the Tender Agreements and approved each of the transactions contemplated by the Merger Agreement, including the Offer and the Merger, and the transactions contemplated by the Tender Agreements and (iii) resolved to recommend that the Company's stockholders accept the Offer and tender their Shares to the Purchaser pursuant to the Offer. Also on the afternoon of May 12, 2002, the Sears Board members present at the meeting unanimously approved the Offer, the Merger Agreement, the Merger and the transactions contemplated thereby and the Tender Agreements and the transactions contemplated thereby. Subsequent to the meetings, the Merger Agreement was executed by Sears, the Purchaser and the Company and the Tender Agreements were executed by Sears, the Purchaser and certain of the Company's stockholders, including Mr. Comer.

On May 13, 2002, Sears and the Company issued a joint press release announcing their execution of the Merger Agreement.

Also on May 13, 2002, Sears and Mr. Dyer entered into a letter agreement (the "Letter Agreement") providing that on the Effective Date, Mr. Dyer will continue to serve as President and Chief Executive Officer of the Company and will be named Executive Vice President/General Manager, Customer Direct of Sears. The Letter Agreement, which is subject to the approval of the Compensation Committee of the Sears Board also provides that at the Effective Time Mr. Dyer will be granted Sears' stock options and shares of restricted stock that will vest over a three year period and the second and third anniversaries of the date of grant, respectively, and will be entitled to participate in the Sears pension plan and other benefits, as set forth in the Letter Agreement. A copy of the Letter Agreement is filed as an exhibit to the Schedule TO. The foregoing summary is qualified in its entirety by reference to the Letter Agreement, which is incorporated herein by reference.

On May 17, 2002, the Purchaser commenced the Offer.

During the Offer, Sears and the Purchaser intend to have ongoing contacts with the Company and its directors, officers, stockholders and representatives.

11. THE TRANSACTION DOCUMENTS.

THE MERGER AGREEMENT

The following is a summary of the material provisions of the Merger Agreement, a copy of which is filed as an exhibit to the Schedule TO. The summary is qualified in its entirety by reference to the Merger Agreement, which is incorporated by reference herein. Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Merger Agreement.

THE OFFER. The Merger Agreement provides for the commencement of the Offer as promptly as practicable and in any event within seven (7) business days of the date of the Merger Agreement. The obligation of the Purchaser to accept for payment, and pay for, Shares tendered pursuant to the Offer is subject to the satisfaction of the Minimum Condition and certain other conditions that are described in Section 15--"Certain Conditions of the Offer."

The Purchaser may, without the consent of the Company, and must at the Company's request, extend the Expiration Date of the Offer from time to time if, at the then current Expiration Date, (1) there shall be any statute, rule, regulation, legislation, judgment, order or injunction enacted or entered which prohibits the offer, prohibits or materially limits the ownership or operation of all or any material portion of the business or assets of the Company or imposes material limitations on the rights of ownership of Sears or the Purchaser with respect to the Shares of the Company, (2) (A) there is any general suspension of, or limitation on prices for, trading in securities on the New York Stock Exchange or in the Nasdaq National Market, (B) there is any declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or (C) there is any limitation (whether or not mandatory) by any U.S. governmental entity that materially and adversely affects the extension of credit by banks or other lending institutions in the

United States, or (3) any applicable waiting period under the HSR Act shall not have expired or been terminated and all material consents and approvals required from governmental authorities to consummate the Offer and the Merger shall not have been made or obtained. In addition, the Purchaser may, without the consent of the Company, extend the Expiration Date of the Offer, if, at the then current Expiration Date, any of the conditions to the Offer, other than those set forth in clauses (1), (2) or (3) above or the Minimum Condition, is not satisfied or waived. If all conditions other than the Minimum Condition are satisfied or waived, the Purchaser may on one occasion for a period not to exceed twenty business days, extend the Expiration Date beyond the then current Expiration Date. The Purchaser also may generally extend the Offer for any period required by any rule, regulation, interpretation or position of the SEC or the staff thereof applicable to the offer. However, the Expiration Date may not be extended in any event beyond September 30, 2002.

The Purchaser may not, without the Company's prior written consent, make any modifications in the terms and conditions of the Offer which: (i) amends or waives the Minimum Condition, (ii) decreases the Offer Price, (iii) changes the form of consideration payable in the Offer, (iv) decreases the number of Shares sought in the Offer, (v) imposes additional conditions or modifies any of the conditions to the Offer in any manner adverse to the holders of the Shares, or (vi) except as described above, extends the Offer. In addition, if all of the conditions to the Offer are satisfied or waived but the number of the Shares validly tendered and not withdrawn, together with any Shares beneficially owned by Sears, the Purchaser and their subsidiaries, is less than 90% of the Fully Diluted Shares, then upon the applicable expiration date of the Offer, the Purchaser may accept and pay for all Shares validly tendered and not withdrawn prior to such date and elect to provide a "subsequent offering period" of at least three (3) business days, but not to exceed twenty (20) business days.

The Merger Agreement provides that following the purchase of and payment for Shares pursuant to the Offer representing at least two-thirds of the issued and outstanding Shares on a fully diluted basis, and prior to

the Effective Time, (i) the size of the Company Board shall be increased to nine, (ii) all current directors shall resign, other than three directors who were directors on the date of the Merger Agreement and who are not employees of the Company or stockholders, affiliates, associates or employees of Sears or the Purchaser (such directors, the "Independent Directors"), and (iii) Sears shall be entitled to fill the vacancies so created to the Company Board. The Company has agreed to use its reasonable best efforts to promptly take all actions necessary to enable Sears' designees to be elected as directors of the Company, including securing resignations of such number of its incumbent directors as is necessary (and to the extent the Company is not successful in securing such resignations, increasing the size of the Company Board to enable Sears to designate at least two-thirds of the total number of directors of the Company).

From the Share Purchase Date until the Effective Time, the Company Board must have at least three Independent Directors; and if the number of Independent Directors is reduced below three for any reason whatsoever, any remaining Independent Directors (or if no Independent Directors remain, the other directors) shall be entitled to designate persons who shall not be stockholders, affiliates, associates or employees of Sears or Purchaser to fill such vacancies and such persons shall be deemed to be Independent Directors for purposes of the Merger Agreement. If the Independent Directors do not fill such vacancies within five business days, Sears shall designate such Independent Director(s). After the Purchaser purchases Shares in the Offer and prior to the Effective Time, any approval by the Company Board or any other Company action must be made at a time when there are at least three Independent Directors and with the approval of at least eight of the nine directors of the Company (or such other number of directors that ensures that at least a majority of the Independent Directors has granted such approval) in order to (i) amend or terminate the Merger Agreement on behalf of the Company, (ii) exercise or waive any of the Company's rights, benefits or remedies under the Merger Agreement or (iii) take any other action by the Company Board under or in connection with the Merger Agreement which would adversely affect the rights of the holders of the Shares.

THE MERGER. The Merger Agreement provides that, at the Effective Time, the Purchaser will be merged with and into the Company with the Company being the

surviving corporation (the "Surviving Corporation"). Following the Merger, the separate existence of the Purchaser will cease, and the Company will continue as the Surviving Corporation, wholly owned by Sears.

Pursuant to the Merger Agreement, each Share then issued and outstanding immediately prior to the Effective Time (other than Shares held by the Company as treasury stock, or owned by Sears, the Purchaser or Sears' other wholly owned subsidiaries, all of which will be cancelled and retired and will cease to exist, and other than Shares that are held by stockholders, if any, who properly exercise their dissenters' rights under the DGCL) will be converted into the right to receive the Merger Consideration. Stockholders who perfect their dissenters' rights under the DGCL will be entitled to the amounts determined pursuant to the appropriate proceedings required under the DGCL.

If required by applicable law, the Company Board may be required to submit the Merger Agreement to the Company's stockholders for their approval. The Company has agreed to obtain stockholder approval of the Merger Agreement and the Merger, if required, by written consent as promptly as practicable and to promptly prepare and file with the SEC an information statement relating to the Merger and the Merger Agreement and cause the information statement to be mailed to its stockholders. However, the Company may elect to obtain such stockholder approval by causing a meeting of the stockholders to be held in accordance with the DGCL. In either case, all Shares then owned by Sears or the Purchaser or any other subsidiary of Sears will be voted in favor of approval of the Merger Agreement.

REPRESENTATIONS AND WARRANTIES. Pursuant to the Merger Agreement, the Company has made customary representations and warranties to Sears and the Purchaser, including representations relating to: corporate existence and power; corporate authorization and approvals; governmental authorizations; no conflicts or consents required in connection with the Merger Agreement; capitalization of the Company and its subsidiaries; the Company's subsidiaries; the Company's SEC documents, liabilities and financial statements; information

provided by the Company for inclusion in the Offer documents or the Schedule 14D-9; absence of certain changes; litigation; taxes; compliance with laws, licenses, permits and registrations; contracts; employee benefit plans; transactions with affiliates of the Company; intellectual property; required vote and board approval; title to property and encumbrances; major suppliers; finders' fees and opinion of PJSC and waiver of Section 203 of the DGCL.

Pursuant to the Merger Agreement, Sears and the Purchaser have made customary representations and warranties to the Company, including representations relating to: corporate existence and power; corporate authorization and approvals; governmental authorizations; no conflicts or consents required in connection with the Merger Agreement; information provided for inclusion in the Offer documents or the Schedule 14D-9; financing; the operations of the Purchaser; required vote; ownership of Shares; and finders' fees.

COMPANY CONDUCT OF BUSINESS COVENANTS. The Merger Agreement provides that, except as expressly permitted therein, from the date of the Merger Agreement until the Effective Time, the Company will, and will cause each of its subsidiaries to conduct its business in the ordinary course consistent with past practice and will use commercially reasonable efforts to (i) preserve intact its present business organization and (ii) maintain in effect all material foreign, federal, state and local licenses approvals and authorizations. In addition, and without limiting the generality of the foregoing, except for matters expressly permitted by the Merger Agreement, from the date of the Merger Agreement until the Effective Time, the Company will not, and will not permit any of its subsidiaries to, do any of the following without the prior written consent of Sears, which consent shall not be unreasonably withheld or delayed:

(a) amend its certificate of incorporation or by-laws;

(b) split, combine or reclassify any shares of capital stock of the Company or any less-than-wholly-owned Company Subsidiary or declare, set aside for payment or pay any dividend or make any other actual, constructive or deemed distribution (whether in cash, stock or property or any combination thereof) in respect of any Shares or any other Company capital

stock, or redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any Company equity or equity related securities or any equity or equity related securities of any Company Subsidiary;

(c) issue, deliver or sell or authorize the issuance, delivery or sale of, any shares of the Company's capital stock of any class or series or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such capital stock or any such convertible or exchangeable securities, other than in connection with the issuance of Shares upon the exercise of options, the granting of options to acquire Shares in the ordinary course of business consistent with past practice (including under the Company's employee option plan) and the issuance of Shares in accordance with the terms of the Company's director stock grant plan;

(d) amend any term of any outstanding security of the Company or any Company Subsidiary; provided that the Company may amend the Employee Option Plan at its 2002 annual meeting as disclosed in the Company's definitive proxy statement filed with the SEC on April 12, 2002;

(e) incur any capital expenditures or any obligations or liabilities in respect thereof, except for those (i) contemplated by the capital expenditure budget for the Company and the Company Subsidiaries, which budget has been provided to Sears in connection with the Merger Agreement or (ii) not otherwise described in clause (i) which, in the aggregate, do not exceed $5.0 million;

(f) acquire (whether pursuant to merger, stock or asset purchase or otherwise) or propose to acquire in one transaction or a series of related transactions (i) any assets (including any equity interests) outside of the ordinary course of business or (ii) all or substantially all of the equity interests of any person or any business or division of any person;

(g) sell, lease, encumber or otherwise dispose of any material assets, other than (i) sales in the ordinary course of business consistent with past practice, (ii) equipment and property no longer used in the operation of the business of the Company and the Company Subsidiaries and (iii) assets related to discontinued operations of the Company or any Company Subsidiary;

(h) other than with respect to contracts terminable upon no more than 90 days' notice without penalty, enter into any new contract or agreement, or modify, amend, terminate or renew any existing contract or agreement to which the Company or any of its Subsidiaries is a party, other than (i) in the ordinary course of business or (ii) if the dollar value of such new contract or agreement, or existing contract or agreement as so amended, modified, terminated or renewed, is or would be less than $250,000 (or $2 million in the aggregate);

(i) incur any indebtedness for borrowed money or guarantee any such indebtedness or issue or sell any debt securities or warrants or rights to acquire any debt securities of the Company or any Company Subsidiary or guarantee any debt securities of others, except in the ordinary course of business consistent with past practice (which shall include, without limitation, borrowings made in the ordinary course of business under existing credit facilities of the Company within the borrowing capacity thereunder as of the date hereof);

(j) except in the ordinary course of business, amend, modify or terminate any material contract, agreement or arrangement of the Company or any Company Subsidiary, or otherwise waive, release or assign any material rights, claims or benefits of the Company or any Company Subsidiary thereunder; provided that the Company may amend its Employee Option Plan at its 2002 annual meeting as disclosed in the Company's definitive proxy statement filed with the SEC on April 12, 2002;

(k) (i) except as required by law or an agreement, policy or arrangement existing on the date hereof, increase the amount of compensation of any director or executive officer or make any increase in or commitment to increase any employee health, welfare or retirement benefits, (ii) except as required by law or a written agreement, policy or arrangement existing on

the date hereof, grant any severance or termination pay or rights to any director, officer or employee of the Company or any Company Subsidiary, (iii) adopt any additional employee plan or, except in the ordinary course of business or as required by law, make any contribution to any existing such plan or (iv) except as may be required by law, amend in any material respect any employee plan; provided however that the Company may adopt a change in control policy or enter into agreements providing for payments to be made by the Company in connection, among other things, with a change in control of the Company, in each case, with such employees and substantially on the terms disclosed in the disclosure schedule attached to the Merger Agreement; provided further that the Company may amend its Employee Option Plan at its 2002 annual meeting as disclosed in the Company's definitive proxy statement filed with the SEC on April 12, 2002;

(l) change the Company's (x) methods of accounting in effect at February 1, 2002, except as required by changes in GAAP or by Regulation S-X of the Exchange Act, as concurred in by its independent public accountants or (y) fiscal year;

(m) pay, discharge or satisfy any material claims, liabilities or obligations (absolute, accrued, contingent or otherwise) other than: (i) the payment, discharge or satisfaction in the ordinary course of business of liabilities reflected or reserved against in the Company Balance Sheet, (ii) those incurred in the ordinary course of business or (iii) those incurred as otherwise permitted under this Section "--Company Conduct of Business Covenants";

(n) except as described in the disclosure schedules to the Merger Agreement, make payments or distributions (other than normal salaries and other compensation in the ordinary course of business consistent with past practice) to any affiliate of the Company;

(o) except as disclosed in the disclosure schedules to the Merger Agreement, permit any insurance policy naming the Company or any of its Subsidiaries as a beneficiary or loss payable payee to be cancelled or terminated with notice to Sears;

(p) knowingly do any act or omit to do any act that would result in a breach of any representation, warranty or covenant by the Company set forth in the Merger Agreement or, except as provided for in the following Section "--Non Solicitation," otherwise materially impair or delay the ability of the Company to consummate the Offer; or

(q) agree, resolve, commit or publicly announce an intention to do any of the foregoing;

provided that the limitations set forth in clauses (a) through (q) shall not apply to any action, transaction or event occurring exclusively between the Company and any wholly-owned Company Subsidiary or between any wholly-owned Company Subsidiaries.

NON SOLICITATION. The Company has agreed to immediately cease all existing discussions or negotiations with any persons (other than Sears) conducted prior to the date of the Merger Agreement with respect to any Acquisition Proposal. Pursuant to the Merger Agreement, the Company also agreed not to, and not permit any Company Subsidiary to, or to authorize or knowingly permit any representative of the Company or any Company Subsidiary, directly or indirectly, to: (i) solicit, initiate or knowingly facilitate or encourage the submission of any tender or exchange offer involving the Company or any proposal for, or indication of interest in, a merger, consolidation, stock exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving the Company or any of its significant subsidiaries, any purchase of a material portion (by value) of the assets of the Company and its Subsidiaries taken as a whole or a material portion of the Shares, other than the Transactions (an "Acquisition Proposal"), (ii) participate in any discussions or negotiations regarding, or furnish to any person any information with respect to, or take any other action knowingly to facilitate any inquiries or the making of any proposal that constitutes, or could be reasonably expected to lead to, an Acquisition Proposal, (iii) grant any waiver or release under any standstill or similar agreement with respect to any class of the Company's equity securities, or (iv) enter into any agreement

(other than a confidentiality agreement on customary terms and conditions) with respect to any Acquisition Proposal or approve or recommend any Acquisition Proposal or any agreement, understanding or arrangement relating to any Acquisition Proposal other than in the manner contemplated by the Merger Agreement; provided that if the Company enters into such a confidentiality agreement with respect to an Acquisition Proposal that contains provisions that are less protective to the Company than the provisions of the confidentiality agreement dated as of February 26, 2002, by and between Sears and the Company (the "Confidentiality Agreement"), the Company agrees to amend the Confidentiality Agreement so as to provide Sears with the benefit of any such less protective provisions.

Notwithstanding the foregoing, prior to the date Shares are purchased in the Offer and subject to the other provisions described in this Section entitled "--Non Solicitation," (1) in response to a written Acquisition Proposal, the Company may request clarifications from (but not, in reliance on this clause (1), enter into negotiations with or furnish nonpublic information to) any third party which makes such written Acquisition Proposal if such action is taken solely for the purpose of obtaining information reasonably necessary for the Company to ascertain whether such Acquisition Proposal is a Superior Proposal; (2) the Company may take any action described in part (ii) or (iii) of the foregoing paragraph in respect of any person, but only if such person delivers an Acquisition Proposal that, in the good faith judgment of the Company Board, is a Superior Proposal and in the good faith judgment of the Company Board after consultation with its legal counsel, the failure to respond to such Acquisition Proposal would be inconsistent with its fiduciary duties to the Company's stockholders; and (3) the Company may enter into an agreement (other than a confidentiality agreement, which may be entered into as contemplated by clause (iv) of the foregoing paragraph) regarding an Acquisition Proposal, or approve or recommend any Acquisition Proposal, in each case, at any time after the third business day following Sears' receipt of written notice from the Company (a) advising Sears that the Company Board has received a Superior Proposal which it intends to accept, identifying the person making such Superior Proposal and specifying the financial and other material terms and conditions of such Superior Proposal and (b) inviting Sears to propose adjustments in the terms and conditions of this Agreement with a view to enabling the Company to proceed with the transactions contemplated in the Merger Agreement on such adjusted terms (provided that the Company shall fully cooperate, and cause its legal and financial advisors to cooperate, with Sears in making any such adjustments). The Company may not exercise its right to terminate the Merger Agreement under paragraph (c) clause (iii) described below in the Section entitled "--Termination" and may not enter into a binding agreement with respect to such Superior Proposal, unless prior to or concurrent with such termination, the Company shall have paid to Sears the Termination Fee as described in the Section entitled "--Fees and Expenses."

The Merger Agreement also provides that nothing contained in the Merger Agreement will prevent the Company Board from complying with Rule 14e-2 under the Exchange Act with respect to any Acquisition Proposal or making any disclosure required by the fiduciary duties of the Company's directors or by applicable law.

As used in the Merger Agreement, "Superior Proposal" means a bona fide, written Acquisition Proposal not received in violation of the provisions in the Merger Agreement that is fully financed or reasonably capable of being fully financed and is on terms that the Company Board determines in good faith after consultation with its financial advisors would or is reasonably likely to result in a transaction that, if consummated, would be more favorable to the Company's stockholders (taking into account all such factors as the Company Board deems relevant, including, among other things, the identity of the offeror, the likelihood that such transaction will be consummated and all legal, financial, regulatory and other aspects of the proposal) than the Transactions.

The Merger Agreement also provides that the Company agrees to promptly notify Sears after it or its financial advisors receive any Acquisition Proposal or any inquiries indicating that any person is considering making or wishes to make an Acquisition Proposal and provide Sears with information relating to such Acquisition Proposal or inquiry.

INSURANCE AND INDEMNIFICATION. The Merger Agreement provides that, from and

after the Effective Time, Sears and the Surviving Corporation jointly and severally shall indemnify, to the full extent permitted under the DGCL, the present and former directors and officers of the Company and its Subsidiaries (the "Indemnified Parties") in respect of actions taken prior to and including the Effective Time in connection with their duties as directors or officers of the Company or its Subsidiaries. Without limitation of the foregoing, in the event any Indemnified Party becomes involved in such capacity in any action, proceeding or investigation in connection with any matter, including the Transactions, occurring prior to and including the Effective Time, the Surviving Corporation, to the extent permitted and on such conditions as may be required by the DGCL, will periodically advance expenses to such Indemnified Party for his or her legal and other out-of-pocket expenses (including the cost of any investigation and preparation) incurred in connection therewith.

For a period of not less than six years after the Effective Time, Sears or the Surviving Corporation will maintain in effect directors' and officers' liability insurance covering the persons who are currently covered by the existing directors' and officers' liability insurance of the Company with respect to actions that shall have taken place prior to or at the Effective Time, on terms and conditions (including coverage amount) no less favorable to such persons than those in effect on the date of the Merger Agreement under the existing directors' and officers' liability insurance of the Company. Sears may provide coverage under its policies with no less favorable coverage than those in effect on the date of the Merger Agreement.

CONSENTS AND APPROVALS. The Merger Agreement provides that Sears, the Purchaser and the Company will use their respective reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the Offer, the Merger and the other Transactions, as promptly as practicable, including, without limitation, (i) offering to enter into and entering into any settlement, undertaking, consent decree, stipulation or agreement or agreeing to any order regarding antitrust matters in connection with any objections of any Governmental Entity to the Transactions and (ii) offering to divest to others and/or hold separate, and divesting or otherwise holding separate, or taking any other action with respect to, any portion of its and/or its Subsidiaries' business, assets or properties, other than any such action pursuant to clause(s) (i) and/or (ii) requiring any divestiture, holding separate or sale of any material assets of any party. In addition, Sears and the Company shall (i) take all action reasonably necessary to ensure that neither Section 203 of the DGCL, nor any other state takeover statute or similar statute or regulation (other than the Wisconsin Corporate Take-over Law) is or becomes applicable to the Offer, the Merger, this Agreement or any of the other Transactions and (ii) if any state takeover statute or similar statute or regulation becomes applicable to the Offer, the Merger, this Agreement or any of the other Transactions (including the Wisconsin Corporate Take-over Law), take all action reasonably necessary to ensure

that the Offer, the Merger and the other Transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise to minimize or eliminate the effect of such statute or regulation on the Offer, the Merger and the other Transactions.

The Merger Agreement provides that Sears and the Company shall each (i) file any notification and report forms and related material that it may be required to file in connection with the Transactions with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the HSR Act as soon as practicable, but in no event later than ten business days after the date of the Merger Agreement, (ii) use its reasonable best efforts to obtain an early termination of the applicable waiting period, (iii) make any further filings pursuant thereto that may be necessary, proper or advisable, (iv) make any filings or obtain any other consents required by any foreign Governmental Entity and (v) make all filings and obtain any other consents required by the Wisconsin Corporate Takeover Law.

EMPLOYEE STOCK OPTIONS AND OTHER EMPLOYEE BENEFITS. Upon the consummation of the Offer, all conditions and restrictions with respect to options to purchase Shares under the Company's stock incentive plans, including limitations on exercisability and vesting, shall immediately lapse. Each such option unexercised and outstanding immediately prior to the Effective Time shall at the Effective Time be deemed to constitute an option to acquire the Merger

Consideration and shall be cancelled in exchange for a cash payment to the holder of the option in an amount equal to the excess of (x) the Merger Consideration multiplied by the number of Shares purchasable pursuant to such option immediately prior to the Effective Time over (y) the aggregate exercise price for the Shares purchasable pursuant to such option immediately prior to the Effective Time, less any amounts as are required to be deducted and withheld under the Code or any provision of state or local tax law. Each Share granted to any employee or director of the Company or any Company Subsidiary as compensation for services that is subject to restrictions on ownership or transferability shall vest in full and become fully transferable and free of restrictions not later than immediately prior to the Effective Time.

The Merger Agreement provides that until the first anniversary of the Effective Time, Sears shall provide (or shall cause the Surviving Corporation to provide) employees who were employees of the Company or the Company Subsidiaries immediately prior to the Effective Time ("Company Employees") with salary and benefits under the Company's employee plans that are no less favorable in the aggregate than those provided to such employees immediately prior to the Effective Time, excluding any equity related compensation. Except to the extent necessary to avoid duplication of benefits, Sears shall recognize service with the Company and the Company Subsidiaries and any predecessor entities (and any other service credited by the Company under similar benefit plans) for purposes of vesting, eligibility to participate, severance and vacation accrual under employee benefit plans or arrangements maintained by Sears, the Surviving Corporation or any Subsidiary of Sears, if any, in which Company Employees are eligible to participate following the Effective Time.

Sears has agreed, from and after the Effective Time, to waive any pre-existing condition limitations and credit any deductibles and out-of-pocket expenses that are applicable and/or covered under the employee plans of the Company, and are incurred by the employees and their beneficiaries during the portion of the calendar year prior to participation in any employee benefit plans or arrangements maintained by Sears or any of its Subsidiaries.

From and after the Effective Time, Sears has agreed to honor and perform, and to cause the Surviving Corporation to honor and perform, in accordance with their respective terms, the severance, change in control and termination programs, policies, agreements (including any change in control, termination, severance agreements or employment agreements containing such type of provisions) and plans of the Company or any of its subsidiaries. However, Sears or the Surviving Corporation has the right to amend or terminate any such programs, policies, agreements and plans in accordance with the terms thereof and of the Merger Agreement.

The employee benefits section of the Merger Agreement does not create in any Company employee any rights of employment or continued employment.

CONDITIONS TO THE MERGER. The Merger Agreement provides that the respective obligation of each party to effect the Merger is subject to the satisfaction or waiver on or prior to the Effective Time of the following conditions:

(a) The approval of the Merger by two-thirds of the holders of the issued and outstanding Shares.

(b) The absence of any statute, rule or regulation or judgment, decree, order or injunction precluding the Merger.

(c) Sears, the Purchaser or their affiliates shall have purchased the Shares pursuant to the Offer; provided, however, that neither Sears nor the Purchaser may invoke this condition if either of them shall have failed to purchase Shares pursuant to the Offer in breach of the Merger Agreement.

TERMINATION. The Merger Agreement may be terminated at any time prior to the Effective Time, whether before or after stockholder approval thereof:

(a) by mutual written consent of Sears and the Purchaser, on the one hand, and the Company on the other;

(b) by either Sears or the Company (i) if (A) the Offer terminates or expires in accordance with its terms without any Shares being purchased therein or (B) the Purchaser has not accepted any Shares for payment in the

Offer by September 30, 2002, (ii) if there is any law or regulation that makes the consummation of the Offer or Merger illegal or otherwise prohibited or if any Governmental Entity has issued an order, decree, ruling or injunction or taken any other action, which permanently restrains, enjoins or otherwise prohibits any of the transactions contemplated by the Merger Agreement; provided, however, that the right to terminate the Merger Agreement pursuant to clause (i) or (ii) above will not be available to any party whose failure to fulfill any obligation under the Merger Agreement has been the cause of, or resulted in the right to terminate;

(c) by the Company, at any time prior to the purchase of Shares pursuant to the Offer, if (i) Sears or the Purchaser (A) fails to commence the Offer within seven business days of the date of the Merger Agreement or (B) makes any changes to the terms or conditions of the Offer in contravention of the Merger Agreement, (ii) Sears or the Purchaser shall have breached in any material respect any of the representations, warranties, covenants or agreements contained in the Merger Agreement and such breach cannot be or has not been cured, in all material respects, within 30 days after the giving of written notice to Sears or the Purchaser or (iii) the Company enters into a definitive agreement with respect to an Acquisition Proposal, or approves or recommends any Acquisition Proposal, and in either case pays the Termination Fee; or

(d) by Sears or the Purchaser, at any time prior to the purchase of Shares pursuant to the Offer, if: (i) (A) the Company shall have breached any representation or warranty contained in the Merger Agreement which would give rise to a failure of the condition set forth in paragraph (c) described below in Section 15-- "Certain Conditions of the Offer" or (B) the Company shall have materially breached or materially failed to perform any covenant or other agreement contained in the Merger Agreement; and provided such breach set forth in (A) and (B) cannot or has not been cured, in all material respects, within the earlier of the 30th day after the giving of notice to the Company or the second business day prior to the date on which the Offer expires, (ii) the Company Board withdraws or adversely modifies its recommendation to the stockholders of the Company to tender their Shares in the Offer or fails to affirm its recommendation under certain circumstances in respect of the transactions contemplated by the Merger Agreement within three business days of a request to do so by Sears or the Purchaser, (iii) the Company enters into a definitive agreement with respect to an Acquisition Proposal, or approves or recommends any Acquisition Proposal or (iv) any person or group (as defined in Section 13(d)(3) of the Exchange Act), other than Sears or the Purchaser, or any of their respective subsidiaries or affiliates, shall have become the beneficial owner of more than 35% of the outstanding Shares (the "Triggering Person") on a fully diluted basis; provided that this clause (iv) shall not apply to any person or group that owns more than such percentage on the date of the Merger Agreement.

FEES AND EXPENSES. Under the Merger Agreement, the Company has agreed to pay to Sears a Termination Fee equal to $77.5 million, plus certain documented out-of-pocket expenses not to exceed $4 million, if the Merger Agreement is terminated:

- by the Company pursuant to paragraph (c), clause (iii) above under the Section entitled "--Termination";
- by Sears or the Purchaser pursuant to paragraph (d), clauses (ii) or (iii) above under the Section entitled "--Termination";
- by either Sears, the Purchaser or the Company pursuant to paragraph (b) clause (i) above under the Section entitled "--Termination", but only if (A) the Minimum Condition was not satisfied or, with the consent of the Company, waived and all other conditions to the Offer were satisfied or, with the consent of the Company, waived at the Expiration Date of the Offer, (B) after the date of the Merger Agreement and prior to such termination, an Acquisition Proposal had been publicly announced and not withdrawn or abandoned at the time of termination and (C) within 12 months after such termination, the Company enters into a definitive agreement with respect to any Acquisition Proposal or consummates any Acquisition Proposal;

- by either Sears or the Purchaser pursuant to paragraph (d) clause (i)(B) above under the Section entitled "--Termination", but only if (A) after the date of the Merger Agreement and prior to such termination, an Acquisition Proposal had been publicly announced and not withdrawn or abandoned at the time of termination and (B) within 12 months after such termination, the Company enters into a definitive agreement with respect to such Acquisition Proposal (or announces its intention to do so); or

- by either Sears or the Purchaser pursuant to paragraph (d) clause (iv) above under the Section entitled "--Termination", but only if within 12 months after such termination the Company enters into a definitive agreement with respect to an Acquisition Proposal with the Triggering Person.

Notwithstanding the foregoing, no Termination Fee shall be payable if both (A) the Purchaser or Sears is in willful and material breach (which for purposes of this clause means a willful breach that has a material adverse effect on consummating the transactions contemplated thereby) of its representations, warranties or obligations under the Merger Agreement at the time of termination and (B) the Company has given written notice to Sears or the Purchaser of such breach prior to the time of such termination and a reasonable opportunity to cure such breach.

THE TENDER AGREEMENTS

The following is a summary of the material provisions of the Tender Agreements, copies of which are filed as exhibits to the Schedule TO. The summary is qualified in its entirety by reference to the Tender Agreements, which are incorporated by reference herein. Capitalized terms used in this Section and not otherwise defined have the meanings assigned to them in the Tender Agreements.

In connection with the execution of the Merger Agreement, Sears and the Purchaser entered into the Tender Agreements, with certain stockholders of the Company, including Mr. Gary C. Comer, founder and Chairman of the Company, and the Richard C. Anderson Trust, which is associated with Mr. Richard C. Anderson, Vice Chairman of the Company, who own an aggregate of approximately 55% of the Shares issued and outstanding.

Pursuant to the Tender Agreements, each Tendering Stockholder has agreed to tender all of their Shares into the Offer no later than the fifth business day following commencement of the Offer, or if such Tendering Stockholder has not received the offering materials by such time, within two business days following receipt of such materials. Each Tendering Stockholder has also agreed to vote their Shares (i) in favor of the Merger and the Merger Agreement, (ii) against any action that would result in a breach of any representation, warranty or covenant in the Merger Agreement and (iii) against any action or agreement which would impede, delay, interfere with or prevent the Merger.

Pursuant to the Tender Agreements, the Tendering Stockholders irrevocably granted to, and appointed Sears and any nominee thereof, their proxy and attorney-in-fact (with full power of substitution) during the term of the applicable Tender Agreement, for and in the name, place and stead of such Tendering Stockholders, to vote their Shares, or grant a consent or approval with respect to such Shares, in connection with any meeting of the stockholders of the Company called for such purpose, (i) in favor of the Merger and Merger Agreement, (ii) against any action or agreement that would result in a breach of any representation, warranty or covenant of the Company in the Merger Agreement, and (iii) against any action or agreement that which would impede, delay, interfere with or prevent the Merger, including any other extraordinary corporate transaction, such as a merger, reorganization or liquidation involving the Company and a third party or any other proposal of a third party to acquire the Company.

In addition, each Tendering Stockholder has granted to Sears an irrevocable option (the "Stockholder Option") to purchase such Tendering Stockholder's Shares for $62.00 per Share. The Stockholder Option is exercisable in the event that any Third Party shall have:

i. commenced or publicly announced an intention to commence a bona fide tender offer or exchange offer for any Shares, the consummation of which

would result in beneficial ownership by such Third Party (together with such Third Party's affiliates and associates) of 15% or more of the then outstanding voting equity of the Company (either on a primary or a fully diluted basis);

ii. acquired or entered into an agreement to acquire beneficial ownership of Shares which, when aggregated with any Shares already owned by such Third Party would result in the aggregate beneficial ownership of more than 15% by such Third Party; provided, that this clause (ii) shall not apply to any beneficial owner of more than 15% of the outstanding voting equity of the Company (either on a primary or fully diluted basis) as of the date of the Tender Agreements and that does not, after such date, increase such ownership percentage by more than 3%; or

iii. filed a Notification and Report Form under the HSR Act, reflecting an intent to acquire the Company or any assets or securities of the Company.

Provided, however, that the Stockholder Option shall not be exercisable if any of the events described above were pursuant to or as a result of the compliance with the non solicitation provisions of the Merger Agreement as described above in the Section entitled "--Non Solicitation."

Pursuant to the Tender Agreements, each Tendering Stockholder also has agreed not to, and to use reasonable best efforts to ensure that such Tendering Stockholder's investment bankers, attorneys, accountants, agents and other advisors or representatives (the "Stockholder Representatives") do not, directly or indirectly engage in the activities described in parts (i) and (ii) in the Section above entitled "--Non Solicitation."

The Tender Agreements require that each Tendering Stockholder cease and cause to be terminated all existing discussions and negotiations conducted by such Tendering Stockholder or at such Tendering Stockholders behest with respect to any Acquisition Proposal (other than with Sears).

The Tender Agreements terminate upon the earlier of (i) any termination of the Merger Agreement and (ii) the acceptance for payment of the Shares in the Offer; provided that if Sears gives notice of its intention to exercise the Stockholder Option the provisions governing the Stockholder Option shall survive termination.

12. PURPOSE OF THE OFFER; PLANS FOR THE COMPANY.

PURPOSE OF THE OFFER. The purpose of the Offer is to acquire control of, and the entire equity interest in, the Company. The purpose of the Merger is to acquire all outstanding Shares not tendered and purchased pursuant to the Offer. If the Offer is successful, the Purchaser intends to consummate the Merger as promptly as practicable.

The Company Board has approved the Merger and the Merger Agreement. Depending upon the number of Shares purchased by the Purchaser pursuant to the Offer, the Company Board may be required to submit the Merger Agreement to the Company's stockholders for their approval. The Company has agreed to obtain stockholder approval of the Merger Agreement and the Merger, if required, by written consent as promptly as practicable and to promptly prepare and file with the SEC an information statement relating to the Merger and the Merger Agreement and cause the information statement to be mailed to its stockholders; provided, that the Company may elect to obtain such stockholder approval by causing a meeting of the stockholders to be held in accordance with the DGCL. If stockholder approval is required, the Merger Agreement must be approved by two-thirds of all votes entitled to be cast at such meeting.

If the Minimum Condition is satisfied, the Purchaser will have sufficient voting power to approve the Merger Agreement by written consent or at a duly convened stockholders' meeting without the affirmative vote of any other stockholder. The Purchaser has agreed to vote for or enter into a written consent with respect to all Shares acquired by the Purchaser in the Offer to cause the approval of the Merger. If the Purchaser acquires at least 90% of the then issued and outstanding Shares pursuant to the Offer, the Merger will be consummated without a stockholder meeting and without the approval of the Company's stockholders. The Merger Agreement provides that the Purchaser will be merged with and into the Company and that the certificate of incorporation

and by-laws of the Purchaser will be the certificate of incorporation and by-laws of the Surviving Corporation following the Merger; provided that the name of the Surviving Corporation will be "Lands' End, Inc."

APPRAISAL RIGHTS. Under the DGCL, holders of Shares do not have dissenters' rights as a result of the Offer. In connection with the Merger, however, stockholders of the Company will have the right to dissent and demand appraisal of their Shares under the DGCL. Dissenting stockholders who comply with the applicable statutory procedures under the DGCL will be entitled to receive a judicial determination of the fair value of their Shares (exclusive of any element of value arising from the accomplishment or expectation of the Merger) and to receive payment of such fair value in cash. Any such judicial determination of the fair value of the Shares could be based upon considerations other than or in addition to the price per Share paid in the Merger and the market value of the Shares. In WEINBERGER V. UOP, INC., the Delaware Supreme Court stated, among other things, that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered in an appraisal proceeding. Stockholders should recognize that the value so determined could be higher or lower than the price per Share paid pursuant to the Offer or the consideration per Share to be paid in the Merger. The foregoing summary of the rights of dissenting stockholders under the DGCL does not purport to be a complete statement of the procedures to be followed by stockholders desiring to exercise appraisal rights available under the DGCL. The preservation and exercise of appraisal rights require strict adherence to the applicable provisions of the DGCL.

GOING PRIVATE TRANSACTIONS. The SEC has adopted Rule 13e-3 under the Exchange Act which is applicable to certain "going private" transactions and which may under certain circumstances be applicable to the Merger or another business combination following the purchase of Shares pursuant to the Offer in which the Purchaser seeks to acquire the remaining Shares not held by it. The Purchaser believes that Rule 13e-3 will not be applicable to the Merger because it is anticipated that the Merger will be effected within one (1) year following the consummation of the Offer and, in the Merger, stockholders will receive the same price per Share as paid in the Offer. Rule 13e-3 requires, among other things, that certain financial information concerning the Company and certain information relating to the fairness of the proposed transaction and the consideration offered to minority stockholders be filed with the SEC and disclosed to stockholders prior to consummation of the transaction.

PLANS FOR THE COMPANY. Pursuant to the terms of the Merger Agreement, promptly upon the purchase of and payment for any Shares by the Purchaser pursuant to the Offer, Sears currently intends to seek maximum representation on the Company Board, subject to the requirement in the Merger Agreement regarding the presence of at least three Independent Directors on the Company Board until the Effective Time. The Purchaser currently intends, as soon as practicable after consummation of the Offer, to consummate the Merger.

Except as otherwise provided herein, it is expected that, initially following the Merger, the business and operations of the Company will, except as set forth in this Offer to Purchase, be continued substantially as they are currently being conducted. Sears will continue to evaluate the business and operations of the Company during the pendency of the Offer and after the consummation of the Offer and the Merger and will take such actions as it deems appropriate under the circumstances then existing. Thereafter, Sears intends to review such information as part of a comprehensive review of the Company's business, operations, capitalization and management with a view to optimizing development of the Company's potential in conjunction with Sears' existing business.

Except as set forth in this Offer to Purchase, the Purchaser and Sears have no present plans or proposals that would relate to or result in (i) any extraordinary corporate transaction involving the Company or any of its subsidiaries (such as a merger, reorganization, liquidation, relocation of any operations or sale or other transfer of a material amount of assets), (ii) any sale or transfer of a material amount of assets of the Company or any of its subsidiaries, (iii) any change in the Company Board or management of the Company, (iv) any material change in the Company's capitalization or dividend policy, (v) any other material change in the Company's corporate structure or business, (vi) a class of securities of the Company being delisted from a

national securities exchange or ceasing to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association or (vii) a class of equity securities of the Company being eligible for termination of registration pursuant to Section 12(g) of the Exchange Act.

13. CERTAIN EFFECTS OF THE OFFER.

MARKET FOR THE SHARES. The purchase of Shares pursuant to the Offer will reduce the number of holders of Shares and the number of Shares that might otherwise trade publicly, which could adversely affect the liquidity and market value of the remaining Shares held by stockholders other than the Purchaser. The Purchaser cannot predict whether the reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for, or marketability of, the Shares or whether such reduction would cause future market prices to be greater or less than the Offer Price.

STOCK QUOTATION. The Shares are listed on the NYSE. According to the published guidelines of the NYSE, the Shares might no longer be eligible for listing on the NYSE if, among other things, the number of publicly held Shares falls below 600,000 or the number of record holders falls below 400 (or below 1,200 if the average monthly trading volume is below 100,000 for the last twelve months). Shares held by officers or directors of the Company or their immediate families, or by any beneficial owner of 10% or more of the Shares, ordinarily will not be considered to be publicly held for this purpose.

If the Shares cease to be listed on the NYSE, the market for the Shares could be adversely affected. It is possible that the Shares would be traded on other securities exchanges (with trades published by such exchanges), the Nasdaq SmallCap Market, the OTC Bulletin Board or in a local or regional over-the-counter market. The extent of the public market for the Shares and the availability of such quotations would, however, depend upon the number of holders of Shares and the aggregate market value of the Shares remaining at such time, the interest in maintaining a market in the Shares on the part of securities firms, the possible termination of registration of the Shares under the Exchange Act, as described below, and other factors.

MARGIN REGULATIONS. The Shares are currently "margin securities" under the Regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of the Shares. Depending upon factors similar to those described above regarding the market for the Shares and stock quotations, it is possible that, following the Offer, the Shares would no longer constitute "margin securities" for the purposes of the margin regulations of the Federal Reserve Board and, therefore, could no longer be used as collateral for loans made by brokers.

EXCHANGE ACT REGISTRATION. The Shares are currently registered under the Exchange Act. Such registration may be terminated upon application of the Company to the SEC if the Shares are neither listed on a national

securities exchange nor held by 300 or more holders of record. Termination of registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to its stockholders and to the SEC and would make certain provisions of the Exchange Act no longer applicable to the Company, such as the short-swing profit recovery provisions of Section 16(b) of the Exchange Act, the requirement of furnishing a proxy statement pursuant to Section 14(a) of the Exchange Act in connection with stockholders' meetings and the related requirement of furnishing an annual report to stockholders and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions. Furthermore, the ability of "affiliates" of the Company and persons holding "restricted securities" of the Company to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended, may be impaired or eliminated. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities" or be eligible for listing on the NYSE. Sears and the Purchaser currently intend to seek to cause the Company to terminate the registration of the Shares under the Exchange Act as soon after consummation of the Offer as the requirements for termination of registration are met.

14. DIVIDENDS AND DISTRIBUTIONS.

As discussed in Section 11--"The Transaction Documents," the Merger Agreement provides that from the date of the Merger Agreement to the Effective Time, without the prior written approval of Sears, the Company will not, and will not allow its subsidiaries to, declare, set aside for payment or pay any dividend or make any other actual, constructive or deemed distribution (whether in cash, stock or property or any combination thereof) in respect of any of its Shares or any other capital stock.

15. CERTAIN CONDITIONS OF THE OFFER.

For purposes of this Section 15, capitalized terms used but not defined herein will have the meanings set forth in the Merger Agreement. Notwithstanding any other provision of the Offer, the Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), pay for any Shares tendered pursuant to the Offer, and may terminate or amend the Offer and may postpone the acceptance for payment of and payment for Shares tendered (in each case, in accordance with the Merger Agreement), if (I) the Minimum Condition shall not have been satisfied or, with the consent of the Company, waived after the Offer has remained open for at least 20 business days, (II) any applicable waiting period under the HSR Act shall not have expired or been terminated prior to the expiration of the Offer, or (III) at any time prior to the acceptance for payment of Shares, any of the following events shall have occurred and be continuing:

(a) there shall have been enacted, entered, enforced or promulgated by any Governmental Entity any statute, rule, regulation, legislation, judgment, order or injunction, other than the routine application of the waiting period provisions of the HSR Act, which, directly or indirectly, (i) prohibits or makes illegal or otherwise directly or indirectly restrain or prohibit the Offer, the acceptance for payment of, or payment for, any Shares by Sears or the Purchaser; (ii) prohibits or materially limits the ownership or operation by the Company, Sears or any of their Subsidiaries of all or any material portion of the business or assets of the Company or any of its Subsidiaries or compels the Company, Sears or any of their Subsidiaries to dispose of or hold separate all or any material portion of the business or assets of the Company, Sears or any of their Subsidiaries; or (iii) imposes material limitations on the rights of ownership of Sears, the Purchaser or any other affiliate of Sears with respect to the Shares; provided that the Purchaser shall have used its reasonable best efforts to resist, resolve, defend against or lift, as applicable, such statute, rule, regulation, legislation, judgment, order or injunction;

(b) there shall have occurred and continue to exist (i) any general suspension of, or limitation on prices for, trading in securities on the New York Stock Exchange or in the Nasdaq National Market, (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or (iii) any limitation (whether or not mandatory) by any U.S. Governmental Entity that materially and adversely affects the extension of credit by banks or other lending institutions in the United States;

(c) the representations and warranties of the Company contained in the Merger Agreement (which for these purposes shall exclude all qualifications or exceptions relating to "materiality" and/or Company Material Adverse Effect) shall not be true and correct, either (i) as of the date referred to in any representation or warranty which addresses matters as of a particular date or (ii) as to all other representations and warranties, as of the date of determination, in either case (other than with respect to the Company's capitalization, which shall be true and correct in all material respects), except where the failure to be so true and correct would not, individually or in the aggregate, have a Company Material Adverse Effect; provided that such breach or failure cannot be or has not been cured in all material respects prior to the earlier of the 30th day after the giving of written notice thereof to the Company and the then current Expiration Date;

(d) the Company shall have failed to perform in any material respect any obligation under the Merger Agreement or to comply in any material respect with any of its covenants or other obligations under the Merger Agreement;

(e) the Company Board (or a special committee thereof) (i) shall have withdrawn, modified or changed in a manner adverse to Sears and the Purchaser (including by amendment of the Schedule 14D-9) its recommendation of the Offer, the Merger Agreement or the Merger, (ii) shall have recommended or announced a neutral position with respect to an Acquisition Proposal, (iii) shall have adopted any resolution to effect the foregoing, or (iv) fails to reconfirm the Company Tender Recommendation within three (3) business days after receipt of a request by Sears or the Purchaser, provided that any such request may be made only one time within three business days after notice of any of the following events (as any of the following events may occur from time to time): (i) receipt by the Company of an Acquisition Proposal, (ii) any material change to an existing Acquisition Proposal, (iii) a public announcement of any transaction to acquire a material portion of the Shares by a Person other than the Purchaser, Sears or any of their Subsidiaries or affiliates other than an existing Acquisition Proposal, (iv) any extension of the Offer, and (v) any other material event or circumstance reasonably related to the Offer;

(f) any applicable waiting period under the HSR Act relating to the Offer and the Merger shall not have expired or been terminated and all material consents, approvals and authorizations required to be obtained prior to the consummation of the Offer and the Merger by the parties hereto from governmental and regulatory authorities to consummate the Offer and the Merger, shall not have been made or obtained, as the case may be;

(g) this Agreement shall have been terminated in accordance with its terms;

which, in the sole good faith judgment of the Purchaser in any such case, makes it inadvisable to proceed with the Offer and/or such acceptance for payment of or payment for the Shares.

The foregoing conditions are for the sole benefit of the Purchaser and Sears and may be asserted by the Purchaser or Sears regardless of the circumstances giving rise to any such condition or may be waived by Sears or the Purchaser in whole or in part at any time and from time to time in the sole discretion of Sears or the Purchaser, except that the conditions in clause (I) and paragraph (f) above may not be waived by Sears or the Purchaser without the prior written consent of the Company. The failure by Sears or the Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

16. CERTAIN LEGAL MATTERS; REGULATORY APPROVALS.

GENERAL. The Purchaser is not aware of any pending legal proceeding relating to the Offer. Except as described in this Section 16, based on its examination of publicly available information filed by the Company with the SEC and other publicly available information concerning the Company, the Purchaser is not aware of

any governmental license or regulatory permit that appears to be material to the Company's business that might be adversely affected by the Purchaser's acquisition of Shares as contemplated herein or of any approval or other action by any governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the acquisition or ownership of Shares by the Purchaser or Sears as contemplated herein. Should any such approval or other action be required, the Purchaser currently contemplates that, except as described below under "State Takeover Statutes," such approval or other action will be sought. While the Purchaser does not currently intend to delay acceptance for payment of Shares tendered pursuant to the Offer pending the outcome of any such matter, there can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that if such approvals were not obtained or such other actions were not taken, adverse consequences might not result to the Company's business, or certain parts of the Company's business might not have to be disposed of, any of which could cause the Purchaser to elect to terminate the Offer without the purchase of Shares thereunder under certain conditions as

contemplated by the Merger. See Section 15--"Certain Conditions of the Offer."

STATE TAKEOVER STATUTES. A number of states have adopted laws that purport, to varying degrees, to apply to attempts to acquire corporations that are incorporated in, or that have substantial assets, stockholders, principal executive offices or principal places of business or whose business operations otherwise have substantial economic effects in, such states. The Company, directly or through subsidiaries, conducts business in a number of states throughout the United States, some of which have enacted such laws.

In EDGAR V. MITE CORP., the Supreme Court of the United States invalidated on constitutional grounds the Illinois Business Takeover Statute which, as a matter of state securities law, made takeovers of corporations meeting certain requirements more difficult. However, in 1987, in CTS CORP. V. DYNAMICS CORP. OF AMERICA, the Supreme Court held that the State of Indiana could, as a matter of corporate law, constitutionally disqualify a potential acquiror from voting shares of a target corporation without the prior approval of the remaining stockholders where, among other things, the corporation is incorporated in, and has a substantial number of stockholders in, the state. Subsequently, in TLX ACQUISITION CORP. V. TELEX CORP., a Federal District Court in Oklahoma ruled that the Oklahoma statutes were unconstitutional insofar as they apply to corporations incorporated outside Oklahoma in that they would subject such corporations to inconsistent regulations. Similarly, in TYSON FOODS, INC. V. MCREYNOLDS, a Federal District Court in Tennessee ruled that four Tennessee takeover statutes were unconstitutional as applied to corporations incorporated outside Tennessee. This decision was affirmed by the United States Court of Appeals for the Sixth Circuit.

The Company is incorporated under the laws of the State of Delaware. In general, Section 203 of the DGCL ("Section 203") prevents an "interested stockholder" (including a person who has the right to acquire 15% or more of the corporation's outstanding voting stock) from engaging in a "business combination" (defined to include mergers and certain other actions) with a Delaware corporation for a period of three years following the date such person became an interested stockholder. The Company Board approved for purposes of Section 203 the entering into by the Purchaser, Sears and the Company of the Merger Agreement and the consummation of the transactions contemplated thereby and has taken all appropriate action so that Section 203, with respect to the Company, will not be applicable to Sears and the Purchaser by virtue of such actions. In addition, the Company Board approved for purposes of Section 203 the entering into of the Tender Agreements by the Purchaser, Sears and the Stockholders and the transactions contemplated thereby and has taken all appropriate action so that Section 203 with respect to the Company, will not be applicable to Sears and the Purchaser by virtue of such action.

The Purchaser is not aware of any state takeover laws or regulations, other than the Wisconsin Corporate Take-over Law, which are applicable to the Offer or the Merger and has not attempted to comply with any state takeover laws or regulations, other than the Wisconsin Corporate Take-over Law. Under the Wisconsin Corporate Take-over Law, the Purchaser will be required to file no later than ten days after acquiring beneficial ownership of more than five percent of the outstanding Shares a prescribed notification, which may be satisfied by the filing of a Schedule 13D under the Exchange Act with the Administrator of the Wisconsin Division of

Securities. The Purchaser will also be required to file the Offer with that Administrator, but the Offer is exempt from the registration provisions of the Wisconsin Corporate Take-over Law. If any government official or third party should seek to apply any state takeover law to the Offer or the Merger or other business combination between the Purchaser or any of its affiliates and the Company, the Purchaser will take such action as then appears desirable, which action may include challenging the applicability or validity of such statute in appropriate court proceedings. In the event it is asserted that one or more state takeover statutes is applicable to the Offer or the Merger and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer or the Merger, the Purchaser might be required to file certain information with, or to receive approvals from, the relevant state authorities or holders of Shares, and the Purchaser might be unable to accept for payment or pay for Shares tendered pursuant to the Offer, or be delayed in continuing or consummating the Offer or the Merger. In such case, the Purchaser may not be obligated to accept for payment or pay for any tendered Shares. See

Section 15--"Certain Conditions of the Offer."

UNITED STATES ANTITRUST COMPLIANCE. Under the HSR Act and the rules that have been promulgated thereunder by the Federal Trade Commission (the "FTC") and the Antitrust Division of the Department of Justice (the "Antitrust Division") certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division and the FTC and certain waiting period requirements have been satisfied. The purchase of Shares pursuant to the Offer is subject to such requirements.

Pursuant to the requirements of the HSR Act, Sears, on behalf of itself and the Purchaser, expects to file a Notification and Report Form with respect to the Offer and Merger with the Antitrust Division and the FTC on or about May 22, 2002. As a result, the waiting period applicable to the purchase of Shares pursuant to the Offer is scheduled to expire at 11:59 p.m., New York City time, fifteen (15) days after such filing. However, prior to such time, the Antitrust Division or the FTC may extend the waiting period by requesting additional information or documentary material relevant to the Offer from the Purchaser. If such a request is made, the waiting period will be extended until 11:59 p.m., New York City time, on the tenth day after substantial compliance by the Purchaser with such request. Thereafter, such waiting period can be extended only by court order.

The Antitrust Division and the FTC scrutinize the legality under the antitrust laws of transactions such as the acquisition of Shares by the Purchaser pursuant to the Offer. At any time before or after the consummation of any such transactions, the Antitrust Division or the FTC could take such action under the antitrust laws of the United States as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or seeking divestiture of the Shares so acquired or divestiture of substantial assets of Sears or the Company. Private parties (including individual States) may also bring legal actions under the antitrust laws of the United States. The Purchaser does not believe that the consummation of the Offer will result in a violation of any applicable antitrust laws. However, there can be no assurance that a challenge to the Offer on antitrust grounds will not be made, or if such a challenge is made, what the result will be. See Section 15--"Certain Conditions of the Offer," including conditions with respect to litigation and certain governmental actions.

GERMAN ANTITRUST COMPLIANCE. Under German laws and regulations regarding restraints of competition, certain acquisition transactions may not be consummated in Germany unless certain information has been furnished to the German Federal Cartel Office (the "FCO") and certain waiting period requirements have been satisfied without issuance by the FCO of a prohibition decision. The purchase of the Shares by the Purchaser pursuant to the Offer and the consummation of the Merger is subject to such requirements with regard to the German subsidiaries of the Company and Sears. Sears, on behalf of itself and the Purchaser, plans to file such information on or around May 21, 2002. Sears will request the issuance of a clearance decision although there can be no assurance of the outcome of such request. Sears and the Purchaser do not believe that the consummation of the Offer will become the subject of a prohibition decision by the FCO under any applicable law or regulation in Germany regarding restraints of competition. There can be no assurance, however, that a challenge to the Offer on such grounds will not be made or, if such challenge is made, of the result thereof.

OTHER APPLICABLE FOREIGN ANTITRUST LAWS. Other than the filings with the Antitrust Division, the FTC and the FCO, as described above, and, except as identified in the Merger Agreement, Sears does not believe that any

additional material pre-merger antitrust filings are required with respect to the Offer or the Merger. To the extent that any additional antitrust filings are required pursuant to other applicable foreign antitrust laws, Sears, the Purchaser, Sears' other subsidiaries and the Company, as appropriate, will make such filings.

17. FEES AND EXPENSES.

Morgan Stanley has acted as financial advisor to Sears in connection with the proposed acquisition of the Company and is acting as the Dealer Manager in connection with the Offer. Sears has agreed to pay Morgan Stanley customary

compensation for its services as financial advisor and will reimburse Morgan Stanley for certain reasonable expenses. Sears and the Purchaser have agreed to indemnify Morgan Stanley against certain liabilities and expenses in connection with its engagement, including certain liabilities under the federal securities laws. At any time Morgan Stanley and its affiliates may actively trade in the Shares for its own account or for the accounts of customers, and, accordingly, may at any time hold a long or short position in the Shares.

Sears and the Purchaser have retained D.F. King & Co., Inc. to be the Information Agent and Mellon Investor Services LLC to be the Depositary in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telecopy, telegraph and personal interview and may request banks, brokers, dealers and other nominees to forward materials relating to the Offer to beneficial owners of Shares.

The Information Agent and the Depositary each will receive reasonable and customary compensation for their respective services in connection with the Offer, will be reimbursed for reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith, including certain liabilities under federal securities laws.

Neither Sears nor the Purchaser will pay any fees or commissions to any broker or dealer or to any other person (other than to the Dealer Manager, the Depositary and the Information Agent) in connection with the solicitation of tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Purchaser for customary mailing and handling expenses incurred by them in forwarding offering materials to their customers.

18. MISCELLANEOUS.

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Purchaser may, in its discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to holders of Shares in such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION ON BEHALF OF SEARS OR THE PURCHASER NOT CONTAINED HEREIN OR IN THE LETTER OF TRANSMITTAL, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

The Purchaser has filed with the SEC a Tender Offer Statement on Schedule TO pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, together with exhibits furnishing certain additional information with respect to the Offer, and may file amendments thereto. In addition, the Company has filed with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9, together with exhibits, pursuant to Rule 14d-9 under the Exchange Act, setting forth the recommendation of the Company Board with respect to the Offer and the reasons for such recommendation and furnishing certain additional related information. A copy of such documents, and any amendments thereto, may be examined at, and copies may be obtained from, the SEC (but not the regional offices of the SEC) in the manner set forth under Section 7--"Certain Information Concerning the Company" above.

Inlet Acquisition Corp.
May 17, 2002

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF SEARS AND THE PURCHASER

1. DIRECTORS AND EXECUTIVE OFFICERS OF SEARS. The following table sets forth the name, present principal occupation or employment and past material occupations, positions, offices or employment for each director and executive officer of Sears for at least the past five (5) years. The current business address of each person is 3333 Beverly Road, Hoffman Estates, Illinois 60179 and the current phone number is (847) 286-2500. Each person is a citizen of the United States of America.

NAME	POSITIONS
Alan J. Lacy.....	Chairman of the Board of Directors, President and Chief Executive Officer
Kathryn Bufano....	Executive Vice President/General Manager, Softlines--Sears Retail
Mary E. Conway....	Executive Vice President/General Manager, Full-line Store Operations--Sears Retail
E. Ronald Culp....	Senior Vice President, Public Relations, Communications and Government Affairs
Lyle G. Heidemann.	Executive Vice President/General Manager, Hardlines--Sears Retail
Kevin T. Keleghan.	President, Credit and Financial Products
Anastasia D. Kelly	Senior Vice President and General Counsel
Greg A. Lee.....	Senior Vice President, Human Resources
Paul J. Liska.....	Executive Vice President and Chief Financial Officer
William G. Pagonis	Senior Vice President, Supply Chain Management
Glenn R. Richter..	Senior Vice President, Finance
David W. Selby....	Senior Vice President, Marketing
Michael J. Tower..	Senior Vice President, Strategy
Hall Adams, Jr....	Director
Brenda C. Barnes..	Director
James R. Cantalupo	Director
Donald J. Carty...	Director
James W. Farrell..	Director
Michael A. Miles..	Director
Hugh B. Price.....	Director
Dorothy A. Terrell	Director
Raul H. Yzaguirre.	Director

MR. LACY has served as Chairman of Board of Sears since December 2000 and President and Chief Executive Officer since October 2000. Mr. Lacy was President of Services from 1999 to October 2000, President of Sears Credit from 1997 to 1999 (additionally Chief Financial Officer from 1998 to 1999) and Executive Vice President and Chief Financial Officer from 1995 to 1997.

MS. BUFANO joined Sears as Executive Vice President, Softlines in January 2002. Prior to joining Sears, she was President and Chief Merchandising Officer at the Dress Barn, a women's apparel retailer, since 2001. Prior to joining the Dress Barn, she was Executive Vice President, Women's Apparel at Macy's East, a department store chain, since 1996.

MS. CONWAY has served as Executive Vice President/General Manger, Full-line Store Operations--Sears Retail since July 1999. Prior to her current position she was President of Full-line Stores and Senior Vice

President of Northeast Region from 1998-1999. From 1993 to 1998 she was the Region General Manager. Ms. Conway holds degrees from Beaver College and St. Joseph University.

MR. CULP has served as Senior Vice President, Public Relations, Communications and Government Affairs of Sears since August 1999. Since joining Sears in 1993, Mr. Culp has served as Divisional Vice President, Public Affairs, from 1993 to 1995, and Vice President, Public Relations, from 1995 to 1999. Prior to joining Sears, he served as Executive Director, Corporate Relations for Sara Lee Corporation from 1985 to 1993.

MR. HEIDEMANN has served as Executive Vice President/General Manager, Hardlines--Sears Retail since September 1999. Previously, Mr. Heidemann held numerous management positions, including Senior Vice President, Appliances and Electronics, from 1998 to 1999, since joining Sears in 1967 after graduating from Northern Illinois.

MR. KELEGHAN has served as President, Credit and Financial Products of Sears since November 1999. Previously, Mr. Keleghan served as Vice President, Credit Risk Management from 1996 to 1999. Prior to joining Sears, Mr. Keleghan

served as Senior Vice President, Risk Management at GE Capital and at AT&T Universal Card Services.

MS. KELLY joined Sears as its General Counsel in March 1999. Prior to joining Sears, she had been Senior Vice President of Fannie Mae, a financial services company, since 1995 and had been Fannie Mae's General Counsel and Secretary since 1996.

MR. LEE joined Sears as Senior Vice President, Human Resources in January 2001. Prior to joining Sears, he had been Senior Vice President, Human Resources of Whirlpool Corporation, a manufacturer of major home appliances, since June 1998. Prior to joining Whirlpool, Mr. Lee served in the same capacity for The St. Paul Companies, a property and casualty insurance company.

MR. LISKA joined Sears as Executive Vice President and Chief Financial Officer in June 2001. Prior to joining Sears, Mr. Liska was Executive Vice President and Chief Financial Officer of The St. Paul Companies since 1997, and President and Chief Executive Officer of Specialty Foods Corporation, a manufacturer of food products, from 1994 until 1997.

MR. PAGONIS has served as Senior Vice President, Supply Chain Management since July 2001. Mr. Pagonis has served as Sears' Senior Logistics Officer since 1995. Mr. Pagonis is a retired Lieutenant General of the U.S. Army. He obtained an M.B.A. in 1970 and a B.S. in 1964 from the Pennsylvania State University.

MR. RICHTER joined Sears as Vice President and Controller in 2000. Mr. Richter became Senior Vice President, Finance in July 2001. Prior to joining Sears, Mr. Richter was Senior Vice President and Chief Financial Officer of Dade Behring International, a manufacturer of medical testing systems, since 1999 and Senior Vice President and Corporate Controller since 1997.

MR. SELBY joined Sears as Vice President of Marketing Services in 1997 and was promoted to Senior Vice President of Retail Marketing prior to being named Senior Vice President, Marketing 2001. Prior to joining Sears, Mr. Selby held a number of senior positions with The Leo Burnett Company, an advertising agency. He completed his 18 years at Leo Burnett as Senior Vice President.

MR. TOWER joined Sears as Vice President, Corporate Strategy and Business Development in 1997. Mr. Tower became Senior Vice President, Strategy in February 2001. Prior to joining Sears, Mr. Tower held a

number of senior positions with A.T. Kearney, a consulting firm. He completed his ten years at A.T. Kearney as a Partner and Vice President.

MR. ADAMS was Chairman of the Board and Chief Executive Officer of Leo Burnett Company, Inc. (advertising) from 1987 until his retirement in 1992. Mr. Adams is a director of Moody's Corporation (formerly Dun & Bradstreet) and McDonald's Corporation.

MS. BARNES is an Adjunct Professor, Northwestern University, Kellogg Graduate School of Management, 2002; Guest Lecturer, North Central College, 2002; Interim President, Starwood Hotels and Resorts (hotels and leisure) from November 1999 until March 2000. Ms. Barnes served as President and Chief Executive Officer of PepsiCola North America (beverages) from 1996 until her retirement in 1998. She served as Chief Operating Officer of PepsiCola North America from 1994 to 1996. She is a director of Avon Products, Inc., Lucas Digital Ltd. and Lucas Arts Entertainment Company LLC, The New York Times Company, PepsiAmericas and Staples, Inc.

MR. CANTALUPO has served as Vice Chairman and President, Emeritus of McDonald's Corporation (restaurant chain) since January 1, 2002, Vice Chairman and President from 1999 to 2002, Vice Chairman of McDonald's Corporation and Chairman and Chief Executive Officer, McDonald's International, from 1998 to 1999 and as President and Chief Executive Officer, McDonald's International, from 1991 to 1998. He is a director of McDonald's Corporation, Illinois Tool Works Inc., International Flavors & Fragrances Inc., Rohm & Haas Co., the Chicago Council of Foreign Relations, the Mid-America Committee and World Business Chicago.

MR. CARTY has served as Chairman of the Board, President and Chief

Executive Officer of AMR Corporation and American Airlines, Inc. (air transportation) since 1998. Mr. Carty served as President of AMR Airline Group and American Airlines from 1995 until 1998. He is a director of Dell Computer Corporation.

MR. FARRELL has served as Chairman of the Board and Chief Executive Officer of Illinois Tool Works Inc. (manufacturing and marketing of engineered components) since 1996. Mr. Farrell is a director of Illinois Tool Works Inc., Kraft Foods, Inc., The Allstate Corporation, The Federal Reserve Bank of Chicago and UAL Corp.

MR. MILES was Chairman of the Board and Chief Executive Officer of Philip Morris Companies Inc. (consumer products) from 1991 until his retirement in 1994. Mr. Miles is a Special Limited Partner of Forstmann Little & Co. (investment firm) and a member of its Advisory Board. He is a director of The Allstate Corporation, AMR Corp., AOL Time Warner Inc., Community Health Systems, Inc., Dell Computer Corp., Exult, Inc. and Morgan Stanley Dean Witter & Co.

MR. PRICE has been President and Chief Executive Officer of the National Urban League (social services) since 1994. Mr. Price is a director of Mayo Clinic Foundation, Metropolitan Life Insurance Company and Verizon Communications Inc.

MS. TERRELL has served as Senior Vice President, Worldwide Sales, of NMS Communications (formerly Natural MicroSystems Corporation) (telecommunications) since 1998 and President, Platforms and Services Group since 2002, President, Services Group from 1998 to 2002. Ms. Terrell served as President of SunExpress, Inc., an operating company of Sun Microsystems, Inc. (supplier of open network computing products and services), and as a Corporate Executive Officer of Sun Microsystems, Inc. from 1991 to 1997. She is a director of General Mills, Inc. and Herman Miller, Inc.

MR. YZAGUIRRE has served as President and Chief Executive Officer, National Council of LaRaza (social services) since 1974. He is a director of the Council of Better Business Bureaus and AARP Services, Inc.

2. DIRECTORS AND EXECUTIVE OFFICERS OF THE PURCHASER. The following table sets forth the name, present principal occupation or employment and past material occupations, positions, offices or employment for each director and executive officer of the Purchaser for the past five (5) years. The current business address of each person is 3333 Beverly Road, Hoffman Estates, Illinois 60179 and the current phone number is (847) 286-2500. Each person is a citizen of the United States of America.

NAME	POSITIONS
Glenn R. Richter	President and Director
W. Anthony Will.	Vice President and Treasurer
Matthew T. Myren	Secretary

MR. RICHTER joined Sears as Vice President and Controller in 2000. Mr. Richter became Senior Vice President, Finance in July 2001. Prior to joining Sears, Mr. Richter was Senior Vice President and Chief Financial Officer of Dade Behring International, a manufacturer of medical testing systems, since 1999 and Senior Vice President and Corporate Controller since 1997. Mr. Richter has served as director and as President of Inlet Acquisition Corp. since its formation in May 2002.

MR. WILL has served as Vice President, Business Development of Sears since February 2002. Prior to joining Sears, Mr. Will was a consultant in the Chicago office of Egon Zehnder International, a management consulting and executive recruiting firm, from January 2001 to February 2002. Prior to that, Mr. Will was Vice President, Strategy and Corporate Development, at Fort James Corporation, a $7.5 billion paper and consumer goods company, from October 1998 until January 2001. Prior to Fort James, Mr. Will served as Manager in the Chicago office of The Boston Consulting Group, an international strategy

consulting firm, from August 1993 until October 1998. Mr. Will has served as the Vice President and Treasurer of Inlet Acquisition Corp. since its formation in May 2002.

MR. MYREN has served as Assistant General Counsel, Corporate and Strategic Transactions, of Sears since November 1999. Prior to that, Mr. Myren served as Senior Counsel at Sears. Prior to joining Sears, Mr. Myren was an associate at the law firm of Skadden, Arps, Slate, Meagher and Flom. Mr. Myren has served as Secretary of Inlet Acquisition Corp. since its formation in May 2002.

Facsimile copies of the Letter of Transmittal, properly completed and duly executed, will be accepted. The Letter of Transmittal, certificates for Shares and any other required documents should be sent or delivered by each stockholder of the Company or such stockholder's broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its addresses set forth below:

THE DEPOSITARY FOR THE OFFER IS:

MELLON INVESTOR SERVICES LLC

BY MAIL	BY HAND OR OVERNIGHT DELIVERY	BY FACSIMILE TRANSMISSION (FOR ELIGIBLE INSTITUTIONS ONLY):
Mellon Investor Services LLC Reorganization Department Post Office Box 3301 South Hackensack, NJ 06606	Mellon Investor Services LLC Reorganization Department 85 Challenger Road Mail Stop--Reorg Ridgefield Park, NJ 07660	Mellon Investor Services LLC Reorganization Department 120 Broadway, 13th Floor New York, NY 10271

BY FACSIMILE TRANSMISSION:
(FOR ELIGIBLE INSTITUTIONS ONLY)
(201) 296-4293

CONFIRM FACSIMILE BY TELEPHONE:
(201) 296-4860

Questions or requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers listed below. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent. Stockholders may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

THE INFORMATION AGENT FOR THE OFFER IS:

D.F. KING & CO., INC.

77 Water Street
New York, New York 10005

Banks and Brokers call collect: (212) 269-5550
All Others call toll-free: (800) 290-6429

THE DEALER MANAGER FOR THE OFFER IS:

MORGAN STANLEY
Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036
(212) 761-4308

Exhibit (a)(1)(B)

Letter of Transmittal
To Tender Shares of Common Stock
of
Lands' End, Inc.
Pursuant to the Offer to Purchase dated as of May 17, 2002
by
Inlet Acquisition Corp.
a wholly owned subsidiary of
Sears, Roebuck and Co.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT
12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY,
JUNE 14, 2002, UNLESS THE OFFER IS EXTENDED.

The Depositary for the Offer is:
Mellon Investor Services LLC

By Mail:	By Overnight Courier:	By Hand:
Mellon Investor Services LLC Reorganization Department Post Office Box 3301 South Hackensack, NJ 07606	Mellon Investor Services LLC Reorganization Department 85 Challenger Road Mail Stop--Reorg Ridgefield Park, NJ 07660	Mellon Investor Services LLC Reorganization Department 120 Broadway, 13th Floor New York, NY 10271

By Facsimile Transmission:
(for Eligible
Institutions only)
(201) 296-4293

Confirm Facsimile By Telephone:
(201) 296-4860

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TO A NUMBER OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY TO MELLON INVESTOR SERVICES LLC (THE "DEPOSITARY"). YOU MUST SIGN THIS LETTER OF TRANSMITTAL IN THE APPROPRIATE SPACE PROVIDED THEREFOR BELOW, WITH SIGNATURE GUARANTEE IF REQUIRED, AND COMPLETE THE SUBSTITUTE FORM W-9 SET FORTH BELOW.

THE INSTRUCTIONS CONTAINED WITHIN THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

DESCRIPTION OF SHARES TENDERED

Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on Share Certificate(s))	Share Certificate(s) and Share(s) Tendered (Please attach additional signed list, if necessary)	
	Share Certificate Number(s)(1)	Total Number of Shares Represented By Certificate(s)(1)	Number Of Shares Tendered(2)

							Total Shares Tendered

(1) Need not be completed by stockholders who deliver Shares by book-entry transfer.
(2) Unless otherwise indicated, all Shares represented by certificates delivered to the Depositary will be deemed to have been tendered. See Instruction 4.

This Letter of Transmittal is to be used by stockholders of Lands' End, Inc. (the "Company"), if certificates for Shares (as defined below) are to be forwarded herewith or, unless an Agent's Message (as defined in Section 2 of the Offer to Purchase) is utilized, if delivery of Shares is to be made by book-entry transfer to an account maintained by the Depositary at the Book-Entry Transfer Facility (as defined in Section 2 of the Offer to Purchase and pursuant to the procedures set forth in Section 3 thereof).

Stockholders whose certificates for Shares ("Share Certificates") are not immediately available, or who cannot complete the procedure for book-entry transfer on a timely basis, or who cannot deliver all other required documents to the Depositary prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase), must tender their Shares according to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase in order to participate in the Offer. See Instruction 2. DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY WILL NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

TENDER OF SHARES

[_] CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN THE BOOK ENTRY TRANSFER FACILITY MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution: _____

Account Number: _____

Transaction Code Number: _____

[_] CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s): _____

Window Ticket Number (if any): _____

Date of Execution of Notice of Guaranteed Delivery: _____

Name of Eligible Institution that Guaranteed Delivery: _____

If delivery is by book-entry transfer, provide the following: _____

Account Number: _____

Transaction Code Number: _____

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE INSTRUCTIONS SET FORTH IN THIS LETTER OF TRANSMITTAL CAREFULLY

Ladies and Gentlemen:

The undersigned hereby tenders to Inlet Acquisition Corp., a Delaware corporation (the "Purchaser'") and a wholly owned subsidiary of Sears, Roebuck and Co., a New York corporation ("Sears"), the above-described shares of common stock, par value $.01 per share (the "Shares") of Lands' End, Inc., a Delaware corporation (the "Company"), pursuant to the Purchaser's offer to purchase all issued and outstanding Shares, at a purchase price of $62.00 per Share, net to

the seller in cash (the "Offer Price''), upon the terms and subject to the conditions set forth in the Offer to Purchase dated May 17, 2002 and in this Letter of Transmittal (which together with any amendments or supplements thereto or hereto, collectively constitute the "Offer").

Upon the terms and subject to the conditions of the Offer (and if the Offer is extended or amended, the terms of any such extension or amendment), and effective upon acceptance for payment of the Shares tendered herewith in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to or upon the order of the Purchaser all right, title and interest in and to all of the Shares that are being tendered hereby (and any and all dividends, distributions, rights, other Shares or other securities issued or issuable in respect thereof on or after the date hereof (collectively, "Distributions")) and irrevocably constitutes and appoints Mellon Investor Services LLC (the "Depositary") as the undersigned's true and lawful agent and attorney-in-fact with respect to such Shares (and any and all Distributions), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver certificates for such Shares (and any and all Distributions) or transfer ownership of such Shares (and any and all Distributions) on the account books maintained by the Book-Entry Transfer Facility, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of the Purchaser, (ii) present such Shares (and any and all Distributions) for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares (and any and all Distributions), all in accordance with the terms of the Offer.

By executing this Letter of Transmittal, the undersigned hereby irrevocably appoints the designees of the Purchaser, as the undersigned's attorneys-in-fact and proxies of the undersigned, each with full power of substitution, (i) to vote at any annual or special meeting of the Company's stockholders or any adjournment or postponement thereof or otherwise in such manner as each such attorney-in-fact and proxy or its, his or her substitute shall in its, his or her sole discretion deem proper with respect to, (ii) to execute any written consent concerning any matter as each such attorney-in-fact and proxy or its, his or her substitute shall in its, his or her sole discretion deem proper with respect to and (iii) to otherwise act as each such attorney-in-fact and proxy or its, his or her substitute shall in its, his or her sole discretion deem proper with respect to, all of the Shares (and any and all Distributions) tendered hereby and accepted for payment by the Purchaser. This appointment will be effective if and when, and only to the extent that, the Purchaser accepts such Shares for payment pursuant to the Offer. This power of attorney and proxy are irrevocable and are granted in consideration of the acceptance for payment of such Shares in accordance with the terms of the Offer. Such acceptance for payment shall, without further action, revoke any prior powers of attorney and proxies granted by the undersigned at any time with respect to such Shares (and any and all Distributions), and no subsequent powers of attorney, proxies, consents or revocations may be given by the undersigned with respect thereto (and, if given, will not be deemed effective). The Purchaser reserves the right to require that, in order for the Shares to be deemed validly tendered, immediately upon the Purchaser's acceptance for payment of such Shares, the Purchaser must be able to exercise full voting, consent and other rights with respect to such Shares (and any and all Distributions), including voting at any meeting of the Company's stockholders.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby (and any and all Distributions) and that, when the same are accepted for payment by the Purchaser, the Purchaser will acquire good, marketable and unencumbered title to such Shares (and any and all Distributions), free and clear of all liens, restrictions, charges and encumbrances and the same will not be subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depositary or the Purchaser to be necessary or desirable to complete the

sale, assignment and transfer of the Shares tendered hereby (and any and all Distributions). In addition, the undersigned shall remit and transfer promptly to the Depositary for the account of the Purchaser all Distributions in respect of the Shares tendered hereby, accompanied by appropriate documentation of transfer, and, pending such remittance and transfer or appropriate assurance

thereof, the Purchaser shall be entitled to all rights and privileges as owner of each such Distribution and may withhold the entire purchase price of the Shares tendered hereby or deduct from such purchase price the amount or value of such Distribution as determined by the Purchaser in its sole discretion.

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, personal representatives, trustees in bankruptcy, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the valid tender of the Shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the Instructions hereto will constitute a binding agreement between the undersigned and the Purchaser upon the terms and subject to the conditions of the Offer (and if the Offer is extended or amended, the terms or conditions of any such extension or amendment). Without limiting the foregoing, if the price to be paid in the Offer is amended in accordance with the Merger Agreement (as defined in the Offer to Purchase), the price to be paid to the undersigned will be the amended price notwithstanding the fact that a different price is stated in this Letter of Transmittal. The undersigned recognizes that under certain circumstances set forth in the Offer to Purchase, the Purchaser may not be required to accept for payment any of the Shares tendered hereby.

Unless otherwise indicated under "Special Payment Instructions," please issue the check for the purchase price of all of the Shares purchased and, if appropriate, return any certificates for the Shares not tendered or accepted for payment in the name(s) of the registered holder(s) appearing above under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price of all of the Shares purchased and, if appropriate, return any certificates for the Shares not tendered or not accepted for payment (and any accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing above under "Description of Shares Tendered." In the event that the boxes entitled "Special Payment Instructions" and "Special Delivery Instructions" are both completed, please issue the check for the purchase price of all Shares purchased and, if appropriate, return any certificates evidencing Shares not tendered or not accepted for payment (and any accompanying documents, as appropriate) in the name(s) of, and deliver such check and, if appropriate, return any such certificates (and any accompanying documents, as appropriate) to, the person(s) so indicated. Unless otherwise indicated herein in the box entitled "Special Payment Instructions," please credit any Shares tendered herewith by book-entry transfer that are not accepted for payment by crediting the account at the Book-Entry Transfer Facility designated above. The undersigned recognizes that the Purchaser has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder thereof if the Purchaser does not accept for payment any of the Shares so tendered.

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if the check for the purchase price of Shares accepted for payment and/or Share Certificates not tendered or accepted for payment are to be issued in the name of someone other than the undersigned.

Issue: Check
Certificate(s) to

Name _____
(Please Print)

Address _____
_____
_____
(Include Zip Code)

_____
(Taxpayer Identification or Social Security Number)
(Also Complete Substitute Form W-9 Below)

Account Number: _____

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if the check for the purchase price of Shares accepted for payment and/or Share Certificates not tendered or accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown under "Description of Shares Tendered."

Mail: Check
Certificate(s) to

Name _____
(Please Print)

Address _____
_____
_____
(Include Zip Code)

_____
(Taxpayer Identification or Social Security Number)
(Also Complete Substitute Form W-9 Below)

IMPORTANT
STOCKHOLDER: SIGN HERE
(Please Complete Substitute Form W-9 Included Herein)

_____

_____

(Signature(s) of Owner(s))

Name(s) _____

Capacity (Full Title) _____
(See Instructions)

Address _____

_____

_____

_____
(Include Zip Code)

Area Code and Telephone Number _____

Taxpayer Identification or
Social Security Number _____
(See Substitute Form W-9)

Dated: _____ , 2002

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on stock certificate(s) or on a security position listing or by the person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

GUARANTEE OF SIGNATURES
(If required--See Instructions 1 and 5)

Authorized Signature(s) _____

Name _____

Name of Firm _____

Address _____
(Include Zip Code)

Area Code and Telephone Number _____

Dated: _____ , 2002

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. Guarantee of Signatures. No signature guarantee is required on this Letter of Transmittal (a) if this Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Section, includes any participant in the Book-Entry Transfer Facility's systems whose name(s) appear(s) on a security position listing as the owner(s) of the Shares) of Shares tendered herewith, unless such registered holder(s) has completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on the Letter of Transmittal or (b) if such Shares are tendered for the account of a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a participant in the Security Transfer Agents Medallion Program or by any other "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act (each, an "Eligible Institution"). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 5.

2. Requirements of Tender. This Letter of Transmittal is to be completed by stockholders if certificates are to be forwarded herewith or, unless an Agent's Message is utilized, if tenders are to be made pursuant to the procedure for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase. Share Certificates evidencing tendered Shares, or timely confirmation of a book-entry transfer of Shares (a "Book-Entry Confirmation") into the Depositary's account at the Book-Entry Transfer Facility, as well as this Letter of Transmittal (or a manually signed facsimile hereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received by the Depositary at one of its addresses set forth herein prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase). Stockholders whose Share Certificates are not immediately available, or who cannot complete the procedure for delivery by book-entry transfer on a timely basis or who cannot deliver all other required documents to the Depositary prior to the Expiration Date, may tender their Shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by the Purchaser, must be received by the Depositary prior to the Expiration Date and (iii) the Share Certificates (or a Book-Entry Confirmation) evidencing all tendered Shares, in proper form for transfer, in each case together with this Letter of Transmittal (or a manually signed facsimile hereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry delivery, an Agent's Message) and any other documents required by this Letter of Transmittal, must be received by the Depositary within three trading days after the date of execution of such Notice of the Guaranteed Delivery. If Share Certificates are forwarded separately to the Depositary, a properly completed and duly executed Letter of Transmittal must accompany each such delivery.

THE METHOD OF DELIVERY OF THIS LETTER OF TRANSMITTAL, SHARE CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND THE RISK OF THE TENDERING STOCKHOLDER AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE

DEPOSITARY (INCLUDING, IN THE CASE OF BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted. All tendering stockholders, by execution of this Letter of Transmittal (or a manually signed facsimile hereof), waive any right to receive any notice of the acceptance of their Shares for payment.

3. Inadequate Space. If the space provided herein is inadequate, the Share Certificate numbers and/or the number of Shares and any other required information should be listed on a separate signed schedule attached hereto.

4. Partial Tenders (not applicable to stockholders who tender by book-entry transfer). If fewer than all of the Shares evidenced by any Share Certificate are to be tendered, fill in the number of Shares that are to be tendered in the box entitled "Number of Shares Tendered." In this case, new Share Certificates for the Shares that were evidenced by your old Share Certificates, but were not tendered by you, will be sent to you, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Shares represented by Share Certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal, Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby are held of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any of the tendered Shares are registered in different names on several Share Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations.

If this Letter of Transmittal or any Share Certificates or stock powers are signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to the Purchaser of the authority of such person so to act must be submitted.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares listed and transmitted hereby, no endorsements of Share Certificates or separate stock powers are required unless payment is to be made or Share Certificate(s) not tendered or not accepted for payment are to be issued in the name of any person(s) other than the registered holder(s). Signatures on any such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Share Certificate(s) listed and transmitted hereby, the Share Certificate(s) must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on the Share Certificate(s). Signature(s) on any such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

6. Stock Transfer Taxes. Except as otherwise provided in this Instruction 6, the Purchaser or any successor entity thereto will pay all stock transfer taxes with respect to the transfer and sale of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or if Share Certificate(s) for Shares not tendered or not accepted for payment are to be registered in the name of, any person(s) other than the registered holder(s), or if tendered Share Certificate(s) are registered in the name of any person(s) other than the person(s) signing this Letter of Transmittal, the purchase price will not be paid until such other person(s) has paid any stock transfer taxes (whether imposed on the registered holder(s) or such other person(s)) payable on account of the transfer to such other person(s) and has submitted evidence satisfactory to the Purchaser of the

payment of such taxes, or exemption therefrom.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificate(s) evidencing the Shares tendered hereby.

7. Special Payment and Delivery Instructions. If a check is to be issued in the name of, and, if appropriate, Share Certificates for Shares not tendered or not accepted for payment are to be issued or returned

to, any person(s) other than the signer of this Letter of Transmittal or if a check and, if appropriate, such Share Certificates are to be returned to any person(s) other than the person(s) signing this Letter of Transmittal or to an address other than that shown in this Letter of Transmittal, the appropriate boxes on this Letter of Transmittal must be completed.

8. Substitute Form W-9. To avoid backup withholding, a tendering stockholder is required to provide the Depositary with a correct taxpayer identification number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below, and to certify, under penalties of perjury, that such number is correct, that such stockholder is not subject to backup withholding of federal income tax and that such stockholder is a U.S. person (as defined for U.S. federal income tax purposes). If a tendering stockholder has been notified by the Internal Revenue Service ("IRS") that such stockholder is subject to backup withholding, such stockholder must cross out item (2) of the Certification box of the Substitute Form W-9 unless such stockholder has since been notified by the IRS that such stockholder is no longer subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the tendering stockholder to backup withholding on the payment of the purchase price of all Shares purchased from such stockholder. If the tendering stockholder has not been issued a TIN and has applied for one or intends to apply for one in the near future, such stockholder should write "Applied For" in the space provided for the TIN in Part I of the Substitute Form W-9 and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN by the time of payment, the Depositary will withhold a portion of all payments of the purchase price to such stockholder until a TIN is provided to the Depositary.

Certain stockholders (including, among others, all corporations and certain foreign individuals and entities) may not be subject to backup withholding. Foreign stockholders should submit an appropriate and properly completed IRS Form W-8, a copy of which may be obtained from the Depositary, in order to avoid backup withholding. Such stockholders should consult a tax advisor to determine which Form W-8 is appropriate. See the enclosed "Guidelines for Certification of Taxpayer Identification Number (TIN) on Substitute Form W-9" for more instructions.

9. Requests for Assistance or Additional Copies. Questions and requests for assistance or additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery, IRS Form W-8 and the "Guidelines for Certification of Taxpayer Identification Number (TIN) on Substitute Form W-9" may be directed to the Information Agent at the address and phone numbers set forth below, or from brokers, dealers, commercial banks or trust companies.

10. Lost, Destroyed or Stolen Certificates. If any certificate representing Shares has been lost, destroyed or stolen, the stockholder should promptly notify Wells Fargo Bank Minnesota, N.A., in its capacity as transfer agent for the Shares (toll free telephone number: (800) 468-9716). The stockholder will then be instructed as to the steps that must be taken in order to replace the certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A MANUALLY SIGNED FACSIMILE HEREOF) TOGETHER WITH ANY REQUIRED SIGNATURE GUARANTEES, OR, IN THE CASE OF A BOOK-ENTRY TRANSFER, AN AGENT'S MESSAGE, AND ANY OTHER REQUIRED DOCUMENTS, MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE AND EITHER CERTIFICATES FOR TENDERED SHARES MUST BE RECEIVED BY THE DEPOSITARY OR SHARES MUST BE DELIVERED PURSUANT TO THE PROCEDURES FOR BOOK-ENTRY TRANSFER, IN EACH CASE PRIOR TO THE EXPIRATION DATE.

IMPORTANT TAX INFORMATION

Under federal income tax law, a stockholder who is a U.S. person (as defined for U.S. federal income tax purposes) surrendering Shares must, unless an exemption applies, provide the Depositary (as payer) with the stockholder's correct TIN on IRS Form W-9 or on the Substitute Form W-9 included in this Letter of Transmittal. If the stockholder is an individual, the stockholder's TIN is such stockholder's social security number. If the correct TIN is not provided, the stockholder may be subject to a $50 penalty imposed by the IRS and payments of cash to the stockholder (or other payee) pursuant to the Offer may be subject to backup withholding of a portion of all payments of the purchase price.

Certain stockholders (including, among others, corporations and certain foreign individuals and entities) may not be subject to backup withholding and reporting requirements. In order for an exempt foreign stockholder to avoid backup withholding, such person should complete, sign and submit an appropriate Form W-8, signed under penalties of perjury, attesting to his or her exempt status. A Form W-8 can be obtained from the Depositary. Exempt stockholders other than foreign stockholders should furnish their TIN, write "Exempt" in Part II of the Substitute Form W-9 and sign, date and return the Substitute Form W-9 to the Depositary in order to avoid erroneous backup withholding. Such stockholders should consult a tax advisor to determine which Form W-8 is appropriate. See the enclosed "Guidelines for Certification of Taxpayer Identification Number (TIN) on Substitute Form W-9" for additional instructions.

If backup withholding applies, the Depositary is required to withhold and pay over to the IRS a portion of any payment made to a stockholder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

Purpose of Substitute Form W-9

To prevent backup withholding on payments that are made to a stockholder with respect to Shares purchased pursuant to the Offer, the stockholder is required to notify the Depositary of the stockholder's correct TIN by completing the Substitute Form W-9 included in this Letter of Transmittal certifying (1) that the TIN provided on the Substitute Form W-9 is correct (or that such stockholder is awaiting a TIN), (2) that the stockholder is not subject to backup withholding because (a) the stockholder is exempt from backup withholding, (b) the stockholder has not been notified by the IRS that the stockholder is subject to backup withholding as a result of a failure to report all interest and dividends or (c) the IRS has notified the stockholder that the stockholder is no longer subject to backup withholding and (3) that the stockholder is a U.S. person (as defined for U.S. federal income tax purposes).

What Number to Give the Depositary

The tendering stockholder is required to give the Depositary the TIN (generally the social security number or employer identification number) of the record holder of the Shares tendered hereby. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number (TIN) on Substitute Form W-9" for additional guidance on which number to report. If the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, he, she or it should write "Applied For" in the space provided for the TIN in Part I, sign and date the Substitute Form W-9 and sign and date the Certificate of Awaiting Taxpayer Identification Number, which appears in a separate box below the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN by the time of payment, the Depositary will withhold a portion of all payments of the purchase price until a TIN is provided to the Depositary. If the Depositary is provided with an incorrect TIN in connection with such payments, the stockholder may be subject to a $50.00 penalty imposed by the IRS.

PAYER'S NAME: MELLON INVESTOR SERVICES LLC

SUBSTITUTE FORM W-9 Department of the Treasury Internal Revenue Service Payer's Request for Taxpayer Identification Number (TIN) Please fill in your name and address below.	Part I: Taxpayer Identification Number--For all accounts, enter Taxpayer Identification Number in the box at right. (For most individuals, this is your social security number. If you do not have a number, see Obtaining a Number in the enclosed Guidelines for Certification of Taxpayer Identification Number (TIN) on Substitute Form W-9 (the "Guidelines"). Certify by signing and dating below. Note: If the account is in more than one name, check in the enclosed Guidelines to determine which number to give the payer.	Social Security Number OR Other Taxpayer Identification Number _____ (If awaiting TIN, write "Applied For")
_____ Name _____ Address (number and street) _____ City, State and Zip Code	Part II: For payees exempt from backup withholding, see the enclosed Guidelines and complete as instructed therein.	

Part III: Certification --Under penalties of perjury, I certify that:

(1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and

(2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and

(3) I am a U. S. person (as defined for United States federal income tax purposes).

Certification Instructions--You must cross out item (2) in Part III above if you have been notified by the IRS that you are subject to backup withholding because you have failed to report all interest or dividends on your tax return. However, if, after being notified by the IRS that you were subject to backup withholding, you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signature: _____D_a_t_e_:_____

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL INFORMATION.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU ARE AWAITING (OR WILL SOON APPLY FOR) A TAXPAYER IDENTIFICATION NUMBER.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that until I provide a taxpayer identification number by the time of payment, a portion of all reportable payments made to me thereafter may be withheld until I provide a number.

Signature: _____ Date: _____

MANUALLY SIGNED FACSIMILE COPIES OF THE LETTER OF TRANSMITTAL WILL BE ACCEPTED. THE LETTER OF TRANSMITTAL, CERTIFICATES FOR SHARES AND ANY OTHER REQUIRED DOCUMENTS SHOULD BE SENT OR DELIVERED BY EACH STOCKHOLDER OF THE COMPANY OR SUCH STOCKHOLDER'S BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE TO THE DEPOSITARY AT ONE OF ITS ADDRESSES SET FORTH ON THE FIRST PAGE.

Questions and requests for assistance or for additional copies of the Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials may be directed to the Information Agent at its telephone numbers and location listed below, and will be furnished promptly at

the Purchaser's expense. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

D.F. King & Co., Inc.
77 Water Street
New York, New York 10005
Banks and Brokers call collect: (212) 269-5500
All Others call toll-free: (800) 290-6429

The Dealer Manager for the Offer is:

MORGAN STANLEY
1585 Broadway
New York, New York 10036
(212) 761-4308

Exhibit (a)(1)(C)

Notice Of Guaranteed Delivery

for

Tender Of Shares Of Common Stock

of

Lands' End, Inc.

to

Inlet Acquisition Corp.
a wholly owned subsidiary of

Sears, Roebuck and Co.

(Not To Be Used For Signature Guarantees)

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT
12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY,
JUNE 14, 2002, UNLESS THE OFFER IS EXTENDED.

This Notice of Guaranteed Delivery, or a form substantially equivalent hereto, must be used to accept the Offer (as defined below) if certificates for Shares (as defined below) are not immediately available, if the procedure for book-entry transfer cannot be completed on a timely basis, or if time will not permit all required documents to reach Mellon Investor Services LLC (the "Depositary") on or prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase). This form may be delivered by hand, transmitted by facsimile or mailed to the Depositary. See Section 3 of the Offer to Purchase.

The Depositary for the Offer is:

Mellon Investor Services LLC

By Mail:	By Overnight Courier:	By Hand:
Mellon Investor Services LLC Reorganization Department Post Office Box 3301 South Hackensack, NJ 07606	Mellon Investor Services LLC Reorganization Department 85 Challenger Road Mail Stop--Reorg Ridgefield Park, NJ 07660	Mellon Investor Services LLC Reorganization Department 120 Broadway, 13th Floor New York, NY 10271

By Facsimile Transmission:
(for Eligible Institutions only)
(201) 296-4293

Confirm Facsimile By Telephone:
(201) 296-4860

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN ONE SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TO A NUMBER OTHER THAN THE FACSIMILE NUMBER SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

THIS NOTICE OF GUARANTEED DELIVERY TO THE DEPOSITARY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" (AS DEFINED IN THE OFFER TO PURCHASE) UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

The Eligible Institution that completes this form must communicate this guarantee to the Depositary and must deliver the Letter of Transmittal or an Agent's Message (as defined in the Offer to Purchase) and certificates for Shares to the Depositary within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.

THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tenders to Inlet Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Sears, Roebuck and Co., a New York corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated May 17, 2002 (the "Offer to Purchase") and the related Letter of Transmittal (which, together with any amendments or supplements thereto, constitute the "Offer"), receipt of which is hereby acknowledged, the number of shares of common stock, par value $.01 per share (the "Shares"), of Lands' End, Inc., a Delaware corporation (the "Company"), set forth below, pursuant to the guaranteed delivery procedures set forth in the Offer to Purchase.

SIGN HERE

Number of Shares Tendered: _____

Certificate No.(s) (if available):
=----------

Name(s) of Record Holder(s):

(please print)

[_] Check if securities will be tendered by book-entry transfer

Address(es):

(Zip Code)

Name of Tendering Institution:

Area Code and Telephone No.(s):

Signature(s)

Account No.: _____

Dated: _____, 2002

GUARANTEE
(Not to be used for signature guarantee)

The undersigned, a firm that is a participant in the Securities Transfer Agents Medallion Program, or an "eligible guarantor institution" (as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended), hereby guarantees the delivery to the Depositary of either the certificates evidencing all tendered Shares, in proper form for transfer, or the Shares pursuant to the procedure for book-entry transfer into the Depositary's account at The Depository Trust Company (the "Book-Entry Transfer Facility"), in either case, together with the Letter of Transmittal (or a facsimile thereof) properly completed and duly executed, with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) in the case of a book-entry delivery, and any other required documents, all within three New York Stock Exchange trading days after the date hereof.

Name of Firm: _____

(Authorized Signature)

Address: _____

Zip Code

Title: _____

Name: _____
(Please type or print)

Area Code and Tel. No.

Date: _____, 2002

NOTE: DO NOT SEND CERTIFICATES FOR SHARES WITH THIS NOTICE. CERTIFICATES FOR SHARES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

Exhibit (a)(1)(D)

Offer To Purchase For Cash
All Outstanding Shares Of Common Stock

of

Lands' End, Inc.

at

$62.00 Net Per Share

by

Inlet Acquisition Corp.
a wholly owned subsidiary of

Sears, Roebuck and Co.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT
12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY,
JUNE 14, 2002, UNLESS THE OFFER IS EXTENDED.

May 17, 2002

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We have been engaged by Inlet Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Sears, Roebuck and Co., a New York corporation ("Sears"), to act as Dealer Manager in connection with the Purchaser's offer to purchase all outstanding shares of common stock, par value $.01 per share (the "Shares"), of Lands' End, Inc., a Delaware corporation (the "Company"), at a purchase price of $62.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated May 17, 2002 (the "Offer to Purchase") and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer") enclosed herewith.

The Offer is conditioned upon, among other things, (1) there being validly tendered and not withdrawn prior to the expiration of the Offer a number of Shares that, together with any other Shares then owned by Sears or the Purchaser or any of their subsidiaries, represents at least two-thirds of the then issued and outstanding Shares on a fully diluted basis, and (2) any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, relating to the Offer and Merger having expired or been terminated and all other material consents, approvals or authorizations required to be obtained prior to the consummation of the Offer and the Merger from any governmental or regulatory authority having been made or obtained. See Section 15 of the Offer to Purchase for additional conditions to the Offer.

Please furnish copies of the enclosed materials listed below to those of your clients for whose accounts you hold Shares registered in your name or in the name of your nominee:

1. Offer to Purchase, dated May 17, 2002;

2. Letter of Transmittal for your use in accepting the Offer and tendering Shares and for the information of your clients (manually signed facsimile copies of the Letter of Transmittal may be used to tender Shares);

3. Notice of Guaranteed Delivery to be used to accept the Offer if certificates for Shares are not immediately available or if such certificates and all other required documents cannot be delivered to Mellon Investor Services LLC (the "Depositary") prior to the expiration of the Offer, or if the procedures for book-entry transfer cannot be completed on a timely basis;

4. A printed form of letter that may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer;

5. The Company's Solicitation/Recommendation Statement on Schedule 14D-9 filed with the Securities and Exchange Commission by the Company; and

6. Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number (TIN) on Substitute Form W-9.

The Board of Directors of the Company (i) unanimously determined that the terms of the Offer and the Merger are fair to and in the best interests of the stockholders of the Company, (ii) approved the Merger Agreement (as defined below) and each of the Tender Agreements (as defined below) and approved each of the transactions contemplated by the Merger Agreement, including the Offer and the Merger (as defined below), and the transactions contemplated by the Tender Agreements and the transactions contemplated thereby, and (iii) recommends that the Company's stockholders accept the Offer and tender their Shares to the Purchaser pursuant to the Offer.

The Offer is being made pursuant to an Acquisition Agreement and Agreement and Plan of Merger, dated as of May 12, 2002 (the "Merger Agreement"), by and among Sears, the Purchaser and the Company. The Merger Agreement provides for, among other things, the making of the Offer by the Purchaser, and further provides that, after the consummation of the Offer, the Purchaser will be merged with and into the Company (the "Merger") following the satisfaction or waiver of the conditions to the Merger set forth in the Merger Agreement. Following the Merger, the Company will continue as the surviving corporation, wholly owned by Sears, and the separate corporate existence of the Purchaser will cease.

In connection with the Merger Agreement, Sears and the Purchaser have entered into Tender Agreements (the "Tender Agreements") with certain stockholders of the Company (the "Tendering Stockholders"). Pursuant to the Tender Agreements, the Tendering Stockholders have agreed, among other things, to tender their Shares to the Purchaser pursuant to the Offer and to grant Sears a purchase option on their Shares at the Offer Price which is exercisable upon the occurrence of certain events. The Shares owned by the Tendering Stockholders represent approximately 55% of the issued and outstanding Shares.

In order to take advantage of the Offer, (i) a duly executed and properly completed Letter of Transmittal and any required signature guarantees, or an Agent's Message (as defined in the Offer to Purchase) in connection with a book-entry delivery of Shares, and other required documents should be sent to the Depositary and (ii) certificates representing the tendered Shares should be delivered to the Depositary, or such Shares should be tendered by book-entry transfer into the Depositary's account maintained at the Book-Entry Transfer Facility (as described in the Offer to Purchase), all in accordance with the instructions set forth in the Letter of Transmittal and the Offer to Purchase.

Holders of Shares whose certificates for such Shares are not immediately available, who cannot complete the procedures for book-entry transfer on a timely basis, or who cannot deliver all other required documents to the Depositary prior to the Expiration Date (as defined in the Offer to Purchase) must tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

The Purchaser will not pay any fees or commissions to any broker or dealer or other person (other than the Depositary, the Information Agent and the Dealer Manager as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. The Purchaser will, however, upon request, reimburse you for customary mailing and handling costs incurred by you in forwarding the enclosed materials to your clients. The Purchaser will pay or cause to be paid all stock transfer taxes applicable to its purchase of Shares pursuant to the Offer, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, JUNE 14, 2002, UNLESS THE OFFER IS EXTENDED.

Any inquiries you may have with respect to the Offer should be addressed to, and additional copies of the enclosed materials may be obtained from, the Information Agent at the addresses and telephone numbers set forth on the back cover of the Offer to Purchase.

Very truly yours,

MORGAN STANLEY & CO.
Incorporated

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF SEARS, THE PURCHASER, THE COMPANY, THE DEALER MANAGER, THE INFORMATION AGENT, THE DEPOSITARY OR ANY AFFILIATE OF ANY OF THE FOREGOING OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HEREWITH AND THE STATEMENTS CONTAINED THEREIN.

Exhibit (a)(1)(E)

Instructions With Respect To The
Offer To Purchase For Cash
All Outstanding Shares Of Common Stock

of

Lands' End, Inc.

at

$62.00 Net Per Share

by

Inlet Acquisition Corp.
a wholly owned subsidiary of

Sears, Roebuck and Co.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, JUNE 14, 2002, UNLESS THE OFFER IS EXTENDED.

To Our Clients:

Enclosed for your consideration is the Offer to Purchase, dated May 17, 2002 (the "Offer to Purchase") and a related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer") in connection with the offer by Inlet Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Sears, Roebuck and Co., a New York corporation ("Sears"), to purchase all outstanding shares of common stock, par value $.01 per share (the "Shares"), of Lands' End, Inc., a Delaware corporation (the "Company"), at a purchase price of $62.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase and in the Letter of Transmittal enclosed herewith.

We or our nominees are the holder of record of Shares for your account. A tender of such Shares can be made only by us as the holder of record and pursuant to your instructions. The enclosed Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.

We request instructions as to whether you wish us to tender any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer to Purchase. Your attention is invited to the following:

1. The Offer Price is $62.00 per Share, net to you in cash without interest thereon.

2. The Offer is being made for all issued and outstanding Shares.

3. The Offer is being made pursuant to an Acquisition Agreement and Agreement and Plan of Merger, dated as of May 12, 2002 (the "Merger Agreement"), by and among Sears, the Purchaser and the Company. The Merger Agreement provides, among other things, that after the consummation of the Offer, the Purchaser will be merged with and into the Company (the "Merger") following the satisfaction or waiver of each of the conditions to the Merger set forth in the Merger Agreement and the Company will continue as the surviving corporation, wholly owned by Sears, and the separate corporate existence of the Purchaser will cease. At the effective time of the Merger, each Share (other than Shares owned by the Company as treasury stock and by Sears, the Purchaser or any other wholly owned subsidiary of Sears, and other Shares that are held by stockholders, if any, who properly exercise dissenters' rights under Delaware Law) will be

converted into the same price per share, in cash, without interest, as paid pursuant to the Offer. In connection with the Merger Agreement, Sears and the Purchaser have entered into Tender Agreements (the "Tender Agreements") with certain stockholders (the "Tendering Stockholders") of the Company, who collectively own approximately 55% of the outstanding Shares, and pursuant to which the Tendering Stockholders have agreed, among other things, to tender and not withdraw their Shares in the Offer.

4. The Board of Directors of the Company (i) unanimously determined that the terms of the Offer and the Merger are fair to and in the best interests of the stockholders of the Company, (ii) approved the Merger Agreement and each of the Tender Agreements and approved each of the transactions contemplated by the Merger Agreement, including the Offer and the Merger, and the transactions contemplated by the Tender Agreements and (iii) recommends that the Company's stockholders accept the Offer and tender their Shares to the Purchaser pursuant to the Offer.

5. The Offer and withdrawal rights will expire at 12:00 Midnight, New York City time, on Friday, June 14, 2002 (the "Expiration Date"), unless the Offer is extended.

6. Any stock transfer taxes applicable to the sale of Shares to the Purchaser pursuant to the Offer will be paid by the Purchaser, except as otherwise provided in the Letter of Transmittal.

The Offer is conditioned upon, among other things, (1) there being validly tendered and not withdrawn prior to the Expiration Date a number of Shares that, together with any other Shares then owned by Sears or the Purchaser or any of their subsidiaries, represents at least two-thirds of the then issued and outstanding Shares on a fully diluted basis, and (2) the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, having expired or been terminated and any other material consent, approval or authorization required to be obtained prior to the consummation of the Offer or the Merger from any governmental or regulatory authority having been made or obtained. See Section 15 of the Offer to Purchase for additional conditions to the Offer.

The Offer is made solely by the Offer to Purchase and the related Letter of Transmittal and is being made to all holders of Shares. The Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If the Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, the Purchaser shall make a good faith effort to comply with such state statute or seek to have such statute declared inapplicable to the Offer. If, after such good faith effort, the Purchaser cannot comply with such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) holders of Shares in such state. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by Morgan Stanley & Co. Incorporated in its capacity as Dealer Manager for the Offer or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing and returning to us the instruction form contained in this letter. An envelope to return your instructions to us is also enclosed. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified in this letter. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the Expiration Date.

Instructions With Respect To The
Offer To Purchase For Cash
All Outstanding Shares Of Common Stock

of

Lands' End, Inc.

at

$62.00 Net Per Share

by

Inlet Acquisition Corp.
a wholly owned subsidiary of

Sears, Roebuck and Co.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase dated Friday, May 17, 2002 and the related Letter of Transmittal in connection with the offer by Inlet Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Sears, Roebuck and Co., a New York corporation, to purchase all outstanding shares of common stock, par value $.01 per share (the "Shares"), of Lands' End, Inc., a Delaware corporation, at a purchase price of $62.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal.

This will instruct you to tender to the Purchaser the number of Shares indicated below (or, if no number is indicated below, all Shares) that are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal.

Account No.: _____

Number of Shares to Be Tendered: _____ Shares*

SIGN HERE

_____

_____

Signature(s)

_____

_____

_____

_____

Print Name(s) and Address(es)

_____

_____

_____

Area Code and Telephone Number(s)

_____

Taxpayer Identification or Social Security Number(s)

Dated: _____, 2002

* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.

Exhibit (a)(1)(F)

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER (TIN) ON SUBSTITUTE FORM W-9

(Section references are to the Internal Revenue Code of 1986, as amended)

Resident Aliens. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number ("ITIN"). Enter it on the portion of the Form W-9 or substitute Form W-9 where the SSN would be entered. If you do not have an ITIN, see "Obtaining a Number" below.

Name

If you are an individual, you must generally provide the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage, without informing the Social Security Administration of the name change, please enter your first name, the last name shown on your social security card, and your new last name.

Obtaining a Number

If you do not have a taxpayer identification number ("TIN"), either because you are an individual and you do not have a social security number, or you are an entity, and you do not have an employee identification number, apply for one immediately. To apply for an SSN, obtain Form SS-5, Application for a Social Security Card Number, from your local office of the Social Security Administration. To apply for an EIN, obtain Form SS-4, Application for Employer Identification Number, from the Internal Revenue Service (the "IRS") by calling 1-800-829-3676 or visiting the IRS's Internet web site at www.irs.gov. Resident aliens who are not eligible to get an SSN and need an ITIN should obtain Form W-7, Application for Individual Taxpayer Identification Number, from the IRS by calling 1-800-829-3676 or visiting the IRS's Internet web site at www.irs.gov. If you do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the payer. For interest and dividend payments and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the payer before you are subject to backup withholding on payments. Other payments are subject to backup withholding without regard to the 60-day rule until you provide your TIN. Note: Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Payees Exempt from Backup Withholding

Exempt payees described below should still file Form W-9 or substitute Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TIN, WRITE "EXEMPT" ON THE FACE OF THE FORM AND RETURN IT TO THE PAYER. IF THE PAYMENTS ARE INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

The following is a list of payees who may be exempt from backup withholding and for which no information reporting is required:

(1) An organization exempt from tax under section 501(a), an individual retirement plan ("IRA") or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
(2) The United States or any of its agencies or instrumentalities.
(3) A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
(4) A foreign government or any of its political subdivisions, agencies or instrumentalities.
(5) An international organization or any of its agencies or instrumentalities.
(6) A corporation.
(7) A foreign central bank of issue.
(8) A dealer in securities or commodities required to register in the United States, the District of Columbia or a possession of the United States.
(9) A futures commission merchant registered with the Commodity Futures Trading Commission.
(10) A real estate investment trust.
(11) An entity registered at all times during the tax year under the Investment Company Act of 1940.
(12) A common trust fund operated by a bank under section 584(a).
(13) A financial institution.
(14) A middleman known in the investment community as a nominee or listed in the most recent publication of the American Society of Corporate Secretaries, Inc. Nominee List.
(15) A trust exempt from tax under section 664 or described in section 4947.

For interest and dividends, all listed payees are exempt except the payee in (9). For broker transactions, payees listed in items (1) through item (13) and

a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7), except the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding:

. Medical and health care payments.
. Attorneys' fees.
. Payments for services paid by a federal executive agency.

Payments Exempt from Backup Withholding

Payments of dividends and patronage dividends generally not subject to backup withholding include the following:

. Payments to nonresident aliens subject to withholding under section 1441.
. Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
. Payments made by certain foreign organizations.

Payments of interest generally not subject to backup withholding include the following:
. Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding on interest of $600 or more paid in the course of the payer's trade or business if you have not provided your correct TIN to the payer.
. Payments of tax-exempt interest (including exempt-interest dividends under section 852).
. Payments described in section 6049(b)(5) to nonresident aliens.
. Payments on tax-free covenant bonds under section 1451.
. Payments made by certain foreign organizations.
. Mortgage or student loan interest paid to you.

Payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A, and 6050N, and the regulations under those sections.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the payer an appropriate completed Form W-8.

Privacy Act Notice.--Section 6109 requires you to furnish your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation and to cities, states and the District of Columbia to carry out their tax laws. You must provide your TIN whether or not you are qualified to file a tax return. Payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not furnish a TIN to a payer. Certain penalties may also apply.

Penalties

(1) Failure to Furnish TIN.--If you fail to furnish your correct TIN to a requester (the person asking you to furnish your TIN), you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) Civil Penalty for False Information With Respect to Withholding.--If you made a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

(3) Criminal Penalty for Falsifying Information.--Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE IRS.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER (TIN) ON SUBSTITUTE FORM W-9
(Section references are to the Internal Revenue Code of 1986, as amended)

Guidelines for Determining the Proper Identification Number to Give the Payer--A social security number ("SSN") has nine digits separated by two hyphens: i.e., 000-00-0000. An employer identification number ("EIN") has nine digits separated by one hyphen: i.e., 00-0000000. The table below will help you determine the number to give the payer.

If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury Regulations (S) 301.7701-3, enter the owner's name and TIN. Enter the LLC's name on the business name line. A disregarded entity that has a foreign owner must use the appropriate Form W-8.

For other entities, enter the business name as shown on required federal income tax documents. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade or "doing business as" name on the business name line.

For this type of account:	Give the SOCIAL SECURITY number of--
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee(1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
5. Sole proprietorship	The owner(3)

For this type of account:	Give the EMPLOYER IDENTIFICATION number of--
6. Sole proprietorship	The owner(3)
7. A valid trust, estate, or pension trust	The legal entity(4)
8. Corporate	The corporation
9. Association, club, religious, charitable, educational or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the	The public entity

Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments

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(1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's SSN must be furnished.
(2) Circle the minor's name and furnish the minor's SSN.
(3) Show your individual name. You may also enter your business name. You may use either your SSN or EIN (if you have one). Using your EIN may, however, result in unnecessary notices to the requester of the Form W-9 or substitute Form W-9.
(4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title).

Note: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

Exhibit (a)(5)(F)

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made solely by the Offer to Purchase, dated May 17, 2002, and the related Letter of Transmittal, and any amendments or supplements thereto, and is being made to all holders of Shares. The Offer, however, is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares residing in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. However, the Purchaser (as defined below) may, in its discretion, take such action as it may deem necessary to make the Offer in any jurisdiction and to extend the Offer to holders of Shares in such jurisdiction. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Purchaser by Morgan Stanley & Co. Incorporated or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash
All Outstanding Shares of Common Stock of
Lands' End, Inc.
at
$62.00 Net Per Share
by
Inlet Acquisition Corp.
a wholly owned subsidiary of
Sears, Roebuck and Co.

Inlet Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Sears, Roebuck and Co., a New York corporation ("Sears"), is offering to purchase all of the outstanding shares of common stock, par value $.01 per share (the "Shares"), of Lands' End, Inc., a Delaware corporation ("Lands' End"), at a purchase price of $62.00 per Share, net to the seller in cash (the "Offer Price"), upon the terms and subject to the conditions set forth in the Offer to Purchase, dated May 17, 2002 (the "Offer to Purchase"), and in the related Letter of Transmittal (the "Letter of Transmittal") (which, together with any amendments or supplements thereto, collectively constitute the "Offer"). Tendering stockholders who have Shares registered in their names and who tender directly to Mellon Investor Services LLC (the "Depositary") will not be charged brokerage fees or commissions or, subject to Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares pursuant to the Offer. Stockholders who hold their Shares through a broker or bank should consult such institution as to whether it charges any such fees or commissions. Sears or the Purchaser will pay all charges and expenses of Morgan Stanley & Co. Incorporated, which is acting as the dealer manager for the Offer (the "Dealer Manager"), the Depositary and D.F. King & Co., Inc., which is acting as information agent for the Offer (the "Information Agent"), incurred in connection with the Offer.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, JUNE 14, 2002, UNLESS THE OFFER IS EXTENDED.

The Offer is conditioned upon, among other things, (i) there being validly tendered and not withdrawn prior to the expiration of the Offer a number of Shares that, together with any other Shares then beneficially owned by Sears or the Purchaser or any of their subsidiaries, represent at least two-thirds of the then issued and outstanding Shares on a fully diluted basis (the "Minimum Condition"), and (ii) the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), having expired or been terminated. The Offer is also subject to the satisfaction of certain other conditions described in Section 15 of the Offer to Purchase. The Offer is not contingent on any financing conditions.

The Offer is being made pursuant to the Acquisition Agreement and Agreement and Plan of Merger, dated as of May 12, 2002 (the "Merger Agreement"), by and among Sears, the Purchaser and Lands' End. The Merger Agreement provides that, among other things, after the purchase of the Shares pursuant to the Offer, subject to the satisfaction or waiver of the other conditions set forth in the Merger Agreement and in accordance with the relevant provisions of the Delaware General Corporation Law, as amended (the "DGCL"), the Purchaser will be merged with and into Lands' End (the "Merger"). Following consummation of the Merger, Lands' End will continue as the surviving corporation (the "Surviving Corporation") and will be a wholly owned subsidiary of Sears. At the effective

time of the Merger, each Share that is then issued and outstanding (other than the Shares owned by the Company as treasury stock and Shares owned by Sears, the Purchaser or any other wholly owned subsidiary of Sears, all of which will be cancelled and retired and shall cease to exist, and other than

Shares that are held by stockholders, if any, who properly exercise their appraisal rights under the DGCL), will be converted into the right to receive from the Surviving Corporation $62.00, net to the seller in cash, as set forth in the Merger Agreement and described in the Offer to Purchase.

In connection with the Merger Agreement, the Purchaser and Sears have entered into Tender Agreements, each dated as of May 12, 2002 (the "Tender Agreements"), with certain stockholders of Lands' End (the "Tendering Stockholders"), including the founder and Chairman of Lands' End. Pursuant to the Tender Agreements, the Tendering Stockholders have agreed, among other things, to tender their Shares pursuant to the Offer and to grant Sears a purchase option on their Shares at the Offer Price which is exercisable upon the occurrence of certain events. The Shares subject to the Tender Agreements represent approximately 55% of the Shares issued and outstanding.

The Board of Directors of Lands' End (i) unanimously determined that the terms of the Offer and the Merger are fair to and in the best interests of the stockholders of Lands' End, (ii) approved the Merger Agreement and each of the Tender Agreements and approved each of the transactions contemplated by the Merger Agreement, including the Offer and the Merger, and the transactions contemplated by the Tender Agreements and (iii) recommends that Lands' End stockholders accept the Offer and tender their Shares to the Purchaser pursuant to the Offer.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment, and thereby purchased, the Shares validly tendered and not properly withdrawn, if and when the Purchaser gives oral or written notice to the Depositary of the Purchaser's acceptance of such Shares. Payment for Shares so accepted will be made by deposit of the Offer Price with the Depositary, which shall act as agent for tendering stockholders for the purpose of receiving payments from the Purchaser and transmitting such payments to the tendering stockholders. Payment for any Shares tendered in the Offer will be made only after timely receipt by the Depositary of (i) certificates for such Shares or confirmation of a book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility (as defined in the Offer to Purchase) pursuant to the procedures set forth in the Offer to Purchase, (ii) a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees, or, in the case of a book-entry transfer, an Agent's Message (as defined in the Offer to Purchase) and (iii) any other documents required by the Letter of Transmittal. Under no circumstances will interest be paid on the Offer Price for Shares tendered in the Offer, regardless of any extension of the Offer or any delay in making such payment.

The term "Expiration Date" means 12:00 Midnight, New York City time, on Friday, June 14, 2002, unless the Purchaser shall have extended the Offer, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, will expire. The Purchaser may (i) without the consent of Lands' End, and must, at Lands' End request, extend the Offer if, at the then current Expiration Date (1) there shall be any statute, rule, regulation, legislation, judgment, order or injunction enacted or entered which directly or indirectly prohibits the Offer, prohibits or materially limits the ownership or operation of all or any material portion of the business or assets of Lands' End or imposes material limitations on the rights of ownership of Sears or the Purchaser with respect to the Shares, (2) (A) there is any general suspension of, or limitation on prices for, trading in securities on the New York Stock Exchange or in the Nasdaq National Market, (B) there is any declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or (C) there is any limitation (whether or not mandatory) by any U.S. governmental entity that materially and adversely affects the extension of credit by banks or other lending institutions in the United States, or (3) any applicable waiting period under the HSR Act shall not have expired or been terminated and any material consent or approval required from any governmental authority to consummate the Offer and the Merger shall not have been made or obtained, (ii) without the consent of Lands' End, extend the Offer if any of the conditions to the Offer, other than those described above in clauses (1), (2) and (3) or the Minimum Condition, is not satisfied or waived by the then current Expiration Date and (iii) extend the Offer on one occasion for

a period not to exceed twenty business days, if all conditions other than the Minimum Condition are satisfied or waived by the then current Expiration Date. In addition, the Purchaser may extend the Offer for any period required by any rule, regulation, interpretation of the Securities and Exchange Commission or the staff thereof applicable to the Offer. However, the Expiration Date may not be extended in any event beyond September 30, 2002. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of a tendering stockholder to withdraw such Shares.

In the Merger Agreement, Sears and the Purchaser have expressly reserved the right to modify the terms of the Offer, except that neither Sears nor the Purchaser may, without the prior written consent of Lands' End, make any change to the Offer that (i) amends or waives the Minimum Condition, (ii) decreases the Offer Price, (iii) changes the form of consideration payable in the Offer, (iv) decreases the number of Shares sought in the Offer, (v) imposes additional conditions or modifies any of the conditions to the Offer in a manner adverse to the holders of the Shares, or (vi) except as otherwise described above, extends the Offer.

The Merger Agreement also provides that if all conditions to the Offer are satisfied or waived, but fewer than 90% of the then issued and outstanding Shares on a fully diluted basis have been tendered and not withdrawn, together with any Shares beneficially owned by Sears, the Purchaser or any other subsidiary of Sears or the Purchaser, the Purchaser may, without the consent of Lands' End, provide a subsequent offering period in accordance with Rule 14d-11 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). A subsequent offering period is an additional period of time from three business days to twenty business days in length, beginning after the Purchaser purchases Shares tendered in the Offer, during which stockholders may tender, but not withdraw, their Shares and receive the Offer Price.

Any extension of the period during which the Offer is open, including any election to conduct a subsequent offering period, will be followed promptly by public announcement thereof, not later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

Except as otherwise provided in the Offer to Purchase, tenders of Shares made pursuant to the Offer are irrevocable, except that Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after July 15, 2002. For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder if different from the name of the person who tendered Shares. If certificates for Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and, unless such Shares have been tendered for the account of an Eligible Institution (as defined in the Offer to Purchase), the signature on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in the Offer to Purchase). If Shares have been tendered pursuant to the procedures for book-entry transfer as described in the Offer to Purchase, the notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with withdrawn Shares, in which case a notice of withdrawal will be effective if delivered to the Depositary by any method of delivery described in this paragraph. All questions as to the form and validity (including time of receipt) of a notice of withdrawal will be determined by the Purchaser, in its sole discretion, and its determination shall be final and binding on all parties. If the Purchaser elects to provide a subsequent offering period, Shares tendered in such subsequent offering period may not be withdrawn.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

Lands' End has provided to the Purchaser its list of stockholders and security position listings for the purpose of disseminating the Offer to holders of the Shares. The Offer to Purchase, the Letter of Transmittal and other related tender offer materials are being mailed to record holders of Shares and will also be mailed to brokers, dealers, commercial banks, trust companies and

similar persons whose names, or the names of whose nominees, appear on the stockholders list or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

The Offer to Purchase and the related Letter of Transmittal contain important information that should be read before any decision is made with respect to the Offer.

Any questions or requests for assistance may be directed to the Information Agent or the Dealer Manager as set forth below. Requests for copies of the Offer to Purchase, the Letter of Transmittal and other related tender offer materials may be directed to the Information Agent as set forth below, and copies will also be furnished promptly at the Purchaser's expense. No fees or commissions will be payable to brokers, dealers or other persons (other than the Dealer Manager and the Information Agent) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:
D. F. King & Co., Inc.
77 Water Street
New York, New York 10005
Banks and Brokers Call Collect: (212) 269-5550
All Others Call Toll-Free: (800) 290-6429

The Dealer Manager for the Offer is:

[GRAPHIC APPEARS HERE]

Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036
(212) 761-4308

May 17, 2002

EXHIBIT (a)(5)(G)

MEDIA CONTACT:
Peggy A. Palter
(847) 286-8361

FOR IMMEDIATE RELEASE:
May 17, 2002

SEARS BEGINS TENDER OFFER FOR LANDS' END

HOFFMAN ESTATES, Ill. - Sears, Roebuck and Co. (NYSE:S) today commenced a cash offer to acquire all of the outstanding common shares of Lands' End, Inc. (NYSE: LE) at a price of $62 per share, net to the seller in cash. The tender offer is scheduled to expire at midnight, Eastern time, on Friday, June 14, 2002, unless extended.

The complete terms and conditions of the offer are set forth in the Offer to Purchase, copies of which are available by contacting the information agent, D. F. King & Co., Inc., at 800-290-6429.

Sears announced on May 13 that the company had reached an agreement with Lands' End to acquire the direct merchant in a cash tender offer for $62 per Lands' End share, or approximately $1.9 billion. Upon completion of the transaction, expected in June, Lands' End will become a wholly owned subsidiary of Sears.

Morgan Stanley is the dealer manager for the offer and Mellon Investor Services LLC is serving as the depositary for the offer.

Sears, Roebuck and Co. is a broadline retailer with significant service and credit businesses. In 2001, the company's annual revenue was more than $41 billion. The company offers its wide range of apparel, home and automotive products and services to families in the U.S. through Sears stores nationwide, including approximately 870 full-line stores. Sears also offers a variety of merchandise and services through its Web site, sears.com.

# # #

Exhibit (d)(1)

Execution Copy

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ACQUISITION AGREEMENT
AND AGREEMENT AND PLAN OF MERGER

by and among

SEARS, ROEBUCK AND CO.,

INLET ACQUISITION CORP.

and

LANDS' END, INC.

dated as of

May 12, 2002

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ACQUISITION AGREEMENT
AND AGREEMENT AND PLAN OF MERGER

ACQUISITION AGREEMENT AND AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of May 12, 2002, by and among Sears, Roebuck and Co., a New York corporation (the "Parent"), Inlet Acquisition Corp., a Delaware corporation and a direct, wholly-owned subsidiary of the Parent (the "Purchaser"), and Lands' End, Inc., a Delaware corporation (the "Company").

WHEREAS, this Agreement provides for the Parent to acquire the Company by (i) causing the Purchaser to make a tender offer for all issued and outstanding shares of common stock, par value $0.01 per share, of the Company (referred to herein as "Company Common Shares") for $62.00 per share, net to the seller in cash, and (ii) as promptly as practicable after the closing of such tender offer, causing the Purchaser to merge with and into the Company, with each then issued and outstanding Company Common Share being converted into the same amount of cash per share as paid in the tender offer, upon the terms and conditions set forth herein;

WHEREAS, the boards of directors of the Parent, the Purchaser and

the Company have each declared advisable and approved and adopted this Agreement and the Merger (as defined in Section 1.4 hereof) following the Offer in accordance with the General Corporation Law of the State of Delaware, as amended (the "DGCL"), and upon the terms and subject to the conditions set forth herein;

WHEREAS, the board of directors of the Company has determined that the consideration to be paid for each Company Common Share in the Offer and the Merger is fair to the holders of such Company Common Shares and has resolved to recommend that the holders of such Company Common Shares accept the Offer, tender their Company Common Shares pursuant thereto and approve and adopt this Agreement and each of the transactions contemplated hereby, including the Offer and the Merger (the "Transactions"), upon the terms and subject to the conditions set forth herein; and

WHEREAS, as a condition and inducement to the Parent's and the Purchaser's entering into this Agreement, certain stockholders of the Company, concurrently herewith, are entering into a Tender Agreement (collectively, the "Tender Agreements"), dated as of the date hereof, with the Parent and the Purchaser, pursuant to which such stockholders are agreeing, subject to the terms and conditions contained therein, to tender the Company Common Shares held by them in the Offer.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I

THE OFFER AND MERGER

Section 1.1 The Offer.

(a) Provided that this Agreement shall not have been terminated in accordance with Section 9.1 and none of the events set forth in Exhibit A hereto shall have occurred and be continuing, as promptly as practicable and in any event within 7 business days of the date hereof, the Purchaser shall commence (within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder ("Exchange Act")) an offer (the "Offer") to purchase all Company Common Shares at a price of $62.00 per Company Common Share, net to the seller in cash (such price, or the highest of any price per Company Common Share as may be paid in the Offer, being referred to herein as the "Offer Price"). The obligations of the Purchaser to accept for payment and to pay for Company Common Shares validly tendered pursuant to the Offer on or prior to the expiration of the Offer and not withdrawn shall be subject only to (i) there being validly tendered and not withdrawn prior to the final expiration of the Offer that number of Company Common Shares which, together with the Company Common Shares beneficially owned by the Parent or the Purchaser or any of their Subsidiaries, represents at least two-thirds of the Company Common Shares then issued and outstanding on a Fully-Diluted Basis (the "Minimum Condition") and (ii) the other conditions set forth in Exhibit A hereto. The Offer shall be made by means of an offer to purchase (the "Offer to Purchase") containing the terms set forth in this Agreement, the Minimum Condition and the other conditions set forth in Exhibit A hereto. "Fully-Diluted Basis" shall mean, as of any date, the number of Company Common Shares issued and outstanding, together with the Company Common Shares that may be issued by the Company pursuant to warrants, options, rights or obligations outstanding at that date whether or not vested or then exercisable. Unless extended in accordance with Section 1.1(b) and/or Section 1.1(c) below, the Offer shall expire 20 business days after the date of its commencement (the "Initial Expiration Date" and, as may be extended in accordance with Section 1.1(b) and/or Section 1.1(c) below, the "Expiration Date").

(b) Purchaser expressly reserves the right to modify the terms of the Offer, except that, without the prior written consent of the Company (such consent to be authorized by the board of directors of the Company or a duly authorized committee thereof), the Purchaser shall not (and the Parent shall cause the Purchaser not to) (i) amend or waive the Minimum Condition, (ii) decrease the Offer Price, (iii) change the form of consideration payable

in the Offer, (iv) decrease the number of Company Common Shares sought in the Offer, (v) impose additional conditions or modify any of the conditions set forth in Exhibit A hereto in any manner adverse to the holders of Company Common Shares, or (vi) extend the Offer, except in accordance with Section 1.1(c) or the next sentence. Notwithstanding the foregoing, the Purchaser may, without the consent of the Company, but shall, at the request of the Company, (x) from time to time, extend the Offer if at the Initial Expiration Date or the then current Expiration Date, as the case may be, any of the conditions to the Offer set forth in clauses (a), (b) and (f) of Exhibit A shall not be satisfied or waived, until such time as such conditions are satisfied or waived; provided that if any of the conditions to the Offer set forth in clauses (c), (d)

or (e) of Exhibit A shall not be satisfied or waived, the Purchaser may, but shall not be required to, extend the Offer beyond the then current Expiration Date; provided further, that if all conditions other than the Minimum Condition are satisfied or waived, the Purchaser may on one occasion for a period not to exceed 20 business days, extend the Offer beyond the then current Expiration Date, and (y) extend the Offer for any period required by any rule, regulation, interpretation or position of the SEC or the staff thereof applicable to the Offer; provided however that the Expiration Date may not be so extended beyond September 30, 2002 (the "Outside Date").

(c) As soon as practicable after the Expiration Date, assuming the prior satisfaction or waiver of the Minimum Condition and the other conditions of the Offer set forth in Exhibit A as contemplated hereby, the Purchaser shall accept for payment and pay for all Company Common Shares which have been validly tendered and not withdrawn pursuant to the Offer. The Parent shall provide or cause to be provided to the Purchaser on a timely basis the funds necessary to purchase all Company Common Shares that the Purchaser becomes obligated to purchase pursuant to the Offer, and shall be liable on a direct and primary basis for the performance by the Purchaser of its obligations under this Agreement. If, on the Expiration Date, the Minimum Condition has been satisfied or, with the consent of the Company, waived, and all other conditions to the Offer have been satisfied or waived but less than 90% of the Company Common Shares then issued and outstanding on a Fully-Diluted Basis, together with the Company Common Shares beneficially owned by the Parent, the Purchaser and their Subsidiaries, have been validly tendered and not withdrawn, the Purchaser may extend the Offer for a further period of time, after it has accepted and paid for (in accordance with the first sentence of this Section) all of the Company Common Shares tendered in the initial offer period, by means of a subsequent offering period (a "Subsequent Offering Period") of at least 3 but no more than 20 business days in accordance with Rule 14d-11 under the Exchange Act to meet the objective (which is not a condition to the Offer) that there be tendered prior to the Expiration Date (as so extended) and not withdrawn a number of Company Common Shares which, together with the Company Common Shares beneficially owned by the Parent, the Purchaser and their Subsidiaries, represents at least 90% of the then issued and outstanding Company Common Shares on a Fully-Diluted Basis. During the Subsequent Offering Period, the Purchaser shall immediately accept for payment and promptly pay for all Company Common Shares as they are tendered pursuant to the Offer in accordance with Rule 14d-11 under the Exchange Act.

(d) If this Agreement has been terminated pursuant to Section 9.1, the Purchaser shall, and the Parent shall cause the Purchaser to, promptly terminate the Offer without accepting any Company Common Shares for payment.

(e) As soon as practicable on the date the Offer is commenced, the Parent and the Purchaser shall file with the United States Securities and Exchange Commission (the "SEC") a Tender Offer Statement on Schedule TO with respect to the Offer (together with all amendments and supplements thereto and including the exhibits thereto, the "Schedule TO"). The Schedule TO will include the summary term sheet required thereby and, as exhibits, the Offer to Purchase and a form of letter of transmittal and summary advertisement and all other ancillary offer documents (collectively, together with any amendments and supplements thereto, the "Offer Documents"). The Parent and the Purchaser further agree to take all steps necessary

to cause the Offer Documents to be filed with the SEC and to be disseminated to holders of Company Common Shares, in each case as and to the extent required by applicable federal securities laws and as contemplated hereby. Each of the Parent, the Purchaser and the Company agrees to correct promptly any information provided by it or on its behalf for use in the Offer Documents if and to the extent that such information shall have become false and misleading in any material respect and the Purchaser further agrees to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and to be disseminated to holders of Company Common Shares, in each case as and to the extent required by applicable federal securities laws. The Company and its counsel shall be given the opportunity to review and comment on the Offer Documents and any amendments thereto before the filing thereof with the SEC. In conducting the Offer, the Parent and the Purchaser shall comply in all material respects with the provisions of the Exchange Act and any other applicable law. In addition, the Parent and the Purchaser agree to provide the Company and its counsel in writing with any comments, whether written or oral, that the Parent, the Purchaser or their counsel may receive from time to time from the SEC or its staff with respect to the Offer Documents promptly after the receipt of such comments, and any written or oral responses thereto.

Section 1.2 Company Actions.

(a) The Company hereby represents and warrants that the board of directors of the Company, at a meeting duly called and held, has (i) unanimously determined that the terms of the Offer and the Merger are fair to and in the best interests of the stockholders of the Company, (ii) approved this Agreement and each of the Tender Agreements and approved the Transactions and the transactions contemplated by the Tender Agreements and (iii) subject to the proviso to Section 1.2(b), resolved to recommend that the holders of the Company Common Shares accept the Offer (and has consented to the inclusion of such recommendation in the Offer Documents) and tender their Company Common Shares to the Purchaser thereunder (the "Company Tender Recommendations") and approve and adopt this Agreement and the Merger.

(b) As promptly as practicable on the date of commencement of the Offer, the Company shall file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 (together with all amendments and supplements thereto and including the exhibits thereto, the "Schedule 14D-9") which shall contain the Company Tender Recommendation; provided that the Company Tender Recommendation need not be made or, if previously made, may be withdrawn, modified or amended to the extent that the board of directors of the Company shall have determined, in good faith after consultation with its legal counsel, that the failure to take such action would be inconsistent with the fiduciary duties of the Company's directors under applicable law (it being agreed and understood by the parties that any withdrawal, modification or amendment of the recommendation of the Company's board of directors shall not alter the approval of the Company's board of directors of this Agreement, the Tender Agreements and the Transactions for purposes of Section 203 of the DGCL). The Company further agrees to take all steps necessary to cause the Schedule 14D-9 to be filed with the SEC and to be disseminated to holders of Company Common Shares, together with the Offer Documents, in each case as and to the extent required by applicable federal securities laws. Each of the Company, the Parent and the Purchaser agrees to correct promptly any information provided by it for use in the Schedule 14D-9 if and to the extent that such information shall have become false and misleading in any

material respects and the Company further agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and to be disseminated to holders of the Company Common Shares, in each case as and to the extent required by applicable federal securities laws. The Parent, the Purchaser and their counsel shall be given an opportunity to review and comment on the Schedule 14D-9 and any amendment thereto before it is filed with the SEC. In addition, the Company agrees to provide the Parent, the Purchaser and their counsel in writing with any comments, whether written or oral, that the Company or its counsel may receive from time to time from the SEC or its staff with respect to the Schedule 14D-9 promptly after the receipt of such comments, and any written or oral responses thereto.

(c) In connection with the Offer, the Company will as promptly as

practicable furnish or cause to be furnished to the Purchaser mailing labels, security position listings and any available listing or computer file containing the names and addresses of the record holders of the Company Common Shares as of a recent date, and shall furnish the Purchaser with such information and assistance as the Purchaser or its agents may reasonably request for the purpose of communicating the Offer to the record and beneficial holders of the Company Common Shares. Subject to the same exceptions against disclosure of Evaluation Material as contemplated by the Confidentiality Agreement and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Transactions, the Parent and the Purchaser and each of their affiliates, associates, partners, directors, officers, employees, agents and advisors shall hold in confidence the information contained in any of such labels and lists and the additional information referred to in the preceding sentence and all extracts and summaries thereof; will use such information only in connection with the Transactions, and, if this Agreement is terminated, will deliver or cause to be delivered to the Company, or destroy or cause to be destroyed (and certify such destruction to the Company), all copies of such information then in their possession or under their control.

Section 1.3 Directors.

(a) Promptly upon the purchase of and payment for Company Common Shares by the Parent or any of its Subsidiaries representing at least two-thirds of the issued and outstanding Company Common Shares (the "Share Purchase Date") and prior to the Effective Time, (i) the size of the board of directors of the Company shall be increased to 9, (ii) all current directors shall resign, other than 3 of the current directors who are not employees of the Company or stockholders, affiliates, associates or employees of the Parent or the Purchaser (as shall be designated by the board of directors of the Company prior to the Share Purchase Date) and any other current director who may be designated by the Parent, and (iii) a number of persons equal to the aggregate vacancies so created shall be designated by the Parent and shall be elected to fill the vacancies so created. The Company shall, upon request of the Parent, use its reasonable best efforts promptly to secure the resignations of such number of its incumbent directors as is necessary to enable the Parent's designees to be so elected or appointed to the Company's board of directors (and to the extent the Company is not successful in securing all of such resignations, increase the size of the board of directors of the Company to enable the Parent to designate at least two-thirds of the total number of directors of the Company), and shall use its reasonable best efforts to cause the Parent's designees to be so elected or appointed at such time. The Company's obligations under this Section 1.3(a) shall be subject to Section 14(f) of the

Exchange Act and Rule 14f-1 promulgated thereunder. The Company shall promptly take all actions required pursuant to such Section 14(f) and Rule 14f-1 in order to fulfill its obligations under this Section 1.3(a) (subject to the Parent's timely notification to the Company of such information as is necessary to fulfill such obligations), including mailing to stockholders (together with the Schedule 14D-9 if the Parent has then provided the necessary information) the information required by such Section 14(f) and Rule 14f-1 as is necessary to enable the Parent's designees to be elected or appointed to the Company's board of directors. The Parent or the Purchaser will supply the Company in writing and be solely responsible for any information with respect to either of them and their nominees, officers, directors and affiliates required by such Section 14(f) and Rule 14f-1. The provisions of this Section 1.3(a) are in addition to and shall not limit any rights which the Purchaser, the Parent or any of their affiliates may have as a holder or beneficial owner of Company Common Shares as a matter of law with respect to the election of directors of the Company or otherwise.

(b) As provided in Section 1.3(a), following the Share Purchase Date and prior to the Effective Time, the Company shall cause its board of directors to have at least 3 directors who are directors on the date hereof and who are not employed by the Company and who are not affiliates, associates, stockholders or employees of the Parent or the Purchaser (the "Independent Directors"); provided that if any Independent Directors cease to be directors for any reason whatsoever, the remaining Independent Directors (or Independent Director, if there is only one remaining) shall be entitled

to designate any other person(s) who shall not be stockholders, affiliates, associates or employees of the Parent or any of its Subsidiaries to fill such vacancies and such person(s) shall be deemed to be Independent Director(s) for purposes of this Agreement (provided that the remaining Independent Directors shall fill such vacancies as soon as practicable, but in any event within 5 business days, and further provided that if no such Independent Director is appointed in such time period, the Parent shall designate such Independent Director(s)), provided further that if no Independent Director then remains, the other directors shall designate 3 persons who shall not be stockholders, affiliates, associates or employees of the Parent or any of its Subsidiaries to fill such vacancies and such persons shall be deemed to be Independent Directors for purposes of this Agreement. Following the Share Purchase Date and prior to the Effective Time, neither the Parent nor the Purchaser will take any action to cause any Independent Director to be removed other than for cause. Notwithstanding anything in this Agreement to the contrary, after the Share Purchase Date and prior to the Effective Time, any approval by the board of directors of the Company or any other Company action must be made at a time when there are at least 3 Independent Directors serving on the board of directors of the Company and with the approval of at least 8 of the 9 directors of the Company (in each case, or such other number of directors that ensures that at least a majority of the Independent Directors has granted such approval) in order to (i) amend or terminate this Agreement by the Company, (ii) exercise or waive any of the Company's rights, benefits or remedies hereunder, or (iii) take any other action of the Company's board of directors under or in connection with this Agreement in any manner that adversely affects the holders of Company Common Shares, as determined by a majority of the Independent Directors. The Independent Directors shall have the authority to retain such counsel and other advisors at the expense of the Company as determined appropriate by any of the Independent Directors. In addition, the Independent Directors shall have the authority to institute any action, on behalf of the Company, to enforce performance of this Agreement.

For purposes of this Agreement, "Subsidiary" means, with respect to any person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that person or one or more of the other Subsidiaries of that person or a combination thereof or (ii) if a limited liability company, partnership, association, or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that person or one or more Subsidiaries of that person or a combination thereof. For purposes hereof, a person or persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association, or other business entity if such person or persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any general partner of such partnership association or a majority of the voting interests of the equity ownership of the limited liability company or other business entity. "Parent Subsidiary" means a Subsidiary of the Parent and "Company Subsidiary" means a Subsidiary of the Company.

Section 1.4 The Merger. Subject to the terms and conditions of this Agreement, at the Effective Time, the Company and the Purchaser shall consummate a merger (the "Merger") pursuant to which (i) the Purchaser shall be merged with and into the Company and the separate corporate existence of the Purchaser shall thereupon cease, (ii) the Company shall be the successor or surviving corporation in the Merger and shall continue to be governed by the laws of the State of Delaware, and (iii) the separate corporate existence of the Company with all its rights, privileges, immunities, powers and franchises shall continue unaffected by the Merger. The corporation surviving the Merger is sometimes hereinafter referred to as the "Surviving Corporation." The Merger shall have the effects set forth in Section 1.7 below and the DGCL.

Section 1.5 Effective Time. The Parent, the Purchaser and the Company shall cause (i) a certificate of merger or (ii) a certificate of ownership and merger as contemplated hereby (in either such case, the "Certificate of Merger") to be executed and filed on the date of the Closing (as defined in Section 1.6 hereof) with the Secretary of State of the State of Delaware as provided in the DGCL.

The Merger shall become effective on the date and at the time when the Certificate of Merger has been duly filed with the Secretary of State of the State of Delaware or such later time on the date of such filing as is agreed upon by the parties and specified in the Certificate of Merger (the "Effective Time"); provided that the Effective Time shall not be prior to the Share Purchase Date.

Section 1.6 Closing. The closing of the Merger (the "Closing") will take place at 10:00 a.m., Central Standard Time on a date that shall be no later than the third business day after satisfaction or waiver of all of the conditions (other than conditions with respect to actions the respective parties are to take at the Closing) set forth in Article VIII hereof (the "Closing Date"), at the offices of Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois, unless another date or place is agreed to in writing by the parties hereto.

Section 1.7 Effects of the Merger

(a) At the Effective Time, the certificate of incorporation of the Company shall be amended to read in its entirety as the certificate of incorporation of the Purchaser, as in effect at the Effective Time, and as so amended shall be the certificate of incorporation of the Surviving Corporation (except that the name and any incorporator of the Surviving Corporation as specified therein shall be the name and incorporator of the Company as specified in its certificate of incorporation as of immediately prior to the Merger).

(b) At the Effective Time, the by-laws of the Purchaser, as in effect immediately prior to the Effective Time, shall be the by-laws of the Surviving Corporation, except as to the name of the Surviving Corporation, until thereafter amended in accordance with applicable law.

(c) At the Effective Time, the directors of the Purchaser immediately prior to the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation, and the officers of the Company immediately prior to the Effective Time shall, from and after the Effective Time, be the officers of the Surviving Corporation, in each case until their respective successors shall have been duly elected or appointed or qualified or until their earlier death, resignation or removal in accordance with the Surviving Corporation's certificate of incorporation and by-laws.

Section 1.8 Subsequent Actions. If at any time after the Effective Time the Surviving Corporation will consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of either of the Company or the Purchaser acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of either the Company or the Purchaser, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement.

Section 1.9 Merger Without Meeting of Stockholders. As soon as practicable after the Purchaser has acquired, pursuant to the Offer or otherwise, at least 90% of the then issued and outstanding Company Common Shares, the Purchaser shall take, or cause to be taken, all necessary and appropriate action to cause the Merger to become effective, without a meeting of stockholders of the Company, in accordance with Section 253 of the DGCL.

Section 1.10 Information Statement.

(a) If after the consummation of the Offer and after the Subsequent Offering Period, if any, the Merger cannot be consummated under Section 253 of the DGCL pursuant to Section 1.9, the Company, acting through its board of directors, shall, in accordance with applicable law:

(i) obtain Company Stockholder Approval by written consent in lieu of a meeting pursuant to Section 228 of the DGCL; and

(ii) promptly prepare in accordance with the rules and regulations of the SEC and file with the SEC an information statement relating to the Merger and this Agreement and obtain and furnish the information required to be included by the SEC in an information statement (the "Information Statement") and, after consultation with the Parent, respond promptly to any comments made by the SEC with respect to the Information Statement and cause the Information Statement to be mailed to its stockholders;

(b) At the election of the Company, such stockholder approval may be obtained by duly calling, giving notice of, convening and holding a special meeting of its stockholders in accordance with Section 251(c) of the DGCL, in which case the Company shall promptly prepare and file with the SEC a proxy statement (a "Proxy Statement") otherwise in accordance with the foregoing provisions relating to the Information Statement and include in the proxy statement the recommendation of the board of directors of the Company that stockholders of the Company vote in favor of the approval of the Merger and the adoption of this Agreement.

(c) Each of the Parent and the Purchaser agrees that it will execute a written consent or vote, or cause to be voted, all of the Company Common Shares acquired by it pursuant to the Offer and otherwise then owned by it and its Subsidiaries in favor of the approval of the Merger and the adoption of this Agreement. In addition, each of the Parent and the Purchaser agrees that from (and including) the Share Purchase Date through the Effective Time, it will not sell, transfer, assign, pledge, exchange or otherwise dispose of any Company Common Shares (including those purchased in the Offer) or rights therein (whether acquired pursuant to the Offer or otherwise).

(d) No amendment or supplement to the Information Statement will be made by the Company without providing the Parent with the opportunity to review and comment thereon. The Company will advise the Parent, promptly after it receives notice thereof, of any supplement or amendment has been filed, or any request by the SEC for amendment of the Information Statement (or Proxy Statement, as the case may be) or comments of the SEC thereon and responses thereto or requests by the SEC for additional information. If at any time prior to the Effective Time the Company or the Parent discovers any information relating to either party, or any of their respective affiliates, officers or directors, that should be set forth in an amendment or supplement to the Information Statement (or Proxy Statement, as the case may be), so that such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party that discovers such information shall promptly notify the other parties hereto and the parties shall jointly prepare an appropriate amendment or supplement describing such information which shall be promptly filed with the SEC and, to the extent required by law or regulation, disseminated to the stockholders of the Company.

ARTICLE II

CONVERSION OF SECURITIES

Section 2.1 Conversion of Capital Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of the holders of any Company Common Shares or shares of common stock, par value $.01 per share, of the Purchaser (the "Purchaser Common Stock"):

(a) Purchaser Common Stock. Each issued and outstanding share of the Purchaser Common Stock shall be converted into and become one fully paid and nonassessable share of common stock of the Surviving Corporation.

(b) Cancellation of Treasury Stock and the Parent-Owned Stock. All Company Common Shares that are owned by the Company as treasury stock and any Company Common Shares owned by the Parent, the Purchaser or any other wholly-owned Subsidiary of the Parent shall automatically be cancelled and retired and shall cease to exist and no consideration shall be delivered or deliverable in exchange therefor.

(c) Conversion of Shares. Each issued and outstanding Company Common Share (other than shares to be cancelled in accordance with Section 2.1(b) hereof and other than Dissenting Shares (as defined in Section 2.3 hereof)) shall be converted automatically into the right to receive the Offer Price, payable to the holder thereof in cash, without interest (the "Merger Consideration"). From and after the Effective Time, all such Company Common Shares shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of a certificate representing any such shares shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration therefor upon the surrender of such certificate in accordance with Section 2.2 hereof, without interest.

Section 2.2 Exchange of Certificates.

(a) Paying Agent. The Parent shall designate a bank or trust company reasonably satisfactory to the Company to act as agent for the benefit of the holders of Company Common Shares in connection with the Merger (the "Paying Agent") to receive the funds to which holders of Company Common Shares shall become entitled pursuant to Section 2.1(c) hereof. Prior to the Effective Time, the Parent or the Purchaser shall deposit, or cause to be deposited, with the Paying Agent the aggregate Merger Consideration. For purposes of determining the amount of Merger Consideration to be so deposited, the Parent and the Purchaser shall assume that no stockholder of the Company will perfect any right to appraisal of his, her or its Company Common Shares. Such funds shall be invested by the Paying Agent as directed by the Parent or the Surviving Corporation pending payment thereof by the Paying Agent to the holders of the Company Common Shares; provided that such investments shall be (i) direct obligations of the United States of America, (ii) obligations for which the full faith and credit of the United States of America is pledged to provide for the payment of principal and interest, or (iii) commercial paper rated the highest quality by either Moody's Investors Services, Inc. or Standard & Poor's Corporation; provided further that no loss thereon or thereof shall affect the amounts payable to holders of Company Common Shares pursuant to Section 2.1(c). Earnings from such investments shall be the sole and exclusive property of the Parent and the Surviving Corporation, and no part of such earnings shall accrue to the benefit of holders of Company Common Shares.

(b) Exchange Procedures. Promptly after the Effective Time, the Parent shall instruct the Paying Agent to mail to each holder of record of a certificate or certificates, which immediately prior to the Effective Time represented issued and outstanding Company Common Shares (the "Certificates"), whose shares were converted pursuant to Section 2.1 hereof into the right to receive the Merger Consideration (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Paying Agent and shall be in such form and have such other provisions as are reasonable and customary in transactions such as the Merger) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for payment of the Merger Consideration. Upon surrender of a Certificate for cancellation to the Paying Agent or to such other agent or agents as may be appointed by the Parent, together with such letter of transmittal, duly executed and completed, and such other documents as may reasonably and customarily be required by the Paying Agent, the holder of such Certificate shall be entitled to receive in exchange therefor the Merger Consideration for each Company Common Share formerly represented by such Certificate and the Certificate so surrendered shall forthwith be cancelled. If payment of the Merger Consideration is to be made to a person other than the person in whose name the surrendered Certificate is registered, it shall be a condition of payment that the Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and that the person requesting such payment shall have paid any transfer and other taxes required by reason of the payment of the Merger Consideration to a person other than the registered holder of the Certificate surrendered or shall have established to the satisfaction of the Surviving

Corporation that such tax either has been paid or is not payable. Until surrendered as contemplated by this Section 2.2, each Certificate (other than Certificates representing shares to be cancelled in accordance with Section 2.1(b) and Dissenting Shares) shall be deemed at any

time after the Effective Time to represent only the right to receive upon such surrender the Merger Consideration in cash as contemplated by this Section 2.2, without interest thereon. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit (in a form reasonably satisfactory to the Purchaser) of that fact by the person claiming such Certificate to be lost, stolen or destroyed, the Paying Agent will issue, in each case, in exchange for such affidavit, the appropriate amount of Merger Consideration deliverable in respect thereof as determined in accordance with Section 2.1; provided that the person to whom the Merger Consideration is paid shall, as a condition precedent to the payment thereof, upon the request of Purchaser or Parent indemnify the Surviving Corporation and the Parent in a manner reasonably satisfactory to them (by the posting by such person of such bond and security as the Surviving Corporation and the Parent may reasonably request) against any claim that may be made against the Surviving Corporation and the Parent with respect to the Certificate claimed to have been lost, stolen or destroyed.

(c) Transfer Books; No Further Ownership Rights in Company Common Shares. At the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers of Company Common Shares on the records of the Company. From and after the Effective Time, the holders of Certificates evidencing ownership of Company Common Shares issued and outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Company Common Shares, except as otherwise provided for herein or by applicable law. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be cancelled and exchanged as provided in this Article II. The Merger Consideration paid upon the surrender of Certificates in accordance with the terms of this Section 2.2 shall be deemed to have been paid in full satisfaction of all rights pertaining to the Company Common Shares theretofore represented by such Certificates.

(d) Termination of Deposit; No Liability. At any time following 6 months after the Effective Time, the Surviving Corporation shall be entitled to require the Paying Agent to deliver to it on demand any funds (including any interest received with respect thereto) which had been made available to the Paying Agent and which have not been disbursed (or of which disbursement is not pending subject only to the Paying Agent's routine administrative procedures) to holders of Certificates, and thereafter such holders shall be entitled to look only to the Surviving Corporation (subject to abandoned property, escheat or other similar laws) for payment of the Merger Consideration in respect of their Certificates, without any interest thereon. Notwithstanding the foregoing, neither the Surviving Corporation nor the Paying Agent shall be liable to any holder of a Certificate for Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. Any amounts remaining unclaimed by any holder of Company Common Shares immediately prior to such time when such amounts would otherwise escheat to or become the property of any federal, state or local governmental authority, any transgovernmental authority or any court, administrative or regulatory agency or commission or other governmental authority or agency, domestic or foreign (each, a "Governmental Entity"), shall, to the extent permitted by applicable laws, become the property of the Surviving Corporation, free and clear of all claims or interest of any person previously entitled thereto.

(e) Withholding Rights. Each of the Surviving Corporation, the Paying Agent and the Parent shall be entitled to deduct and withhold from the Merger Consideration otherwise payable hereunder to any person such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of Federal, state, local or foreign tax law. To the extent that amounts are so deducted and withheld and paid to the appropriate governmental authority, such deducted and withheld amounts shall

be treated for all purposes of this Agreement as having been paid to such holders in respect of which such deduction and withholding was made.

Section 2.3 Dissenting Shares.

(a) Notwithstanding anything in this Agreement to the contrary, Company Common Shares issued and outstanding immediately prior to the Effective Time and held by a holder who has not voted in favor of the Merger or consented thereto in writing and who has complied with all of the relevant provisions of Section 262 of the DGCL ("Dissenting Shares") shall not be converted into a right to receive the Merger Consideration, unless such holder fails to perfect or withdraws or otherwise loses his or her right to appraisal in accordance with Section 262 of the DGCL. A holder of Dissenting Shares shall be entitled to receive payment of the appraised value of such Company Common Shares held by him, her or it in accordance with the provisions of Section 262 of the DGCL, unless, after the Effective Time, such holder fails to perfect or withdraws or loses his or her right to appraisal in accordance with Section 262 of the DGCL, in which case such Company Common Shares shall be converted into and represent only the right to receive the Merger Consideration, without interest thereon, upon surrender of the Certificate or Certificates representing such Company Common Shares pursuant to Section 2.2.

(b) (i) The Company shall give the Parent prompt notice of any written demands for appraisal of any Company Common Shares, attempted withdrawals of such demands and any other instruments served pursuant to the DGCL and received by the Company relating to rights of appraisal and (ii) the Parent shall have the right to participate in and direct all negotiations and proceedings with respect to demands for appraisal under the DGCL. Except with the prior written consent of the Parent, the Company shall not make any payment with respect to any demands for appraisal or settle or offer to settle any such demands for appraisal or agree to do any of the foregoing.

Section 2.4 Company Option Plans

(a) As soon as possible following the date of this Agreement, the board of directors of the Company and any committee administering the Company's Stock Option Plan (the "Employee Option Plan"), and the Non-Employee Director Stock Option Plan (collectively with the Employee Option Plan, the "Company Option Plans") shall adopt such resolutions and/or take such other actions as may be necessary or appropriate to effect the provisions of this Section 2.4 and to cause the transactions contemplated by this Section 2.4 to be exempt from the provisions of Section 16(b) of the Exchange Act. All options outstanding under the Company Option Plans are referred to herein as the "Company Options."

(b) The Parent hereby acknowledges that the transactions contemplated by this Agreement shall (i) constitute a "Sale of the Company" as defined in and pursuant to the Company Options, and, under the terms of those Options, upon the consummation of the Offer, all such Company Options shall fully vest and become exercisable, and (ii) constitute a "Sale of the Company" as defined in and pursuant to the Employment Agreement dated as of December 11, 1998 by and between the Company and David F. Dyer, the President and Chief Executive Officer of the Company. As a result, the Parent and the Company hereby acknowledge and agree that, upon the consummation of the Offer, all conditions and restrictions with respect to the Company Options then outstanding, including limitations on exercisability and vesting, risks of forfeiture and conditions and restrictions requiring continued performance of services or the meeting of any targets or milestones with respect to the exercisability or vesting of any such the Company Options, shall immediately lapse.

(c) Each Company Option unexercised and outstanding immediately prior to the Effective Time shall at the Effective Time be deemed to constitute an option to acquire, on the same terms and conditions as were applicable under such Company Option immediately prior to the Effective Time, the Merger Consideration. In addition, as contemplated by each of the Company Option Plans, the committee which administers the Company Option Plans shall make the provision for a cash payment to each holder of a Company Option unexercised and outstanding at the Effective Time in accordance with this

subsection (c). Each Company Option unexercised and outstanding at the Effective Time shall be cancelled as of the Effective Time in exchange for a cash payment to the holder of the Company Option in an amount equal to the excess of (x) the Merger Consideration multiplied by the number of Company Common Shares purchasable pursuant to such Company Option immediately prior to the Effective Time over (y) the aggregate exercise price for the Company Common Shares purchasable pursuant to such Company Option immediately prior to the Effective Time (in each case assuming such Company Option had been fully vested and fully exercisable as of the Effective Time as contemplated by the immediately preceding subsection), less any amounts as are required to be deducted and withheld under the United States Internal Revenue Code of 1986, as amended (the "Code") or any provision of state or local tax law in connection with such payment (the "Option Spread Payment"). The Company shall make the Option Spread Payment at or promptly following the Closing by check or wire transfer of immediately available funds as directed by the holder of the Company Option.

(d) As of the Effective Time, the Company Option Plans shall terminate and all rights under any provision of any other plan, program or arrangement providing for the issuance or grant of any other interest in respect of the capital stock of the Company or any Company Subsidiary shall be cancelled. At and after the Effective Time, no person shall have any right under the Company Options, the Company Option Plans or any other plan, program or arrangement with respect to equity securities of the Surviving Corporation or any Subsidiary thereof, except the right to receive the amount payable under Section 2.4(c) above.

(e) Each Company Common Share granted to any employee or director of the Company or any Company Subsidiary as compensation for services that is subject to restrictions on ownership or transferability shall vest in full and become fully transferable and free of restrictions not later than immediately prior to the Effective Time.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Company Disclosure Schedule attached hereto (with respect to which any particular reference to a section of this Agreement shall be deemed to be disclosed under all other articles and sections of this Agreement to which it is readily apparent from the text that such disclosure is relevant to such other articles and sections), the Company represents and warrants to the Parent and the Purchaser as follows:

Section 3.1 Corporate Existence and Power. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and has all corporate power required to carry on its business as now conducted. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where the failure to be so qualified or in good standing, individually or in the aggregate, would not have a Company Material Adverse Effect. As used herein, the term "Company Material Adverse Effect" shall mean any adverse change, effect, event, occurrence or state of facts (A) affecting the financial condition, business, assets, properties, operations or results of operations of the Company or any of its Subsidiaries which is material to the Company and its Subsidiaries, taken as a whole, or (B) which would prevent or materially impair the Company from consummating the Offer, the Merger, and the other Transactions, which has occurred or would reasonably be expected to occur as a result of any such change, effect, event, occurrence or state of facts, excluding in each case (i) any changes or effects resulting from general changes in economic and financial market conditions, (ii) changes in conditions (including as a result of changes in laws, including without limitation, common law, rules and regulations or the interpretations thereof) generally applicable to the retail or catalog retail industry that are not unique to the Company and its Subsidiaries, (iii) changes resulting from the announcement of the transactions described in this Agreement or the identity of the Parent or the Purchaser or from the performance of this Agreement and compliance with the covenants set forth herein and (iv) any actions required under this Agreement to obtain any approval or authorization under applicable

antitrust or competition laws for the consummation of the Transactions. The Company has heretofore made available to the Parent true and complete copies of the Company's certificate of incorporation and by-laws as currently in effect.

Section 3.2 Corporate Authorization; Approvals.

(a) The Company has the requisite corporate power and authority to execute and deliver this Agreement and, subject to the requisite approval of this Agreement by the holders of the issued and outstanding Company Common Shares with respect to the Merger, if such is required by applicable law, to consummate the Transactions. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the Transactions have been duly authorized by all necessary corporate action on the part of the Company, and, except for the approval of this Agreement by the requisite holders of the issued and outstanding Company Common Shares in the case of the Merger (if required), no other corporate action on the part of the Company is necessary to authorize the consummation of the

Transactions. This Agreement has been duly executed and delivered by the Company and, assuming that this Agreement constitutes a valid and binding obligation of the Parent and the Purchaser, this Agreement constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) The board of directors, or an appropriate committee thereof, of the Company has taken (or will take prior to the Merger) all action necessary so that the exemption from Section 16 under the Exchange Act which is contemplated by Section 16b-3(e) is applicable to the disposition of Company Common Shares and Company Options in or in connection with the Merger as contemplated by this Agreement by all persons who are directors and/or officers of the Company.

Section 3.3 Governmental Authorization. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the Transactions require no action by or in respect of, or filing with, any Governmental Entity, other than (a) the filing of (i) the Certificate of Merger in accordance with the DGCL and (ii) appropriate documents with the relevant authorities of other states or jurisdictions in which the Company or any Company Subsidiary is qualified to do business; (b) compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and foreign antitrust authorities, (c) the New York Stock Exchange (the "NYSE"); (d) compliance with any applicable requirements of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act") and the Exchange Act; (e) such as may be required under any applicable state securities or blue sky laws or state takeover laws; and (f) such other consents, approvals, actions, orders, authorizations, registrations, declarations and filings which, if not obtained or made, would not, individually or in the aggregate, (x) have a Company Material Adverse Effect or (y) prevent or materially impair the ability of the Company and the Parent to consummate the Transactions (the filings and authorizations referred to in clauses (a) through (f) being referred to collectively as the "Company Required Governmental Consents"). As used herein, the term "Parent Material Adverse Effect" shall mean any adverse change, effect, event, occurrence or state of facts resulting in a material adverse change in the ability of Parent to consummate the Offer, the Merger and other transactions contemplated by this Agreement, which has occurred or would reasonably be expected to occur as a result of any such change, effect, event, occurrence or state of facts.

Section 3.4 Non-Contravention. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the Transactions do not and will not (a) contravene or conflict with the Company's certificate of incorporation or by-laws, (b) assuming that all of the Company Required Governmental Consents are obtained, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to the Company or any Company Subsidiary (except that no representation or warranty is made with respect to any antitrust statute, regulation, rule or other such restriction), (c) constitute a default under or give rise to a right of termination, cancellation or acceleration (with or without due notice or lapse of time or both) of any right or obligation of the Company or any Company Subsidiary or to a loss of any benefit or status to which the Company or any Company Subsidiary

is entitled under any

provision of any agreement, contract or other instrument binding upon the Company or any Company Subsidiary or any license, franchise, permit or other similar authorization held by the Company or any Company Subsidiary or (d) result in the creation or imposition of any Lien (as defined below) on any asset of the Company or any Company Subsidiary, other than, in the case of each of (b), (c) and (d), any such items that would not, individually or in the aggregate, (x) have a Company Material Adverse Effect or (y) prevent or materially impair the ability of the Company and the Parent to consummate the Transactions. As used in this Agreement, "Lien" means any mortgage, lien, pledge, charge, claim, security interest or encumbrance of any kind; provided, however, that the term "Lien" shall not include (i) liens for water and sewer charges and current taxes, assessments and other governmental levies, fees or charges not yet due and payable or being contested in good faith, (ii) mechanics', carriers', workers', repairers', materialmen's, warehousemen's and similar liens and (iii) purchase money liens and liens securing rental payments under capital lease arrangements.

Section 3.5 Capitalization.

(a) The authorized capital stock of the Company consists of 160,000,000 Company Common Shares and 5,000,000 shares of preferred stock of the Company, par value $0.01 per share (the "Company Preferred Shares"). As of the close of business on the date hereof, (i) 30,012,942 Company Common Shares were issued and outstanding and 10,207,646 Company Common Shares were held in treasury and (ii) no Company Preferred Shares were issued and outstanding or held in treasury. As of the close of business on the date hereof, the Company Options to acquire an aggregate of 2,804,051 Company Common Shares are outstanding under the Company Option Plans. A complete and correct list, as of the date of the Agreement, of all outstanding Company Options, the number of Company Common Shares subject to such Company Options, the exercise prices and the names of the holders of each Company Option has been provided to the Parent and is attached to the Company Disclosure Schedule. All outstanding shares of the capital stock of the Company are, and all shares which may be issued pursuant to the exercise of the Company Options will be, when issued in accordance with the respective terms thereof, duly authorized, validly issued, fully paid and non-assessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the DGCL, the Company's certificate of incorporation, the Company's by-laws or any contract to which the Company is a party or otherwise bound.

(b) As of the date hereof, except as described in Section 3.5(a), there are no outstanding (i) shares of capital stock or other voting securities of the Company, (ii) securities of the Company convertible into or exchangeable for shares of capital stock or voting securities of the Company, or (iii) options or other rights to acquire from the Company, or obligations of the Company to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of the Company. There are no outstanding obligations of the Company or any Company Subsidiary to repurchase, redeem or otherwise acquire any Company Common Shares or other capital stock of the Company or any Company Subsidiary or to provide funds to make any investment (in the form of a loan, capital contribution or otherwise) in any Company Subsidiary or other entity, other than loans to Subsidiaries in the ordinary course of business.

Section 3.6 Subsidiaries.

(a) No Subsidiary of the Company is a Subsidiary that constitutes a "significant subsidiary" of the Company within the meaning of Rule 1-02 of Regulation S-X of the Exchange Act. The Company Disclosure Schedule sets forth a list of all Subsidiaries of the Company and their respective jurisdictions of incorporation or organization. All of the outstanding shares

of capital stock of, or other ownership interest in, each Subsidiary of the Company, are owned by the Company, directly or indirectly.

(b) Each Company Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of its state of incorporation, and has all corporate powers required to carry on its business as now conducted. Each Company Subsidiary is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where the failure to be so qualified, individually or in the aggregate, would not have a Company Material Adverse Effect.

(c) All of the outstanding shares of capital stock of, or other ownership interest in, each Subsidiary of the Company have been duly authorized and validly issued and are fully paid and nonassessable. All of the outstanding capital stock of, or other ownership interest, which is owned, directly or indirectly, by the Company in each of its Subsidiaries is owned free and clear of any Lien and free of any other limitation or restriction, including any limitation or restriction on the right to vote, sell or otherwise dispose of such capital stock or other ownership interest (other than any of such under the Securities Act or any state securities laws). There are no outstanding (i) securities of the Company or any of the Company Subsidiaries convertible into or exchangeable or exercisable for shares of capital stock or other voting securities or ownership interests in any of the Company Subsidiaries, (ii) options, warrants or other rights to acquire from the Company or any of the Company Subsidiaries, or obligations of the Company or any of the Company Subsidiaries to issue, any capital stock, voting securities or other ownership interests in, or any securities convertible into or exchangeable or exercisable for any capital stock, voting securities or ownership interests in, any of the Company Subsidiaries or (iii) obligations of the Company or any of the Company Subsidiaries to repurchase, redeem or otherwise acquire any outstanding securities of any of the Company Subsidiaries or any capital stock of, or other ownership interests in, any of the Company Subsidiaries. There are no other persons in which the Company owns, of record or beneficially, any direct or indirect equity or similar interest or any right (contingent or otherwise) to acquire the same.

Section 3.7 Past SEC Documents. The Company has filed, in a timely manner, all reports, filings, registration statements and other documents required to be filed by it with the SEC after February 1, 2000 and prior to the date of this Agreement (collectively, the "Past SEC Documents"). As of its filing date or as amended or supplemented prior to the date hereof, each Past SEC Document complied in all material respects with the applicable requirements of the Securities Act and/or the Exchange Act, as the case may be. No Past SEC Document, as of its filing date or effective date, as appropriate, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 3.8 Financial Statements; Liabilities.

(a) The audited consolidated financial statements of the Company included in the Company annual report on Form 10-K for its fiscal year ended February 1, 2002 (the "Company 10-K") fairly present in all material respects with the applicable accounting requirements and the published rules and regulations of the SEC with respect thereto and fairly present, in conformity with United States generally accepted accounting principles, consistently applied ("GAAP") (except as may be indicated in the notes thereto), the consolidated financial position of the Company and its Subsidiaries as of the dates thereof and their consolidated results of operations and changes in financial position for the respective periods then ended.

(b) There are no liabilities of the Company or any Company Subsidiary of any kind whatsoever, whether known or unknown, asserted or unasserted, accrued, contingent, absolute, determined, determinable or otherwise, in each case, other than:

(i) liabilities or obligations disclosed or provided for in the

Company's consolidated balance sheet included in the Company 10-K (including the notes thereto, the "Company Balance Sheet");

(ii) liabilities or obligations existing as of February 1, 2002 and not required to be disclosed or provided for in the Company Balance Sheet;

(iii) liabilities or obligations under this Agreement or incurred in connection with the Transactions;

(iv) since February 1, 2002, obligations of the Company to comply with all applicable laws;

(v) since February 1, 2002, ordinary course obligations of the Company and its Subsidiaries under the agreements, contracts, leases and licenses to which they are a party; and

(vi) other liabilities or obligations incurred since February 1, 2002 which, individually or in the aggregate, would not have a Company Material Adverse Effect.

Section 3.9 Schedule 14D-9. Neither the Schedule 14D-9, any other document required to be filed by the Company with the SEC in connection with the Offer, nor any information supplied by the Company for inclusion or incorporation by reference in the Offer Documents will, at the respective times when the Schedule 14D-9, any such other filings by the Company, the Offer Documents or any amendments or supplements thereto are filed with the SEC or are first published, given or mailed to the Company's stockholders, as the case may be, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading. The Schedule 14D-9 when filed with the SEC will comply in all material respects with the provisions of the applicable federal securities laws and the rules and regulations thereunder. Notwithstanding the foregoing, the

Company makes no representation or warranty with respect to statements made or incorporated by reference in any of the foregoing documents based on and in conformity with information supplied in writing by or on behalf of the Parent or the Purchaser for inclusion or incorporation by reference therein.

Section 3.10 Absence of Certain Changes. Since February 1, 2002, except as otherwise expressly contemplated by this Agreement, the Company and the Company Subsidiaries have conducted their business in the ordinary course consistent with past practice and there has not been any damage, destruction or other casualty loss (whether or not covered by insurance) or any action, event, occurrence, development or state of circumstances or facts that, individually or in the aggregate, would have a Company Material Adverse Effect. Since February 1, 2002, to the Company's Knowledge, neither the Company nor any Company Subsidiary has taken any action other than in the ordinary course of business which, if taken after the date hereof, would constitute a breach of any provision set forth in Section 5.1 hereof.

Section 3.11 Litigation. As of the date of this Agreement, (i) there are no, and to the Knowledge of the Company there are no threatened, actions, suits, claims, litigation or other governmental or judicial proceedings or investigations or arbitrations against the Company, its Subsidiaries or any of their respective properties, assets or businesses, or, to the Knowledge of the Company, any of the Company's or any Company Subsidiary's current or former directors or officers (in their capacity as such) or any other person whom the Company or any Subsidiary has agreed to indemnify (that would give rise to the obligation of the Company to indemnify such person); and (ii) there are no outstanding orders, judgments, injunctions, awards or decrees of any Governmental Entity against the Company, its Subsidiaries, any of their respective properties, assets or businesses, or, to the Knowledge of the Company, any of the Company's or its Subsidiaries' current or former directors (in their capacity as such) or officers or any other person whom the Company or any Subsidiary has agreed to indemnify (that would give rise to the obligation of the Company to indemnify such person).

Section 3.12 Taxes

(a) As used herein, (i) the terms "Tax" or "Taxes" mean any and all taxes, fees, levies, duties, tariffs, imposts, assessments, and other charges of any kind imposed by any Taxing Authority, including but not limited to any and all federal, state, provincial, local or foreign income, gross receipts, windfall or excess profit, employment, franchise, severance, sales, use, value added, license, unclaimed property, customs, stamp, estimated, withholding, or similar taxes, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties; (ii) the term "Taxing Authority" means any Governmental Entity responsible for the imposition or collection of any Taxes; and (iii) the term "Tax Returns" means any and all federal, state, provincial, local or foreign returns, reports, elections, claims for refund filings, information returns, statements or declarations (including any amendments thereto) relating to Taxes filed or required to be filed with any Taxing Authority.

(b) With respect to the last 7 taxable years prior to the current taxable year: (i) all Tax Returns required to be filed with any Taxing Authority by or with respect to the Company and the Company Subsidiaries through the Closing (the "Company Returns") have

been or will be filed in accordance with all applicable laws; (ii) the Company and the Company Subsidiaries have timely paid all Taxes shown as due with respect to the periods covered by the Company Returns that have been so filed and, as of the time of filing, the Company Returns correctly reflected the facts regarding the income, business, assets, operations, activities and status of the Company and the Company Subsidiaries (other than Taxes which are being contested in good faith and for which adequate reserves are reflected on the Company Balance Sheet); (iii) the Company and the Company Subsidiaries have paid or will pay when due all estimated Taxes and other Taxes due before or at Closing with respect to periods for which Tax Returns are not due (including because of properly filed extensions) before or at Closing; (iv) to the Company's Knowledge, the Company Returns are not subject to examination currently by any Taxing Authority and no written notice has been received by the Company or any Company Subsidiary with respect to any actual or threatened audit or examination of any Company Return; (v) all deficiencies asserted or assessments made as a result of the examination of the Company Returns have been paid in full or are being contested in good faith; (vi) no waivers of the statutes of limitation have been given with respect to any Taxes of the Company or the Company Subsidiaries; (vii) all Taxes that the Company and the Company Subsidiaries have been required to collect or withhold have been duly collected or withheld and have been or will be duly paid to the proper Taxing Authority when due; (viii) none of the Company or any Company Subsidiary has made, requested or agreed to make, nor is required to make, any adjustment under Section 481(a) of the Code by reason of a change in accounting method or otherwise for any taxable year; and (ix) there are no material elections with respect to Taxes affecting the Company or any Company Subsidiary, except, with respect to clauses (i) through (ix) above, where the failure to take such actions would not, individually or in the aggregate, have a Company Material Adverse Effect.

Section 3.13 Compliance with Laws; Licenses, Permits and Registrations.

(a) Neither the Company nor any Company Subsidiary is in violation of, or has violated, any applicable provisions of any laws, statutes, ordinances, regulations, judgments, injunctions, orders or consent decrees (including, without limitation, any laws, statutes, ordinances, regulations, judgments, injunctions, orders or consent decrees relating to pollution, protection of human health, safety or the environment (collectively, "Environmental Laws")), except for any such violations which, individually or in the aggregate, would not have a Company Material Adverse Effect.

(b) Each of the Company and the Company Subsidiaries has all permits, licenses, approvals, authorizations of and registrations with and under all federal, state, local and foreign laws (including, without limitation, under any Environmental Law), and from all Governmental Entities required by the Company and the Company Subsidiaries to carry on their respective businesses as currently conducted, except where the failure to have any such permits, licenses, approvals, authorizations or registrations, individually or in the aggregate, would not have a Company Material Adverse Effect.

Section 3.14 Contracts. Each material lease, license, contract, agreement or obligation to which the Company or any of its Subsidiaries is a party or by which any of them or any of their properties may be bound is valid, binding and enforceable and in full force and effect with

respect to the Company or its Subsidiaries and, to the Knowledge of the Company, with respect to the other parties thereto, except where the failure thereof would not have a Company Material Adverse Effect, and there are no existing defaults thereunder with respect to the Company or any of its Subsidiaries or, to the Company's Knowledge, the other parties thereto, except for those defaults that would not have a Company Material Adverse Effect. Other than any agreement among only the Company and one or more of its wholly-owned Company Subsidiaries, neither the Company nor any of its Subsidiaries is a party to any agreement that materially limits the ability of the Company or any of its Subsidiaries to compete in or conduct any material line of its business or compete with any person or in any geographic area or during any period of time.

Section 3.15 Employee Benefit Plans.

(a) Section 3.15 of the Company Disclosure Schedule contains an accurate and complete list of (i) each "employee benefit plan" (as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), (ii) each employment, severance, change in control, termination, or similar contract, plan, arrangement or policy, and (iii) each other material employee benefit plan, program or arrangement providing for compensation, bonuses, profit-sharing, stock option or other stock related rights or other forms of incentive or deferred compensation, health or medical benefits, disability benefits, life insurance and any other paid time off programs, workers' compensation, supplemental unemployment benefits and post-employment or retirement benefits which is maintained, sponsored or contributed to by the Company or any of its affiliates on behalf of any employee or former employee of the Company or any Company Subsidiary located within the United States (each, a "Company Employee Plan").

(b) Each Company Employee Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a determination from the United States Internal Revenue Service (the "IRS") that such Company Employee Plan is qualified under Section 401(a) of the Code.

(c) Neither the Company nor any Company Subsidiary maintains, contributes to or has any liability under or with respect to any plan subject to Title IV of ERISA, or any "multiemployer plan" (as defined in Section 3(37) of ERISA). No asset of the Company or any Company Subsidiary is subject to any lien under ERISA or the Code. There are no pending or, to the Knowledge of the Company, threatened actions, suits, investigations or claims with respect to any Company Employee Plan (other than routine claims for benefits) which could result in material liability to the Purchaser or the Parent, and to the Knowledge of the Company there are no facts which could give rise to (or be expected to give rise to) any such actions, suits, investigations or claims.

(d) In all material respects, (i) each of the Company Employee Plans has been maintained, funded and administered, in both form and operation, in compliance with its terms and in compliance with the applicable provisions of ERISA, the Code and any other applicable laws, and (ii) all filings required for the Company Employee Plans and all contributions to the Company Employee Plans have been timely made. The Company and the Company Subsidiaries have complied in all material respects with the health care continuation requirements of Part 6 of

Subtitle B of Title I of ERISA and Section 4980B of the Code ("COBRA"), and the Company and each Company Subsidiary have no obligations under any Company Employee Plan or otherwise to provide health, medical, dental or disability benefits to former employees of the Company or the Company Subsidiaries or any other person, except as specifically required by COBRA.

(e) With respect to each Company Employee Plan, the Company has made available to the Parent and the Purchaser true, complete and correct copies of, to the extent applicable: (i) the current plan documents and summary plan descriptions, (ii) annual reports (Form 5500 series) filed with the IRS (with applicable attachments) for the previous two years, (iii) financial statements and the Company's Retiree Program actuarial valuation statements for the previous two years and (iv) the most recent determination letter received from the IRS.

(f) None of the Company, any Company Subsidiary, any affiliate of the Company or any Company Subsidiary, nor to the Knowledge of the Company, any plan fiduciary of any Company Employee Plan, has engaged in any transaction in violation of Section 406(a) or (b) of ERISA or any "prohibited transaction" (as defined in Section 4975(c)(1) of the Code) which would subject the Company, the Parent, the Purchaser or the Surviving Corporation to any material taxes, penalties or other liabilities resulting from such prohibited transaction and, to the Knowledge of the Company, no condition exists that would subject any of the Company, the Parent, the Purchaser or the Surviving Corporation to any material excise penalty tax or fine related to any Company Employee Plan.

(g) The consummation of the Transactions will not, either alone or in combination with another event, (i) entitle any current or former employee, director or officer of the Company or any of its Subsidiaries to severance pay, unemployment compensation or any other payment, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such employee, director or officer, or (iii) require the immediate funding or financing of any compensation or benefits.

(h) Section 3.15 of the Company Disclosure Schedule contains an accurate and complete list of all employee benefit plans, agreements or arrangements applicable to employees of the Company or any of its Subsidiaries located outside the United States of America (a "Company Foreign Benefit Plan"). With respect to any Company Foreign Benefit Plans providing benefits as mandated by applicable foreign laws, the Company has established and maintained such Company Foreign Benefit Plan in accordance with such applicable foreign laws, except where the failure to do so would not, individually or in the aggregate, have a Company Material Adverse Effect. With respect to any non-legally mandated Company Foreign Benefit Plan: (i) all employer and employee contributions to such Company Foreign Benefit Plan required by law or by the terms of such Company Foreign Benefit Plan have been made, or, if applicable, accrued, in accordance with normal accounting practices; (ii) the fair market value of the assets of each funded Company Foreign Benefit Plan, the liability of each insurer for any Company Foreign Benefit Plan funded through insurance or the book reserve established for any Company Foreign Benefit Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the Effective Time, with respect to all current and former participants in such plan according to the actuarial assumptions and valuations most

recently used to determine employer contributions to such Company Foreign Benefit Plan and no transaction contemplated by this Agreement shall cause such assets or insurance obligations to be less than such benefit obligations; and (iii) each Company Foreign Benefit Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities, except in the case of each of (i), (ii) and (ii), where the failure to do so would not, individually or in the aggregate, have a Company Material Adverse Effect.

(i) Any Company Employee Plan that is intended to satisfy the requirements of Section 501(c)(9) of the Code has so satisfied such requirements.

(j) Neither the Company nor any Company Subsidiary has used the services or workers provided by third party contract labor suppliers, temporary employees, "leased employees" (within the meaning of Section 414(n) of the Code), or individuals who have provided services as independent contractors in such a way that would (A) entitle such individuals to participate in a Company Employee Plan or (B) reasonably be expected to result in the disqualification of any of the Company Employee Plans or the imposition of penalties or excise taxes with respect to the Company Employee

Plans by the IRS, the United States Department of Labor, the Pension Benefit Guaranty Corporation or any other Governmental Entity.

Section 3.16 Transactions with Affiliates. Except to the extent disclosed in the (i) Company 10-K, (ii) the proxy or information statements of the Company dated after or used after February 1, 2002, and prior to the date hereof, and (iii) all other reports, filings, registration statements and other documents filed by the Company with the SEC after February 1, 2002 and prior to the date hereof, there have been no transactions, agreements, arrangements or understandings prior to the date hereof between the Company or its Subsidiaries, on the one hand, and the affiliates of the Company (other than wholly-owned Subsidiaries of the Company), on the other hand, that would be required to be disclosed under Item 404 of Regulation S-K under the Securities Act.

Section 3.17 Intellectual Property. The Company and its Subsidiaries own or have the right to use all Company Intellectual Property necessary to carry on their respective businesses as currently conducted, except where, individually or in the aggregate, such failure would not have a Company Material Adverse Effect. As used in this Agreement, "Company Intellectual Property" means all United States and foreign trademarks, service marks, trade names, Internet domain names, designs, logos, slogans and general intangibles of like nature, together with goodwill, registrations and applications relating to the foregoing; patents, copyrights, (including registrations and applications for any of the foregoing); computer programs, including any and all databases and compilations, including any and all data and collections of data; trade secrets; and any other owned by the Company and its Subsidiaries or held for use or used in the business of the Company and its Subsidiaries as conducted as of the date hereof, or as presently contemplated to be conducted and any licenses to use any of the foregoing.

(a) To the Knowledge of the Company, neither the Company nor its Subsidiaries have received written notice from any third party regarding any actual or potential infringement or misappropriation, or other violations, by the Company or any of its Subsidiaries

of any intellectual property of such third party except, where individually or in the aggregate, such actual or potential infringement or misappropriation, or other violations would not have a Company Material Adverse Effect;

(b) To the Knowledge of the Company, (i) neither the Company nor its Subsidiaries have received written notice from any third party regarding any material assertion or claim challenging the validity of any Company Intellectual Property, and (ii) no third party is misappropriating, infringing, diluting or violating any Company Intellectual Property, in each case, except as, individually or in the aggregate, would not have a Company Material Adverse Effect;

(c) All of the issued or registered material Company Intellectual Property owned by the Company is held of record in the name of the Company or the applicable Subsidiary free and clear of all Liens, and is not the subject of any cancellation or reexamination proceeding or any other proceeding challenging their extent or validity.

Section 3.18 Required Vote; Board Approval.

(a) The affirmative vote of the holders of two-thirds of the issued and outstanding Company Common Shares (the "Company Stockholder Approval") is the only vote of any class or series of capital stock of the Company required by law, rule or regulation or the certificate of incorporation or the bylaws of the Company to approve this Agreement and the Merger, in the event the Special Meeting is required.

(b) The Company's board of directors has (i) determined that this Agreement and the Transactions, including the Offer and the Merger, are advisable and in the best interests of the Company and its stockholders, (ii) approved this Agreement and the Transactions and (iii) subject to Section 1.2(a), resolved to recommend to such stockholders that they accept the Offer, tender their Company Common Shares pursuant thereto and, in the event the Special Meeting is required, vote in favor of adopting and approving this Agreement and the Merger in accordance with the terms hereof.

Section 3.19 Title to Properties; Encumbrances.

(a) Section 3.19(a) of the Company Disclosure Schedule sets forth a list of all the real property ("Real Property") which is owned in fee by the Company or its Subsidiaries. The Company or its Subsidiaries, as the case may be, has good, marketable and insurable title to the Real Property.

(b) The Company has heretofore made available to the Parent a true correct and complete copy of all material leases and subleases ("Real Property Leases") under which the Company or its Subsidiaries has the right to occupy space, including all amendments thereto. All Real Property Leases are, in all material respects, valid, binding and enforceable against the Company and its Subsidiaries and, to the Company's Knowledge, the other parties thereto, in accordance with their terms; neither the Company nor any of its Subsidiaries has received notice of any default by the Company or any of its Subsidiaries under any Real Property Leases which, individually or in the aggregate, would have a Company Material Adverse Effect; there are no

existing defaults with respect to the Company or its Subsidiaries or, to the Company's Knowledge, the other parties thereto or any condition or event which with the giving of notice or lapse of time would constitute a default by the Company or any of its Subsidiaries thereunder which, individually or in the aggregate, would have a Company Material Adverse Effect.

(c) Neither the Company nor any Subsidiary is obligated under any option, right of first refusal or other contractual right to purchase, acquire, sell or dispose of the Real Property or any portion thereof or interest therein.

Section 3.20 Major Suppliers. Section 3.20 of the Company Disclosure Schedule sets forth the ten largest suppliers of the Company in terms of costs recognized for the purchase of products or services during the fiscal year ended February 1, 2002 (the "Suppliers"). As of the date of this Agreement, the Company has not received any written or oral notice from any of the Suppliers of a plan or intent to, and to the Knowledge of the Company none of the Suppliers plan or intend to, terminate, cancel or otherwise adversely modify its relationship with the Company or to decrease materially or limit its products to or services to the Company.

Section 3.21 Finders' Fees; Opinion of Company Financial Advisor.

(a) Except for Peter J. Solomon Company Limited (the "Company Financial Advisor"), no investment banker, broker, finder or other such intermediary has been retained by, or is authorized to act on behalf of, the Company or any Company Subsidiary or is entitled to any fee or commission from the Company or any of its Subsidiaries upon consummation of the Transactions. The Company has provided the Parent with true and correct copies of all agreements between the Company and the Company Financial Advisor.

(b) The Company has received the opinion of the Company Financial Advisor, dated as of the date hereof, to the effect that, as of such date, the Merger Consideration to be received by holders of Company Common Shares is fair to such holders (other than, if applicable, the Parent and any Parent Subsidiary) from a financial point of view.

Section 3.22 Section 203 of the DGCL. The board of directors of the Company has taken all action necessary so that the provisions of Section 203 of the DGCL applicable to a "business combination" (as defined in Section 203 of the DGCL) will not apply to the Parent and the Purchaser's acquisition of beneficial ownership of Company Common Shares pursuant to the Offer and the Merger or to the execution, delivery or performance of this Agreement or the Tender Agreements. Other than Section 203 of the DGCL, no state takeover or similar statute or regulation in any jurisdiction in which the Company does business applies or purports to apply to the Offer, the Merger, this Agreement or the Tender Agreements, or any of the Transactions.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PARENT AND THE PURCHASER

Except as disclosed in the Parent Disclosure Schedule attached hereto, the Parent and the Purchaser represent and warrant to the Company as follows:

Section 4.1 Corporate Existence and Power. Each of the Parent and the Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all corporate powers required to carry on its business as now conducted. Each of the Parent and the Purchaser is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where the failure to be so qualified or in good standing, individually or in the aggregate, would not have a Parent Material Adverse Effect. The Parent has heretofore made available to the Company true and complete copies of the Parent's certificate of incorporation and by-laws as currently in effect. Since the date of its incorporation, the Purchaser has not engaged in any activities other than in connection with or as contemplated by this Agreement.

Section 4.2 Corporate Authorization; Approvals. The execution, delivery and performance by the Parent and the Purchaser of this Agreement and the consummation by the Parent and the Purchaser of the Transactions are within the corporate powers of the Parent and the Purchaser and have been duly authorized by all necessary corporate action. Assuming that this Agreement constitutes the valid and binding obligation of the Company, this Agreement constitutes a valid and binding agreement of each of the Parent and the Purchaser, enforceable in accordance with its terms.

Section 4.3 Governmental Authorization. The execution, delivery and performance by the Parent and the Purchaser of this Agreement and the consummation by the Parent and the Purchaser of the Transactions require no action by or in respect of, or filing with, any Governmental Entity, other than (a) those set forth in clauses (a) through (e) of Section 3.3 and (b) such other consents, approvals, actions, orders, authorizations, registrations, declarations and filings which, if not obtained or made, would not, individually or in the aggregate, (x) have a Parent Material Adverse Effect or (y) prevent or materially impair the ability of the Parent and the Purchaser to consummate the Transactions (the filings and authorizations referred to in clauses (a) and (b) being referred to collectively as the "Parent Required Governmental Consents").

Section 4.4 Non-Contravention. The execution, delivery and performance by the Parent and the Purchaser of this Agreement and the consummation by the Parent and the Purchaser of the Transactions do not and will not (a) contravene or conflict with the certificate of incorporation or by-laws of the Parent or the certificate of incorporation or by-laws of the Purchaser, (b) assuming that all of the Parent Required Governmental Consents are obtained, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to the Parent or any Parent Subsidiary, (c) constitute a default under or give rise to a right of termination, cancellation or acceleration (with or without due notice or lapse of time or both) of any right or obligation of the Parent or any Parent Subsidiary or to a loss of any benefit or status to which the Parent or any Parent Subsidiary is entitled under any provision of any material agreement, contract or other instrument binding upon the Parent or any Parent Subsidiary or any material license, franchise, permit or other similar authorization held by the Parent or any Parent Subsidiary, or (d) result in the creation or imposition of any Lien on any material asset of the Parent or any Parent Subsidiary other than, in the case of each of (b), (c) and (d), any such items that would not,

individually or in the aggregate, (x) have a Parent Material Adverse Effect or (y) prevent or materially impair the ability of the Parent or the Purchaser to consummate the Transactions.

Section 4.5 Information in the Offer Documents. Neither the Offer Documents, any other document required to be filed by the Parent or the Purchaser with the SEC in connection with the Transactions, nor any information supplied by the Parent or the Purchaser for inclusion or incorporation by reference in the Schedule 14D-9 or Information Statement (or Proxy Statement, as the case may be) will, at the respective times when such are filed with the SEC and/or are first published, given or mailed to the Company's stockholders, as

the case may be, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading. The Offer Documents when filed by the Purchaser with the SEC will comply in all material respects with the provisions of the applicable federal securities laws and the rules and regulations thereunder. Notwithstanding the foregoing, neither the Parent nor the Purchaser makes any representation or warranty with respect to statements made or incorporated by reference in any of the foregoing documents based on and in conformity with information supplied by or on behalf of the Company for inclusion or incorporation by reference therein.

Section 4.6 Financing. At the time of execution of this Agreement, expiration of the Offer and at the Effective Time, either the Purchaser will have available or the Parent will make available to the Purchaser the funds necessary to purchase all of the Company Common Shares pursuant to the Offer and the Merger and to pay all fees and expenses in connection therewith.

Section 4.7 Purchaser's Operations. The Purchaser was formed solely for the purpose of engaging in the Transactions and has not engaged in any business activities or conducted any operations other than in connection with the Transactions.

Section 4.8 Vote Required. No vote of the holders of any of the outstanding shares of capital stock or any other securities of the Parent is necessary to approve this Agreement or any of the Transactions.

Section 4.9 Ownership of Company Common Shares. As of the date of this Agreement, neither the Parent nor any of its Subsidiaries (i) beneficially owns, directly or indirectly, or (ii) is party to any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of, in case of either clause (i) or (ii), any Company Common Shares, except for the Tender Agreement.

Section 4.10 Finders' Fees. Except for Morgan Stanley & Co. Incorporated (the "Parent Financial Advisor"), whose fees will be paid by the Parent, there is no investment banker, broker, finder or other intermediary who might be entitled to any fee or commission from the Parent or any of its affiliates upon consummation of the Transactions.

ARTICLE V

COVENANTS

Section 5.1 Interim Operations of the Company. Except as set forth in the Section 5.1 of the Company Disclosure Schedule or as otherwise expressly contemplated or permitted hereby, unless otherwise approved in writing by the Parent, which approval shall not be unreasonably withheld or delayed, from the date hereof until the Effective Time, the Company shall, and shall cause each of the Company Subsidiaries to, conduct its business in the ordinary course consistent with past practice and shall use commercially reasonable efforts to (i) preserve intact its present business organization and (ii) maintain in effect all material foreign, Federal, state and local licenses, approvals and authorizations, including, without limitation, all material licenses and permits that are required for the Company or any Company Subsidiary to carry on its business. Without limiting the generality of the foregoing, except as set forth in the Company Disclosure Schedule or as otherwise expressly contemplated or permitted by this Agreement, from the date hereof until the Effective Time, without the prior written consent of the Parent, which shall not be unreasonably withheld or delayed, the Company shall not, nor shall it permit any Company Subsidiary to:

(a) amend its certificate of incorporation or by-laws;

(b) split, combine or reclassify any shares of capital stock of the Company or any less-than-wholly-owned Company Subsidiary or declare, set aside for payment or pay any dividend or make any other actual, constructive or deemed distribution (whether in cash, stock or property or any combination thereof) in respect of any Company Common Shares or any other Company capital stock, or redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire any Company equity or equity related securities or any equity

or equity related securities of any Company Subsidiary;

(c) issue, deliver or sell or authorize the issuance, delivery or sale of, any shares of the Company's capital stock of any class or series or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such capital stock or any such convertible or exchangeable securities, other than in connection with the issuance of Company Common Shares upon the exercise of Company Options, the granting of Company Options to acquire Company Common Shares in the ordinary course of business consistent with past practice (including under the Employee Option Plan, as proposed to be amended at the Company's 2002 annual meeting) and the issuance of Company Common Shares in accordance with the terms of the Director Stock Grant Plan;

(d) amend any term of any outstanding security of the Company or any Company Subsidiary; provided that the Company may amend the Employee Option Plan at its 2002 annual meeting as disclosed in the Company's definitive proxy statement filed with the SEC on April 12, 2002;

(e) incur any capital expenditures or any obligations or liabilities in respect thereof, except for those (i) contemplated by the capital expenditure budget for the Company and

the Company Subsidiaries, which budget is included in or attached to the Company Disclosure Schedule or (ii) not otherwise described in clause (i) which, in the aggregate, do not exceed $5.0 million;

(f) acquire (whether pursuant to merger, stock or asset purchase or otherwise) or propose to acquire in one transaction or a series of related transactions (i) any assets (including any equity interests) outside of the ordinary course of business or (ii) all or substantially all of the equity interests of any person or any business or division of any person;

(g) sell, lease, encumber or otherwise dispose of any material assets, other than (i) sales in the ordinary course of business consistent with past practice, (ii) equipment and property no longer used in the operation of the business of the Company and the Company Subsidiaries and (iii) assets related to discontinued operations of the Company or any Company Subsidiary;

(h) other than with respect to contracts terminable upon no more than 90 days' notice without penalty, enter into any new contract or agreement, or modify, amend, terminate or renew any existing contract or agreement to which the Company or any of its Subsidiaries is a party, other than (i) in the ordinary course of business or (ii) if the dollar value of such new contract or agreement, or existing contract or agreement as so amended, modified, terminated or renewed, is or would be less than $250,000 (or $2 million in the aggregate);

(i) incur any indebtedness for borrowed money or guarantee any such indebtedness or issue or sell any debt securities or warrants or rights to acquire any debt securities of the Company or any Company Subsidiary or guarantee any debt securities of others, except in the ordinary course of business consistent with past practice (which shall include, without limitation, borrowings made in the ordinary course of business under existing credit facilities of the Company within the borrowing capacity thereunder as of the date hereof);

(j) except in the ordinary course of business, amend, modify or terminate any material contract, agreement or arrangement of the Company or any Company Subsidiary, or otherwise waive, release or assign any material rights, claims or benefits of the Company or any Company Subsidiary thereunder; provided that the Company may amend its Employee Option Plan at its 2002 annual meeting as disclosed in the Company's definitive proxy statement filed with the SEC on April 12, 2002;

(k) (i) except as required by law or an agreement, policy or arrangement existing on the date hereof, increase the amount of compensation of any director or executive officer or make any increase in or commitment to increase any employee health, welfare or retirement benefits, (ii) except as required by law or a written agreement, policy or arrangement existing on the date hereof, grant any severance or termination pay or rights to any director, officer or employee of the Company or any Company Subsidiary, (iii) adopt any

additional Company Employee Plan or, except in the ordinary course of business or as required by law, make any contribution to any existing such plan or (iv) except as may be required by law, amend in any material respect any Company Employee Plan; provided however that the Company may adopt a change in control policy or enter into agreements providing for payments to be made by

the Company in connection with, among other things, a change in control of the Company, in each case, with such employees and substantially on the terms disclosed in Section 3.15 of the Company Disclosure Schedule; provided further that the Company may amend its Employee Option Plan at its 2002 annual meeting as disclosed in the Company's definitive proxy statement filed with the SEC on April 12, 2002;

(l) change the Company's (x) methods of accounting in effect at February 1, 2002, except as required by changes in GAAP or by Regulation S-X of the Exchange Act, as concurred in by its independent public accountants or (y) fiscal year;

(m) pay, discharge or satisfy any material claims, liabilities or obligations (absolute, accrued, contingent or otherwise) other than: (i) the payment, discharge or satisfaction in the ordinary course of business of liabilities reflected or reserved against in the Company Balance Sheet, (ii) those incurred in the ordinary course of business or (iii) those incurred as otherwise permitted by this Section 5.1;

(n) except as described in Section 3.15 of the Company Disclosure Schedule, make payments or distributions (other than normal salaries and other compensation in the ordinary course of business consistent with past practice) to any affiliate of the Company;

(o) except as disclosed in Section 3.4 of the Company Disclosure Schedule, permit any insurance policy naming the Company or any of its Subsidiaries as a beneficiary or loss payable payee to be cancelled or terminated with notice to the Parent;

(p) knowingly do any act or omit to do any act that would result in a breach of any representation, warranty or covenant by the Company set forth in this Agreement or, except as permitted by Section 5.3, otherwise materially impair or delay the ability of the Company to consummate the Offer or the Merger; or

(q) agree, resolve, commit or publicly announce an intention to do any of the foregoing;

provided that the limitations set forth in clauses 5.1(a) through 5.1(q) shall not apply to any action, transaction or event occurring exclusively between the Company and any wholly-owned Company Subsidiary or between any wholly-owned Company Subsidiaries.

Section 5.2 HSR Act; Foreign Antitrust Laws. The Company and the Parent shall cooperate with one another and shall take all reasonable actions necessary to prepare and file as soon as practicable following the date hereof, but in no event later than 10 business days after the date hereof, notifications under the HSR Act and any foreign antitrust, investment or competition law or regulation and to respond as promptly as practicable to any inquiries received from the Federal Trade Commission or the Antitrust Division of the Department of Justice or any foreign Governmental Entity for additional information or documentation and to respond as promptly as practicable to all inquiries and requests received from any State Attorney General or any other Governmental Entity in connection with antitrust or competition matters.

Section 5.3 Acquisition Proposals.

(a) The Company agrees that after the date hereof it shall not, nor shall it permit any Company Subsidiary to, nor shall it authorize or knowingly permit any officer, director, employee, investment banker, attorney, accountant, agent or other advisor or representative of the Company

or any Company Subsidiary, directly or indirectly, to

(i) solicit, initiate or knowingly facilitate or encourage the submission of any tender or exchange offer involving the Company or any proposal for, or indication of interest in, a merger, consolidation, stock exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving the Company or any of its significant subsidiaries, any purchase of a material portion (by value) of the assets of the Company and its Subsidiaries taken as a whole or a material portion of the Company Common Shares, other than the Transactions (an "Acquisition Proposal"),

(ii) participate in any discussions or negotiations regarding, or furnish to any person any information with respect to, or take any other action knowingly to facilitate any inquiries or the making of any proposal that constitutes, or could be reasonably expected to lead to, an Acquisition Proposal,

(iii) grant any waiver or release under any standstill or similar agreement with respect to any class of the Company's equity securities, or

(iv) enter into any agreement (other than a confidentiality agreement on customary terms and conditions) with respect to any Acquisition Proposal or approve or recommend any Acquisition Proposal or any agreement, understanding or arrangement relating to any Acquisition Proposal other than in the manner contemplated by this Section 5.3; provided that if the Company enters into such a confidentiality agreement with respect to an Acquisition Proposal that contains provisions that are less protective to the Company than the provisions of the confidentiality agreement dated as of February 29, 2002, by and between the Parent and the Company (the "Confidentiality Agreement"), the Company agrees to amend the Confidentiality Agreement so as to provide the Parent with the benefit of any such less protective provisions;

provided, however, that prior to the Share Purchase Date and subject to the other provisions of this Section 5.3,

(1) in response to a written Acquisition Proposal, the Company may request clarifications from (but not, in reliance on this subsection (1), enter into negotiations with or furnish nonpublic information to) any third party which makes such written Acquisition Proposal if such action is taken solely for the purpose of obtaining information reasonably necessary for the Company to ascertain whether such Acquisition Proposal is a Superior Proposal;

(2) the Company may take any action described in clauses (a)(ii) or (a)(iii) of this Section in respect of any person, but only if such person delivers an Acquisition Proposal that, in the good faith judgment of the Company's board of directors, is a Superior Proposal and in the good faith judgment of the Company's board of directors after consultation with its legal counsel,

the failure to respond to such Acquisition Proposal would be inconsistent with its fiduciary duties to the Company's stockholders; and

(3) the Company may enter into an agreement (other than a confidentiality agreement, which may be entered into as contemplated by clause (a)(iv) of this Section) regarding an Acquisition Proposal, or approve or recommend any Acquisition Proposal, in each case, at any time after the third business day following the Parent's receipt of written notice from the Company (i) advising the Parent that the board of directors of the Company has received a Superior Proposal which it intends to accept, identifying the person making such Superior Proposal and specifying the financial and other material terms and conditions of such Superior Proposal and (ii) inviting the Parent to propose adjustments in the terms and conditions of this Agreement with a view to enabling the Company to proceed with the transactions contemplated herein on such adjusted terms (provided that the Company shall fully cooperate, and cause its legal and financial advisors to cooperate, with the Parent in making any such adjustments). The Company may not exercise its right to terminate this Agreement under Section 9.1(c)(iii) and may not enter into a binding agreement with respect to such Superior Proposal, unless prior to or concurrent with such termination, the Company shall have paid to the Parent the Termination Fee as

contemplated by Section 9.3;

provided further that nothing contained in this Section 5.3 or elsewhere in this Agreement shall prevent the Company's board of directors from complying with Rule 14e-2 under the Exchange Act with respect to any Acquisition Proposal or making any disclosure required by the fiduciary duties of the Company's directors or by applicable law.

For purposes of this Agreement, "Superior Proposal" means a bona fide, written Acquisition Proposal not received in violation of Section 5.3(a) that is fully financed or reasonably capable of being fully financed and is on terms that the board of directors of the Company determines in good faith after consultation with its financial advisors would or is reasonably likely to result in a transaction that, if consummated, would be more favorable to the Company's stockholders (taking into account all such factors as the board deems relevant, including, among other things, the identity of the offeror, the likelihood that such transaction will be consummated and all legal, financial, regulatory and other aspects of the proposal) than the Transactions.

(b) The Company shall cease and cause to be terminated immediately all existing discussions or negotiations with any persons conducted heretofore with respect to any Acquisition Proposal. The Parent acknowledges that, prior to the date of this Agreement, the Company has solicited or caused to be solicited by the Company Financial Advisor indications of interest and proposals for an Acquisition Proposal.

(c) The Company shall (i) promptly (and in no event later than 2 business days after receipt of any Acquisition Proposal or inquiry) notify the Parent after receipt by it (or its financial advisors) of any Acquisition Proposal or any inquiries indicating that any person is considering making or wishes to make an Acquisition Proposal, identifying such person, and the financial and other material terms and conditions of any Acquisition Proposal or potential Acquisition Proposal, (ii) promptly notify the Parent after receipt of any request for nonpublic information relating to it or any of its Subsidiaries or for access to its or any of its Subsidiaries'

properties, books or records by any person, that may be considering making, or has made, an Acquisition Proposal, (iii) prior to furnishing any such written information, the Company shall use its reasonable best efforts to provide reasonable advance notice to the Parent that it intends to do so, (iv) promptly provide the Parent with any nonpublic information which is given to such person pursuant to this Section 5.3(c), and (v) promptly keep the Parent advised of the status and the financial and other material terms and conditions of any such Acquisition Proposal, indication or request.

Section 5.4 Certain Tax Matters. The Company agrees that after the date hereof it:

(a) will file timely all material Tax Returns ("Post-Signing Returns") required to be filed by it (after taking into account any applicable extensions), timely pay all material Taxes due and payable with respect to such Post-Signing Returns that are so filed, accrue a liability in its books and records and financial statements in accordance with past practice and GAAP for all Taxes payable by the Company for which no Post-Signing Return is due prior to the Effective time; and

(b) will not make any material Tax election other than in the ordinary course of business consistent with past practice, change any material Tax election already made, adopt any material accounting method or change any material accounting method relating to Taxes unless required by GAAP, enter into any closing agreement or settle any material claim or material assessment relating to Taxes or consent to any claim or assessment relating to Taxes or any waiver of the statute of limitations for any such claim or assessment.

Section 5.5 Certain Deliveries. The Company agrees that prior to 21 days after the date hereof, it shall deliver to the Parent (a) true and complete copies of any Company Subsidiary's constitutive documents not made available prior to the date hereof and (b) a complete and accurate list of foreign trademarks owned by the Company and its Subsidiaries.

ARTICLE VI

COVENANTS OF PARENT AND PURCHASER

Section 6.1 Director and Officer Liability.

(a) From and after the Effective Time, the Parent and the Surviving Corporation jointly and severally shall indemnify, to the full extent permitted under the DGCL, the present and former directors and officers of the Company and its Subsidiaries (the "Indemnified Parties") in respect of actions taken prior to and including the Effective Time in connection with their duties as directors or officers of the Company or its Subsidiaries (including the Transactions). Without limitation of the foregoing, in the event any Indemnified Party becomes involved in such capacity in any action, proceeding or investigation in connection with any matter, including the Transactions, occurring prior to and including the Effective Time, the Surviving Corporation, to the extent permitted and on such conditions as may be required by the DGCL, will periodically advance expenses to such Indemnified Party for his or her legal and

other out-of-pocket expenses (including the cost of any investigation and preparation) incurred in connection therewith.

(b) For not less than six years after the Effective Time, the Parent or the Surviving Corporation shall maintain in effect directors' and officers' liability insurance covering the persons who are currently covered by the existing directors' and officers' liability insurance of the Company with respect to actions that shall have taken place prior to or at the Effective Time, on terms and conditions (including coverage amount) no less favorable to such persons than those in effect on the date hereof under the existing directors' and officers' liability insurance of the Company; provided that at the Parent's election, the Parent may meet its obligations under this Section 6.1(b) by covering such persons under the Parent's insurance policy or policies on the terms described in this Section 6.1(b).

(c) If the Parent or the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all its properties and assets to any person, then, and in each case, proper provision shall be made so that the successors and assigns of the Parent or the Surviving Corporation, as the case may be, honor the indemnification and insurance obligations set forth in this Section 6.1.

(d) The obligations of the Surviving Corporation and the Parent under this Section 6.1 shall not be terminated or modified in such a manner as to adversely affect any person to whom this Section 6.1 applies without the prior written consent of such affected person.

Section 6.2 Employee Benefits.

(a) During the period commencing on the date of the Effective Time and ending on the first anniversary thereof, the Parent shall provide (or shall cause the Surviving Corporation to provide) employees that were employees of the Company and the Company Subsidiaries immediately prior to the Effective Time ("Company Employees") with salary and benefits under the Company Employee Plans that are no less favorable in the aggregate than those provided by the Company and the Company Subsidiaries to such employees immediately prior to the Effective Time (including, without limitation, benefits pursuant to qualified and nonqualified retirement plans, savings plans, medical, dental, disability and life insurance plans and programs, deferred compensation arrangements, bonus plans, and retiree benefit plans, policies and arrangements), excluding any equity related compensation. Except to the extent necessary to avoid duplication of benefits, the Parent shall recognize (or cause to be recognized) service with the Company and the Company Subsidiaries and any predecessor entities (and any other service credited by the Company under similar benefit plans) for purposes of vesting. eligibility to participate, severance and vacation accrual under employee benefit plans or arrangements maintained by the Parent, the Surviving Corporation or any Subsidiary of the Parent, if any, in which Company employees are eligible to participate following the Effective Time.

(b) From and after the Effective Time, the Parent shall, and shall cause the Parent Subsidiaries to, waive any pre-existing condition limitations and credit any deductibles and out-of-pocket expenses that are applicable and/or covered under the Company Employee Plans, and are incurred by the employees and their beneficiaries during the portion of the calendar year prior to participation in any employee benefit plans or arrangements maintained by the Parent or any Parent Subsidiary.

(c) The provisions of this Section 6.2 shall not create in any Company Employee any rights to employment or continued employment with the Parent or the Surviving Corporation or any of their respective Subsidiaries or affiliates.

(d) From and after the Effective Time, the Parent shall honor and perform, and shall cause the Surviving Corporation to honor and perform, in accordance with their respective terms, the severance, change in control and termination programs, policies, agreements (including any change in control, termination, severance agreements or employment agreements containing such type of provisions) and plans of the Company or any Company Subsidiary set forth in Section 6.2 of the Company Disclosure Schedule; provided, however, that the foregoing shall not restrict the Parent's or the Surviving Corporation's right to amend or terminate any such programs, policies, agreements and plans in accordance with the terms thereof and this Section 6.2.

Section 6.3 Conduct of the Purchaser. The Parent will take all action necessary to cause the Purchaser to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement.

ARTICLE VII

COVENANTS OF PURCHASER AND COMPANY

Section 7.1 Reasonable Best Efforts. Subject to the terms and conditions hereof, each party will use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the Transactions as promptly as practicable; provided that nothing in this Section shall require the Company, the Parent or the Purchaser to take any action which would be inconsistent with the fiduciary duties of its board of directors as such duties would exist under applicable law in the absence of this Section; provided further that, for these purposes, reasonable best efforts of the Company, the Parent and/or the Purchaser shall be deemed to include, without limitation, (i) offering to enter into, and entering into, any settlement, undertaking, consent decree, stipulation or agreement or agreeing to any order regarding antitrust matters in connection with any objections of any Governmental Entity to the Transactions and (ii) offering to divest to others and/or hold separate, and divesting or otherwise holding separate (including by establishing a trust or otherwise), or taking any other action (or otherwise agreeing to do any of the foregoing) with respect to, any portion of its and/or its Subsidiaries' business, assets or properties, other than any such action pursuant to clause(s) (i) and/or (ii) requiring any divestiture, holding separate (including by establishing a trust or otherwise) or sale (by whatever means) of (or any agreement to do any of the foregoing) any material assets of any party. In

connection with and without limiting the foregoing, the Parent and the Company shall (i) take all action reasonably necessary to ensure that neither Section 203 of the DGCL, nor any other state takeover statute or similar statute or regulation (other than the Wisconsin Corporate Takeover Law) is or becomes applicable to the Offer, the Merger, this Agreement or any of the other Transactions and (ii) if any state takeover statute or similar statute or regulation becomes applicable to the Offer, the Merger, this Agreement or any of the other Transactions (including the Wisconsin Corporate Takeover Law), take all action reasonably necessary to ensure that the Offer, the Merger and the other Transactions may be consummated as promptly as practicable on the terms

contemplated by this Agreement and otherwise to minimize or eliminate the effect of such statute or regulation on the Offer, the Merger and the other Transactions. The Company, the Parent and the Purchaser shall each furnish to one another and to one another's counsel all such information as may be required in order to accomplish the foregoing actions.

Section 7.2 Certain Filings; Cooperation in Receipt of Consents. The Company and the Parent shall cooperate with one another in (x) determining whether any other action by or in respect of, or filing with, any Governmental Entity is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the Transactions and (y) taking any such other actions, obtaining any consents, approvals or waivers or making any filings, furnishing information required in connection therewith and seeking promptly to obtain any such actions, consents, approvals or waivers. Without limiting the generality of the foregoing, the Parent and the Company shall each (i) file any notification and report forms and related material that it may be required to file in connection with the Transactions with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the HSR Act as soon as practicable, but in no event later than 10 business days after the date of this Agreement, (ii) use its reasonable best efforts to obtain an early termination of the applicable waiting period, (iii) make any further filings pursuant thereto that may be necessary, proper or advisable, (iv) make any filings or obtain any other consents required by any foreign Governmental Entity and (v) make all filings and obtain any other consents required by the Wisconsin Corporate Takeover Law. Each party shall permit the other party to review any communication given by it to, and consult with each other in advance of any meeting or conference with, any Governmental Entity or, in connection with any proceeding by a private party, with any other person, and to the extent permitted by the applicable Governmental Entity or other person, give the other party the opportunity to attend and participate in such meetings and conferences, in each case in connection with the Transactions.

Section 7.3 Public Announcements. The parties shall consult with each other before issuing any press release or SEC filing (including, without limitation, the Offer Documents, the Schedule 14D-9 and the Information Statement) or making any public statement or communication with respect to this Agreement or the Transactions and, except as may be required by fiduciary duties, applicable law or any listing agreement with any national securities exchange, will not issue any such press release or SEC filing or make any such public statement or communication prior to such consultation. The Company agrees to give reasonable consideration to all comments provided by the Parent.

Section 7.4 Access to Information. From the date hereof until the Effective Time and subject to applicable law, the Company shall (i) give to the Parent, its counsel, financial advisors, auditors and other authorized representatives reasonable access to its offices, properties, books and records, (ii) furnish or make available to the Parent, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information as such persons may reasonably request and (iii) instruct its employees, counsel, financial advisors, auditors and other authorized representatives to cooperate with the reasonable requests of the Parent in its investigation. Any investigation pursuant to this Section 7.4 shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the Company. Unless otherwise required by law, the Parent will hold, and will cause its officers, employees, counsel, financial advisors, auditors and other authorized representatives to hold, any nonpublic information obtained in any such investigation in confidence in accordance with the Confidentiality Agreement, which shall survive the execution and delivery of this Agreement. No information or knowledge obtained in any investigation pursuant to this Section 7.4 shall affect or be deemed to modify any representation or warranty made by the Company hereunder.

Section 7.5 Notices of Certain Events. The Company and the Parent shall promptly notify the other of: (i) any notice or other communication from any person alleging that the consent of such person is or may be required in connection with the Transactions; (ii) any notice or other communication from any Governmental Entity in connection with the Transactions; (iii) any actions, suits, claims, investigations or proceedings commenced or, to the Knowledge of the Company or to the knowledge of Parent, as the case may be, threatened against, relating to or involving or otherwise affecting the Parent or any of

its Subsidiaries (including the Purchaser), on the one hand, or the Company or any of its Subsidiaries, on the other hand, which relate to the consummation of the Transactions; and (iv) any action, event or occurrence that would constitute a breach of any representation, warranty, covenant or agreement of such party set forth in this Agreement, provided that no such notification pursuant to clause (iv) shall affect or be deemed to modify any representation or warranty made by the party giving such notice.

Section 7.6 Transfer Taxes. The Parent and the Company shall cooperate in the preparation, execution and filing of all returns, applications, questionnaires or other documents regarding any real property transfer, stamp, recording, documentary, gains, sales, use, value added, stock transfer or other taxes and any other fees and similar taxes which become payable to any Taxing Authority in connection with the Merger, other than withholding taxes (collectively, the "Transfer Taxes"). Except as specifically provided in this Agreement, from and after the Effective Time, the Parent shall pay or cause to be paid, without deduction or withholding from any amounts payable to the holders of Company Common Shares, all Transfer Taxes.

ARTICLE VIII

CONDITIONS

Section 8.1 Conditions to Each Party's Obligation To Effect the Merger. The obligations of the Company, the Parent and the Purchaser to consummate the Merger are subject to the satisfaction of the following conditions:

(a) Stockholder Approval. The Company Stockholder Approval shall have been obtained, if required by applicable law, in order to consummate the Merger; provided however that neither the Parent nor the Purchaser may invoke this condition if either of them or any of their respective affiliates shall have failed to vote Company Common Shares as contemplated by this Agreement;

(b) No Injunction. (i) No statute, rule or regulation shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the Merger, and (ii) there shall be no judgment, decree order or injunction of a court of competent jurisdiction in effect precluding consummation of the Merger; provided that no party may invoke the condition in (ii) of this Section if it or any of its affiliates shall have failed to employ its reasonable best efforts to oppose, contest and resolve such order or injunction; and

(c) Purchase of Company Common Shares in Offer. The Parent, the Purchaser or their affiliates shall have purchased Company Common Shares pursuant to the Offer; provided that neither the Purchaser nor the Parent shall be entitled to invoke on this condition if either of them shall have failed to purchase Company Common Shares pursuant to the Offer in breach of their obligations under this Agreement.

ARTICLE IX

TERMINATION

Section 9.1 Termination. Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated and the Transactions contemplated herein may be abandoned at any time prior to the Effective Time, whether before or after stockholder approval thereof:

(a) by mutual written agreement of the Parent and the Purchaser, on the one hand, and the Company, on the other hand; provided that any such agreement by the Company after the Share Purchase Date shall have been duly authorized by at least 8 of the 9 directors of the Company (or such other number of directors that ensures that at least a majority of the Independent Directors has granted such approval) at a time when there are at least 3 Independent Directors serving on such board;

(b) by either the Parent or the Company:

(i) if (A) the Offer terminates or expires in accordance with its terms without any Company Common Shares being purchased therein or (B) the Purchaser has not accepted for payment any Company Common Shares

tendered pursuant to the Offer by the Outside Date; provided however that the right to terminate this Agreement under this Section 9.1(b)(i) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Parent or the Purchaser, as the case may be, to purchase Company Common Shares pursuant to the Offer on or prior to such date;

(ii) if there is any law or regulation that makes consummation of the Offer or Merger illegal or otherwise prohibited or if any Governmental Entity having competent jurisdiction shall have issued an order, decree, ruling or injunction or taken any other action, which permanently restrains, enjoins or otherwise prohibits the acceptance for payment of, or payment for, Company Common Shares pursuant to the Offer or the Merger and such order, decree, ruling or injunction or other action shall have become final and non-appealable and, prior to such termination, the parties shall have used their reasonable best efforts to resist, resolve or lift, as applicable, such law, regulation, judgment, injunction, order or decree; provided that the right to terminate this Agreement under this Section 9.1(b)(ii) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, such action or inaction;

(c) by the Company prior to the Share Purchase Date if:

(i) the Parent or the Purchaser (A) fails to commence the Offer within the number of days specified in Section 1.1(a), or (B) makes any change to the Offer in contravention of the provisions of this Agreement;

(ii) (A) the representations and warranties of the Parent and/or the Purchaser contained in Article IV of this Agreement shall not be true and correct in any material respect either (x) as of the date referred to in any representation or warranty which addresses matters as of a particular date or (y) as to all other representations and warranties, as of the date of determination, or (B) the Parent or the Purchaser materially breaches or materially fails to perform its covenants and other agreements contained herein; provided that, in each of the foregoing clauses (A) and (B), such breach or failure cannot be or has not been cured in all material respects within 30 days after the giving of written notice thereof to the Parent or the Purchaser;

(iii) the Company enters into a definitive agreement with respect to an Acquisition Proposal, or approves or recommends any Acquisition Proposal, in accordance with Section 5.3; provided that the Company makes payment of the Termination Fee in accordance with Section 9.3; or

(d) by the Parent or the Purchaser prior to the Share Purchase Date, if:

(i) (A) the representations and warranties of the Company contained in Article III of this Agreement shall not be true and correct in any respect that causes a failure of the condition set forth in clause (c) of Exhibit A, or (B) the Company materially breaches or materially fails to perform its covenants or other agreements contained herein which breach or failure cannot be or has not been cured in all material respects, prior to the earlier of the date that is (x) thirty (30) days after the giving of written notice thereof to the Company or (y) two (2) business days prior to the date on which the Offer expires;

(ii) the Company's board of directors (A) withdraws or modifies in a manner adverse to the Parent or the Purchaser the Company Tender Recommendation; or

(B) fails to reconfirm the Company Tender Recommendation within 3 business days after receipt of a request by the Parent or the Purchaser, provided

that any such request may be made only one time within 3 business days after notice of any of the following events (as any of the following events may occur from time to time): (i) receipt by the Company of an Acquisition Proposal, (ii) any material change to an existing Acquisition Proposal, (iii) a public announcement of any transaction to acquire a material portion of the Company Common Shares by a Person other than the Purchaser, the Parent or any of their Subsidiaries or affiliates other than an existing Acquisition Proposal, (iv) any extension of the Offer, and (v) any other material event or circumstance reasonably related to the Offer;

(iii) the Company enters into a definitive agreement with respect to an Acquisition Proposal, or approves or recommends any Acquisition Proposal, in accordance with the provisions of Section 5.3; or

(iv) any person or group (as defined in Section 13(d)(3) of the Exchange Act), other than the Parent, the Purchaser, any of their respective subsidiaries or affiliates or any person acting in concert with the Parent, the Purchaser or any of their respective Subsidiaries or affiliates, shall have become the beneficial owner of more than 35% of the outstanding Company Common Shares (the "Triggering Person") on a Fully-Diluted Basis; provided that this provision shall not apply to any person or group that owns more than such percentage on the date hereof.

Section 9.2 Effect of Termination. If any party terminates this Agreement pursuant to Section 9.1 above, all rights and obligations of the parties hereunder shall terminate without any liability of any party to any other party, except (i) for fraud or for any liability of any party then in breach and (ii) for the obligation to pay the fees and expenses (including the Termination Fee, if any) as contemplated by Section 9.3(b); provided that the provisions of this Section 9.2, Section 9.3 and Article X and the second to last sentence of Section 7.4 of this Agreement shall remain in full force and effect and survive any termination of this Agreement.

Section 9.3 Fees and Expenses.

(a) Except as set forth in this Section 9.3, all fees and expenses incurred in connection herewith and the Transactions shall be paid by the party incurring such expenses (including any HSR Act filing fees), whether or not any of the Transactions are consummated.

(b) The Company shall pay to the Parent a termination fee equal to $77.5 million, plus documented out-of-pocket expenses of the Parent not to exceed $4.0 million incurred in connection with this Agreement other than primarily as a result of the termination of this Agreement (the "Termination Fee"):

(i) if this Agreement is terminated by the Company pursuant to Section 9.1(c)(iii);

(ii) if this Agreement is terminated by the Parent or the Purchaser pursuant to Section 9.1(d)(ii) or Section 9.1(d)(iii);

(iii) if this Agreement is terminated by either the Parent, the Purchaser or the Company pursuant to Section 9.1(b)(i), but only if (A) the Minimum Condition was not satisfied or, with the consent of the Company, waived and all other conditions set forth in Exhibit A were satisfied or, with the consent of the Company, waived at the Expiration Date of the Offer, (B) after the date hereof and prior to such termination, an Acquisition Proposal had been publicly announced and not withdrawn or abandoned at the time of termination and (C) within 12 months after such termination, the Company enters into a definitive agreement with respect to any Acquisition Proposal or consummates any Acquisition Proposal;

(iv) if this Agreement is terminated by either the Parent or the Purchaser pursuant to Section 9.1(d)(i)(B), but only if (A) after the date hereof and prior to such termination, an Acquisition Proposal had been publicly announced and not withdrawn or abandoned at the time of termination and (B) within 12 months after such termination, the Company enters into a definitive agreement with respect to such Acquisition Proposal (or announces its intention to do so); or

(v) if this Agreement is terminated by either the Parent or the Purchaser pursuant to Section 9.1(d)(iv), but only if within 12 months after such termination the Company enters into a definitive agreement with respect to an Acquisition Proposal with the Triggering Person;

provided however that no Termination Fee shall be payable if both (A) the Purchaser or the Parent was in willful and material breach (which for purposes of this clause shall mean a willful breach that has a material adverse effect on consummating the transactions contemplated hereby) of its representations, warranties or obligations under this Agreement at the time of termination and (B) the Company has given to the Parent or the Purchaser, as the case may be, written notice of such willful and material breach at or prior to the time of such termination and a reasonable opportunity to cure such breach, if curable; provided further that in no event shall Purchaser be entitled to receive payment of more than one Termination Fee hereunder.

(c) The Termination Fee shall be made by wire transfer of immediately available funds to the Parent (i) in the case of a termination described in Section 9.3(b)(i), concurrent with such termination, (ii) in the case of a termination described in Section 9.3(b)(ii), on the next business day following the date of termination, (iii) in the case of a termination described in Section 9.3(b)(iii), no later than simultaneously with the earliest to occur of the events set forth in subclause (C) of Section 9.3(b)(iii), (iv) in the case of a termination described in Section 9.3(b)(iv), no later than simultaneously with the earliest to occur of the events set forth in subclause (B) of Section 9.3(b)(iv) and (v) in the case of the events described in Section 9.3(b)(v), simultaneously with the Company entering into the definitive agreement described in Section 9.3(b)(v).

(d) The Parent shall be solely responsible for payment of all expenses relating to the preparation, printing and distribution of the Offer Documents and the Information Statement (or Proxy Statement, as the case may be).

(e) The parties hereto agree that the provisions contained in this Section 9.3 are an integral part of the transactions contemplated by this Agreement, that the damages resulting from termination of this Agreement where a Termination Fee is payable are uncertain and incapable of accurate calculation and that the amounts payable pursuant to Section 9.3(b) are reasonable forecasts of the actual damages which may be incurred by the parties under such circumstances. The amounts payable pursuant to Section 9.3(b) constitute liquidated damages and not a penalty and shall be the sole monetary remedy in the event of termination of this Agreement on the bases specified in this Section except in the event of a willful material breach by the Company, in which case any claim for damages therefor shall be reduced by the amount of any Termination Fee actually paid.

ARTICLE X

MISCELLANEOUS

Section 10.1 Waivers and Amendments. Subject to Section 1.3(b), at any time prior to the Effective Time, the parties hereto, by action taken by or pursuant to resolutions of their respective boards of directors, may (i) extend the time for the performance of any of the obligations or other acts of the parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (iii) except for adoption of this Agreement by the stockholders of the Company, waive compliance with any of the agreements or conditions contained herein. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Subject to Section 1.3(b), any provision of this Agreement may be amended or waived prior to the Effective Time if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Company, the Parent and the Purchaser or in the case of a waiver, by the party against whom the waiver is to be effective.

Section 10.2 Nonsurvival of Representations and Warranties. None of the representations and warranties in this Agreement or in any schedule, instrument

or other document delivered pursuant to this Agreement shall survive the Effective Time. This Section 10.2 shall not limit any covenant or agreement of the parties hereto which by its terms contemplates performance after the Effective Time.

Section 10.3 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (which is confirmed) or sent by an overnight courier service, such as Federal Express, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to the Parent or the Purchaser, to:

Sears, Roebuck and Co.
3333 Beverly Road
Hoffman Estates, IL 60179
Attention: Senior Vice President and General Counsel
Facsimile: (847) 286-2471

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom (Illinois)
333 W. Wacker Drive
Chicago, IL 60606
Attention: Gary P. Cullen, Esq.
Facsimile: (312) 407-0411

and

(b) if to the Company, to:

Lands' End, Inc.
5 Lands' End Lane
Dodgeville, WI
Attention: Senior Legal Officer
Facsimile: (608) 935-6550

with a copy (which shall not constitute notice) to:

Kirkland & Ellis
200 East Randolph Drive
Chicago, IL 60601
Attention: Robert S. Osborne, P.C.
Facsimile: (312) 861-2200

Section 10.4 Interpretation. When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation". The phrases "the date of this Agreement", "the date hereof", and terms of similar import, unless the context otherwise requires, shall be deemed to refer to May 12, 2002. As used in this Agreement, the term "affiliate(s)" shall have the meaning set forth in Rule 12b-2 of the Exchange Act. As used in this Agreement, the term "Knowledge of the Company" means the actual knowledge, after reasonable inquiry, of David F. Dyer, the President and Chief Executive Officer, Donald R Hughes, the Executive Vice President and Chief Financial Officer, Jeffrey A. Jones, the Chief Operating Officer, Karl A. Dahlen, Vice President, Senior Legal Officer, and Mindy C. Meads, the Executive Vice President of Merchandising of the Company. As used in this Agreement, the term "person" shall mean an

individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including any Governmental Entity.

Section 10.5 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and

shall become effective when two or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 10.6 Entire Agreement; Third Party Beneficiaries. This Agreement (including the documents and the instruments referred to herein): (a) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, and (b) except as provided in Section 6.1 hereof is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder; provided that this Agreement shall not supersede or in any way modify the terms of the Confidentiality Agreement, which Agreement shall remain in full force and effect.

Section 10.7 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 10.8 Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 10.9 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. Any purported transfer or assignment in violation hereof shall be null and void.

Section 10.10 Headings. The Article, Section and paragraph headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

Section 10.11 Specific Performance. Except under such circumstances as cause a Termination Fee to be payable, (i) each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, each non-breaching party would be irreparably and immediately harmed and could not be made whole by monetary damages and (ii) it is accordingly agreed that the parties hereto (a) will waive, in any action for specific performance, the defense of adequacy of a remedy at law and (b) shall be entitled, in addition to any other remedy to which they may be entitled at law or in equity, to compel specific performance of this Agreement in any action instituted in a court of competent jurisdiction.

* * * * *

IN WITNESS WHEREOF, the Parent, the Purchaser and the Company have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

SEARS, ROEBUCK AND CO.

By: /s/ Alan J. Lacy

Name: Alan J. Lacy
Title: President and Chief Executive Officer

INLET ACQUISITION CORP.

By: /s/ Glenn R. Richter

Name: Glenn R. Richter
Title: President

LANDS' END, INC.

By: /s/ David F. Dyer

Name: David F. Dyer
Title: President and Chief Executive Officer

EXHIBIT A

CONDITIONS TO THE TENDER OFFER

Notwithstanding any other provision of the Offer, the Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Company Common Shares promptly after termination or withdrawal of the Offer), pay for any Company Common Shares tendered pursuant to the Offer, and may terminate or amend the Offer and may postpone the acceptance for payment of and payment for Company Common Shares tendered (in each case, in accordance with the Agreement), if (I) the Minimum Condition shall not have been satisfied or, with the consent of the Company, waived after the Offer has remained open for at least 20 business days, (II) any applicable waiting period under the HSR Act shall not have expired or been terminated prior to the expiration of the Offer, or (III) at any time prior to the acceptance for payment of Company Common Shares, any of the following events shall have occurred and be continuing:

(a) there shall have been enacted, entered, enforced or promulgated by any Governmental Entity any statute, rule, regulation, legislation, judgment, order or injunction, other than the routine application of the waiting period provisions of the HSR Act, which, directly or indirectly, (i) prohibits or makes illegal or otherwise directly or indirectly restrain or prohibit the Offer, the acceptance for payment of, or payment for, any Company Common Shares by the Parent or the Purchaser; (ii) prohibits or materially limits the ownership or operation by the Company, the Parent or any of their Subsidiaries of all or any material portion of the business or assets of the Company or any of its Subsidiaries or compels the Company, the Parent or any of their Subsidiaries to dispose of or hold separate all or any material portion of the business or assets of the Company, the Parent or any of their Subsidiaries; or (iii) imposes material limitations on the rights of ownership of the Parent, the Purchaser or any other affiliate of the Parent with respect to the Company Common Shares; provided that the Purchaser shall have used its reasonable best efforts to resist, resolve, defend against or lift, as applicable, such statute, rule, regulation, legislation, judgment, order or injunction;

(b) there shall have occurred and continue to exist (i) any general suspension of, or limitation on prices for, trading in securities on the New York Stock Exchange or in the Nasdaq National Market, (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or (iii) any limitation (whether or not mandatory) by any U.S. Governmental Entity that materially and adversely affects the extension of credit by banks or other lending institutions in the United States;

(c) the representations and warranties of the Company contained in Article III of this Agreement (which for these purposes shall exclude all qualifications or exceptions relating to "materiality" and/or Company

Material Adverse Effect) shall not be true and correct, either (i) as of the date referred to in any representation or warranty which addresses matters as of a particular date or (ii) as to all other representations and warranties, as of the date of determination, in either case (other than with respect to Section 3.5, which shall be true and correct in all material respects), except where the failure to be so true and correct would not,

individually or in the aggregate, have a Company Material Adverse Effect; provided that such breach or failure cannot be or has not been cured in all material respects prior to the earlier of the 30th day after the giving of written notice thereof to the Company and the then current Expiration Date;

(d) the Company shall have failed to perform in any material respect any obligation under this Agreement or to comply in any material respect with any of its covenants or other obligations under this Agreement;

(e) the board of directors of the Company (or a special committee thereof) (i) shall have withdrawn, modified or changed in a manner adverse to the Parent and the Purchaser (including by amendment of the Schedule 14D-9) its recommendation of the Offer, this Agreement or the Merger, (ii) shall have recommended or announced a neutral position with respect to an Acquisition Proposal, (iii) shall have adopted any resolution to effect the foregoing, or (iv) fails to reconfirm the Company Tender Recommendation within 3 business days after receipt of a request by the Parent or the Purchaser, provided that any such request may be made only one time within 3 business days after notice of any of the following events (as any of the following events may occur from time to time): (i) receipt by the Company of an Acquisition Proposal, (ii) any material change to an existing Acquisition Proposal, (iii) a public announcement of any transaction to acquire a material portion of the Company Common Shares by a Person other than the Purchaser, the Parent or any of their Subsidiaries or affiliates other than an existing Acquisition Proposal, (iv) any extension of the Offer, and (v) any other material event or circumstance reasonably related to the Offer;

(f) any applicable waiting period under the HSR Act relating to the Offer and the Merger shall not have expired or been terminated and all material consents, approvals and authorizations required to be obtained prior to the consummation of the Offer and the Merger by the parties hereto from governmental and regulatory authorities to consummate the Offer and the Merger, shall not have been made or obtained, as the case may be;

(g) this Agreement shall have been terminated in accordance with its terms; which, in the sole good faith judgment of the Purchaser in any such case, makes it inadvisable to proceed with the Offer and/or such acceptance for payment of or payment for the Company Common Shares.

The foregoing conditions are for the sole benefit of the Purchaser and the Parent and may be asserted by the Purchaser or the Parent regardless of the circumstances giving rise to any such condition or may be waived by the Parent or the Purchaser in whole or in part at any time and from time to time in the sole discretion of the Parent or the Purchaser, except that the conditions in clause (I) and paragraph (f) above may not be waived by the Parent or the Purchaser without the prior written consent of the Company. The failure by the Parent or the Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

Exhibit (d)(2)

FORM OF TENDER AGREEMENT

TENDER AGREEMENT (this "Agreement"), dated as of May 12, 2002, by and among Sears, Roebuck and Co., a New York corporation ("Parent"), Inlet Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Parent ("Purchaser"), and _____ (the "Stockholder"). Capitalized terms used and not otherwise defined herein have the meaning set forth in the Acquisition Agreement (the "Acquisition Agreement") dated as of the date hereof by and among Parent, Purchaser and Lands' End, Inc., a Delaware corporation (the "Company").

WHEREAS, the Acquisition Agreement provides for Parent to acquire the Company by (i) causing Purchaser to make a tender offer as contemplated by the Acquisition Agreement (the "Offer") for all of the issued and outstanding shares of common stock of the Company ("Company Common Shares") at a price of $62 per share in cash and (ii) as promptly as practicable after the closing of the Offer, causing Purchaser to merge with and into the Company, with each issued and outstanding Company Common Share not owned by Purchaser being converted into the same consideration paid per share in the Offer, subject to the terms and conditions set forth in the Acquisition Agreement;

WHEREAS, the board of directors of the Company has adopted resolutions approving and declaring advisable the Acquisition Agreement, this Agreement and the other Transactions (such approvals having been made in accordance with the Delaware General Corporation Law, including for purposes of Section 203 thereof);

WHEREAS, as an inducement to Parent and Purchaser to enter into the Acquisition Agreement and make the Offer, the Stockholder has agreed to enter into this Agreement;

WHEREAS, the Stockholder is the record and beneficial owner of those Company Common Shares set forth opposite the Stockholder's name on Schedule 2(d) attached hereto (as may be adjusted from time to time pursuant to Section 5 hereof, the "Subject Shares"); and

WHEREAS, concurrently with the execution and delivery hereof, Parent and Purchaser are also entering into Tender Agreements in the form hereof with a total of 9 other stockholders of the Company (the "Other Tender Agreements").

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereby agree as follows:

Section 1. Agreements of the Stockholder.

(a) Agreement to Tender. The Stockholder hereby agrees to validly tender promptly, and in any event no later than the fifth business day following the commencement of the Offer, or if the Stockholder has not received the offering materials by such time, within two business days following receipt of such materials, pursuant to the Offer and not to withdraw any of the Subject Shares. The Stockholder shall receive the same offer price received by the other stockholders of the Company in the Offer with respect to the Company Common Shares tendered by him or it. Purchaser's obligation to accept for payment and pay for the Company Common Shares tendered in the Offer pursuant to this Agreement is subject to all the terms and conditions of the Offer set forth in the Acquisition Agreement and Exhibit A thereto.

(b) Stockholder Information. The Stockholder hereby agrees to permit Parent and Purchaser to publish and disclose in the Offer Documents (as defined in the Acquisition Agreement) and, if approval of the stockholders of the Company is required under applicable law, a proxy or information statement, his or its identity and ownership of Company Common Shares and the nature of his or its commitments, arrangements and understandings under this Agreement. The Stockholder and his or its counsel shall be given an opportunity to review and comment on the Offer Documents and the proxy or information statement before the filing thereof with the SEC.

(c) Block on Inconsistent Agreements or Actions. The Stockholder shall not enter into any tender, voting or other such agreement, or grant a proxy or power of attorney, with respect to the Subject Shares that is inconsistent with this Agreement or otherwise take any other action with respect to the Subject Shares that would in any way restrict, limit or interfere with the performance of his or its obligations hereunder or the transactions contemplated hereby.

(d) No Transfer of Subject Shares. The Stockholder agrees not to transfer (except as otherwise provided herein) record ownership or beneficial ownership (or both) of any Subject Shares or any interest therein other than in any estate planning transaction or to a charitable institution, family member or affiliate where the transferee in each case agrees to comply with all of the requirements of this Agreement with respect to the transferred Subject Shares (each a "Permitted Transferee"). The parties hereby agree that any Permitted Transferee shall become a "Stockholder" for all purposes hereunder. For the purposes of this Agreement, the term "transfer" and the like means any sale, assignment, grant, transfer, gift, pledge, creation of a Lien (as defined below) or other disposition of any Subject Shares or any interest of any nature therein.

Section 2. Representations and Warranties of the Stockholder. The Stock-holder hereby represents and warrants to Parent and Purchaser as follows:

(a) The Stockholder has the capacity to enter into this Agreement and the right and power to perform his or its obligations under this Agreement. Assuming that this Agreement constitutes the valid and binding obligation of Parent and Purchaser, this Agreement constitutes a valid and binding obligation of the Stockholder, enforceable against the Stockholder in accordance with its terms.

(b) The Stockholder is not subject to or obligated under any provision of any contract or other agreement or any law, regulation, order, judgment, injunction or decree that would be breached (or with notice or lapse of time or both, would result in a breach) or violated by, or conflict with, the execution, delivery and performance of this Agreement by the Stockholder.

(c) No authorization, consent, notice or approval of, or any filing with, any public body, court or authority is necessary for consummation by the Stockholder of the transactions contemplated by this Agreement, other than under the HSR Act.

(d) The Stockholder is the record and "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which meaning will apply for all purposes of this Agreement) of the Subject Shares and has full and unrestricted power to dispose of and to vote such Subject Shares, subject to applicable law. The Subject Shares, together with the other Company Common Shares set forth on Schedule 2(d) attached hereto (such other Company Common Shares, collectively, the "Excluded Shares"), constitute all of the Company Common Shares over which , members of their respective immediate families, or personal charitable foundations or similar organizations founded or established by any of them (or in the case of a stockholder that is a trust, the grantor thereof) possesses record or beneficial ownership on the date of this Agreement. The Stockholder has the necessary and sufficient right and authority to make the commitments contained in this Agreement with respect to the Subject Shares. Except for the Subject Shares, any options to acquire Company Common Shares as set forth on Schedule 2(d) and the Excluded Shares, the Stockholder does not, directly or indirectly, beneficially own or have any option, warrant or other right to acquire any securities of the Company that are or may by their terms become entitled to vote or any securities that are convertible or exchangeable into or exercisable for any securities of the Company that are or may by their terms become entitled to vote, nor is the Stockholder a party to or subject to any contract, commitment, arrangement, understanding or relationship that allows or obligates him or it to vote or acquire any securities of the Company or otherwise relates to the Subject Shares or restricts his or its rights in the Subject Shares in any way (the "Other Securities and Rights").

(e) The Subject Shares and the certificates representing the Subject Shares are now and at all times during the term hereof will be held by the Stockholder, or by a nominee or custodian for the benefit of the Stockholder, free and clear of all liens, claims, security interests, proxies, voting trusts or agreements, understandings or arrangements or any other encumbrances whatsoever ("Liens") (including any contractual restriction on the right to vote, sell or otherwise dispose of such Subject Shares), except for any such encumbrances or proxies arising hereunder. Upon transfer to Purchaser or Parent, as the case may be, by

Stockholder of the Subject Shares, and subject to the receipt by the Stockholder of payment as contemplated by the Acquisition Agreement and this Agreement, Purchaser or Parent, as the case may be, will have title to the Subject Shares, free and clear of all Liens, other than restrictions set forth under applicable securities laws.

(f) There is no action, suit, investigation, complaint or other proceeding pending against the Stockholder or, to his or its knowledge, threatened against him or it or any other person, that restricts in any material respect or prohibits (or, if successful, would restrict or prohibit) the exercise by any party of its rights under this Agreement or the performance by any party of its obligations under this Agreement.

Section 3. Representations and Warranties of Parent and Purchaser. Each of Parent and Purchaser represents and warrants to the Stockholder as follows:

(a) Such party is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and has full corporate power and authority to execute and deliver this Agreement and the Acquisition Agreement.

(b) The execution and delivery by such party of this Agreement and the Acquisition Agreement and the performance by it of its obligations under this Agreement and the Acquisition Agreement have been duly authorized by all necessary corporate action and do not and will not conflict with or result in a violation pursuant to (A) any provision of its organizational documents, (B) any material loan or credit agreement, note, mortgage, bond, indenture, lease, benefit plan or other agreement, obligation, instrument, permit, concession, franchise, license or (C) assuming that all of the Parent Required Governmental Consents (as defined in the Acquisition Agreement) are obtained, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to Parent or Purchaser other than, in the case of (B) and (C) any such items that would not individually or in the aggregate, (i) have a Parent Material Adverse Effect (as defined in the Acquisition Agreement) or (ii) prevent or materially impair the ability of Parent or Purchaser to consummate the transactions contemplated by this Agreement and the Acquisition Agreement.

(c) Assuming that this Agreement constitutes the valid and binding obligation of the Stockholder, this Agreement constitutes a valid and binding obligation of such party, enforceable against such party in accordance with its terms.

(d) There is no action, suit, investigation, complaint or other proceeding pending against such party or any of its affiliates or, to the knowledge of such party, threatened against it or any of its affiliates that restricts in any material respect or prohibits (or, if successful, would restrict or prohibit) the exercise by such party of its rights under this Agreement or the performance by such party of its obligations under this Agreement.

Section 4. Voting of Shares; Grant of Irrevocable Proxy; Appointment of Proxy.

(a) The Stockholder hereby agrees that, during the term of this Agreement, and solely with respect to any item described in clauses (i), (ii) and/or (iii) of this Section 4(a), at any meeting (whether annual or special and whether or not an adjourned or postponed meeting) of the stockholders of the Company, however called, or in connection with any written consent of the stockholders of the Company, the Stockholder will appear at the meeting or otherwise cause the Subject Shares to be counted as present thereat for purposes of establishing a quorum and vote or consent (or cause to be voted or consented) the Subject Shares (i) in favor of the Merger and the Acquisition Agreement, (ii) against any action or agreement that would result in a breach of any representation, warranty or covenant of the Company in the Acquisition Agreement, and (iii) against any action or agreement which would impede, delay, interfere with or prevent the Merger, including any other extraordinary corporate transaction, such as a merger, reorganization or liquidation involving the Company and a third party or any other proposal of a third party to acquire the Company, in each case only if such matter is presented for action at a meeting or by written consent.

(b) The Stockholder hereby irrevocably grants to, and appoints, Parent and any nominee thereof, solely with respect to any item described in clauses (i), (ii) and/or (iii) of this Section 4(b), its proxy and attorney-in-fact (with full power of substitution) during the term of this Agreement, for and in the name, place and stead of the Stockholder, to vote the Subject Shares, or grant a consent or approval in respect of the Subject Shares, in connection with any meeting of the stockholders of the Company, (i) in favor of the Merger and Acquisition Agreement, (ii) against any action or agreement that would result in a breach of any representation, warranty or covenant of the Company in the Acquisition Agreement, and (iii) against any action or agreement which would impede, delay, interfere with or prevent the Merger, including any other extraordinary corporate transaction, such as a merger, reorganization or liquidation involving the Company and a third party or any other proposal of a third party to acquire the Company, in each case only if such matter is presented for action at a meeting or by written consent.

(c) The Stockholder represents that any proxies heretofore given in respect of the Subject Shares, if any, are not irrevocable, and that such proxies have been revoked.

(d) The Stockholder hereby affirms that the irrevocable proxy set forth in this Section 4 is given in connection with the execution of the Acquisition Agreement, and that such irrevocable proxy is given to secure the performance of the duties of the Stockholder under this Agreement. The Stockholder hereby further affirms that the irrevocable proxy is coupled with an interest and, except as set forth in Section 10 hereof, is intended to be irrevocable in accordance with the provisions of Section 212(e) of the DGCL.

(e) The Stockholder hereby irrevocably waives any rights of appraisal or rights to dissent from the Merger that the Stockholder may have.

Section 5. Certain Events. In the event of any stock split, stock dividend, merger, reorganization, recapitalization or other change in the capital structure of the Company affecting Company Common Shares or the acquisition of additional Company Common Shares or other securities or rights of the Company by the Stockholder, through the exercise of stock options or otherwise, the number of Subject Shares shall be adjusted appropriately, and this Agreement and the obligations hereunder shall attach to any additional Company Common Shares or other securities or rights of the Company issued to or acquired by the Stockholder.

Section 6. Grant of Option.

(a) The Stockholder hereby grants to Parent an irrevocable option (the "Option") to purchase the Subject Shares at a purchase price of $62 per Subject Share (subject to Section 6(d) herein, the "Exercise Price"), in the manner set forth in this Section.

(b) At any time or from time to time prior to the termination of the Option granted hereunder in accordance with the terms of this Agreement, Parent (or its designee) may exercise the Option, in whole but not in part, if on or after the date hereof any corporation, partnership, individual, trust, unincorporated association, or other entity or "person" (as defined in Section 13(d)(3) of the Exchange Act), other than Parent, any of its "affiliates" (as defined in the

Exchange Act) or any person acting in concert with either Parent or any such affiliate (a "Third Party"), shall have:

(i) commenced or publicly announced an intention to commence a bona fide tender offer or exchange offer for any Company Common Shares, the consummation of which would result in "beneficial ownership" (as defined under the Exchange Act) by such Third Party (together with all such Third Party's affiliates and "associates" (as such term is defined in the Exchange Act)) of 15% or more of the then outstanding voting equity of the Company (either on a primary or a Fully Diluted Basis);

(ii) acquired or entered into an agreement to acquire beneficial ownership of Company Common Shares which, when aggregated with any Company Common Shares already owned by such Third Party, its affiliates and associates, would result in the aggregate beneficial ownership by such Third Party, its affiliates and associates of 15% or more of the then outstanding voting equity of the Company (either on a primary or a Fully

Diluted Basis), provided, however, that "Third Party" for purposes of this clause (ii) shall not include any corporation, partnership, person, other entity or group which beneficially owns more than 15% of the outstanding voting equity of the Company (either on a primary or a Fully Diluted Basis) as of the date hereof and that does not, after the date hereof, increase such ownership percentage by more than an additional 3% of the outstanding voting equity of the Company (either on a primary or Fully Diluted Basis); or

(iii) filed a Notification and Report Form under the HSR Act, reflecting an intent to acquire the Company or any assets or securities of the Company;

provided that the Option shall not be exercisable if any of the events described above were pursuant to or as a result of the compliance with Section 5.3 of the Acquisition Agreement.

It shall be a condition to the valid exercise of the Option that Parent, Purchaser or Parent's designee concurrently exercise in whole the option set forth in Section 6 of each of the Other Tender Agreements.

In the event that Parent wishes to exercise the Option, Parent shall give written notice (the "Option Notice", with the date of the Option Notice being hereinafter called the "Notice Date") to the Stockholder specifying the place and date (not earlier than 3 nor later than 5 business days from the Notice Date) for closing such purchase (the "Closing"). Parent's obligation to purchase Subject Shares upon exercise of the Option, and the Stockholder's obligation to sell the Subject Shares upon exercise of the Option, is subject (at the election of each of Parent or the Stockholder) to the conditions that (i) no preliminary or permanent injunction or other order against the purchase, issuance or delivery of the Subject Shares issued by any federal, state or foreign court of competent jurisdiction shall be in effect (and no action or proceeding shall have been commenced or threatened for purposes of obtaining such an injunction or order) and (ii) any applicable waiting period under the HSR Act shall have expired. Parent's obligation to purchase the Subject Shares upon exercise of the Option is further subject

(at its election) to the condition that there shall have been no material breach of the representations, warranties, covenants or agreements of the Stockholder contained in this Agreement. Notwithstanding the foregoing, any failure by Parent to purchase the Subject Shares upon exercise of the Option at the Closing as a result of the non-satisfaction of any of the foregoing conditions shall not affect or prejudice Parent's right to purchase the Subject Shares upon the subsequent satisfaction of such conditions.

(c) At the closing, (i) the Stockholder will deliver to Parent the certificate or certificates representing the Subject Shares and (ii) Parent shall pay the aggregate purchase price for the Subject Shares to be purchased by wire transfer of immediately available funds to accounts, which accounts shall be designated in writing to Parent, in the amount of the Exercise Price times the number of Subject Shares to be purchased.

(d) In the event that Parent or Purchaser pays a price higher than $62 per share for Subject Shares tendered into the offer, the Exercise Price shall be increased to equal such higher price.

Section 7. No Solicitation.

(a) The Stockholder agrees that after the date of this Agreement he shall not, and will use his or its reasonable best efforts to ensure that his or its investment bankers, attorneys, accountants, agents or other advisors or representatives (the "Stockholder Representatives"), directly or indirectly, will not take any action with respect to an Acquisition Proposal that the Company is prohibited from taking under clause (i) or (ii) of Section 5.3(a) of the Acquisition Agreement; provided that the Stockholder shall be entitled to participate in all actions that the Company is or would be entitled to take as contemplated by the second sentence of Section 5.3(a) of the Acquisition Agreement so long as such actions are taken in compliance with Section 5.3(a); provided further that nothing herein shall prevent the Stockholder from discharging his fiduciary duties as a member of the board of directors of the Company, in compliance with the Acquisition Agreement. Notwithstanding the foregoing, it is agreed and understood by the parties that the term "Stockholder Representatives" shall not include the Company or any Subsidiary of the Company

or any of their respective investment bankers, attorneys, accountants, agents or other advisors or representatives.

(b) The Stockholder hereby agrees to cease and cause to be terminated all existing discussions or negotiations conducted by him or it or at his or its behest heretofore with respect to any Acquisition Proposal (other than with Parent).

Section 8. [INTENTIONALLY OMITTED.]

Section 9. Further Assurances. With respect to the Stockholder's obligations under this Agreement, the Stockholder shall, upon request of Parent or Purchaser, execute and deliver any additional documents and take such further actions as may reasonably be

deemed by Parent or Purchaser to be necessary to carry out the provisions hereof, at the sole cost and expense of Parent or Purchaser as the case may be. Parent and Purchaser shall jointly and severally indemnify and hold harmless the Stockholder and his or its investment bankers, attorneys, accountants, agents or other advisors or representatives from and against any and all losses, damages, costs, expenses, liabilities, judgments, awards, fines, sanctions, penalties, charges, amounts paid in settlement and costs of mitigation, including reasonable costs, fees and expenses of attorneys and accountants, incurred or suffered by the Stockholder, in each case as a result of any action taken by the Stockholder pursuant to the request of Parent or Purchaser pursuant to this Section.

Section 10. Termination. Unless earlier terminated by mutual agreement of the parties, all of the obligations of the parties under this Agreement (including without limitation the obligation of the Stockholder to tender the Subject Shares in the Offer and not withdraw such Subject Shares) shall terminate upon the first to occur of (i) any termination of the Acquisition Agreement in accordance with its terms or (ii) the acceptance for payment of the Subject Shares by Parent or Purchaser in the Offer (the "Termination Date"); provided, however, that (x) in the event that an Option Notice is delivered prior to the Termination Date, the provisions set forth in Section 6 shall survive any termination of this Agreement and (y) whether or not the Merger is consummated, the provisions set forth in Section 11(h) shall survive any termination of this Agreement.

Section 11. Miscellaneous Provisions.

(a) Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (1) on the date of delivery if delivered personally, or by telecopy or telefacsimile, upon confirmation of receipt, (2) on the first business day following the date of dispatch if delivered by a recognized next-day courier service, or (3) on the third business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be given to Parent and Purchaser at their respective address stated in the Acquisition Agreement, and all notices to the Stockholder shall be given to the Stockholder at the address set forth on the signature page hereto, with a copy (which shall not constitute notice) to:

Neal, Gerber & Eisenberg
Two North LaSalle Street, Suite 2200
Chicago, Illinois 60602
Attention: Ross D. Emmerman
312.269.8051 (telephone)
312.269.1747 (facsimile)

(b) No Waivers; Remedies; Amendment.

(i) No failure or delay by either party in exercising any right, power or privilege under this Agreement shall operate as a waiver of the right, power or privilege. A single or partial exercise of any right, power or privilege shall not preclude any other further exercise of the right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies provided in this

Agreement shall be cumulative and not exclusive of any rights or remedies

provided by law.

(ii) In view of the uniqueness of the agreements contained in this Agreement and the transactions contemplated hereby and the fact that Parent and Purchaser would not have an adequate remedy at law for money damages in the event that any obligation under this Agreement is not performed in accordance with its terms, the Stockholder agrees that Parent and Purchaser shall be entitled to specific enforcement of the terms of this Agreement in addition to any other remedy to which Parent and Purchaser may be entitled, at law or in equity.

(iii) No amendment, modification, termination or waiver of any provision of this Agreement, and no consent to any departure by the Stockholder, Parent or Purchaser from any provision of this Agreement, shall be effective unless it shall be in writing and signed and delivered by the Stockholder, Parent and Purchaser, and then it shall be effective only in the specific instance and for the specific purpose for which it is given.

(c) Successors and Assigns; Third Party Beneficiaries. No party shall assign any of its rights or delegate any of its obligations under this Agreement (whether by operation of law or otherwise) without the prior written consent of the other party, except that Parent and Purchaser will have the right to assign to any direct or indirect wholly owned subsidiary of Parent or Purchaser any and all rights and obligations of Parent or Purchaser under this Agreement, provided that any such assignment will not relieve either Parent or Purchaser from any of its obligations hereunder. Any assignment or delegation in contravention of this Section shall be void AB INITIO and shall not relieve the assigning or delegating party of any obligation under this Agreement. Subject to the preceding sentence, the provisions of this Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective permitted heirs, executors, legal representatives, successors and assigns, and no other person.

(d) Governing Law. This Agreement and all rights, remedies, liabilities, powers and duties of the parties hereto and thereto, shall be governed in accordance with the laws of the State of Delaware without giving effect to the principles of conflicts of laws thereof.

(e) Severability of Provision. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any court of competent jurisdiction or other authority, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

(f) Entire Agreement. This Agreement, together with the Acquisition Agreement and any other documents and instruments as referenced herein, embodies the entire

agreement and understanding of the Stockholder, Parent and Purchaser, and supersedes all prior agreements or understandings, with respect to the subject matters of this Agreement.

(g) Survival. Except as otherwise specifically provided in this Agreement, each representation, warranty or covenant of a party contained in this Agreement shall remain in full force and effect, notwithstanding any investigation or notice to the contrary or any waiver by any other party or beneficiary of a related condition precedent to the performance by the other party or beneficiary of an obligation under this Agreement.

(h) Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such cost or expense.

(i) Counterparts. This Agreement may be signed in any number of counterparts, including by facsimile, each of which shall be an original, with the same effect as if all signatures were on the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SEARS, ROEBUCK AND CO.

By:_____
Name:_____
Its:_____

INLET ACQUISITION CORP.

By:_____
Name:_____
Its:_____

STOCKHOLDER

By:_____
Name:_____
Its:_____

Address:

Schedule 2(d)

Exhibit (d)(3)

CONFIDENTIALITY AGREEMENT

This CONFIDENTIALITY AGREEMENT (this "Agreement") is dated as of February 26, 2002 and is by and between Lands' End, Inc. (the "Company") and Sears, Roebuck and Co. ("Sears"). Sears and the Company are sometimes collectively referred to herein as the "Parties" and individually as a "Party."

W I T N E S S E T H:
- - - - - - - - - - -

WHEREAS, the Parties desire to exchange information in order to enable them to evaluate the possibility of entering into a negotiated business transaction (the "Transaction").

WHEREAS, during the course of any discussions or negotiations regarding the Transaction, the Company and Sears each from time to time may provide the other with certain Evaluation Material (as defined below).

WHEREAS, each of the Parties acknowledges and agrees that any Evaluation Material provided to the other, whether before or after the execution of this Agreement, is proprietary and highly confidential and that the unrestricted disclosure of any Evaluation Material by one party would result in substantial damage to the other, which damage would be irreparable and extremely difficult to quantify.

WHEREAS, each of the Parties desires to preserve its business operations and capital structure free from disruption that could arise from the misuse of Evaluation Material.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

As used in this Agreement, the term "Exchange Act" means the Exchange Act of 1934, as amended, and "affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Exchange Act.

1. Evaluation Material. The term "Receiving Party" shall mean a Party that receives Evaluation Material from the other Party pursuant to this Agreement, and the term "Disclosing Party" shall mean a Party to this Agreement that provides or discloses its Evaluation Material to a Receiving Party. As a condition to the furnishing of Evaluation Material to the partners, directors, officers, employees, agents or advisors of a Party, including without limitation attorneys, accountants, consultants, bankers, other sources of financing and capital and financial advisors (collectively, "Representatives"), each Party agrees and shall cause its Representatives to treat such information in accordance with the provisions of this Agreement and to take or abstain from taking certain other actions hereinafter set forth. The term "Evaluation Material" means any and all information, in any form or medium, concerning the Disclosing Party (whether prepared by the Disclosing Party, its advisors or otherwise and

irrespective of the form of communication and whether it is labeled or otherwise identified as confidential) that is furnished to the Receiving Party or to its Representatives by or on behalf of the Disclosing Party. In addition, "Evaluation Material" shall be deemed to include all notes, analyses, studies, interpretations and other documents or reports prepared by a Receiving Party or its Representatives which contain, reflect or are based upon, in whole or part, the information furnished to the Receiving Party or its Representatives pursuant hereto. The term "Evaluation Material" does not include information which: (a) is or becomes available to the public generally (other than as a result of a disclosure by the Receiving Party or one of its Representatives); (b) becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party or one of its Representatives, provided that such source is not, to the knowledge of the Receiving Party after reasonable inquiry, bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Disclosing Party or any other person with respect to such information; or (c) has been independently acquired or developed by the Receiving Party without violating any of its obligations

under this Agreement, as demonstrated by the Receiving Party.

2. Use of Evaluation Material and Confidentiality.

(a) The Parties hereto agree that a Receiving Party and its Representatives shall use the Evaluation Materials of the Disclosing Party solely for the purpose of evaluating the possible Transaction that the Evaluation Material will be kept confidential and that neither the Receiving Party nor any of its Representatives will disclose any of the Evaluation Material in any manner whatsoever; provided however that the Receiving Party may disclose Evaluation Material: (i) to such of its Representatives who need such information for the sole purpose of evaluating the Transaction (it being understood that such Representatives shall be informed by the Receiving Party of the confidential nature of such information and shall be directed by the Receiving Party to treat such information as confidential); and (ii) in all other cases, only if and to the extent that the Disclosing Party gives its prior written consent to such disclosure.

(b) The Parties hereto agree that each will be fully responsible for any breach of any of the provisions of this Agreement by any of its Representatives.

(c) Each of the Parties hereto agrees that, without the prior written consent of the other Party, such Party and its Representatives shall not disclose to any person the fact that the Evaluation Material has been made available to it/them, the fact that discussions or negotiations are taking place concerning a possible transaction between the Parties or the existence of this Agreement; provided however that each of the Parties may make such disclosure as it determines in good faith and upon the advice of counsel is required by law or applicable stock exchange rule or regulation (in which event such Party shall use all reasonable efforts to consult with the other Party in advance regarding the nature, extent and form of such disclosure).

(d) The Parties hereto agree that, without the prior written consent of the Disclosing Party, neither the Receiving Party nor any of its Representatives will disclose to any other person (including, without limitation, by issuing a press release or otherwise making any public statement) any of the terms, conditions or other facts with respect to the Transaction (including the status thereof); provided however that the Receiving Party may make such

disclosure as it determines in good faith and upon the advice of counsel is required by law (in which event such Party shall use all reasonable efforts to consult with the Disclosing Party in advance regarding the nature, extent and form of such disclosure).

(e) The terms "person" as used in this Agreement shall be interpreted broadly to include the media and any corporation, group, individual or other entity.

(f) If the Receiving Party or any of its Representatives are requested or required (by oral questions, interrogatories, requests for information or other documents in legal proceedings, subpoena, civil investigative demand or any other similar process) to disclose any of the Evaluation Material, such Party shall provide the Disclosing Party with prompt written notice of any such request or requirement so that the Disclosing Party may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. If the Disclosing Party waives compliance with the provisions of this Agreement with respect to a specific request or requirement, the Receiving Party and its Representatives shall disclose only that portion of the Evaluation Material that is covered by such waiver and which is necessary to disclose in order to comply with such request or requirement. If, in the absence of a protective order or other remedy or a waiver by the Disclosing Party, the Receiving Party or one of its Representatives is nonetheless legally compelled to disclose any Evaluation Material, the Receiving Party or such Representative may, without liability hereunder, disclose only that portion of the Evaluation Material that is so required to be disclosed. Notwithstanding the foregoing, in the event that the Receiving Party or one of its Representatives discloses Evaluation Material under the terms of this subsection, such Party and its Representatives shall exercise commercially reasonable efforts to preserve the confidentiality of the Evaluation Material including, without limitation, and to the extent practical under the circumstances, by cooperating with the Disclosing

Party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Evaluation Material.

(g) If either Party hereto decides that it does not desire to proceed with the Transaction, then upon the written request of the Disclosing Party, the Receiving Party shall deliver promptly to the Disclosing Party all Evaluation Material furnished to it or any of its Representatives by or on behalf of the Disclosing Party, together with copies of such Evaluation Material in the Receiving Party's possession or control or in the possession or control of any of its Representatives. If either Party hereto decides that it does not desire to proceed with the Transaction, the Receiving Party hereby agrees upon the written request of the Disclosing Party to promptly destroy all Evaluation Material prepared by it or any of its Representatives, together with all copies thereof (including, without limitation, electronic copies). Notwithstanding the return or destruction of the Evaluation Material, the Receiving Party and its Representatives will continue to be bound by its obligations of confidentiality hereunder.

3. Accuracy of Evaluation Material. Each Party hereto understands and acknowledges that neither the Disclosing Party nor any of its Representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of any Evaluation Material. Each Party hereto agrees that neither the Disclosing Party nor any of its Representatives shall have any liability to the Receiving Party or to any of its Representatives

relating to or resulting from the use of the Evaluation Material or any errors therein or omissions therefrom. Only those representations and warranties that are made in a final definitive agreement regarding the Transaction, when, as and if executed, and subject to such limitations and restrictions as may be specified therein, will have any legal effect.

4. Diligence Process. In consideration of the provision of the Evaluation Material to the Receiving Party, such Party agrees and shall cause its Representatives not to initiate or maintain contact with any officer, director, employee or agent of the Disclosing Party relating to the Transaction, except in accordance with guidelines that are mutually established by the Parties. Each Party hereby agrees to submit or direct to the designee or designees of the other Party all: (a) communications regarding the Transaction; (b) requests for additional information; (c) requests for facility tours or management or employee meetings; and (d) discussions or questions regarding procedures.

5. Non-Solicitation and Non-Hire of Employees. Each Party acknowledges that the employees of the other Party are a key component to the success of the other Party and that the preservation of the employee base of the other Party is critical to among other things the prospects of the other Party. Consequently, the Parties have agreed to the following mutual non-solicitation and non-hire provisions. Each Party hereto agrees that, for a period of one year from the date hereof, such Party shall not solicit any individual who is an employee of the other Party, as of the date hereof or at any time hereafter and prior to the termination of discussions by the Parties with respect to a Transaction, to leave his or her employment with such other Party or in any way interfere with the employment relationship between such other Party and any of its employees; provided that this restriction shall not apply to (i) any part-time employee or (ii) any employee who as of the date hereof has already entered into employment discussions with such Party or contacted such Party to initiate such discussions; provided further that generalized employee searches (not focused specifically on the employees of a Party) by headhunter/search firms and generalized employment or trade media advertisements shall not be deemed to cause a breach of this non-solicitation restriction. Each Party hereto also agrees that, for a period of one year from the date hereof, such Party shall not hire or otherwise engage any individual who is an employee of the other Party as of the date hereof or at any time hereafter and prior to the termination of discussions by the Parties with respect to a Transaction; provided that this restriction shall not apply to (i) any part-time employee, (ii) any employee who as of the date hereof has already entered into employment discussions with such Party or contacted such Party to initiate such discussions or (iii) any employee who (x) is not an officer of Sears or is not an employee of the Company with the title of director or greater (which includes without limitation the officers of the Company) as the case may be and (y) was not introduced to the respective Party or did not become known to the respective Party in connection with its evaluation or the consummation of a Transaction.

6. Standstill. Each Party hereby acknowledges that the Evaluation Material is being furnished to it in consideration of its agreement that for a period of 1.5 years from the date hereof such Party will not (and such Party will not assist, provide or arrange financing to or for others or encourage others to), directly or indirectly, acting alone or in concert with others, unless specifically requested in writing in advance by the Board of Directors of the other Party: (i) acquire or agree, offer, seek or propose to acquire (or request permission to do so), ownership (including, but not limited to, beneficial ownership as defined in Rule 13d-3 under the Exchange

Act) of any of the assets or businesses of the other Party or any securities issued by the other Party, or any rights or options to acquire such ownership (including from a third party), or make any public announcement (or request permission to make any such announcement) with respect to any of the foregoing; (ii) seek or propose to influence or control the management or the policies of the other Party or to obtain representation on the Board of Directors of the other Party, or solicit, or participate in the solicitation of, any proxies or consents with respect to any securities of the other Party, or make any public announcement with respect to any of the foregoing or request permission to do any of the foregoing; (iii) take any action which might require the other Party to make a public announcement regarding the types of matters set forth in (i) and (ii) above in this sentence; (iv) enter into any discussions, negotiations, arrangements or understandings with any third party with respect to any of the foregoing; or (v) seek to have the other Party amend or waive any provision of this Section; provided that the foregoing shall not prohibit any Sears employee pension fund or trust (a "Sears Fund") from acquiring any equity securities of the Company so long as (x) such acquisition is in the ordinary course of business and consistent with past practice of such fund or trust and not with the intention of obtaining or exercising control over the Company, (y) such fund or trust does not directly or indirectly beneficially own (including, but not limited to, beneficial ownership as defined in Rule 13d-3 under the Exchange Act) 5 or more percent of any equity security of any class of the Company and (z) such acquisition does not cause or in any way result in any obligation or requirement of either Party to make any disclosure contemplated to be prohibited by this Agreement, including pursuant to section 2(c), without taking into account any exception for disclosure required by law or by any applicable stock exchange rules and regulations. Each Party represents to the other Party that neither it nor any of its affiliates (other than in the case of Sears any Sears fund) owns (including, but not limited to, beneficial ownership as defined in Rule 13d-3 under the Exchange Act) any securities issued by the other Party as of the date hereof.

7. Remedies. It is understood and agreed that money damages would not be a sufficient remedy for any breach of this Agreement by any Party hereto or any of such Party's Representatives and that the non-breaching Party be entitled to seek equitable relief, including injunction and specific performance, as a remedy of such breach. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Agreement, but shall be in addition to all other remedies available at law or equity to the non-breaching Party. In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines that a Party or any of its Representatives has breached this Agreement, or if a Party does not prevail in any such action, such breaching or non-prevailing Party shall be liable for and pay to the other Party on demand the reasonable legal fees and expenses incurred by the non-breaching or prevailing Party in connection with such litigation, including any appeal therefrom.

8. Waivers and Amendments. No failure to delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right, power or privilege hereunder. No alteration, waiver, amendment, change or supplement hereto shall be binding or effective unless the same is set forth in writing signed by a duly authorized representative of each Party and may be modified or waived only by a separate letter executed by each party expressly so modifying or waiving this Agreement.

9. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given if (and then one business day after) it is sent by overnight courier via a national courier service and addressed to the intended recipient as set forth on the signature page attached hereto. Any Party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address set forth on the signature page attached hereto using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

10. Choice or Law/Consent to Jurisdiction. The validity, interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without regard to the conflicts of laws principles thereof. Each Party hereby irrevocably and unconditionally consents to the jurisdiction of the federal and state courts in the State of Wisconsin or Illinois for any action, suit or proceeding arising out of or related hereto. Each Party hereto further hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of or relating to this Agreement in the federal and state courts of the State of Wisconsin or Illinois, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in any inconvenient forum.

11. Severability. If any provision or portion of this Agreement should be determined by any court or agency of competent jurisdiction to be invalid, illegal or unreasonable, in whole or in part in any jurisdiction, and such determination should become final, such provision or portion shall be deemed to be severed in such jurisdiction, but only to the extent required to render the remaining provisions and portions of this Agreement enforceable, and this Agreement as thus amended shall be enforced in such jurisdiction to give effect to the intention of the parties insofar as that is possible, and further, the Agreement shall continue without amendment in full force and effect in all other jurisdictions. In the event of any such determination, the parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes hereof.

12. Construction; Affiliates. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. For purposes of Section 1 through and including Section 7 hereof, reference to a Party shall also include the affiliates of such Party and each of the Parties hereto will be responsible for any breach of any of the provisions of this Agreement by their respective affiliates.

13. Counterparts. For the convenience of the Parties, any number of counterparts of this Agreement may be executed by the Parties hereto. Each such counterpart shall be, and shall be deemed to be, an original instrument, but all such counterparts taken together shall constitute one and the same Agreement. A facsimile copy of this Agreement or any signatures hereon shall be considered as originals for all purposes.

14. Successors and Assigns. The benefits of this Agreement shall inure to the respective successors and assigns of the Parties hereto, and the obligations and liabilities assumed in this Agreement by the Parties hereto shall be binding upon their respective successors and assigns.

15. Headings. The headings to the Sections and subsections contained herein are for identification purposes only and are not to be construed as part of this

Agreement.

16. Entire Agreement. This Agreement embodies the entire agreement and understanding of the Parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

17. Miscellaneous. Nothing in this Agreement shall prohibit (except as expressly limited hereby) the Receiving Party or any of its subsidiaries from continuing or entering into a business of the type engaged in by the Disclosing Party, either by internal growth or acquisitions, in any location. This Agreement shall become effective as of the date first above written and shall continue in effect for a term of 3 years.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Confidentiality Agreement to be executed by their duly authorized officers as of the day and year first written above.

LANDS' END, INC.

By: /s/ Karl Dahlen

Name: Karl Dahlen

Title: Vice President and Senior Legal Officer

Address:
One Lands' End Lane
Dodgeville, WI 53595
Facsimile: (608) 935-4449

SEARS, ROEBUCK AND CO.

By: /s/ W. Anthony Will

Name: W. Anthony Will

Title: Vice President, Business Development

Address:
3333 Beverly Road
Hoffman Estates, IL 60179
Facsimile: (847) 286-7829

Exhibit (d)(4)

SEARS, ROEBUCK AND CO.

3333 BEVERLY ROAD

HOFFMAN ESTATES, IL 60179

GREG A. LEE
Senior Vice President
Human Resources
847-286-0558
Fax 847-286-3258

Mr. David F. Dyer
Lands' End, Inc.
5 Lands' End Lane
Dodgeville, WI 53595

Dear Dave,

I wanted to provide you with this Letter of Understanding regarding some of the major terms of your employment as an officer of Sears, Roebuck and Co. Pending approval by the Boards of Directors of both Sears, Roebuck and Co. and Land's End, Inc., the merger will result in employment terms as contained in your Employment Agreement. Sears, Roebuck and Co. would like to supplement these terms with the following provisions upon the close of the merger and your assumption of duties as President and CEO - Lands' End and Executive Vice President/ General Manager, Customer Direct - Sears, Roebuck and Co., reporting directly to Alan Lacy, Chairman and Chief Executive Officer of Sears, Roebuck and Co.

Your start date in this capacity is to be determined and will commence with the close of the merger.

. Base salary of $600,000 per year, paid on a semi-monthly basis.

. Participation in the Sears Annual Incentive Plan. Your annual incentive opportunity will be based on a bonus target equal to 85% of base salary, amounting to $510,000 on an annualized basis. Depending on performance, you can earn up to 230% of target, or $1,173,000. The annual incentive performance objectives for your position are to be determined.

. 50,000 non-qualified stock options that will vest in three equal annual installments from the date of grant.

  16,666 stock options will vest one year from the date of grant

  - 16,666 stock options will vest two years from the date of grant

  - 16,668 stock options will vest three years from the date of grant

. 40,000 shares of restricted stock that will vest as follows

  11,000 shares will vest two years from the date of grant

  29,000 shares will vest three years from the date of grant

. 29,000-share grant under the Long-Term Performance Incentive Program (LTPIP). The LTPIP is designed to provide a common incentive for the most senior leadership of Sears to achieve four financial goals by the end of 2004. If all four performance goals are deemed `met' by the Compensation Committee of the Board of Directors and Sears Total Shareholder Return as measured in comparison to the S&P 500 is in the top quartile, you will earn 3x the number of shares in the initial grant, or 87,000 shares. Earned awards will be distributed in two installments:

  50% distributed in your choice of cash or shares of Sears stock in

February 2005

50% distributed in February 2005 as restricted shares that vest in December 2005

. Sears pension will commence at your employment date. A service enhancement to your pension benefit will be provided for future service at Sears through the non-qualified pension plan. The service enhancement will be accrued to you as a 2-year for 1-year of service credit for five years from the commencement of your employment with Sears, Roebuck and Co. If you remain an active employee at the end of this five-year period, this enhancement will be reviewed for possible extension.

. Your current agreement with Lands' End contains non-compete, non-disclosure, and non-solicitation provisions that will remain in place during the term of your agreement. At the expiration of your current agreement, it is anticipated that you will be asked to sign an Executive Severance / Non-Compete Agreement and a Non-Solicitation / Non-Disclosure Agreement with Sears on a basis that would mirror those of other similarly situated executives at Sears. In the event of a Change in Control of Sears, Roebuck and Co. during the term of your employment or if you are terminated without cause after the expiration of your current agreement, the terms of your separation would mirror those of other similarly situated executives at Sears.

. During any salary continuation period, stock options and restricted stock will continue to vest in accordance with applicable plan documents and individual grant letters. Should you be involuntarily terminated for a reason other than for Cause, including for Good Reason, before the first anniversary of your service with Sears, the following would occur:

  - The 29,000 shares of restricted stock granted to you at the time of your hire that would not otherwise vest would fully vest at the end of your two-year severance period.

  - You would receive a cash payment within 30 days of the end of the two-year salary continuation period equivalent in value to the product of the 16,668 options that would not otherwise vest during the salary continuation period times the option `spread' (the positive difference between the fair market value on the last day of the salary continuation period and the exercise price of the option grant).

  - Per the standard terms in the LTPIP grant, your participation would be prorated through the last active day worked.

. All of the above terms must be approved by the Compensation Committee of the Sears Board of Directors. All equity grants are anticipated to be granted as of the close of the merger agreement.

. Finally, Sears has agreed to provide an additional one week of pay in Christmas 2002 bonus checks for every Lands' End employee not included in a retention plan related to the merger with Sears.

David, we are excited to be working in partnership with you to make the successful merger of Lands' End and Sears a reality.

Sincerely,

Accepted /s/ David F. Dyer Date: May 13, 2002