



Who Is The Athlete's Foot®?

The World's Definitive Expert On Athletic Footwear

From the beginning The Athlete's Foot®, has been pivotal in the way the world buys athletic footwear. We were the world's first franchisor of athletic footwear and for 36 years have been continuously recognized as the world's leading authority on franchising athletic footwear. Always on the forefront of making the most successful franchise even stronger, The Athlete's Foot is launching exciting new store systems, designs and state-of-the-art technology that will keep us steps ahead of the competition ensuring the future growth of this dynamic Brand.

The Athlete's Foot, A History of Success

Robert and David Lando opened the first The Athlete's Foot store in 1971 in Pittsburgh, Pennsylvania. It was the first athletic footwear specialty store of its kind in the United States. Their business took off so quickly that soon after, they began franchising The Athlete's Foot domestically, opening in Oshkosh, Wisconsin in 1972. The Athlete's Foot was a huge hit and went global in 1978 in Adelaide, Australia. With expansion to over 40 countries to date, The Athlete's Foot continues to race ahead of the competition in the athletic shoe industry.

In 2006, NexCen Brands, Inc., a public Brand acquisition and management company, acquired The Athlete's Foot and is continuing to drive the growth of the Brand worldwide through its Branding and marketing expertise, supplier relationships, and global retail franchise management and support team. Throughout its history of growth, The Athlete's Foot has maintained its high quality Brand image, and continues to innovate in its field as the world leader in athletic footwear franchising.

New York franchise law requires that we provide the following information for New York prospective franchisees. This advertisement is not an offering. An offering can only be made by a prospectus filed first with the Department of Law of the State of New York. Such filing does not constitute approval by the State of New York.



WHO IS TAF?



What Makes The Athlete's Foot® A Unique Opportunity?

The NEW TAF® Moving Forward with Huge Strides

Under the leadership of NexCen Brands, Inc., The Athlete's Foot is launching an invigorating new direction for the Brand including a modernized Brand logo, store design, and merchandising/marketing strategies.

Four Lifestyle Options Capture Core Trends in the Marketplace

Four key Brand lifestyles have been identified and are being used to understand the wide potential the TAF Brand holds. This new merchandising strategy will help create a deeper connection with the consumer, through targeted, relevant programs that will help build loyalty and an emotional connection with TAF.

Performance Athletics: focuses on the athlete through new performance athletic footwear, apparel and accessories. It's all about serving as an expert source that understands the needs of the athlete, right down to fit technology.

Classic Athletics: takes a global perspective on old school, collegiate sports like soccer, lacrosse and rugby. Products in this world are a mix of comfort and technology based on the way jocks and athletes dress "off-court".

Street Athletics: focuses on urban business from a street athletics point of view through unique representation of urban culture — a maturing, growing consumer segment. This business will pinpoint the right mix of product and pay close, constant attention to emerging new trends.

Fusion Athletics targets a wide variety of youth lifestyles. This exciting fusion of sports, music, art and fashion from an athletic point of view is inspired by surfing, snowboarding, and skating.

NexCen is excited to be moving this powerful new multi-faceted TAF Brand forward in a unique and ownable way – expanding into these multiple lifestyles, enabling us to reach into the heart of each "Athlete, Everyday."

A UNIQUE OPPORTUNITY





The Athlete's Foot® FitPrint System

At The Athlete's Foot®, we know that the most important part of choosing the right pair of athletic footwear is getting the right fit for your particular foot type. Your foot size is only one component that indicates the type of shoes that are best for you. Arch type, pressure points and tendency to under/overpronate also provide valuable information as to which shoe is best for you.

The Athlete's Foot® has introduced a proprietary, state-of-the-art FitPrint System in order to analyze your overall foot type that aids our fit technicians to make informed recommendations to better serve your footwear needs.

What is the FitPrint System?

The Athlete's Foot® FitPrint System is a state-of-the-art pressure point device that measures and identifies pressure points through different phases of your gait. The pressure point reading, along with the foot length, width and arch measurement allows The Athlete's Foot® fit technician to recommend properly fitted shoes based specifically on the needs of your feet.

What does the FitPrint System tell me?

The FitPrint system will identify where you put the most pressure on your foot both standing still and as you walk. By identifying these pressure points, you will learn whether you need a cushioned shoe (if you roll outward or have a neutral gait), a motion control shoe (for those who overpronate, or roll in, when you walk) or a stability shoe that blends cushioning and support features for those who have mild rolling in or neutral gait characteristics.

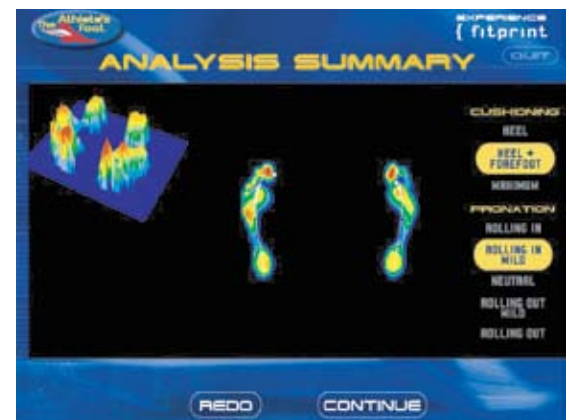
How does the FitPrint System work?

The FitPrint System is made up of over one thousand sensors that identify pressure points in the foot by standing on and walking over the pressure pad. It uses the latest in electronic and computer technology to provide information to you and the fit technician to help make a more informed choice of athletic footwear.

What are the benefits to having my feet analyzed by the FitPrint System?

The Fit Print System provides information about your foot type that can help you choose a shoe that will address your particular footwear needs. By choosing a shoe that fits correctly and provides the needed cushioning, support and/or motion control, your feet will be more comfortable and you can lessen the risk of injury.

To locate the nearest The Athlete's Foot® store, visit our website at www.theathletesfoot.com



FITPRINT SYSTEM



Community Involvement/Awards

COMMUNITY INVOLVEMENT/AWARDS

The Athlete's Foot Goes Local

The Athlete's Foot is an authentic, trusted athletic Brand. Since 1971, The Athlete's Foot has proven itself as a loyal performance outfitter that is there, year in, and year out, serving local communities with knowledge, great products, and great customer service with a genuine passion for the Brand. This interest translates into many opportunities to get involved with the community and have fun while building a productive business, such as sponsoring your local sports teams/leagues and track meets/5k races. Many franchise owners also get involved with schools, offering discounts for good grades and holding focus groups with high school students to stay in touch with fashion trends.

From the beginning of a store Grand Opening in a new town, a local charity is selected and given a donation as a thank you for being a part of a new community. With NexCen Brands, Inc. as a parent company there will be even more ways for franchisees to implement local promotions, making The Athlete's Foot even more relevant in their communities.

Leaders in Athletic Footwear World

The Athlete's Foot is the recognized leader in athletic footwear and having received numerous independent awards for store design in 2000 and 2001. In 1997, Success Magazine ranked The Athlete's Foot the #1 franchise opportunity in America and USA Today recently rated The Athlete's Foot as one of the top franchising opportunities for minorities.





The Athlete's Foot Provides Franchisee With Industry Knowledge and Passion Needed For Multi-Market Urban Success

NexCen Announces 100-Store Deal with The Athlete's Foot

Franchisee Inks Plans to Grow Brand's Domestic Footprint

NEW YORK, Aug 03, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- NexCen Brands, Inc. (Nasdaq: NEXC) ("NexCen") announced today that TAF MID-AMERICA ENTERPRISES, INC. ("TAF-MAE"), a domestic and international franchisee of The Athlete's Foot (TAF) for the last 17 years, has entered into a definitive 20-year agreement with NexCen to open a minimum of 100 additional TAF stores over the next 14 years...

"I have always believed in the power of the TAF brand-its level of credibility on a global scale

as well as its relevance in local communities," said John Park, CEO of TAF-MAE who currently owns 31 TAF stores in the United States and holds the master franchise agreement for South Korea that operates in excess of 40 stores.

"I am particularly inspired by the new leadership of NexCen Brands, which is committing extraordinary resources to the growth of TAF. There is no question that NexCen is dedicated to providing tools to promote the success of franchise owners like me," says John Park, Global/Multi Unit The Athlete's Foot Franchisee.

The Athlete's Foot Franchisee Multi-Market Urban Success

You might say John Park grew his successful franchise with The Athlete's Foot one step at a time. Having grown up working in his father's shoe store in urban Chicago, Park planned to venture out of the retail arena and, upon graduating college, landed a job with a well-known accounting firm. But, the lure of the family business drew him back to his father's store.

Not one to be limited to doing things the way they've always been done, Park decided he wanted to grow the business exponentially. He wanted to add more quality product, and a level of professionalism and glitz to the store that he knew would attract more customers. He wanted to grow the business to encompass multiple stores, rather than just one. After weighing his options, Park signed on as an Athlete's Foot franchisee.

"I had a very successful urban store, but in order to grow the business I had to change it up," stated Park. "There is a level of professionalism and credibility that The Athlete's Foot brings - both in the community and within the profession. No other retailers were looking at the urban market, but The Athlete's Foot was very supportive from the beginning." One store grew to two, and then to three. Today, Park's Athlete's Foot stores have grown from 21 locations in 2003 to over 40 locations in both the

U.S. and Korea. He credits The Athlete's Foot for providing him critical support with vendors as well as providing enough flexibility to make the concept work in each of these markets. "In Korea, there are no multi-brand concepts. You buy Nike shoes at a Nike store, Reebok shoes at a Reebok store, and so on," said Park. "Vendors were hesitant to break from this format in an established marketplace. But, having the support of The Athlete's Foot, an international retailer with more than 700 locations, gave me the negotiating power to convince vendors to supply product for a multi-brand store."

According to Park, The Athlete's Foot's universal appeal and negotiating power are enhanced by a passion for the sporting goods industry that is unmatched by competitors. The Athlete's Foot boasts more than thirty years of industry experience, making the company one of the pioneers of the athletic apparel industry. Many company leaders have relationships with top vendor executives from the early days of athletic apparel specialty. "There is a lot of combined experience at The Athlete's Foot that provides franchisees with instant knowledge, value and credibility," stated Park. "If you want to be successful in the sporting goods business, you have to be passionate about the industry. And if sporting goods is your passion, The Athlete's Foot is the only game in town."

SUCCESS STORIES



Training And Technology Provided By The Athlete's Foot Help to Grow North Carolina Franchise

As co-owners of three independent sporting goods stores in North Carolina, **Bob Nelson** and **Kirt Meadows** were faced with a challenge when trying to grow marketshare and gross revenue at their stores. Watching other independents fall to the wayside, Nelson and Meadows decided to be part of something bigger, and became franchisees for The Athlete's Foot.

"The economies of scale made sense - and not just in terms of purchasing inventory," stated Nelson. ***"The whole look of the store, marketing materials, training programs and technology provided by The Athlete's Foot are so much more advanced than something we could have ever created and produced on our own."***

Specifically, Nelson and Meadows find the Fit Technician and Master Fit training programs and the FitPrint System to be of tremendous value. Not your average retail training, The Athlete's Foot's Fit Technician and Master Fit programs are intensive employee training sessions that delve into the mechanics of the foot and how a customer's gait affects how they wear their shoes. Upon graduating, The Athlete's Foot Fit Technicians and Master Fit Technicians are able to recommend shoes that will compensate for any rolling or twisting of the foot — improving comfort and helping to limit the possibility of injury caused by improperly fitted footwear.

As with any retail concept, merchandise and styles change frequently. Therefore, The Athlete's Foot Fit Technicians are continuously trained on new merchandise and what the latest athletic footwear styles have to offer.

"It would be almost impossible for an independent operator to assemble that amount of product knowledge into a training program for employees, especially when trying to stay focused on other aspects of running a business," commented Nelson.

Training is enhanced by utilizing The Athlete's Foot's FitPrint System, a pressure point device that provides Fit Technicians with detailed

information on how weight is distributed across the foot, and how an individual customer's foot moves through their natural gait. This added information is combined with foot measurements and the Fit Technician's knowledge of athletic footwear options to locate the proper shoe for each customer.



KIRT MEADOWS



BOB NELSON

"The FitPrint System is not only helpful in the stores, but it is a great tool to take across the leaseline to expos, festivals and road races to showcase how The Athlete's Foot is different from the competition," stated Meadows. ***"The technology complements The Athlete's Foot's expertise and provides a tangible way to demonstrate our depth of knowledge to customers."***

Nelson and Meadows also enjoy being part of an international network of athletic footwear franchisees. The Athlete's Foot franchisees share experiences and knowledge through a bi-annual International Franchise Conference, regional meetings and informal conversations. Additionally, The Athlete's Foot provides assistance with marketing materials and securing product lines - services that are critical for new franchisees.

"We still have a lot of flexibility in operating our stores, but now we have a network of support and a leading Brand behind us," said Nelson. ***"We have grown from three stores to eight and see only good things in the future for us and The Athlete's Foot."***

SUCCESS STORIES



In The News/ Member Organizations

Racing To The Top

The franchise opportunity of The Athlete's Foot has been highlighted in Success Magazine, Franchise Times, Entrepreneur Magazine, Franchise Canada Magazine and numerous other publications globally. The Athlete's Foot was also named Sports Trend's "Trendsetter of the Year" in both the athletic footwear and virtual retail categories. Here are just a few of the things happening at The Athlete's Foot:

Bob D'Loren, President and CEO of NexCen Brands, Inc. was featured in the article "Athlete's Foot on firmer ground", and discussed the changes NexCen Brands, Inc. has in store for The Athlete's Foot - including the new store design, logo and Branded apparel launch.

The Athlete's Foot was featured in the article "Category Wars: Athlete's Foot Steps Up Game As Industry Consolidates", which focused on how The Athlete's Foot's re-Branding efforts will help give them a competitive edge in the ever-changing marketplace. President and CEO of NexCen Brands, Inc., Bob D'Loren tells how he prides The Athlete's Foot franchisees in their ability to change and how he hopes that the new Brand will only help them perform better within their market.

The Chicago Sun-Times ran an article entitled, "On your Mark, get set... Go meet your hero, Sox pitcher Buehrle -- which is what Kimberly Essary will do tonight thanks to a winning essay." This coverage highlighted the launch of The Athlete's Foot "In My Shoes" back-to-school campaign and included comments from the Chicago area winner on her excitement to meet her idol at the local The Athlete's Foot store.

The Athlete's Foot "In My Shoes" campaign was featured on the "Health & Fitness" portion of YM.com's website. The article focused on the details of the campaign and included information about the chance to meet pro athletes David Lee, Marques Colston, Warrick Dunn and Mark Buehrle.

The Athlete's Foot "In My Shoes" campaign was listed as a "DO" in the Look Out section of the Washington Post-Express. The coverage included

information on the chance to meet Clinton Portis, running back for the Washington Redskins, and explained details of the campaign.

The Athlete's Foot "In My Shoes" campaign was included in "The Rumble" section of the New York Post, which details local sports-related events and happenings. The coverage included information about the campaign on a local and national level, while encouraging students to enter to win the chance to meet David Lee, forward for the New York Knicks.

The September issue of DNR included coverage of The Athlete's Foot's reBranding efforts and how it will help to change the way that footwear retailers are approaching the marketplace.

The Athlete's Foot was featured in the September issue of Franchise Times for the process NexCen went through to acquire the company and how its re-Branding efforts -- Branded apparel line, revamped logo, merchandising modules along with expansion plans -- will help the company compete in the marketplace.

The September cover story for the Franchise Times cited Bob D'Loren, President and CEO of NexCen Brands, Inc. for his ability to bring "financial wizardry to franchising." The coverage highlighted the history of NexCen's unique business model, its acquisition plans for the future and its plans for the Brands it currently owns.

The Athlete's Foot was featured in the August 2007 issue of DNR for its re-Branding efforts. The coverage included a rendering of the new store design and highlights the Branded apparel launch, the new merchandising modules and the reasoning behind the logo change.

Member Organizations

The Athlete's Foot is a member of numerous organizations including the International Franchise Association, Canadian Franchise Association, International Council of Shopping Centers and the Sporting Goods Manufacturer's Association. World's 1st Footwear Franchisor.



AN ONGOING GLOBAL PRESENCE

An Ongoing Global Presence

The Athlete's Foot is a global Brand and a local Brand. By thinking globally and acting locally, this strong Brand just keeps getting stronger and now more connected. Through the worldwide intranet NexCen Brands, Inc. is connecting all vendors, all suppliers, all owners together, creating a global connection that keeps everyone informed and in communication. The Athlete's Foot has had an international presence since the 1970s and is the only global franchisor of athletic footwear. In addition to the United States, The Athlete's Foot has locations in Canada, Latin America, Europe, the Middle East, Asia and Australia. For a complete global map locator, visit:
<http://www.theathletesfoot.com/globallocations.html>

Nationally Speaking

The Athlete's Foot might have started in the middle of America but it has quickly spread from coast to coast throughout the United States, even as far as Puerto Rico, making it a true blue national identity and well recognized American Brand. For a complete store listing, visit:
<http://www.theathletesfoot.com/storelisting.html>

The Athlete's Foot Keeps The Power In Your Court

The Athlete's Foot franchise system is designed to support franchisees in ways no other companies are willing to do. One of these support systems is giving their franchisees the ability to make their own purchasing decisions. Around the world, our franchisees constantly evaluate the trends and needs of their local customers and provide a product selection based upon the nuances and needs of their local market. This enables the franchisee to tailor his or her product offering to customers' unique local needs, whether it's running, basketball, fashion, tennis, walking, apparel or a mix. Each the franchisee can use his or her unique and personal connection to the local community to build a competitive advantage.

The Athlete's Foot® has expanded to the following countries:

- | | |
|--------------------|-----------------------------|
| <i>Antigua</i> | <i>Reunion Island</i> |
| <i>Aruba</i> | <i>Romania</i> |
| <i>Australia</i> | <i>Russia</i> |
| <i>Bahamas</i> | <i>Saipan</i> |
| <i>Bahrain</i> | <i>Saudia Arabia</i> |
| <i>Canada</i> | <i>South Korea</i> |
| <i>China</i> | <i>Spain</i> |
| <i>Curacao</i> | <i>St. Kitts/St. Nevis</i> |
| <i>Cyprus</i> | <i>St. Maarten</i> |
| <i>Denmark</i> | <i>Trinidad</i> |
| <i>Ecuador</i> | <i>United Arab Emirates</i> |
| <i>Guadeloupe</i> | <i>United Kingdom</i> |
| <i>India</i> | <i>United States</i> |
| <i>Indonesia</i> | <i>Venezuela</i> |
| <i>Kuwait</i> | |
| <i>Martinique</i> | |
| <i>Mexico</i> | |
| <i>New Zealand</i> | |
| <i>Oman</i> | |
| <i>Palau</i> | |
| <i>Peru</i> | |
| <i>Philippines</i> | |
| <i>Poland</i> | |
| <i>Portugal</i> | |
| <i>Qatar</i> | |





New NexCen University Training Facility

To build a successful franchise you need to learn from the ground up all about how to succeed in the athletic shoe business. The Athlete's Foot has been operating athletic footwear stores for over 35 years giving us the advantage to provide a training program that benefits our new owners with an accelerated learning curve.

Because NexCen Brands, Inc. is one of the world's leading Brand management companies, we understand the importance in supporting all our franchisees in every way we can. This deep commitment and passion for our Brands is the reason for building our new, state-of-the-art NexCen University, ensuring every franchisee in our Brand portfolio has a level of expertise and confidence from day one of their ownership.

With a mix of traditional classroom, workshop and seminar presentations, we use highly interactive instructional techniques including video and online demonstrations. Presentations will be sent to the store on flat screen televisions so franchisees can get up to the minute training that can further enhance what they've learned at NexCen University.

So whether a franchisee is just starting out or has been in the business for a long time – each and every franchisee is supported to the maximum with the most current information from NexCen U.



TRAINING



STARTING OFF ON THE RIGHT FOOT

Starting Off On The Right Foot

The Athlete's Foot is present in large cities and small towns, and in enclosed malls, strip shopping centers and street front locations across six continents. Our real estate consultants assist franchisees in evaluating their local market to determine which type of venue is best for their community, identifying the target customer base and creating a plan for success tailored to the local customer demographics.

The Athlete's Foot has stores in a variety of types of markets and venues. Our brand can be tailored to a customer base that consists of athletes and runners or to a purely fashion driven customer base or to a mix of all these. The Athlete's Foot franchisees operate in malls, strip shopping centers, stand alone locations, urban areas, rural towns and in locations that cover wide ranges with respect to demographics such as traffic counts, ethnic diversity, age, income levels and other factors. Some of our greatest success stories come from owners who grow their business in underserved markets. Over thirty years of experience in franchising has demonstrated that The Athlete's Foot can serve customers' needs in a tremendous variety of venues and markets.

Here are some of the things you can rely on to help you with in addition to site selection and lease negotiation upon signing of a franchise agreement:

- Assistance in designing opening inventory, i.e. local demographics, historical data from comparable markets.
- Turn-key store design and visual merchandising.
- Visual marketing support including updates to maintain a fresh image.
- In-depth training in the areas of inventory control, purchasing philosophy and retail sales.
- State-of-the-art technology to differentiate from the competition.
- Periodic visits from Operations Managers to consult on marketing, merchandising, operations, sales and to reinforce profitability.

- Ongoing research and development of in-store marketing and merchandising to increase the Brand's competitive edge and remain the leader in the athletic footwear business.
- Training in loss prevention.
- Employee training programs developed to ensure customer satisfaction and long term customer loyalty.
- The opportunity to network with experienced peers who enjoy sharing knowledge to benefit fellow owners and the organization.
- The opportunity to co-brand with other Brands in the NexCen portfolio.





Frequently Asked Questions

FAQs

Why Would I want to be a franchisee with The Athlete's Foot over another company?

- The ability to sell the world's top sports Brands.
- The ability to diversify by targeting both sports and fashion consumers.
- The benefits of over 35 years of experience in franchising on 6 continents.
- An award-winning store design and trade dress.
- Use of The Athlete's Foot internationally known trademarks and logos.
- Use of the exclusive FitPrint System.
- The knowledge and experience from over 35 years of global athletic footwear retailing.
- Unparalleled franchisee training and support through state-of-the-art NexCen University.

What types of stores are available?

The Athlete's Foot has stores in a variety of types of markets and venues. Our Brand can be tailored to a customer base that consists of athletes and runners or to a purely fashion driven customer base or to a mix. The Athlete's Foot franchisees operate in malls, strip shopping centers, stand alone locations, urban areas, rural towns and in locations that cover wide ranges with respect to demographics such as traffic counts, ethnic diversity, age, income levels and other factors. Some of our greatest success stories come from owners who grow their business in underserved markets. Over thirty years of experience in franchising has demonstrated that The Athlete's Foot can serve customers' needs in a tremendous variety of venues and markets.

Are multiple store opportunities available?

Owners may wish to grow their business by pursuing multiple unit franchise opportunities and benefiting from discounts on initial fees and royalties.

How do I find a good location?

Real estate is a crucial factor in our business. If so requested by a franchisee, The Athlete's Foot offers assistance to the franchisee in the following

aspects of real estate;

1. Identifying prospective locations
2. Evaluating prospective locations
3. Assisting in lease negotiations

This may involve having a representative of The Athlete's Foot visit prospective locations in person. The Athlete's Foot has established strong relationships in commercial real estate globally and is constantly evaluating locations that are favorable in terms of location, lease terms and business potential. These real estate services are included in the initial franchise fee.

How large are The Athlete's Foot stores?

The Athlete's Foot versatility allows us to offer floor plans in a variety of sizes, but efficient store sizes are typically 1600-2400 square feet with 2000 square feet being an ideal size. The size of your location will depend upon several factors including market potential and the cost of real estate.

What prior experience is needed?

The key to success in the franchise business is the synergy between the franchisor and the franchisee. Our proven system assists an individual without footwear experience to build a brand-name retail footwear business. A strong work ethic, a commitment to being active in the business, a "refuse to lose" attitude and a desire to overwhelm your customers with excellent customer service are essential to the success of your business.

How long is the relationship with The Athlete's Foot?

We strive to develop long-term relationships with our owners. Our agreements are typically ten years in length with two five-year options to renew. The agreements allow for some geographic mobility as a market conditions change and locations become available.



10 Steps to Becoming a Franchisee NexCen with Franchise Management (NFM)

Completion
Date

10 STEPS

- _____ Candidate completes Franchise Application and forwards it to NFM.
- _____ Candidate shows Verification of Liquid Assets to \$80K.
- _____ NFM obtains credit report to ensure credit worthiness for purposes of financing.
- _____ Candidates for whom applications are approved will participate in a phone interview to discuss real estate, construction, operations and marketing, training and initial investment parameters. It is best for a candidate to have a detailed list of questions prepared for this conversation.
- _____ If initial requirements are met, NFM forwards a Uniform Franchise Offering Circular (UFOC) to candidate for their review.
- _____ Candidate signs the Acknowledgement of Receipt (the last page of the UFOC), and returns one signed copy to NFM via fax or direct mail.
- _____ Candidate contacts existing franchisees within NFM system to learn more about our opportunity and what is expected.
- _____ Candidate and Franchise Development Representative from NFM schedule a Discovery Day at the candidate's convenience. During the Discovery Day candidates will meet key management personnel who will assist in the franchise development.
- _____ The Franchisee Approval Committee reviews candidate's application and notifies candidate of results.
- _____ If candidate is approved, the candidate and NFM sign a Franchise Agreement and the candidate pays the Initial Franchise Fee to NFM.