

For Immediate Release

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Sears Canada Issues Safety Recall for Sesame Street and Small Paul Sleepers

Toronto, ON – January 07, 2011 - Sears Canada Inc. (TSX: SCC) today is issuing a safety recall for a Sesame Street velour hoody and a Small Paul (Paul Frank) hooded sleeper. It has been discovered that the sleepers do not meet the flammability requirement guidelines for tight-fitting sleepwear.

The affected Sesame Street velour hoody sleeper was sold in infant sizes 20 lb and 26 lb and came in two styles: Elmo (red) and Cookie Monster (blue). Sleepers under size 20 lb are not included in this recall. The Small Paul hooded sleeper was sold in size 9 months and came in a blue or pink colour. Sleepers under size 9 months are not included in this recall.

The sleepers were sold through Sears Canada retail stores between August 2010 and January 2011. The Sears regular selling prices were \$24.99. The Sears item number can be found on the customers' sales receipt.

Item	Description
36849	Sesame Street Velour Hoody Sleeper (Blue Cookie monster)
36850	Sesame Street Velour Hoody Sleeper (Red Elmo)
39259	Small Paul Hooded Sleeper, blue
39496	Small Paul Hooded Sleeper, pink

In the interest of consumer safety, Sears Canada urges customers whose children have the affected sleepers to stop using them and return the sleepers to their nearest Sears retail store for a full refund if accompanied by a sales receipt or Sears Card statement, or for the lowest selling price without a receipt.

For more information, customers may contact Sears at 1-800-26SEARS.

Sears Canada will be posting signs in all of its retail stores to advise customers of this safety recall. Sears Canada is bringing this matter to the public's attention in the interest of consumer safety and apologizes to its customers for any inconvenience.

Sears Canada is a multi-channel retailer with a network of 198 corporate stores, 187 dealer stores, 44 home improvement showrooms, over 1,850 catalogue merchandise pick-up locations, 106 Sears Travel offices and a nationwide home maintenance, repair, and installation network. The Company also publishes Canada's most extensive general merchandise catalogue and offers shopping online at www.sears.ca.