

**MACY'S, INC.**  
**Consolidated Statements of Income (Unaudited)**  
(All amounts in millions except percentages and per share figures)

	13 Weeks Ended November 2, 2019		13 Weeks Ended November 3, 2018	
	\$	% to Net sales	\$	% to Net sales
Net sales	\$ 5,173		\$ 5,404	
Credit card revenues, net	183	3.5%	185	3.4%
Cost of sales	(3,106)	(60.0%)	(3,226)	(59.7%)
Selling, general and administrative expenses	(2,202)	(42.6%)	(2,255)	(41.7%)
Gains on sale of real estate	17	0.3%	42	0.8%
Restructuring and other costs	(13)	(0.2%)	(3)	(0.1%)
Operating income	52	1.0%	147	2.7%
Benefit plan income, net	8		9	
Settlement charges	(12)		(23)	
Interest expense, net	(48)		(59)	
Income before income taxes	—		74	
Federal, state and local income tax benefit (expense)	2		(12)	
Net income	2		62	
Net loss attributable to noncontrolling interest	—		—	
Net income attributable to Macy's, Inc. shareholders	\$ 2		\$ 62	
Basic earnings per share attributable to Macy's, Inc. shareholders	\$ 0.01		\$ 0.20	
Diluted earnings per share attributable to Macy's, Inc. shareholders	\$ 0.01		\$ 0.20	
Average common shares:				
Basic	309.9		308.1	
Diluted	311.0		312.2	
End of period common shares outstanding	309.0		307.2	
Supplemental Financial Measures:				
Gross Margin	\$ 2,067	40.0 %	\$ 2,178	40.3 %
Depreciation and amortization expense	\$ 252		\$ 248	