

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

	26 weeks ended August 3, 2019		26 weeks ended August 4, 2018	
	\$	% to Net sales	\$	% to Net sales
Net sales	\$ 11,050		\$ 11,112	
Credit card revenues, net	348	3.1 %	343	3.1%
Cost of sales	(6,798)	(61.5%)	(6,701)	(60.3%)
Selling, general and administrative expenses	(4,287)	(38.8%)	(4,247)	(38.2%)
Gains on sale of real estate	49	0.4%	70	0.6%
Impairment and other costs	(3)	—%	(36)	(0.3%)
Operating income	359	3.2%	541	4.9%
Benefit plan income, net	15		22	
Settlement charges	—		(50)	
Interest expense, net	(94)		(128)	
Losses on early retirement of debt	—		(5)	
Income before income taxes	280		380	
Federal, state and local income tax expense	(57)		(84)	
Net income	223		296	
Net loss attributable to noncontrolling interest	—		10	
Net income attributable to Macy's, Inc. shareholders	\$ 223		\$ 306	
Basic earnings per share attributable to Macy's, Inc. shareholders	\$ 0.72		\$ 0.99	
Diluted earnings per share attributable to Macy's, Inc. shareholders	\$ 0.71		\$ 0.98	
Average common shares:				
Basic	309.5		307.1	
Diluted	311.5		310.7	
End of period common shares outstanding	308.9		307.0	
Supplemental Financial Measures:				
Gross Margin	\$ 4,252	38.5 %	\$ 4,411	39.7 %
Depreciation and amortization expense	\$ 472		\$ 470	