

MACY'S, INC.

Consolidated Statements of Income (Unaudited)

(All amounts in millions except percentages and per share figures)

	13 Weeks Ended February 2, 2019		14 Weeks Ended February 3, 2018	
	\$	% to Net sales	\$	% to Net sales
Net sales	\$ 8,455		\$ 8,672	
Credit card revenues, net	240	2.8%	229	2.6%
Cost of sales	(5,288)	(62.5%)	(5,323)	(61.4%)
Selling, general and administrative expenses	(2,538)	(30.0%)	(2,548)	(29.3%)
Gains on sale of real estate	278	3.2%	368	4.2%
Restructuring, impairment, store closing and other costs	(97)	(1.1%)	(152)	(1.7%)
Operating income	1,050	12.4%	1,246	14.4%
Benefit plan income, net	8		15	
Settlement charges	(15)		(32)	
Interest expense, net	(49)		(73)	
Gains (losses) on early retirement of debt	(28)		11	
Income before income taxes	966		1,167	
Federal, state and local income tax benefit (expense)	(226)		176	
Net income	740		1,343	
Net loss attributable to noncontrolling interest	—		4	
Net income attributable to Macy's, Inc. shareholders	\$ 740		\$ 1,347	
Basic earnings per share attributable to Macy's, Inc. shareholders	\$ 2.40		\$ 4.41	
Diluted earnings per share attributable to Macy's, Inc. shareholders	\$ 2.37		\$ 4.38	
Average common shares:				
Basic	308.4		305.6	
Diluted	311.9		307.4	
End of period common shares outstanding	307.5		304.8	
Supplemental Financial Measures:				
Gross Margin	\$ 3,167	37.5 %	\$ 3,349	38.6 %
Depreciation and amortization expense	\$ 244		\$ 250	