

MACY'S, INC.

Consolidated Statements of Income (Unaudited)

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

	52 weeks ended February 2, 2019		53 weeks ended February 3, 2018	
	\$	% to Net sales	\$	% to Net sales
Net sales	\$ 24,971		\$ 24,939	
Credit card revenues, net	768	3.1 %	702	2.8%
Cost of sales	(15,215)	(60.9%)	(15,181)	(60.9%)
Selling, general and administrative expenses	(9,039)	(36.2%)	(8,954)	(35.9%)
Gains on sale of real estate	389	1.5%	544	2.2%
Restructuring, impairment, store closings and other costs	(136)	(0.5%)	(186)	(0.7%)
Operating income	1,738	7.0%	1,864	7.5%
Benefit plan income, net	39		57	
Settlement charges	(88)		(105)	
Interest expense, net	(236)		(310)	
Gains (losses) on early retirement of debt	(33)		10	
Income before income taxes	1,420		1,516	
Federal, state and local income tax benefit (expense)	(322)		39	
Net income	1,098		1,555	
Net loss attributable to noncontrolling interest	10		11	
Net income attributable to Macy's, Inc. shareholders	\$ 1,108		\$ 1,566	
Basic earnings per share attributable to Macy's, Inc. shareholders	\$ 3.60		\$ 5.13	
Diluted earnings per share attributable to Macy's, Inc. shareholders	\$ 3.56		\$ 5.10	
Average common shares:				
Basic	307.7		305.4	
Diluted	311.4		306.8	
End of period common shares outstanding	307.5		304.8	
Supplemental Financial Measures:				
Gross Margin	\$ 9,756	39.1 %	\$ 9,758	39.1 %
Depreciation and amortization expense	\$ 962		\$ 991	