

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

	13 Weeks Ended August 3, 2019		13 Weeks Ended August 4, 2018	
	\$	% to Net sales	\$	% to Net sales
Net sales	\$ 5,546		\$ 5,572	
Credit card revenues, net	176	3.2%	186	3.3%
Cost of sales	(3,395)	(61.2%)	(3,320)	(59.6%)
Selling, general and administrative expenses	(2,177)	(39.3%)	(2,164)	(38.8%)
Gains on sale of real estate	7	0.1%	46	0.8%
Impairment and other costs	(2)	—%	(17)	(0.3%)
Operating income	155	2.8%	303	5.4%
Benefit plan income, net	8		11	
Settlement charges	—		(50)	
Interest expense, net	(47)		(62)	
Losses on early retirement of debt	—		(5)	
Income before income taxes	116		197	
Federal, state and local income tax expense	(30)		(33)	
Net income	86		164	
Net loss attributable to noncontrolling interest	—		2	
Net income attributable to Macy's, Inc. shareholders	<u>\$ 86</u>		<u>\$ 166</u>	
Basic earnings per share attributable to Macy's, Inc. shareholders	<u>\$ 0.28</u>		<u>\$ 0.54</u>	
Diluted earnings per share attributable to Macy's, Inc. shareholders	<u>\$ 0.28</u>		<u>\$ 0.53</u>	
Average common shares:				
Basic	309.8		307.7	
Diluted	311.6		312.0	
End of period common shares outstanding	308.9		307.0	
Supplemental Financial Measures:				
Gross Margin	\$ 2,151	38.8 %	\$ 2,252	40.4 %
Depreciation and amortization expense	\$ 237		\$ 235	