

June 23, 2020



# Macy's Inc. Announces Commencement of Exchange Offers and Consent Solicitations for Certain Outstanding Debt Securities of Macy's Retail Holdings, LLC

NEW YORK--(BUSINESS WIRE)-- Macy's, Inc. (NYSE: M) ("Macy's") announced today the commencement by its wholly-owned subsidiary, Macy's Retail Holdings, LLC ("MRH"), of offers to eligible holders to exchange (each, an "Exchange Offer" and, collectively, the "Exchange Offers") (i) new 6.65% Senior Secured Debentures due 2024 ("New 2024 Notes") to be issued by MRH for validly tendered (and not validly withdrawn) outstanding 6.65% Senior Debentures due 2024 issued by MRH ("Old 2024 Notes"), (ii) new 6.7% Senior Secured Debentures due 2028 ("New 2028 Notes") to be issued by MRH for validly tendered (and not validly withdrawn) outstanding 6.7% Senior Debentures due 2028 issued by MRH ("Old 2028 Notes"), (iii) new 8.75% Senior Secured Debentures due 2029 ("New 2029 Notes") to be issued by MRH for validly tendered (and not validly withdrawn) outstanding 8.75% Senior Debentures due 2029 issued by MRH ("Old 2029 Notes"), (iv) new 7.875% Senior Secured Debentures due 2030 ("New 2030 Notes") to be issued by MRH for validly tendered (and not validly withdrawn) outstanding 7.875% Senior Debentures due 2030 issued by MRH ("Old 2030 Notes"), (v) new 6.9% Senior Secured Debentures due 2032 ("New 2032 Notes") to be issued by MRH for validly tendered (and not validly withdrawn) outstanding 6.9% Senior Debentures due 2032 issued by MRH ("Old 2032 Notes"), and (vi) new 6.7% Senior Secured Debentures due 2034 ("New 2034 Notes" and, together with the New 2024 Notes, New 2028 Notes, New 2029 Notes, New 2030 Notes and New 2032 Notes, the "New Notes" and each series, a "series of New Notes") to be issued by MRH for validly tendered (and not validly withdrawn) outstanding 6.7% Senior Debentures due 2034 issued by MRH ("Old 2034 Notes" and, together with the Old 2024 Notes, Old 2028 Notes, Old 2029 Notes, Old 2030 Notes and Old 2032 Notes, the "Old Notes" and each series, a "series of Old Notes"). Each New Note issued in the Exchange Offers for a validly tendered Old Note will have an interest rate and maturity date that is identical to the interest rate and maturity date of the tendered Old Note, as well as identical interest payment dates and optional redemption prices. The New Notes will be MRH's and Macy's general, senior obligations and will be secured by a second-priority lien on the same collateral securing Macy's 8.375% Senior Secured Notes due 2025 issued on June 8, 2020.

In addition, MRH is soliciting consents from holders of each series of Old Notes (each, a "Consent Solicitation" and, collectively, the "Consent Solicitations") pursuant to the separate Consent Solicitation Statement (as defined below) to adopt certain proposed amendments to the indenture governing the Old Notes (the "Existing Indenture") to conform certain provisions in the negative pledge covenant in the Existing Indenture to the provisions of the negative pledge covenant in MRH's most recent indenture (the "Proposed Amendments"). Subject to the terms and conditions set forth in the Consent Solicitation Statement, if the requisite consent is received in accordance with the terms of the Existing Indenture, the

Existing Indenture will be amended with respect to each affected series of Old Notes or all series of Old Notes outstanding under the Existing Indenture, as applicable, and any remaining Old Notes for that series not tendered and exchanged for New Notes will be governed by the Existing Indenture as amended by the Proposed Amendments. If an eligible holder tenders Old Notes of any series in an Exchange Offer, such eligible holder will be deemed to deliver its consent, with respect to the principal amount of such tendered Old Notes, to the Proposed Amendments to the Existing Indenture in the concurrent Consent Solicitations.

Holders of approximately 34% of the aggregate principal amount of the Old Notes, and greater than 50% of the aggregate principal amount of the Old 2034 Notes, have already agreed to tender their Old Notes in the Exchange Offers and provide their consent to support the Proposed Amendments.

The following table sets forth the Early Exchange Consideration and Late Exchange Consideration for each series of Old Notes in the Exchange Offers and the Consent Fee payable in the Consent Solicitations:

<b>Title of Series of Notes</b>	<b>CUSIP / ISIN No.</b>	<b>Maturity Date</b>	<b>Principal Amount Outstanding</b>	<b>Consent Fee, if delivered and not revoked at or prior to the Consent Payment Date</b>	<b>Early Exchange Consideration, if tendered and not withdrawn at or prior to the Early Tender Date(1)</b>	<b>Late Exchange Consideration, if tendered the Exchange Offer Date and prior to the Expiration Date</b>
6.65% Senior Debentures due 2024	577778CB7 / US577778CB77	07/15/2024	\$121,587,000	\$20 cash payment for each \$1,000 principal amount of Old 2024 Notes	\$1,000 principal amount of New 2024 Notes	\$950 principal amount of New 2024 Notes
6.7% Senior Debentures due 2028	577778BH5 / US577778BH56	09/15/2028	\$102,897,000	\$20 cash payment for each \$1,000 principal amount of Old 2028 Notes	\$1,000 principal amount of New 2028 Notes	\$950 principal amount of New 2028 Notes

8.75% Senior Debentures	577778BL6 / US577778BL68	05/15/2029	\$13,151,000	\$20 cash payment for each \$1,000 principal amount of Old 2029 Notes	\$1,000 principal amount of New 2029 Notes	\$950 pri amount c 2029 N
7.875% Senior Debentures	577778BK8 / US577778BK85	03/01/2030	\$9,898,000	\$20 cash payment for each \$1,000 principal amount of Old 2030 Notes	\$1,000 principal amount of New 2030 Notes	\$950 pri amount c 2030 N
6.9% Senior Debentures	577778BQ5 / US577778BQ55	01/15/2032	\$17,046,000	\$20 cash payment for each \$1,000 principal amount of Old 2032 Notes	\$1,000 principal amount of New 2032 Notes	\$950 pri amount c 2032 N
6.7% Senior Debentures	577778CE1 / US577778CE17	07/15/2034	\$200,803,000	\$20 cash payment for each \$1,000 principal amount of Old 2034 Notes	\$1,000 principal amount of New 2034 Notes	\$950 pri amount c 2034 N

(1) Total principal amount of New Notes for each \$1,000 principal amount of Old Notes accepted in the Exchange Offers, exclusive of accrued and unpaid interest on the Old Notes accepted in the Exchange Offers from the applicable latest interest payment date on such Old Notes to, but not including, the applicable Settlement Date, which will be paid by the Issuer in addition to the Early Exchange Consideration or Late Exchange Consideration, as applicable, to, but not including, the applicable Settlement Date.

The Exchange Offers and Consent Solicitations are being made pursuant to the terms and subject to the conditions set forth in the confidential exchange offering memorandum (the "Exchange Offering Memorandum") and consent solicitation statement (the "Consent Solicitation Statement"), as applicable, each dated June 23, 2020, and the related letter of

transmittal with respect to the Exchange Offers (collectively, with the Exchange Offering Memorandum and the Consent Solicitation, the “Offering Documents”).

Each Exchange Offer will expire on 11:59 p.m., New York City time, on July 24, 2020 (as the same may be extended, the “Exchange Offer Expiration Date”), unless terminated. To be eligible to receive the Early Exchange Consideration (as defined below), eligible holders must tender their Old Notes at or prior to 5:00 p.m., New York City time, on July 10, 2020 (the “Early Tender Date”). The settlement date for the Exchange Offers is expected to occur promptly after the Exchange Offer Expiration Date. MRH reserves the right to elect an early settlement on any date after the Early Tender Date and prior to the Exchange Offer Expiration Date (the “Early Settlement Date”). Rights to withdraw tendered Old Notes terminate at 5:00 p.m., New York City time, on July 10, 2020, unless extended (the “Exchange Withdrawal Deadline”). The Early Tender Date can be extended (i) independently of the Consent Payment Date (as defined below) and (ii) independently of the Exchange Withdrawal Deadline for such Exchange Offer and of the Exchange Withdrawal Deadline and Early Tender Date with respect to any other Exchange Offer. For each \$1,000 principal amount of Old Notes validly tendered and not validly withdrawn prior to the Early Tender Date, eligible holders will be eligible to receive \$1,000 principal amount of the New Notes of the applicable series (the “Early Exchange Consideration”). For each \$1,000 principal amount of Old Notes validly tendered and not withdrawn after the Early Tender Date and prior to the Exchange Offer Expiration Date, eligible holders will be eligible to receive \$950 principal amount of the New Notes of the applicable series (the “Late Exchange Consideration”).

In addition to the consideration described above, we will pay in cash accrued and unpaid interest on the Old Notes accepted in the Exchange Offers from the applicable latest interest payment date to, but not including, the applicable Settlement Date. Interest on a series of New Notes will accrue from the date of first issuance of such series of New Notes. If we elect to have an Early Settlement Date, any New Notes issued on the Final Settlement Date will be issued with accrued interest up to, but not including, the Final Settlement Date. The amount of such accrued interest will not be deducted from the accrued and unpaid interest on the applicable Old Notes otherwise payable by us in respect of such Old Notes accepted for exchange.

Each Consent Solicitation will expire at 5:00 p.m., New York City time, on July 10, 2020 (as the same may be extended, the “Consent Expiration Date”), unless terminated. To be eligible to receive the Consent Fee (as defined below), the holders must submit their consent at or prior to 5:00 p.m., New York City time, on July 10, 2020 (the “Consent Payment Date”). Rights to withdraw consents terminate at 5:00 p.m., New York City time, on July 10, 2020, unless extended (the “Consent Withdrawal Deadline”). The Consent Payment Date and Consent Expiration Date can be extended (i) independently of the Early Tender Date and (ii) independently of the Consent Withdrawal Deadline for such Consent Solicitation and of the Consent Payment Date and Consent Withdrawal Deadline with respect to any other Consent Solicitation. For each \$1,000 principal amount of Old Notes validly submitted and not validly revoked at or prior to the Consent Payment Date, eligible holders of such Old Notes will be eligible to receive a Consent Fee of \$20.00 in cash (the “Consent Fee”). For the avoidance of doubt, eligible holders of Old Notes who validly tendered and have not validly withdrawn such Old Notes in the Exchange Offers at or prior to the Early Tender Date will be deemed to deliver their consents to the Proposed

Amendments and will also be eligible to receive the Consent Fee in connection with such tendered Old Notes.

The consents of the holders of at least a majority in principal amount of the outstanding Old Notes are required pursuant to the terms of the Existing Indenture for the Proposed Amendments to be approved and binding on all of the holders and any subsequent holders of the Old Notes; *provided, however*, that the consents of the holders of at least a majority in principal amount of any series of Old Notes will be sufficient for the Proposed Amendments to be approved and binding on the holders of each such series of Old Notes and any subsequent holder of each such series of Old Notes (such consents, the “Requisite Consents”).

Each Exchange Offer is subject to the satisfaction or waiver of certain conditions set forth in the Exchange Offering Memorandum, including, without limitation, obtaining the Requisite Consents (as defined herein) for such Exchange Offer (the “Consent Condition”). The conditions described in the Exchange Offering Memorandum, including, for the avoidance of doubt, the Consent Condition, are for MRH’s sole benefit and may be asserted by MRH or may be waived by MRH, including any action or inaction by MRH giving rise to any condition, in whole or in part at any time and from time to time prior to the Exchange Offer Expiration Date (or the Early Settlement Date, as the case may be) in its sole discretion.

Documents relating to the Exchange Offers will be distributed only to eligible holders of Old Notes who complete and return an eligibility form confirming that they are either (i) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), (ii) not a “U.S. person” as defined in Rule 902 under the Securities Act and outside the United States within the meaning of Regulation S under the Securities Act, or (iii) an “accredited investor” as defined in Rule 501 under the Securities Act. The complete terms and conditions of the Exchange Offers are described in the Exchange Offering Memorandum, copies of which may be obtained by contacting Ipreo LLC and the exchange agent in connection with the Exchange Offers, at (888) 593-9546 (U.S. toll-free) or (212) 849-3880 (banks and brokers). The eligibility form is available electronically at: [Ipreo-ExchangeOffer@ihsmarkit.com](mailto:Ipreo-ExchangeOffer@ihsmarkit.com). Holders of Old Notes that are not eligible holders will not be able to receive such documents.

Documents relating to the Consent Solicitations will be distributed to any holders of Old Notes who requests a copy. The complete terms and conditions of the Consent Solicitations are described in the Consent Solicitation Statement, copies of which may be obtained by contacting Ipreo LLC, the information agent in connection with the Consent Solicitations, at (888) 593-9546 (U.S. toll-free) or (212) 849-3880 (banks and brokers).

*This news release does not constitute an offer to sell or purchase, or a solicitation of an offer to sell or purchase, or the solicitation of tenders or consents with respect to, any security. No offer, solicitation, purchase or sale will be made in any jurisdiction in which such an offer, solicitation or sale would be unlawful. The Exchange Offers and Consent Solicitations are being made solely pursuant to the Exchange Offering Memorandum and Consent Solicitation Statement and letter of transmittal and only to such persons and in such jurisdictions as are permitted under applicable law.*

*The New Notes offered in the Exchange Offers have not been registered under the Securities Act or any state securities laws. Therefore, the New Notes may not be offered or*

*sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.*

### **About Macy's, Inc.**

Macy's, Inc. (NYSE: M) is one of the nation's premier omni-channel fashion retailers, with fiscal 2019 sales of \$24.6 billion. The company comprises three retail brands, Macy's, *Bloomingdales* and Bluemercury. Macy's, Inc. is headquartered in New York, New York. For more information, please visit [www.macysinc.com](http://www.macysinc.com).

Certain statements in this press release, including those describing the Exchange Offers and Consent Solicitations, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Macy's managements and are subject to significant risks and uncertainties. Actual results could differ materially from those expressed in or implied by the forward-looking statements contained in this press release because of a variety of factors, including the factors identified in the Offering Documents and in documents filed by Macy's with the Securities and Exchange Commission. Macy's disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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