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Macy's, Inc. to Build New Fulfillment Center near Martinsburg, West Virginia, to Support Continued Growth in Online Business

CINCINNATI--(BUSINESS WIRE)-- Macy's, Inc. (NYSE:M) today announced it will build a major new fulfillment center near Martinsburg in Berkeley County, WV, to support the continued growth of its online business. The site is located strategically along I-81, about 80 miles northwest of Washington, D.C.

Construction on the 1.3 million-square-foot facility is expected to begin in spring 2011, with operations beginning in April 2012 and order shipments beginning in summer 2012. Two sites in Berkeley County are under consideration for the final location. When fully operational, the Martinsburg fulfillment center is expected to employ approximately 1,200 full- and part-time associates year-round. In addition, another approximately 700 temporary seasonal associates are expected to be hired each year to handle a significantly higher level of online orders from customers during the holiday shopping season.

"Our Internet sales continue to grow rapidly as part of the omnichannel strategy at Macy's and Bloomingdale's - allowing customers to shop seamlessly in stores, online and via mobile devices in a manner that meets their needs and preferences. In the first 10 months of fiscal 2010, our online sales were up by about 29 percent compared with the same period last year. This is on top of growth of about 20 percent in 2009," said Terry J. Lundgren, chairman, president and chief executive officer of Macy's, Inc. "The new Martinsburg fulfillment center will represent a significant expansion of our online capacity, and will be used in particular to prepare and ship orders to macys.com customers in Northeast and Middle Atlantic states. This center will include the very latest material handling equipment and warehouse management systems so we can fill orders quickly and efficiently.

"We would like to thank state and local officials in West Virginia, led by Gov. Earl Ray Tomblin, for their support and assistance through our site selection process," Lundgren added. "We look forward to being an active member of the community in Martinsburg and Berkeley County, as we are across the country in places where we operate."

Online orders from macys.com currently are handled primarily by Macy's, Inc. fulfillment centers located in Portland, TN, and Goodyear, AZ. Bloomingdales.com orders are handled primarily from a fulfillment center in Cheshire, CT. As previously announced, the Portland facility, with 600,000 square feet of space, currently is being expanded by 374,000 square feet in a project expected to be completed in fall 2011. As part of the omnichannel strategy, the company also is investing in website enhancements, systems infrastructure and customer service to improve the shopping experience.

Macy's, Inc., with corporate offices in Cincinnati and New York, is one of the nation's premier retailers, with fiscal 2009 sales of \$23.5 billion. The company operates about 850 department stores in 45 states, the District of Columbia, Guam and Puerto Rico under the names of Macy's and Bloomingdale's, as well as the macys.com and bloomingdales.com websites. The company also operates four Bloomingdale's outlet stores.

All statements in this press release that are not statements of historical fact 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 management 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 release because of a variety of factors, including conditions to, or changes in the timing of, proposed transactions, prevailing interest rates, changes in expected synergies, cost savings and non-recurring charges, competitive pressures from specialty stores, general merchandise stores, manufacturers' outlets, off-price and discount stores, new and established forms of home shopping (including the Internet, mail-order catalogs and television) and general consumer spending levels, including the impact of the availability and level of consumer debt, the effect of weather and other factors identified in documents filed by the company with the Securities and Exchange Commission.

(NOTE: Additional information on Macy's, Inc., including past news releases, is available at www.macysinc.com/pressroom).

Source: Macy's, Inc.