

January 8, 2009



## Macy's, Inc. to Close 11 Stores

CINCINNATI--(BUSINESS WIRE)-- Macy's, Inc. (NYSE:M) today announced the closing of 11 underperforming Macy's stores.

"These closings are part of our normal-course process to prune underperforming locations each year in order to maintain a healthy portfolio of stores," said Terry J. Lundgren, chairman, president and chief executive officer of Macy's, Inc. "While new store growth has slowed in the current economy, our long-term strategy is to continue to selectively add new stores while closing those that are underperforming."

(Editor's Note: Macy's, Inc. this morning also issued a separate news release reporting December 2008 sales.)

Stores to be closed are located in:

- Ernst & Young Plaza (Citicorp Plaza), Los Angeles, CA (135,000 square feet; 136 employees; opened in 1986)
- The Citadel, Colorado Springs, CO (195,000 square feet; 105 employees; opened in 1984)
- Westminster Mall, Westminster, CO (156,000 square feet; 110 employees; opened in 1986)
- Palm Beach Mall, West Palm Beach, FL (190,000 square feet; 71 employees; opened in 1979)
- Mauna Lani Bay Hotel, Island of Hawaii, HI (3,000 square feet; 3 employees; opened in 1983)
- Lafayette Square, Indianapolis, IN (160,000 square feet; 84 employees; opened in 1974)
- Brookdale Center, Brooklyn Center, MN (195,000 square feet; 72 employees; opened in 1966)
- Crestwood Mall, St. Louis, MO (166,000 square feet; 176 employees; opened in 1969)
- Natrona Heights Plaza, Natrona Heights, PA (73,000 square feet; 124 employees; opened in 1956)
- Century III Furniture and Clearance, West Mifflin, PA (83,000 square feet; 3 employees; opened in 2000)
- Bellevue Center, Nashville, TN (211,000 square feet; 76 employees; opened in 1990).

Final clearance sales at these stores will begin within the next week (with the exception of the Hawaii location, which will not hold a final clearance sale).

"The decision to close stores is difficult, and often occurs when the market changes, new competing shopping centers are opened nearby to existing older ones, or when customers change shopping habits. In the store closing process, we are committed to treating affected associates with respect and openness," Lundgren said.

Affected associates in good standing may be considered for open positions at other Macy's locations. Regular full-time and part-time associates who are laid off due to a store closing

will be provided severance benefits and outplacement assistance.

Costs associated with these 11 store closings will be approximately \$65 million (of which approximately \$12 million will be cash), most of which will be booked in the fourth quarter of 2008.

The company opened four new Macy's stores and one furniture gallery in 2008, as well as reopened a New Orleans store damaged by Hurricane Katrina. In 2009, Macy's, Inc. expects to open three new Macy's stores and one replacement store. Following the store closings announced today, Macy's, Inc. will operate 848 stores - 808 Macy's and 40 Bloomingdale's.

Macy's, Inc., with corporate offices in Cincinnati and New York, is one of the nation's premier retailers, with fiscal 2007 sales of \$26.3 billion. The company operates more than 840 department stores in 45 states, the District of Columbia, Guam and Puerto Rico under the names of Macy's and Bloomingdale's. The company also operates macys.com and, bloomingdales.com. Prior to June 1, 2007, Macy's, Inc. was known as Federated Department Stores, Inc.

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, 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](http://www.macysinc.com/pressroom))

Source: Macy's, Inc.