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## Macy's, Inc. Same-Store Sales up 6.2% in December

***Company raises guidance, doubles dividend and increases share repurchase authorization based on strong sales, earnings and cash flow***

CINCINNATI, Jan 05, 2012 (BUSINESS WIRE) --Macy's, Inc. (NYSE:M) today reported total sales of \$4.925 billion for the five weeks ended Dec. 31, 2011, an increase of 6.6 percent compared with total sales of \$4.618 billion in the five weeks ended Jan. 1, 2011. On a same-store basis, Macy's, Inc. sales were up 6.2 percent in December. Same-store sales for the combined November/December holiday selling period were up 5.7 percent.

"December sales continued very strong at Macy's and Bloomingdale's, and we are solidly on track to exceed our expectations for same-store sales in the fourth quarter. Our ongoing success reflects our exceptionally talented organization, which has implemented our key strategies at a very high level in spite of weak macroeconomic conditions," said Terry J. Lundgren, chairman, president and chief executive officer of Macy's, Inc.

"We have great confidence in the future, especially as we continue to refine and improve our approach to My Macy's localization, omnichannel integration and customer engagement through MAGIC Selling. Given the strength in our company's sales, earnings and cash flow, we are enhancing our return to shareholders by doubling our quarterly dividend and increasing our share purchase authorization by \$1 billion. These actions are consistent with our company's progress in building a culture of growth that we believe will continue to drive financial performance moving forward.

"We continue to invest in strengthening our business. At the same time, we are committed to returning excess cash to shareholders while also maintaining a strong balance sheet and maintaining credit ratios that are consistent with an investment-grade rating on our debt," Lundgren said.

For the year to date, Macy's, Inc. sales totaled \$25.070 billion, up 5.8 percent from total sales of \$23.693 billion in the first 48 weeks of 2010. On a same-store basis, Macy's, Inc.'s year-to-date sales were up 5.4 percent.

Online sales (macys.com and bloomingdales.com combined) were up 35.8 percent in December, 40.3 percent in November/December combined, and 39.7 percent in 2011 year-to-date. Online sales are included in the same-store sales calculation for Macy's, Inc.

### **Increases in Dividend and Shares Repurchase Authorization**

The Board of Directors of Macy's, Inc. has authorized an increase in the quarterly dividend on Macy's common stock to 20 cents per share from the current 10 cents per share. The new dividend will be payable April 2, 2012, to shareholders of record at the close of business

on March 15, 2012.

The quarterly dividend previously was doubled to 10 cents per share from 5 cents per share, effective with the payment on July 1, 2011.

The Board also has authorized a \$1 billion increase in the company's stock buyback program. This brings the total outstanding authorization, as of Dec. 31, 2011, to \$1.6 billion, which the company can use to repurchase shares from time to time in the open market or in other privately negotiated transactions. Since resuming its shares repurchase program in late August 2011, the company repurchased approximately 9.1 million shares for a total of approximately \$250 million through Dec. 31, 2011.

#### **Fourth Quarter Guidance**

Based on the strength of the business through December, the company is increasing its guidance for sales and earnings for the fourth quarter and full year.

Same-store sales now are expected to increase by 5.3 percent to 5.5 percent in the fourth quarter, compared with previous guidance for same-store sales in the fourth quarter to increase by 4 percent to 4.5 percent. The new quarterly sales guidance calculates to a same-store sales increase of approximately 5.3 percent for the full year, compared to previous full-year guidance for same-store sales to be up by 4.8 percent to 5 percent. The company's initial full-year guidance, provided at the beginning of the year, was for same-store sales to increase by approximately 3 percent in fiscal 2011.

Earnings per diluted share for the full year now are expected to be \$2.73 to \$2.78, including \$1.55 to \$1.60 in the fourth quarter. This compares to previous guidance for earnings per diluted share of \$1.52 to \$1.57 in the fourth quarter and \$2.70 to \$2.75 for the full year. The company's initial full-year guidance, provided at the beginning of the year, was for earnings of \$2.25 to \$2.30 per diluted share. All earnings guidance excludes an estimated \$25 million to \$30 million of costs (of which approximately \$20 million will be non-cash) associated with store closings announced yesterday.

In January, the company expects to make an additional pension plan contribution of \$150 million, bringing the total fiscal 2011 pension plan contribution to \$375 million.

Macy's, Inc., with corporate offices in Cincinnati and New York, is one of the nation's premier retailers, with fiscal 2010 sales of \$25 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 seven 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](http://www.macysinc.com/pressroom)).

**SOURCE:** Macy's, Inc.

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