

MACY'S, INC.

Consolidated Statements of Income (Unaudited)

(All amounts in millions except percentages and per share figures)

	13 Weeks Ended May 4, 2019		13 Weeks Ended May 5, 2018	
	\$	% to Net sales	\$	% to Net sales
Net sales	\$ 5,504		\$ 5,541	
Credit card revenues, net	172	3.1%	157	2.8%
Cost of sales	(3,403)	(61.8%)	(3,382)	(61.0%)
Selling, general and administrative expenses	(2,112)	(38.4%)	(2,083)	(37.6%)
Gains on sale of real estate	43	0.8%	24	0.4%
Impairment and other costs	(1)	—%	(19)	(0.3%)
Operating income	203	3.7%	238	4.3%
Benefit plan income, net	7		11	
Interest expense, net	(47)		(66)	
Income before income taxes	163		183	
Federal, state and local income tax expense	(27)		(52)	
Net income	136		131	
Net loss attributable to noncontrolling interest	—		8	
Net income attributable to Macy's, Inc. shareholders	\$ 136		\$ 139	
Basic earnings per share attributable to Macy's, Inc. shareholders	\$ 0.44		\$ 0.45	
Diluted earnings per share attributable to Macy's, Inc. shareholders	\$ 0.44		\$ 0.45	
Average common shares:				
Basic	309.1		306.6	
Diluted	311.4		309.4	
End of period common shares outstanding	308.9		306.4	
Supplemental Financial Measures:				
Gross Margin	\$ 2,101	38.2 %	\$ 2,159	39.0 %
Depreciation and amortization expense	\$ 236		\$ 235	