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FOR IMMEDIATE RELEASE

**MACY'S, INC. REPORTS NOVEMBER/DECEMBER SALES
AND REVISES 2016 GUIDANCE**

CINCINNATI, Ohio – January 4, 2017 – Macy's, Inc. today announced that its comparable sales on an owned plus licensed basis declined by 2.1 percent in the months of November and December 2016 combined, compared to the same period last year. On an owned basis, comparable sales declined by 2.7 percent in the combined November/December period.

(Editor's Note: Macy's, Inc. this afternoon also issued a separate news release announcing actions to streamline its store portfolio, intensify cost efficiency efforts and execute its real estate strategy.)

“While our sales trend is consistent with the lower end of our guidance, we had anticipated sales would be stronger. We believe that our performance during the holiday season reflects the broader challenges facing much of the retail industry. We are pleased with the performance of our digital business, with double-digit gains at both macys.com and bloomingdales.com; however, store sales continued to be impacted by changing customer behavior. Our apparel business, which includes women's, men's and children's, performed well, with particular strength in active and cold-weather merchandise. Sales were also strong in fine jewelry, as well as furniture and bedding, reflecting the success of our initiatives in those categories. However, ongoing weakness in handbags and watches negatively impacted our results,” said Terry J. Lundgren, Macy's, Inc. chairman and chief executive officer.

2016 Guidance

Macy's, Inc. maintains its previously provided full-year sales guidance of a 2.5 percent to 3.0 percent decrease in comparable sales on an owned plus licensed basis, and expects to come in at the lower end of that guidance, with comparable sales on an owned basis to be approximately 50 basis points lower.

The company now expects full-year 2016 diluted earnings per share (excluding asset impairment, restructuring, retirement settlement and other charges) to be in a range of \$2.95 to \$3.10 (compared with previous guidance of \$3.15 to \$3.40).

Important Information Regarding Financial Measures

Please see the last page of this news release for important information regarding the calculation of the company's non-GAAP measures.

(more)

Fourth Quarter Earnings Announcement

Macy's, Inc. is scheduled to report fourth quarter sales and earnings on February 21, 2017. Additional detail on financial performance will be provided at that time. The company will webcast a call with financial analysts and investors at 10 a.m. ET on February 21, 2017. Macy's, Inc.'s webcast is accessible to the media and general public via the company's website at www.macysinc.com. Analysts and investors may call in on 888-599-8686, passcode 4375466. A replay of the conference call can be accessed on the website or by calling 888-203-1112 about two hours after the conclusion of the call.

About Macy's, Inc.

Macy's, Inc., with corporate offices in Cincinnati and New York, is one of the nation's premier retailers, with fiscal 2015 sales of \$27.079 billion. The company operates about 880 stores in 45 states, the District of Columbia, Guam and Puerto Rico under the names of Macy's, Bloomingdale's, Bloomingdale's Outlet, Macy's Backstage and Bluemercury, as well as the macys.com, bloomingdales.com and bluemercury.com websites. Bloomingdale's in Dubai is operated by Al Tayer Group LLC under a license agreement.

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 real estate and other transactions, prevailing interest rates and non-recurring charges, store closings, competitive pressures from specialty stores, general merchandise stores, off-price and discount stores, manufacturers' outlets, the Internet, mail-order catalogs and television shopping 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.

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

MACY'S, INC.

Important Information Regarding Non-GAAP Financial Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). However, management believes that certain non-GAAP financial measures provide users of the Company's financial information with additional useful information in evaluating operating performance. Management believes that providing changes in comparable sales on an owned plus licensed basis, which includes the impact of growth in comparable sales of departments licensed to third parties supplementally to its results of operations calculated in accordance with GAAP assists in evaluating the Company's ability to generate sales growth, whether through owned businesses or departments licensed to third parties, on a comparable basis, and in evaluating the impact of changes in the manner in which certain departments are operated. Management believes that excluding certain items that may vary substantially in frequency and magnitude from diluted earnings per share attributable to Macy's, Inc. shareholders provides useful supplemental measures that assist in evaluating the Company's ability to generate earnings and leverage sales and to more readily compare these metrics between past and future periods. The reconciliation of the forward-looking non-GAAP financial measure of changes in comparable sales on an owned plus licensed basis to GAAP comparable sales (i.e., on an owned basis) is in the same manner as illustrated below, where the impact of growth in comparable sales of departments

licensed to third parties is the only reconciling item. In addition, the Company does not provide the most directly comparable forward-looking GAAP measure of diluted earnings per share attributable to Macy's, Inc. shareholders because the timing and amount of excluded items (e.g., asset impairment charges, retirement settlement charges and other store closing related costs) are unreasonably difficult to fully and accurately estimate.

Non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, the Company's financial results prepared in accordance with GAAP. Certain of the items that may be excluded or included in non-GAAP financial measures may be significant items that could impact the Company's financial position, results of operations and cash flows and should therefore be considered in assessing the Company's actual and future financial condition and performance. Additionally, the amounts received by the Company on account of sales of departments licensed to third parties are limited to commissions received on such sales. The methods used by the Company to calculate its non-GAAP financial measures may differ significantly from methods used by other companies to compute similar measures. As a result, any non-GAAP financial measures presented herein may not be comparable to similar measures provided by other companies.

Change in Comparable Sales

The following is a reconciliation of the non-GAAP financial measure of changes in comparable sales on an owned plus licensed basis, to GAAP comparable sales (i.e., on an owned basis), which the Company believes to be the most directly comparable GAAP financial measure.

	9 Weeks Ended December 31, 2016
Decrease in comparable sales on an owned basis (Note 1)	<u>(2.7%)</u>
Impact of growth in comparable sales of departments licensed to third parties (Note 2)	<u>0.6 %</u>
Decrease in comparable sales on an owned plus licensed basis	<u>(2.1%)</u>

Notes:

- (1) Represents the period-to-period change in net sales from stores in operation throughout the year presented and the immediately preceding year and all online sales, excluding commissions from departments licensed to third parties.
- (2) Represents the impact of including the sales of departments licensed to third parties occurring in stores in operation throughout the year presented and the immediately preceding year and all online sales in the calculation of comparable sales. The Company licenses third parties to operate certain departments in its stores and online and receives commissions from these third parties based on a percentage of their net sales. In its financial statements prepared in conformity with GAAP, the Company includes these commissions (rather than sales of the departments licensed to third parties) in its net sales. The Company does not, however, include any amounts in respect of licensed department sales (or any commissions earned on such sales) in its comparable sales in accordance with GAAP (i.e. on an owned basis). The Company believes that the amounts of commissions earned on sales of departments licensed to third parties are not material to its results of operations for the periods presented.