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FOR IMMEDIATE RELEASE

**MACY'S, INC. OUTLINES COST EFFICIENCY INITIATIVES
AND LISTS STORE LOCATIONS TO BE CLOSED**

CINCINNATI, Ohio, January 6, 2016 – Macy's, Inc. today announced a series of cost-efficiency and process improvement measures to be implemented beginning in early 2016 that will reduce SG&A expense by approximately \$400 million while still investing in growth strategies, particularly in omnichannel capabilities at Macy's and Bloomingdale's. The actions represent progress toward the company's previously stated goal of re-attaining over time an EBITDA rate as a percent of sales of 14 percent.

(Editor's Note: Macy's, Inc. this afternoon also issued a separate news release announcing sales results for the November/December 2015 period and updating guidance.)

“In light of our disappointing 2015 sales and earnings performance, we are making adjustments to become more efficient and productive in our operations. Moreover, we believe we can operate more effectively with an organization that is flatter and more agile so we can pursue growth and regain market share in our core Macy's and Bloomingdale's omnichannel businesses faster and with more intensity. We will continue to invest in strategic initiatives that anticipate emerging customer needs and create shareholder value,” said Terry J. Lundgren, chairman and chief executive officer of Macy's, Inc. “The cost efficiencies represent more than two-thirds of our goal of annual SG&A expense reduction of \$500 million, net of growth initiatives, from previously planned levels by 2018. In some cases, there will be short-term pain as we tighten our belt and realign our resources. But our eye is on a long-term vision of Macy's, Inc. as a dynamic retailer that serves existing customers and acquires new ones through innovative approaches to the marketplace.”

To address the need for greater efficiency and productivity, among the changes being implemented by Macy's, Inc. in early 2016 are:

- Consolidating the grouping of existing Macy's stores into five regions and 47 local districts (down from the current structure of seven regions and 58 local districts), as well as other field support functions. This reflects a smaller portfolio of stores and new technologies and techniques for managing the store business and tailoring assortments to local customer preferences.

- Adjusting staffing levels at each Macy's and Bloomingdale's store in line with current sales volume to increase productivity and improve efficiency. An average of three to four positions will be affected in each of Macy's and Bloomingdale's approximately 770 going-forward stores (out of an average workforce of approximately 150 associates in each store), for a total of about 3,000 affected associates nationwide. Roughly 50 percent of affected store associates are expected to be placed in other positions.
- Implementing a voluntary separation opportunity for about 165 senior executives in Macy's and Bloomingdale's central stores, office and support functions who meet certain age and service requirements and chose to leave the company beginning in spring 2016. Approximately 35 percent of these executive positions will not be replaced.
- Reducing an additional 600 positions in back-office organizations by eliminating tasks, simplifying processes and combining positions, with about 150 of these associates reassigned to other positions.
- Consolidating the four existing Macy's, Inc. credit and customer services center facilities into three. The call center in St. Louis will be closed in spring 2016, affecting approximately 750 employees. Work currently performed in St. Louis will be divided among existing credit and customer services centers in Tempe, AZ, Clearwater, FL, and Mason, OH, where a total of about 640 positions will be added.
- Decreasing non-payroll budgets companywide in areas such as travel, meetings and consulting services.

Real Estate

The company continues to pursue the creation of shareholder value through real estate initiatives originally announced on Nov. 11, 2015, and provides the following updates:

- Eastdil Secured, a leading real estate-focused investment bank, has been engaged by Macy's, Inc. to approach potential interested parties, with assistance from Credit Suisse and Goldman Sachs, regarding forming partnerships or joint venture(s) for the company's mall-based properties, as well as Macy's flagship real estate assets in Manhattan, San Francisco, Chicago and Minneapolis. Eastdil joins a team of experienced advisors in banking, real estate, law and tax who are focused on monetizing real estate assets in a manner consistent with Macy's overall strategy. Tishman Speyer has expressed interest in pursuing partnerships on the four flagship locations and, thus, will not be advising the company on those properties. Tishman Speyer will, however, continue to advise Macy's on potential opportunities for maximizing the value of other real estate in the company's portfolio.
- The company has begun a search for a senior-level real estate executive to join the company to oversee and manage real estate activities, including the leadership of any partnerships or joint ventures.

Store Closings/Opening

The company today listed 40 Macy's store closings (out of a current total of about 770 Macy's stores). Of the 40, 36 will be closed in early spring 2016, consistent with its announcement in September 2015. The other four stores were closed in the final three quarters of 2015, as previously announced. (A list of planned store closings, as well as openings, is included at the end of this news release.)

“Our company is committed to operating great Macy's and Bloomingdale's stores in the best locations – both to serve shoppers who walk through the door and to fulfill orders that are shipped directly to customers around the country,” Lundgren said. “In today's rapidly evolving retail environment, it is essential that we maintain a portfolio of the right stores in the right places. So we will continue to add stores selectively while also being disciplined about closing stores that are unproductive or no longer robust shopping destinations because of changes in the local retail shopping landscape.”

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The 36 Macy's stores being closed in early 2016, along with four others closed in the final three quarters of 2015, account for approximately \$375 million in annual sales, some of which are expected to be retained in nearby stores and with online/mobile sales.

The company is committed to treating associates affected by store closings with respect and openness. Associates displaced by store closings may be offered positions in nearby stores where possible. Eligible full-time and part-time associates who are laid off due to the store closings will be offered severance benefits.

Financial Impact

The implementation of cost reductions is estimated to generate annual SG&A savings of approximately \$400 million, beginning in 2016. This will help the company to achieve modest improvement in its EBITDA rate (as a percent to sales) in 2016 compared with 2015 excluding gains from the expected sale of real estate in Brooklyn – while still investing in growth strategies, particularly in omnichannel capability at Macy's and Bloomingdale's.

In conjunction with today's announcements, as well as incremental asset impairment charges related to store closings, approximately \$200 million of charges, of which approximately \$165 million is expected to be cash, are expected to be booked in the fourth quarter of 2015. These charges were not previously included in earnings guidance provided by the company and are in addition to the \$111 million, or 20 cents per share, booked in the third quarter as an estimate of asset impairment charges related to 2016 store closings.

Macy's, Inc., with corporate offices in Cincinnati and New York, is one of the nation's premier retailers, with fiscal 2014 sales of \$28.015 billion. The company operates about 900 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 store closings, store openings or other transactions, changes in the conditions of the securities markets, particularly the markets for debt securities and other factors identified in documents filed by Macy's 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).

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Macy's Store Closings

Final clearance sales at the following Macy's stores closing in early 2016 will begin on Monday, Jan. 11 and run for between eight to 12 weeks (with the exception of Westfield Century City, North DeKalb Mall and Roseburg Valley Mall, where final clearance sales are already in progress):

- Irvine Spectrum, Irvine, CA (140,000 square feet; opened in 2002; 112 associates);
- Country Club Plaza, Sacramento, CA (165,000 square feet; opened in 1961; 111 associates);
- Westfield Century City, Los Angeles, CA, (136,000 square feet; opened in 1976; 108 associates). Note that this store will be closed in January 2016 and replaced with a new, larger store to open in this same shopping center in spring 2017;
- Enfield Square main store, Enfield, CT (166,000 square feet; opened in 1971; 84 associates);
- Enfield Square furniture/home/men's store, Enfield, CT (76,000 square feet; opened in 1971; 20 associates);
- North DeKalb Mall, Decatur, GA (190,000 square feet; opened in 1965; 89 associates);
- Kailua, HI (59,000 square feet; opened in 1946; 57 associates);
- Palouse Mall, Moscow, ID (41,000 square feet; opened in 1979; 47 associates);
- Northwoods Mall, Peoria, IL (165,000 square feet; opened in 1985; 62 associates);
- Cortana Mall, Baton Rouge, LA (243,000 square feet; opened in 1976; 108 associates);
- Valley Mall, Hagerstown, MD (120,000 square feet; opened in 1999; 59 associates);
- Berkshire Mall, Lanesborough, MA (111,000 square feet; opened in 1994; 58 associates);
- Eastfield Mall, Springfield, MA (127,000 square feet; opened in 1994; 71 associates);
- The Shoppes at Stadium, Columbia, MO (140,000 square feet; opened in 2003; 81 associates);
- Middlesex Mall, South Plainfield, NJ (81,000 square feet; opened in 1976; 69 associates);
- McKinley Mall main store, Buffalo, NY (88,000 square feet; opened in 1989; 65 associates);
- McKinley Mall home store, Buffalo, NY (31,000 Square feet; opened in 1989; 10 associates);
- Arnot Mall, Horsehead, NY (120,000 square feet; opened in 1995; 79 associates);
- Hudson Valley Mall, Kingston, NY (121,000 square feet; opened in 1995; 72 associates);
- Eastern Hills Mall, Williamsville, NY (127,000 square feet; opened in 1971; 80 associates);
- Cary Towne Center, Cary, NC (107,000 square feet; opened in 1991; 63 associates);
- Chapel Hill Mall, Akron, OH (169,000 square feet; opened in 1967; 91 associates);
- Midway Mall, Elyria, OH (105,000 square feet; opened in 1990; 64 associates);
- Quail Springs Mall, Oklahoma City, OK (146,000 square feet; opened in 1986; 87 associates);
- Pony Village Mall, North Bend, OR (41,000 square feet; opened in 1980; 54 associates);
- Roseburg Valley Mall, Roseburg, OR (40,000 square feet; opened in 1980; 59 associates);
- Suburban Square, Ardmore, PA (102,000 square feet; opened in 1930; 74 associates);
- Century III Mall, West Mifflin, PA (173,000 square feet; opened in 1979; 101 associates);
- Ridgmar Mall, Ft. Worth, TX (181,000 square feet; opened in 1998; 92 associates);
- Chesapeake Square, Chesapeake, VA (95,000 square feet; opened in 1999; 69 associates);
- Virginia Center Commons, Glen Allen, VA (110,000 square feet; opened in 1993; 81 associates);
- Peninsula Town Center, Hampton, VA (173,000 square feet; opened in 1977; 109 associates);
- Military Circle Mall, Norfolk, VA (153,000 square feet; opened in 1976; 95 associates);
- Regency Square main store, Richmond, VA (100,000 square feet; opened in 1990; 100 associates);
- Regency Square furniture/home/men's store, Richmond, VA (124,000 square feet; opened in 1990; 35 associates);
- Downtown Spokane, Spokane, WA (374,000 square feet; opened in 1947; 94 associates).

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Macy's stores closed in the final three quarters of 2015 (previously announced):

- Owings Mills Mall, Owings Mills, MD (164,000 square feet; opened in 1986; 90 associates);
- Bedford, NH (180,000 square feet; opened in 1966; 105 associates);
- Essex Green Shopping Center, West Orange, NJ (93,000 square feet; opened in 1975; 101 associates). Note that this location was converted to a Macy's Backstage store.
- Downtown Pittsburgh, PA (1,158,000 square feet; opened in 1946; 170 associates).

Store Openings

Five new Macy's and Bloomingdale's stores are currently planned and/or under construction, as previously announced.

New Macy's stores will be opening in:

- Ka Makana Ali'i, Kapolei, HI (103,000 square feet; to open in fall 2016; approximately 180 associates).
- Westfield Century City, Los Angeles, CA (a 155,000 square-foot store to open in spring 2017 to replace an older and smaller Macy's store in this very successful shopping center).
- Fashion Place, Murray, UT (160,000 square feet; to open in spring 2017; approximately 150 associates).

New Bloomingdale's stores will be opening in:

- Westfield Valley Fair Shopping Center, San Jose, CA (150,000 square feet; to open in fall 2017; approximately 250 associates).
- The SoNo Collection, Norwalk, CT (150,000 square feet; to open in fall 2018; approximately 200 associates).

In addition, in the next two years, the company plans to open about 50 additional Macy's Backstage off-price locations (most of which will be inside existing Macy's stores), and about 40 freestanding Bluemercury beauty specialty stores.

Internationally, new Macy's and Bloomingdale's stores are planned to open in Al Maryah Central in Abu Dhabi, United Arab Emirates, in 2018 under license agreements with Al Tayer Group.