

**MACY'S, INC.**  
**SUPPLEMENTAL INFORMATION REGARDING IMPACT OF REPORTING POLICY CHANGES (1)**  
**2009**  
**(UNAUDITED)**  
**(\$ in millions)**

	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual		
	As Reported	Adjustments	As Adjusted	As Reported	Adjustments	As Adjusted	As Reported	Adjustments	As Adjusted	As Reported	Adjustments	As Adjusted	As Reported	Adjustments	As Adjusted
Net sales	\$ 5,199	\$ 89	\$ 5,288	\$ 5,164	\$ 121	\$ 5,285	\$ 5,277	\$ 108	\$ 5,385	\$ 7,849	\$ 88	\$ 7,937	\$ 23,489	\$ 406	\$ 23,895
Cost of sales	3,219	60	3,279	3,021	96	3,117	3,156	85	3,241	4,577	64	4,641	13,973	305	14,278
Percent to sales	61.9%	67.4%	62.0%	58.5%	79.3%	59.0%	59.8%	78.7%	60.2%	58.3%	72.7%	58.5%	59.5%	75.1%	59.8%
Gross margin	1,980	29	2,009	2,143	25	2,168	2,121	23	2,144	3,272	24	3,296	9,516	101	9,617
Percent to sales	38.1%	32.6%	38.0%	41.5%	20.7%	41.0%	40.2%	21.3%	39.8%	41.7%	27.3%	41.5%	40.5%	24.9%	40.2%
Selling, general and administrative expenses	(1,956)	(29)	(1,985)	(1,861)	(25)	(1,886)	(2,033)	(23)	(2,056)	(2,212)	(24)	(2,236)	(8,062)	(101)	(8,163)
Percent to sales	-37.6%	-32.6%	-37.5%	-36.0%	-20.7%	-35.7%	-38.5%	-21.3%	-38.1%	-28.2%	-27.3%	-28.1%	-34.3%	-24.9%	-34.1%
Division consolidation costs and store closing related costs	(138)	-	(138)	(34)	-	(34)	(33)	-	(33)	(71)	-	(71)	(276)	-	(276)
Asset impairment charges	-	-	-	-	-	-	-	-	-	(115)	-	(115)	(115)	-	(115)
Operating income (loss)	(114)	-	(114)	248	-	248	55	-	55	874	-	874	1,063	-	1,063
Percent to sales	-2.2%	0.0%	-2.2%	4.8%	0.0%	4.7%	1.0%	0.0%	1.0%	11.1%	0.0%	11.0%	4.5%	0.0%	4.4%

(1) Beginning with the first quarter of 2010, Macy's changed its method of accounting and reporting for certain items, primarily sales of private brand goods to outside retailers and sales of excess inventory to third parties at the end of a season. This table illustrates the impact that such change would have had on the Company's consolidated results of operations for the periods presented if such changes had been in effect throughout such periods.