

**EXECUTIVE DEFERRED COMPENSATION PLAN OF
FEDERATED DEPARTMENT STORES, INC**

**Financial Statements
As of December 31, 2001 and 2000 and for
the Years Ended December 31, 2001, 2000 and 1999**

With Independent Auditors' Report Thereon

**EXECUTIVE DEFERRED COMPENSATION PLAN OF
FEDERATED DEPARTMENT STORES, INC.**

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Independent Auditors' Report

Pension and Profit Sharing Committee
Federated Department Stores, Inc.
Executive Deferred Compensation Plan of
Federated Department Stores, Inc.:

We have audited the accompanying statements of net assets available for benefits of the Executive Deferred Compensation Plan of Federated Department Stores, Inc. (the "Plan") as of December 31, 2001 and 2000, and the related statements of changes in net assets available for Plan benefits for the years ended December 31, 2001, 2000 and 1999. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2001 and 2000, and the changes in net assets available for Plan benefits for the years ended December 31, 2001, 2000 and 1999 in conformity with accounting principles generally accepted in the United States of America.

March 26, 2002

**EXECUTIVE DEFERRED COMPENSATION PLAN OF
FEDERATED DEPARTMENT STORES, INC.**

Statements of Assets Available for Plan Benefits

December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Receivable from Federated Department Stores, Inc. - Cash Credits	\$16,637,720	\$14,402,587
Federated Department Stores, Inc. common stock - Stock Credits	<u>19,991,511</u>	<u>16,854,040</u>
Assets available for plan benefits	<u>\$36,629,231</u>	<u>\$31,256,627</u>

The accompanying notes are an integral part of these financial statements.

**EXECUTIVE DEFERRED COMPENSATION PLAN OF
FEDERATED DEPARTMENT STORES, INC.**

Statement of Changes in Assets Available for Plan Benefits

Year Ended December 31, 2001

	<u>Cash Credits</u>	<u>Stock Credits</u>	<u>Total</u>
Interest income	\$ 657,971	\$ -	\$ 657,971
Unrealized appreciation on Federated Department Stores, Inc. common stock	- -	3,070,452	3,070,452
Participant contributions	<u>2,551,276</u>	<u>1,747,992</u>	<u>4,299,268</u>
Total additions	3,209,247	4,818,444	8,027,691
Distributions	<u>974,114</u>	<u>1,680,973</u>	<u>2,655,087</u>
Net additions to assets available for plan benefits	2,235,133	3,137,471	5,372,604
Assets available for plan benefits:			
Beginning of year	<u>14,402,587</u>	<u>16,854,040</u>	<u>31,256,627</u>
End of year	<u>\$16,637,720</u>	<u>\$19,991,511</u>	<u>\$36,629,231</u>

The accompanying notes are an integral part of these financial statements.

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**EXECUTIVE DEFERRED COMPENSATION PLAN OF
FEDERATED DEPARTMENT STORES, INC.**

Statement of Changes in Assets Available for Plan Benefits

Year Ended December 31, 2000

	<u>Cash Credits</u>	<u>Stock Credits</u>	<u>Total</u>
Interest income	\$ 825,287	\$ -	\$ 825,287
Unrealized depreciation on Federated Department Stores, Inc. common stock	- -	(6,313,568)	(6,313,568)
Participant contributions	<u>2,587,163</u>	<u>2,857,931</u>	<u>5,445,094</u>
Total additions (reductions)	3,412,450	(3,455,637)	(43,187)
Distributions	<u>916,336</u>	<u>980,273</u>	<u>1,896,609</u>
Net additions (reductions) to assets available for plan benefits	2,496,114	(4,435,910)	(1,939,796)
Assets available for plan benefits:			
Beginning of year	<u>11,906,473</u>	<u>21,289,950</u>	<u>33,196,423</u>
End of year	<u>\$14,402,587</u>	<u>\$16,854,040</u>	<u>\$31,256,627</u>

The accompanying notes are an integral part of these financial statements.

**EXECUTIVE DEFERRED COMPENSATION PLAN OF
FEDERATED DEPARTMENT STORES, INC.**

Statement of Changes in Assets Available for Plan Benefits

Year Ended December 31, 1999

	<u>Cash Credits</u>	<u>Stock Credits</u>	<u>Total</u>
Interest income	\$ 557,418	\$ -	\$ 557,418
Unrealized appreciation on Federated Department Stores, Inc. common stock	- -	2,843,935	2,843,935

Participant contributions	<u>2,711,728</u>	<u>2,612,811</u>	<u>5,324,539</u>
Total additions	3,269,146	5,456,746	8,725,892
Distributions	<u>356,839</u>	<u>621,241</u>	<u>978,080</u>
Net additions to assets available for plan benefits	2,912,307	4,835,505	7,747,812
Assets available for plan benefits:			
Beginning of year	<u>8,994,166</u>	<u>16,454,445</u>	<u>25,448,611</u>
End of year	<u>\$11,906,473</u>	<u>\$21,289,950</u>	<u>\$33,196,423</u>

The accompanying notes are an integral part of these financial statements.

**EXECUTIVE DEFERRED COMPENSATION PLAN OF
FEDERATED DEPARTMENT STORES, INC.**

Notes to Financial Statements

December 31, 2001, 2000 and 1999

1. Description of the Plan

The following brief description of the Executive Deferred Compensation Plan of Federated Department Stores, Inc. (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is sponsored by Federated Department Stores, Inc. (the "Company"). The Plan was established to enable key employees of the Company to defer compensation for personal income tax purposes. The nonqualified Plan was adopted in 1993 and is not subject to the provisions of the Employee Retirement Income Security Act of 1974. The Plan is not subject to income taxation.

Eligibility and Vesting

The Plan covers key employees, as designated by the Company. Participation is voluntary and participants can elect to make contributions to the Plan. Participants are 100% vested in the Plan at all times.

Participant Accounts

An account is maintained for each participant in the Plan which shows the participant's separate interest in the Cash Credit and Stock Credit portions of the Plan. If a Cash Credit is elected, the participant's account shall be credited, as of the end of each calendar quarter, with the dollar amount of deferred compensation. At the end of each calendar quarter, the Cash Credit account shall be credited with interest at a rate equal to one-quarter of the percent per annum on United States Five-Year Treasury Bills as of the last day of such calendar quarter. If a Stock Credit is elected, the participant's account shall be credited, as of the end of each calendar quarter, with a stock equivalent which shall be the number of full shares of common stock of the Company that is transferred to or purchased by the Grantor Trust (defined later) with the amount of deferred compensation and with the dollar amount of any part of such credit that is not convertible into a full share. At the end of each calendar quarter, the Stock Credit account shall be credited with a dividend equivalent as declared by the Company, if any, upon each share of common stock during such calendar quarter.

Participants are eligible for distribution of their benefits upon retirement, death, termination of service, in the event of a designated change of control of the Company and in the event of immediate unexpected financial needs of the participant, as the Plan is not subject to the hardship rules of Section 401 of the Internal Revenue Code. Participants, prior to termination, may request to receive the balance of their cash and stock credit accounts in one to fifteen approximately equal installments. Such requests are subject to committee approval.

Effective January 1, 2002, participants have the ability to defer cash compensation on a short-term basis, for a minimum of five years. At the time of such deferral election, participants may request to receive the balance of this short-term deferral account in one to fifteen approximately equal installments. Notwithstanding, participants are eligible for distribution of this short-term account as well as other balances due them under the Plan upon retirement, death, termination of service, in the event of a designated change of control of the Company and in the event of immediate unexpected financial needs of the participant, as the Plan is not subject to the hardship rules of Section 401 of the Internal Revenue Code.

Grantor Trust

The Company established a Grantor (Rabbi) Trust, a wholly owned subsidiary of the Company, intended to meet the safe harbor provisions of RevProc 92-64, for the benefit of participants' Stock Credits under the Plan. The Trust shall be governed by and subject to the terms of a trust agreement entered into between the Company, as grantor, and the trustee.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

b) Investments

The Plan's investments consist of receivables from the Company and common stock of the Company, both of which exceed 5% of assets available for plan benefits. The Company maintains separate book accounts for the benefit of each Plan participant and periodically credits such accounts for deferred compensation, interest income and withdrawals. Stock holdings are recorded at their cost at the time of purchase and are presented at their fair market values. The stock credits had a cost basis of \$16,588,149 and \$16,090,951 at December 31, 2001 and December 31, 2000, respectively.

c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates and assumptions are subject to inherent uncertainties, which may result in actual amounts differing from reported amounts.

3. Plan Termination

Although the Company has not expressed any intent to terminate the Plan, it may do so at any time. In the event the Plan is terminated, all sums credited to individual accounts would be distributed to participants.

4. Administrative Expenses

All administrative costs of the Plan are borne by the Company.

Pursuant to the requirements of the Securities and Exchange Act of 1934, the members of the Pension and Profit Sharing Committee (which is the administrative committee for the Executive Deferred Compensation Plan of Federated Department Stores, Inc.) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Executive Deferred Compensation Plan of
FEDERATED DEPARTMENT STORES, INC.

Dated April 1, 2002

By: /s/ Ronald W. Tysoe
Ronald W. Tysoe, Member
Pension and Profit Sharing Committee
Federated Department Stores, Inc.