SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal quarter ended July 30, 2005.

FEDERATED DEPARTMENT STORES, INC.
7 West Seventh Street
Cincinnati, Ohio 45202
(513) 579-7000
and
151 West 34th Street
New York, New York 10001
(212) 494-1602

Delaware	1-13536	13-3324058
(State of Incorporation)	(Commission File No.)	(I.R.S. Employer Identification Number)

The Registrant has filed all reports required to be filed by Section 12, 13 or 15 (d) of the Act during the preceding 12 months and has been subject to such filing requirements for the past 90 days.

Indicate by checkmark whether Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes __X__ No_____

Indicate by checkmark whether Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes _______ No __X__

171,866,734 shares of the Registrant's Common Stock, $.01 par value, were outstanding as of August 27, 2005.

PART I -- FINANCIAL INFORMATION

FEDERATED DEPARTMENT STORES, INC.

Consolidated Statements of Income
(Unaudited)

(millions, except per share figures)

	13 Weeks Ended		26 Weeks Ended	
	July 30, 2005	July 31, 2004	July 30, 2005	July 31, 2004
Net Sales	$3,623	$3,581	$ 7,264	$ 7,131
Cost of sales	2,126	2,111	4,302	4,234

Gross margin	1,497	1,470	2,962	2,897
Selling, general and administrative expenses	1,206	1,225	2,419	2,435
Operating income	291	245	543	462
Interest expense	(61)	(122)	(121)	(185)
Interest income	7	3	13	6
Income before income taxes	237	126	435	283
Federal, state and local income tax expense	(89)	(48)	(164)	(108)
Net income	$ 148	$ 78	$ 271	$ 175
Basic earnings per share	$ .87	$ .44	$ 1.60	$ .97
Diluted earnings per share	$ .84	$ .43	$ 1.56	$ .96

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

FEDERATED DEPARTMENT STORES, INC.

Consolidated Balance Sheets
(Unaudited)

(millions)

	July 30, 2005	January 29, 2005	July 31, 2004
ASSETS:			
Current Assets:			
Cash and cash equivalents	$ 1,399	$ 868	$ 605
Accounts receivable	3,271	3,418	3,062
Merchandise inventories	3,259	3,120	3,355
Supplies and prepaid expenses	121	104	112
Total Current Assets	8,050	7,510	7,134
Property and Equipment - net	5,824	6,018	6,019
Goodwill	260	260	262
Other Intangible Assets - net	378	378	378
Other Assets	707	719	272
Total Assets	$15,219	$14,885	$14,065
LIABILITIES AND SHAREHOLDERS' EQUITY:			
Current Liabilities:			
Short-term debt	$ 1,229	$ 1,242	$ 691
Accounts payable and accrued liabilities	2,715	2,707	2,672
Income taxes	178	324	192
Deferred income taxes	29	28	-
Total Current Liabilities	4,151	4,301	3,555
Long-Term Debt	2,634	2,637	3,040

Deferred Income Taxes	1,224	1,199	1,029
Other Liabilities	597	581	595
Shareholders' Equity	6,613	6,167	5,846
Total Liabilities and Shareholders' Equity	$15,219	$14,885	$14,065

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

FEDERATED DEPARTMENT STORES, INC.

Consolidated Statements of Cash Flows
(Unaudited)

(millions)

	26 Weeks Ended July 30, 2005	26 Weeks Ended July 31, 2004
Cash flows from operating activities:		
Net income	$ 271	$ 175
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	355	354
Amortization of financing costs	2	4
Amortization of unearned restricted stock	1	1
Changes in assets and liabilities:		
Decrease in proprietary and other accounts receivable not separately identified	223	241
Increase in merchandise inventories	(139)	(140)
Increase in supplies and prepaid expenses	(17)	(13)
Decrease in other assets not separately identified	10	1
Increase in accounts payable and accrued liabilities not separately identified	64	82
Decrease in current income taxes	(147)	(168)
Increase in deferred income taxes	26	32
Increase in other liabilities not separately identified	16	17
Net cash provided by operating activities	665	586
Cash flows from investing activities:		
Purchase of property and equipment	(143)	(175)
Capitalized software	(32)	(37)
Increase in non-proprietary accounts receivable	(76)	(96)
Collection of notes receivable	-	20
Disposition of property and equipment	14	7
Net cash used by investing activities	(237)	(281)
Cash flows from financing activities:		
Debt issued	-	34
Debt repaid	(16)	(361)
Dividends paid	(46)	(47)
Decrease in outstanding checks	(55)	(27)
Acquisition of treasury stock	(7)	(353)
Issuance of common stock	227	129
Net cash provided (used) by financing activities	103	(625)

(Continued)

FEDERATED DEPARTMENT STORES, INC.

Consolidated Statements of Cash Flows (continued)
(Unaudited)

(millions)

	26 Weeks Ended July 30, 2005	26 Weeks Ended July 31, 2004
Net increase (decrease) in cash and cash equivalents	531	(320)
Cash and cash equivalents at beginning of period	868	925
Cash and cash equivalents at end of period	$1,399	$ 605
Supplemental cash flow information:		
Interest paid	$ 118	$ 186
Interest received	11	7
Income taxes paid (net of refunds received)	240	244

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

FEDERATED DEPARTMENT STORES, INC.

Notes to Consolidated Financial Statements
(Unaudited)

1. **Summary of Significant Accounting Policies**

A description of the Company's significant accounting policies is included in the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2005 (the "2004 10-K"). The accompanying Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto in the 2004 10-K.

Because of the seasonal nature of the retail business, the results of operations for the 13 and 26 weeks ended July 30, 2005 and July 31, 2004 (which do not include the Christmas season) are not necessarily indicative of such results for the fiscal year.

The Consolidated Financial Statements for the 13 and 26 weeks ended July 30, 2005 and July 31, 2004, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) considered necessary to present fairly, in all material respects, the consolidated financial position and results of operations of the Company and its subsidiaries.

Certain reclassifications were made to prior year's amounts to conform with the classifications of such amounts for the most recent year.

Net sales include merchandise sales, leased department income and shipping and handling fees. Cost of sales consists of the cost of merchandise, including inbound freight, and shipping and handling costs.

Historically, the Company presented the aggregate cash flows generated from both the Company's proprietary and non-proprietary credit card accounts as cash flows from operating activities in the consolidated statements of cash flows. The Company has changed its presentation of cash flows generated from its non-proprietary credit card accounts from operating to investing activities within the consolidated statements of cash flows, as the receivables generated in such accounts relate predominately to activities external to the Company's sales of merchandise and services. Accordingly, the Company has reclassified the cash flows associated with such accounts in the comparable prior year period to conform to the classification of such cash flows for the period covered by this report.

The impact on the respective line items of the consolidated statement of cash flows is as follows:

	26 Weeks Ended July 31, 2004 (millions)
As Previously Reported	

Decrease in accounts receivable	$ 145
Net cash provided by operating activities	490
Net cash used by investing activities	(185)
<u>As Reclassified</u>	
Decrease in proprietary and other accounts receivable not separately identified	$ 241
Net cash provided by operating activities	586
Increase in non-proprietary accounts receivable	(96)
Net cash used by investing activities	(281)

In November 2004, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 151, "Inventory Costs - An Amendment of ARB No. 43, Chapter 4." This statement amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage) and is effective for fiscal years beginning after June 15, 2005. The Company does not anticipate that the adoption of this statement will have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets - An Amendment of APB Opinion No. 29, "Accounting for Nonmonetary Transactions." This statement eliminates the exception from fair value measurement for nonmonetary exchanges of similar productive assets in paragraph 21(b) of Accounting Principles Board ("APB") Opinion No. 29, and replaces it with an exception for exchanges that do not have commercial substance. The provisions of the statement are effective for fiscal periods beginning after June 15, 2005. The Company does not anticipate that the adoption of this statement will have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"). This statement is a revision of SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. Under the provisions of this statement, the Company must determine the appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost and the transition method to be used at the date of adoption. The transition alternatives include retrospective and prospective adoption methods. Under the retrospective method, prior periods may be restated based on the amounts previously recognized under SFAS 123 for purposes of pro forma disclosures either for all periods presented or as of the beginning of the year of adoption.

The prospective method requires that compensation expense be recognized beginning with the effective date, based on the requirements of this statement, for all share-based payments granted after the effective date, and based on the requirements of SFAS 123, for all awards granted to employees prior to the effective date of this statement that remain unvested on the effective date.

The provisions of this statement are effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005. In April 2005, the Securities and Exchange Commission announced that it was amending Regulation S-X to provide up to a six-month delay for the adoption of SFAS 123R. The Company has decided to adopt SFAS 123R for its fiscal year beginning January 29, 2006. The impact of adopting SFAS 123R cannot be accurately estimated since it will depend on levels of share-based awards granted in the future. However, had the Company adopted SFAS 123R in prior periods, the impact of this statement would have approximated the impact of the fair value recognition provisions of SFAS 123 as previously disclosed by the Company on a pro forma basis.

The Company accounts for its stock-based employee compensation plan in accordance with APB Opinion No. 25 and related interpretations. No stock-based employee compensation cost related to stock options is reflected in net income, as all options granted under the plan have an exercise price at least equal to the market value of the underlying common stock on the date of grant.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 for stock options granted. The Company estimates the fair value of each employee stock option grant on the date of grant using the Black-Scholes option-pricing model.

	13 Weeks Ended		26 Weeks Ended	
	July 30, 2005	July 31, 2004	July 30, 2005	July 31, 2004
	(millions, except per share data)			
Net income, as reported	$148	$78	$271	$175

Net income, as reported	$148	$ 78	$271	$175
Add stock-based employee compensation cost included in reported net income, net of related tax benefit	4	3	6	4
Deduct stock-based employee compensation cost determined under the fair value method for all awards, net of related tax benefit	(11)	(11)	(23)	(22)
Pro forma net income	$141	$ 70	$254	$157
Earnings per share:				
Basic - as reported	$ .87	$ .44	$1.60	$ .97
Basic - pro forma	$ .82	$ .39	$1.49	$ .87
Diluted - as reported	$ .84	$ .43	$1.56	$ .96
Diluted - pro forma	$ .80	$ .38	$1.45	$ .86

2. **Restructuring Accruals**

During the 26 weeks ended July 31, 2004, the Company recorded certain costs and expenses in selling, general and administrative expenses related to the Burdines-Macy's consolidation in Florida, centralizing the Macy's home store business and other store closings, including accruals of $5 million for severance and $2 million of lease termination costs. The $2 million of lease termination costs was paid prior to January 29, 2005 and the $5 million of severance was paid during the 52 weeks ended January 29, 2005 as part of an ongoing benefit arrangement.

At July 30, 2005 and July 31, 2004, respectively, accounts payable and accrued liabilities included $8 million and $10 million of lease obligations related to the closing of the Stern's department store division in 2001. The Company expects to pay the accrued amount over the next several years.

3. **Earnings Per Share**

The following tables set forth the computation of basic and diluted earnings per share:

	13 Weeks Ended			
	July 30, 2005		July 31, 2004	
	Income	Shares	Income	Shares
	(millions, except per share figures)			
Net income and average number of shares outstanding	$ 148	170.7	$ 78	178.6
Shares to be issued under deferred compensation plans	-	.5	-	.5
	$ 148	171.2	$ 78	179.1
Basic earnings per share	$ .87		$ .44	
Effect of dilutive securities - stock options	-	4.5	-	2.9
	$ 148	175.7	$ 78	182.0
Diluted earnings per share	$ .84		$ .43	

	26 Weeks Ended			
	July 30, 2005		July 31, 2004	
	Income	Shares	Income	Shares

	Income	Shares	Income	Shares
	(millions, except per share figures)			
Net income and average number of shares outstanding	$ 271	169.5	$ 175	179.2
Shares to be issued under deferred compensation plans	-	.5	-	.6
	$ 271	170.0	$ 175	179.8
Basic earnings per share	$1.60		$.97	
Effect of dilutive securities - stock options	-	4.2	-	3.3
	$ 271	174.2	$ 175	183.1
Diluted earnings per share	$1.56		$.96	

In addition to the stock options reflected in the foregoing tables, stock options to purchase 275,000 shares of common stock at prices ranging from $71.75 to $79.44 per share were outstanding at July 30, 2005 and stock options to purchase 5.5 million shares of common stock at prices ranging from $49.25 to $79.44 per share were outstanding at July 31, 2004 but were not included in the computation of diluted earnings per share because the exercise price thereof exceeded the average market price and their inclusion would have been antidilutive.

4. Benefit Plans

The Company has a defined benefit plan ("Pension Plan") and a defined contribution plan which cover substantially all employees who work 1,000 hours or more in a year. The Company also has a defined benefit supplementary retirement plan which includes benefits, for certain employees, in excess of qualified plan limitations.

In addition, certain retired employees currently are provided with special health care and life insurance benefits ("Postretirement Obligations"). Eligibility requirements for such benefits vary by division and subsidiary, but generally state that benefits are available to eligible employees who were hired prior to a certain date and retire after a certain age with specified years of service. Certain employees are subject to having such benefits modified or terminated.

The actuarially determined components of the net periodic benefit cost are as follows:

	13 Weeks Ended		26 Weeks Ended	
	July 30, 2005	July 31, 2004	July 30, 2005	July 31, 2004
Pension Plan				
Service cost	$ 13	$ 12	$ 25	$ 23
Interest cost	24	24	48	49
Expected return on assets	(36)	(36)	(72)	(71)
Recognition of net actuarial loss	10	5	21	10
	$ 11	$ 5	$ 22	$ 11
Supplementary Retirement Plan				
Service cost	$ 1	$ 2	$ 3	$ 4
Interest cost	4	4	8	8
Amortization of prior service cost	-	1	-	1
Recognition of net actuarial loss	3	3	6	7
	$ 8	$ 10	$ 17	$ 20
Postretirement Obligations				
Service cost	$ -	$ -	$ -	$ -
Interest cost	4	5	8	9
Amortization of prior service cost	(1)	(2)	(2)	(3)
Recognition of net actuarial (gain) loss	-	(1)	1	(2)
	$ 3	$ 2	$ 7	$ 4

5. **Sale Agreement**

On June 2, 2005, the Company entered into a Purchase, Sale and Servicing Transfer Agreement (the "Purchase Agreement") with Citibank, N.A. (together with its subsidiaries, as applicable, "Citibank"). The Purchase Agreement provides, on the terms and subject to the conditions set forth therein, for, among other things, the purchase by Citibank of (i) the proprietary and non-proprietary credit card accounts owned by the Company, together with related receivables balances, and the capital stock of Prime Receivables Corporation, a wholly owned subsidiary of the Company, which owns all of the Company's interest in the Prime Credit Card Master Trust (the foregoing and certain related assets being the "FDS Credit Assets"), (ii) the "Macy's" credit card accounts owned by GE Capital Consumer Card Co. ("GE Bank"), together with related receivables balances (the foregoing and certain related assets being the "GE/Macy's Credit Assets"), upon the termination of the Company's credit card program agreement with GE Bank, and (iii) the proprietary credit card accounts owned by The May Department Stores Company, together with related receivables balances (the foregoing and certain related assets being the "May Credit Assets"), within 12 months after the completion of the acquisition described in Note 6 below.

In connection with the Purchase Agreement, the Company and Citibank entered into a long-term marketing and servicing alliance pursuant to the terms of a Credit Card Program Agreement (the "Program Agreement") with an initial term of 10 years commencing upon the final closing under the Purchase Agreement and, unless terminated by either party as of the expiration of the initial term, an additional renewal term of three years. The Program Agreement provides, on the terms and subject to the conditions set forth therein, for, among other things, (i) the ownership by Citibank of the accounts purchased by Citibank pursuant to the Purchase Agreement, (ii) the ownership by Citibank of new accounts opened by the Company's customers, (iii) the provision of credit by Citibank to the holders of the credit cards associated with the foregoing accounts, (iv) the servicing of the foregoing accounts, and (v) the allocation between Citibank and the Company of the economic benefits and burdens associated with the foregoing and other aspects of the alliance.

The consummation of the transactions contemplated by the Purchase Agreement is subject to regulatory approvals and the satisfaction of other customary conditions. The initial closing, which will involve the sale of the FDS Credit Assets, is expected to occur in the Company's third fiscal quarter of 2005.

6. **Subsequent Event**

On August 30, 2005, the Company completed the acquisition of The May Department Stores Company ("May") pursuant to the merger of May with a wholly owned subsidiary of the Company (the "Merger"). As a result of the Merger, May stockholders became entitled to receive in exchange for their May common stock a combination of cash and shares of Company common stock. The Company estimates that the merger payments to May stockholders will total approximately $5.7 billion in cash and 100 million shares of Company common stock.

The Merger is expected to have a material effect on the Company's consolidated financial position, results of operations and cash flows. May's reported net sales and net earnings for the 26 weeks ended July 30, 2005 were $6,815 million and $93 million, respectively. May's reported total assets and total liabilities (including ESOP preference shares) at July 30, 2005 were $15,069 million and $10,168 million, respectively. May's reported long-term debt (including the current portion thereof) at July 30, 2005 was $5,798 million.

FEDERATED DEPARTMENT STORES, INC .

Management's Discussion and Analysis
of Financial Condition and Results of Operations

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

For purposes of the following discussion, all references to "second quarter of 2005" and "second quarter of 2004" are to the Company's 13-week fiscal periods ended July 30, 2005 and July 31, 2004, respectively, and all references to "2005" and "2004" are to the Company's 26-week fiscal periods ended July 30, 2005 and July 31, 2004, respectively.

The Company is a retail organization operating department stores that sell a wide range of merchandise, including men's, women's and children's apparel and accessories, cosmetics, home furnishings and other consumer goods in 34 states, Puerto Rico and Guam. The highest concentrations of stores are on the west coast, in the southeast and in the northeast. The Company's operations are significantly impacted by competitive pressures from department stores, specialty stores and mass merchandisers and all other retail channels, and general consumer-spending levels, including the impact of employment levels.

In 2003, the Company commenced the implementation of a strategy to more fully utilize its Macy's brand. The Company propelled Macy's presence nationwide through successful co-branding with the Company's regional department store nameplates. The co-branding allowed the Company to magnify the impact of marketing on a nationwide basis, as well as to leverage major events such as the Macy's Thanksgiving Day Parade. Continuing with the Company's strategy to more fully utilize its Macy's brand, the Company converted all of its co-branded regional department stores to the Macy's nameplate on March 6, 2005. As a result, the Company currently operates coast to coast exclusively under two retail brands - Macy's and Bloomingdale's. Also in 2005, the Company launched a new nationwide Macy's customer loyalty program, called Star Rewards, in coordination with the launch of the Macy's nameplate in cities across the country. The program will provide an enhanced level of offers and benefits to Macy's best customers.

In early 2004, the Company announced a further step in reinventing its department stores - the creation of a centralized organization to be responsible for the overall strategy, merchandising and marketing of home-related categories of business in all of its Macy's-branded stores. The centralized operation is expected to accelerate sales in these categories largely by improving and further differentiating the Company's home-related merchandise assortments.

In 2005, the Company continues to focus on four key priorities for improving the business over the longer term: differentiating and editing merchandise assortments; simplifying pricing; improving the overall shopping experience; and communicating better with customers through more brand focused and effective marketing. The Company believes that its recent results indicate that these strategies are working and that the customer is responding in a favorable manner.

On August 30, 2005, the Company completed the acquisition of The May Department Stores Company ("May") pursuant to the merger of May with a wholly owned subsidiary of the Company (the "Merger"). As a result of the Merger, May stockholders became entitled to receive in exchange for their May common stock a combination of cash and shares of Company common stock. The Company estimates that the merger payments to May stockholders will total approximately $5.7 billion in cash and 100 million shares of Company common stock. The Company has committed to increase its annual dividend to $1 per share following the completion of the Merger.

The Merger is expected to have a material effect on the Company's consolidated financial position, results of operations and cash flows. May's reported net sales and net earnings for the 26 weeks ended July 30, 2005 were $6,815 million and $93 million, respectively. May's reported total assets and total liabilities (including ESOP preference shares) at July 30, 2005 were $15,069 million and $10,168 million, respectively. May's reported long-term debt (including the current portion thereof) at July 30, 2005 was $5,798 million. The Company expects that the Merger will be accretive to its earnings per share in 2007. The Company expects to realize approximately $450 million in annual cost savings by 2007, resulting from the consolidation of central functions, division integrations and the adoption of best practices across the combined company. In addition, the Company anticipates incurring approximately $1 billion in one-time costs related to the acquisition and integration, spread out over a three-year period, commencing after the acquisition in 2005.

The Company expects to add about 330 Macy's locations nationwide in 2006 as it converts the regional department store nameplates acquired through the Merger. In conjunction with the conversion process, the Company has identified 75 locations which will be divested starting in 2006. Included are 44 current May stores operating in 12 states under various nameplates, as well as 31 Macy's stores operating in 14 states. Locations identified for divestiture accounted for approximately $2.1 billion of 2004 sales. In addition to the other locations to be divested, the Company intends to divest either the May or Macy's store in downtown Boston and a small number of stores are being studied for potential conversion to the Bloomingdale's nameplate. The Company is continuing to study its store portfolio in light of the Merger and some plans may change as conversion dates approach.

The Company is a party to a Purchase, Sale and Servicing Transfer Agreement (the "Purchase Agreement") with Citibank, N.A. (together with its subsidiaries, as applicable, "Citibank"). The Purchase Agreement provides, on the terms and subject to the conditions set forth therein, for, among other things, the purchase by Citibank of (i) the proprietary and non-proprietary credit card accounts owned by the Company, together with related receivables balances, and the capital stock of Prime Receivables Corporation, a wholly owned subsidiary of the Company, which owns all of the Company's interest in the Prime Credit Card Master Trust (the foregoing and certain related assets being the "FDS Credit Assets"), (ii) the "Macy's" credit card accounts owned by GE Capital Consumer Card Co. ("GE Bank"), together with related receivables balances (the foregoing and certain related assets being the "GE/Macy's Credit Assets"), upon the termination of the Company's credit card program agreement with GE Bank, and (iii) the proprietary credit card accounts owned by May, together with related receivables balances (the foregoing and certain related assets being the "May Credit Assets"), within 12 months after the completion of the Merger.

In connection with the Purchase Agreement, the Company and Citibank entered into a long-term marketing and servicing alliance pursuant to the terms of a Credit Card Program Agreement (the "Program Agreement") with an initial term of 10 years commencing upon the final closing under the Purchase Agreement and, unless terminated by either party as of the expiration of the initial term, an additional renewal term of three years. The Program Agreement provides, on the terms and subject to the conditions set forth therein, for, among other things, (i) the ownership by Citibank of the accounts purchased by Citibank pursuant to the Purchase Agreement, (ii) the ownership by Citibank of new accounts opened by the Company's customers, (iii) the provision of credit by Citibank to the holders of the credit cards associated with the foregoing accounts, (iv) the servicing of the foregoing accounts, and (v) the allocation between Citibank and the

Company of the economic benefits and burdens associated with the foregoing and other aspects of the alliance.

The sales prices provided for in the Purchase Agreement equate to approximately 111.5% of the receivables to be included in the FDS Credit Assets, the GE/Macy's Credit Assets and the May Credit Assets, and the Company will receive ongoing payments under the Program Agreement. The transactions contemplated by the Purchase Agreement and the Program Agreement are expected to be accretive to the Company's earnings per share, particularly as the sales of the GE/Macy's Credit Assets and the May Credit Assets are completed.

The consummation of the transactions contemplated by the Purchase Agreement is subject to regulatory approvals and the satisfaction of other customary conditions. The initial closing, which will involve the sale of the FDS Credit Assets, is expected to occur in the Company's third fiscal quarter of 2005.

The Company has provided GE Bank with a notice of its election to terminate the Company's credit card program agreement with GE Bank at the expiration of its initial term, which is scheduled to occur on May 1, 2006. In addition, the Company has given GE Bank irrevocable notice of its election to purchase on May 1, 2006, subject to the receipt of all required regulatory approvals and expiration of all applicable waiting periods, all of the GE/Macy's Credit Assets as of April 30, 2006 pursuant to the credit card program agreement, which provides that the purchase price for the GE/Macy's Credit Assets will be equal to the "net book value" (as such term is defined in the credit card program agreement) of the assets to be purchased as of the purchase date.

Results of Operations

Comparison of the 13 Weeks Ended July 30, 2005 and July 31, 2004

Net income for the second quarter of 2005 increased to $148 million compared to $78 million for the second quarter of 2004. The increase reflects higher sales, a lower expense rate, and reduced interest expense.

Net sales for the second quarter of 2005 totaled $3,623 million, up 1.2% compared to net sales of $3,581 million for the second quarter of 2004. On a comparable store basis (sales from stores in operation throughout 2004 and 2005 and all Internet sales and mail order sales from continuing businesses), net sales for the second quarter of 2005 increased 1.1% compared to the second quarter of 2004. Sales of the Company's private brands continued strong across the store in the second quarter of 2005. Sales in the second quarter of 2005 were strongest at Macy's Florida with above average performances also at Macy's West, Macy's East and Bloomingdale's. By family of business, sales in the second quarter of 2005 were strongest in cosmetics, shoes and handbags. The weaker businesses during the second quarter of 2005 continued to be in the home related areas.

Cost of sales was 58.7% of net sales for the second quarter of 2005, compared to 59.0% for the second quarter of 2004. Included in cost of sales for the second quarter of 2004 were $13 million of markdowns primarily associated with the Macy's home store centralization. These markdowns are related to merchandise that was being sold at Macy's-branded stores that will not continue to be sold following the home store centralization. Merchandise inventories were down approximately 3% at the end of the second quarter of 2005 as compared to the second quarter of 2004. The valuation of merchandise inventories on the last-in, first-out basis did not impact cost of sales in either period.

Selling, general and administrative ("SG&A") expenses were 33.3% of net sales for the second quarter of 2005 compared to 34.2% for the second quarter of 2004. The SG&A expense rate for the second quarter of 2005 benefited from higher sales. Included in SG&A expenses for the second quarter of 2004 were approximately $18 million of costs incurred in connection with store closings, the Burdines-Macy's consolidation and the home store centralization.

Net interest expense was $54 million for the second quarter of 2005, compared to $119 million for the second quarter of 2004. Net interest expense for the second quarter of 2005 benefited from the combination of lower levels of borrowings and increased income on invested cash. Net interest expense for the second quarter of 2004 includes $59 million of costs associated with the repurchase of $274 million of the Company's 8.5% senior notes due 2010.

The Company's effective income tax rate of 37.7% for the second quarter of 2005 and 38.2% for the second quarter of 2004 differ from the federal income tax statutory rate of 35.0%, and on a comparative basis, principally because of the effect of state and local income taxes.

Comparison of the 26 weeks Ended July 30, 2005 and July 31, 2004

Net income for 2005 increased to $271 million compared to $175 million for 2004. The increase reflects higher sales, a lower expense rate, and reduced interest expense.

Net sales for 2005 totaled $7,264 million, compared to net sales of $7,131 million for 2004, an increase of 1.9%. On a comparable store basis (sales from stores in operation throughout 2004 and 2005 and all Internet sales and mail order sales from continuing businesses), net sales increased 1.8% compared to 2004. Sales of the Company's private brands continued strong in 2005. Sales in 2005 were strongest at Macy's Florida and Bloomingdale's. By family of business, sales in 2005 were strong in cosmetics, shoes, handbags, men's and women's sportswear and children's apparel. The weaker businesses during 2005 continued to be in the home related areas.

Cost of sales was 59.2% of net sales for 2005, compared to 59.4% for 2004. Included in cost of sales for 2004 were $17 million of markdowns associated with the Macy's home store centralization and the Burdines-Macy's consolidation in Florida. These markdowns are primarily related to merchandise that was being sold at Macy's-branded stores that will not continue to be sold following the Burdines-Macy's consolidation and home store centralization. The valuation of department store merchandise inventories on the last-in, first-out basis did not impact cost of sales in either period.

SG&A expenses were 33.3% of net sales for 2005, compared to 34.1% for 2004. The SG&A expense rate for 2005 benefited from higher sales. Included in SG&A expenses for 2004 were approximately $33 million of costs incurred in connection with store closings, the Burdines-Macy's consolidation and the home store centralization.

Net interest expense was $108 million for 2005, compared to $179 million for 2004. Net interest expense for 2005 benefited from the combination of lower levels of borrowings and increased income on invested cash. Net interest expense for 2004 includes $59 million of costs associated with the repurchase of $274 million of the Company's 8.5% senior notes due 2010.

The Company's effective income tax rate of 37.7% for 2005 and 38.2% for 2004 differ from the federal income tax statutory rate of 35.0%, and on a comparative basis, principally because of the effect of state and local income taxes.

Liquidity and Capital Resources

The Company's principal sources of liquidity are cash from operations, cash on hand and available credit facilities.

Net cash provided by operating activities in 2005 was $665 million, compared to the $586 million provided in 2004, benefiting from higher net income.

Net cash used by investing activities was $237 million for 2005, compared to $281 million for 2004. Investing activities for 2005 included purchases of property and equipment totaling $143 million, capitalized software of $32 million and an increase in non-proprietary accounts receivable of $76 million. Investing activities for 2004 included purchases of property and equipment totaling $175 million, capitalized software of $37 million, an increase in non-proprietary accounts receivable of $96 million and $20 million collection of notes receivable. The Company opened one new department store and plans to open one additional department store before the fourth quarter of 2005. The Company's budgeted capital expenditures with respect to its current operations continue to be approximately $600 million for fiscal year 2005.

Historically, the Company presented the aggregate cash flows generated from both the Company's proprietary and non-proprietary credit card accounts as cash flows from operating activities in the consolidated statements of cash flows. The Company has changed its presentation of cash flows generated from its non-proprietary credit card accounts from operating to investing activities within the consolidated statements of cash flows, as the receivables generated in such accounts relate predominately to activities external to the Company's sales of merchandise and services. Accordingly, the Company has reclassified the cash flows associated with such accounts in the comparable prior year period to conform to the classification of such cash flows for the period covered by this report.

The impact on the respective line items of the Consolidated Statement of Cash Flows is as follows:

	26 Weeks Ended July 31, 2004
	(millions)
As Previously Reported	
Decrease in accounts receivable	$ 145
Net cash provided by operating activities	490
Net cash used by investing activities	(185)
As Reclassified	
Decrease in proprietary and other accounts receivable not separately identified	$ 241
Net cash provided by operating activities	586
Increase in non-proprietary accounts receivable	(96)
Net cash used by investing activities	(281)

Net cash provided by the Company from all financing activities was $103 million for 2005, including the issuance of

$227 million of its common stock, primarily related to the exercise of stock options and $46 million of cash dividends paid. The Company acquired no shares of its common stock under its share repurchase program during 2005. Net cash used by the Company for all financing activities was $625 million for 2004, including $361 million of debt repayments, the acquisition of 7.2 million shares of its common stock at an approximate cost of $353 million, the issuance of $129 million of its common stock, primarily related to the exercise of stock options, and $47 million of cash dividends paid.

On August 10, 2005, the Company's board of directors declared a regular quarterly dividend of $0.25 per share on its common stock, payable on October 3, 2005 to the Company's pre-Merger stockholders of record as of the close of business on August 29, 2005. A cash dividend of $0.245 per share will be paid on September 15, 2005, to May's pre-Merger Stockholders of record as of the close of business on August 29, 2005.

The Company is a party to a five-year credit agreement with certain financial institutions providing for revolving credit borrowings and letters of credit in an aggregate amount not to exceed $2.0 billion (which amount may be increased to $2.5 billion at the option of the Company) outstanding at any particular time. Upon the completion of the Merger, this agreement replaced the Company's previous five-year credit agreement, which would have expired June 29, 2006.

In connection with the Merger, the Company entered into a 364-day bridge credit agreement with certain financial institutions providing for revolving credit borrowings in an aggregate amount not to exceed $5.0 billion outstanding at any particular time. The aggregate amount of the facility will be reduced upon the receipt by the Company of net cash proceeds from certain events, including certain sales or other dispositions of assets aggregating $100 million or more, the issuance of certain equity interests and the incurrence of certain long term indebtedness.

In connection with the Merger, the Company entered into an unsecured commercial paper program pursuant to which it may issue and sell commercial paper in an aggregate amount outstanding at any particular time not to exceed its then-current borrowing availability under the revolving credit facilities described above.

The Company funded the cash consideration payable in the Merger originally through cash on hand and borrowings under its 364-day bridge credit agreement. The Company subsequently issued commercial paper and utilized the proceeds and additional cash on hand to pay down the borrowings under the 364-day bridge credit agreement. As of September 7, 2005, the Company had no borrowings outstanding under the 364-day bridge credit agreement and $4.3 billion of commercial paper outstanding under its commercial paper programs.

Management believes that, with respect to the Company's current operations, cash on hand and funds from operations, together with its credit facilities and other capital resources, will be sufficient to cover the Company's reasonably foreseeable working capital, capital expenditure and debt service requirements and other cash requirements in both the near term and over the longer term. The Company's ability to generate funds from operations may be affected by numerous factors, including general economic conditions and levels of consumer confidence and demand; however, the Company expects to be able to manage its working capital levels and capital expenditure amounts so as to maintain sufficient levels of liquidity. Depending upon conditions in the capital markets and other factors, the Company will from time to time consider the issuance of debt or other securities, or other possible capital markets transactions, the proceeds of which could be used to refinance current indebtedness or for other corporate purposes.

Management believes the department store business and other retail businesses will continue to consolidate. The Company intends from time to time to consider additional acquisitions of, and investments in, department stores and other complementary assets and companies. Acquisition transactions, if any, are expected to be financed from one or more of the following sources: cash on hand, cash from operations, proceeds from the proposed sale of the Company's credit card-related operations, borrowings under existing or new credit facilities and the issuance of long-term debt, commercial paper or other securities, including Common Stock.

Item 4. Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have carried out, as of July 30, 2005, with the participation of the Company's management, an evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.

There were no changes in the Company's internal controls over financial reporting that occurred during the Company's most recently completed fiscal quarter that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II -- OTHER INFORMATION

FEDERATED DEPARTMENT STORES, INC.

Item 1. Legal Proceedings.

The Company and its subsidiary, Macy's West, Inc., were named as defendants in a civil action filed by the California Attorney General. The complaint was filed on June 23, 2004 in Alameda County Superior Court. The complaint alleges violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code Sections 25249.5 et seq., also known as Proposition 65 ("Prop 65") on the basis that the Company offers for sale fashion jewelry containing levels of lead requiring a warning under Prop 65 and that such warning had not been provided. The plaintiffs seek injunctive relief, civil penalties, and attorneys' fees and costs, and the parties are currently attempting to resolve the lawsuit through mediation. Based on the information presently available to the Company, management expects that the ultimate resolution of this action will not have a material impact on the Company's financial condition, results of operations or cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table provides information regarding the Company's purchases of Common Stock during the second quarter of 2005:

	Total Number of Shares Purchased (1)	Average Price per Share ($)	Number of Shares Purchased Under Program (2)	Open Authorization Remaining (2) (3) ($)
	(thousands)		(thousands)	(millions)
May 1, 2005 - May 28, 2005	-	-	-	670
May 29, 2005 - July 2, 2005	95	67.45	-	670
July 3, 2005 - July 30, 2005	-	-	-	670
Total	95	67.45	-	

(1) Consists of shares accepted in lieu of cash to pay employee tax liabilities upon lapse of restrictions on restricted stock and upon the distribution of Common Stock under the Company's deferred compensation plans.

(2) The Company's board of directors initially approved a $500 million authorization to purchase Common Stock on January 27, 2000 and approved additional $500 million authorizations on each of August 25, 2000, May 18, 2001 and April 16, 2003 and additional $750 million authorizations on each of February 27, 2004 and July 20, 2004. All authorizations are cumulative and do not have an expiration date.

(3) In connection with the proposed acquisition of The May Department Stores Company, the Company has suspended repurchases under the Company's share repurchase plan.

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of the Company's stockholders was held on July 13, 2005. The Company's stockholders voted on the following items at such meeting:

(a) The stockholders approved the issuance of Company Common Stock pursuant to the terms of the Agreement and Plan of Merger, dated February 27, 2005, by and among The May Department Stores Company, the Company and Milan Acquisition LLC, a wholly-owned subsidiary of the Company. The votes for the issuance of stock were 138,359,478, the votes against the issuance of stock were 161,901, and the votes abstained were 909,664.

(b) The stockholders approved the election of three Directors for a three-year term expiring at the 2008 Annual Meeting of the Company's stockholders. The votes for such elections were as follows: Meyer Feldberg - 141,446,184votes in favor and 7,368,295 votes withheld; Terry J. Lundgren - 145,902,938 votes in favor and 2,911,541 votes withheld; and Marna C. Whittington - 140,097,652 votes in favor and 8,716,827 votes withheld.

(c) The stockholders approved an amendment to the Company's certificate of incorporation to provide for the annual election of directors. The votes for the amendment were 146,721,042, the votes against the amendment were 1,172,966, and the votes abstained were 920,471.

(d) The stockholders ratified the employment of KPMG LLP as the Company's independent accountants for the fiscal year ending January 28, 2006. The votes for the ratification were 147,499,194, the votes against the ratification were 443,122, and the votes abstained were 872,163.

Item 5. Other Information

This report and other reports, statements and information previously or subsequently filed by the Company with the Securities and Exchange Commission (the "SEC") contain or may contain forward-looking statements. Such statements are based upon the beliefs and assumptions of, and on information available to, the management of the Company at the time such statements are made. The following are or may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995: (i) statements preceded by, followed by or that include the words "may," "will," "could," "should," "believe," "expect," "future," "potential," "anticipate," "intend," "plan," "think," "estimate" or "continue" or the negative or other variations thereof and (ii) statements regarding matters that are not historical facts. Such forward-looking statements are subject to various risks and uncertainties, including (a) risks and uncertainties relating to the possible invalidity of the underlying beliefs and assumptions, (b) possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions, (c) actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, competitors and legislative, regulatory, judicial and other governmental authorities and officials, and (d) attacks or threats of attacks by terrorists or war. Without limiting the generality of the foregoing, forward-looking statements regarding the anticipated effects of the acquisition of The May Department Stores Company are subject to risks and uncertainties relating to, among other things, the successful and timely integration of the acquired businesses with the Company's historical businesses, timely realization of expected cost savings and other synergies, and potential disruption from the transaction which could make it more difficult to maintain relationships with the companies' respective employees, customers and vendors. No forward-looking statements should be relied upon as continuing to reflect the expectations of management or the current status of any matter referred to therein as of any date subsequent to the date on which such statements are made. Furthermore, future results of the operations of the Company could differ materially from historical results or current expectations because of a variety of factors that affect the Company, including the proposed acquisition of The May Department Stores Company; transaction costs associated with the renovation, conversion and transitioning of retail stores in regional markets; the outcome and timing of sales and leasing in conjunction with the disposition of retail store properties; the retention, reintegration and transitioning of displaced employees; the proposed sale of the Company's credit card operations and related strategic alliance; competitive pressures from department and specialty stores, general merchandise stores, manufacturers' outlets, off-price and discount stores, and all other retail channels; and general consumer-spending levels, including the impact of the availability and level of consumer debt, levels of consumer confidence and the effects of the weather. In addition to any risks and uncertainties specifically identified in the text surrounding such forward-looking statements, the statements in the immediately preceding sentence and the statements under captions such as "Risk Factors" and "Special Considerations" in reports, statements and information filed by the Company with the SEC from time to time constitute cautionary statements identifying important factors that could cause actual amounts, results, events and circumstances to differ materially from those reflected in such forward-looking statements.

Item 6. Exhibits

3.1	Certificate of Incorporation of Federated Department Stores, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K (File No. 001-135361) for the fiscal year ended January 28, 1995).
3.2	Amended and Restated Article Seventh to the Certificate of Incorporation of Federated Department Stores, Inc. (incorporated by reference to Annex F of the Proxy Statement of the Company dated May 31, 2005).
3.3	By-Laws of Federated Department Stores, Inc. (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-8 (Registration No. 333-104204) filed on April 1, 2003.
3.4	Amended and Restated Sections 28 and 29 of the By-Laws of Federated Department Stores, Inc. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated as of July 19, 2005).
10.1	Employment Agreement between Federated Corporate Services, Inc. (a wholly-owned subsidiary of the Company) and Thomas L. Cole dated as of July 1, 2005 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated June 1, 2005).*
10.2	Employment Agreement between Macy's Merchandising Group, LLC (a wholly-owned

subsidiary of the Company) and Janet E. Grove dated as of July 1, 2005 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated June 3, 2005).*

10.3 Employment Agreement between Federated Corporate Services, Inc. (a wholly-owned subsidiary of the Company) and Thomas G. Cody dated as of July 1, 2005 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated June 15, 2005).*

10.4 Credit Agreement dated as of July 18, 2005 among Federated Department Stores, Inc., Federated Holdings, Inc., JPMorgan Chase Bank N.A. and Bank of America, N.A. (as Administrative Agents) and JPMorgan Chase Bank, N.A. (as Paying Agent) (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K, dated July 19, 2005).

10.5 Notice of Termination dated July 12, 2005 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated as of July 14, 2005).

10.6 Notice of Election to Purchase dated July 12, 2005 (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated as of July 14, 2005).

10.7 Accession Agreement dated August 30, 2005 between Federated Retail Holdings, Inc. and JPMorgan Chase Bank, N.A. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated as of August 30, 2005).

10.8 Bridge Credit Agreement dated as of August 30, 2005 among Federated Department Stores, Inc., Federated Retail Holdings, Inc., the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as paying agent and an administrative agent, and Bank of America, N.A., as an administrative agent (the "Bridge Credit Agreement") (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated as of August 30, 2005).

10.9 Guarantee Agreement dated as of August 30, 2005 among Federated Department Stores, Inc., Federated Retail Holdings, Inc. and JP Morgan Chase Bank, N.A., related to the Credit Agreement, dated July 18, 2005, among Federated Department Stores, Inc., the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as paying agent and an administrative agent, and Bank of America, N.A., as an administrative agent (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated as of August 30, 2005).

10.10 Guarantee Agreement, dated as of August 30, 2005, among Federated Department Stores, Inc., Federated Retail Holdings, Inc. and JP Morgan Chase Bank, N.A., related to the Bridge Credit Agreement (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated as of August 30, 2005).

10.11 Letter Agreement dated August 30, 2005 among Federated Department Stores, Inc., Federated Retail Holdings, Inc. and Citibank, N.A., as issuing and paying agreement, amending the Issuing and Paying Agent Agreement, dated January 30, 1997, between Federated Department Stores, Inc. and Citibank, N.A. (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K dated as of August 30, 2005).

10.12 Commercial Paper Dealer Agreement dated as of August 30, 2005 among Federated Department Stores, Inc., Federated Retail Holdings, Inc. and Banc of America Securities LLC (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K dated as of August 30, 2005).

10.13 Commercial Paper Dealer Agreement dated as of August 30, 2005 among Federated Department Stores, Inc., Federated Retail Holdings, Inc. and Goldman, Sachs & Co. (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K dated as of August 30, 2005).

10.14 Commercial Paper Dealer Agreement dated as of August 30, 2005 among Federated Department Stores, Inc., Federated Retail Holdings, Inc. and J.P. Morgan Securities Inc. (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K dated as of August 30, 2005).

10.15 First Supplemental Trust Indenture dated as of August 30, 2005, by and among Federated Department Stores, Inc. (as successor to The May Department Stores Company, a Delaware corporation), Federated Retail Holdings, Inc. (f/k/a The May Department Stores Company, a New York corporation) and J.P. Morgan Trust Company National Association, as trustee, under the Indenture, dated as of June 17, 1996, among The May Department Stores Company, a Delaware corporation, The May Department Stores Company, a New York corporation, and J.P. Morgan Trust Company National Association, as trustee (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K dated as of August 30, 2005).

10.16 First Supplemental Trust Indenture dated as of August 30, 2005 among Federated Department Stores, Inc. (as successor to The May Department Stores Company, a Delaware corporation), Federated Retail Holdings, Inc. (f/k/a The May Department Stores Company, a New York corporation) and J.P. Morgan Trust Company National Association, as trustee, under the

Indenture, dated as of July 20, 2004, among The May Department Stores Company, a Delaware corporation, The May Department Stores Company, a New York corporation, and J.P. Morgan Trust Company National Association, as trustee (incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K dated as of August 30, 2005).

10.17	Guarantee of Securities dated as of August 30, 2005 by Federated Department Stores, Inc. relating to the Indenture, dated as of October 1, 1984, between Federated Retail Holdings, Inc. (f/k/a The May Department Stores Company, a New York corporation, as successor to Associated Dry Goods Corporation) and J.P. Morgan Trust Company National Association (successor to Chemical Bank), as trustee (incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K dated as of August 30, 2005).
10.18	Guarantee of Securities dated as of August 30, 2005 by Federated Department Stores, Inc. relating to the Indenture, dated as of January 15, 1991, between Federated Retail Holdings, Inc. (f/k/a The May Department Stores Company, a New York corporation) and Citibank, N.A., as trustee (incorporated by reference to Exhibit 10.12 to the Company's Current Report on Form 8-K dated as of August 30, 2005).
10.19	Guarantee of Securities dated as of August 30, 2005 by Federated Department Stores, Inc. relating to the Amended and Restated Indenture, dated as of January 15, 1991, between Federated Retail Holdings, Inc. (f/k/a The May Department Stores Company, a New York corporation) and J.P. Morgan Trust Company National Association (successor to Bank One Trust Company N.A., successor to The First National Bank of Chicago), as trustee (incorporated by reference to Exhibit 10.13 to the Company's Current Report on Form 8-K dated as of August 30, 2005).
10.20	Tenth Supplemental Indenture dated as of as of August 30, 2005 among Federated Department Stores, Inc., Federated Retail Holdings, Inc. and U.S. Bank (as successor to State Street Bank and Trust Company, as successor to The First National Bank of Boston), as trustee, under the Indenture, dated as of December 15, 1994, between Federated and U.S. Bank, as trustee (the "1994 Indenture") (incorporated by reference to Exhibit 10.14 to the Company's Current Report on Form 8-K dated as of August 30, 2005).
10.21	Seventh Supplemental Indenture dated as of August 30, 2005 among Federated Department Stores, Inc., Federated Retail Holdings, Inc. and Citibank, N.A., as trustee, under the Indenture, dated as of September 10, 1997, between Federated Department Stores, Inc. and Citibank, N.A., as trustee (the "1997 Indenture") (incorporated by reference to Exhibit 10.15 to the Company's Current Report on Form 8-K dated as of August 30, 2005).
10.22	Guarantee of Securities dated as of August 30, 2005 by Federated Department Stores, Inc. relating to the 1994 Indenture (incorporated by reference to Exhibit 10.16 to the Company's Current Report on Form 8-K dated as of August 30, 2005).
10.23	Guarantee of Securities dated as of August 30, 2005 by Federated Department Stores, Inc. relating to the 1997 Indenture (incorporated by reference to Exhibit 10.17 to the Company's Current Report on Form 8-K dated as of August 30, 2005).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a).
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a).
32.1	Certifications by Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act.

*Constitutes a compensatory plan or arrangement.

FEDERATED DEPARTMENT STORES, INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FEDERATED DEPARTMENT STORES, INC.

Dated: September 8, 2005 By: /s/Dennis J. Broderick

Name: Dennis J. Broderick

Title: Senior Vice President, General Counsel
and Secretary

By: /s/Joel A. Belsky

Name: Joel A. Belsky

Title: Vice President and Controller
(Principal Accounting Officer)

CERTIFICATION

I, Terry J. Lundgren, Chief Executive Officer of Federated Department Stores, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Federated Department Stores, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 8, 2005 /s/ Terry J. Lundgren

Terry J. Lundgren

Exhibit 31.2

CERTIFICATION

I, Karen M. Hoguet, Chief Financial Officer of Federated Department Stores, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Federated Department Stores, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 8, 2005 /s/ Karen M. Hoguet

Karen M. Hoguet

Exhibit 32.1

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Form 10-Q of Federated Department Stores, Inc. (the "Company") for the fiscal quarter ended July 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Dated: September 8, 2005

/s/ Terry J. Lundgren

Name: Terry J. Lundgren

Title: Chief Executive Officer

/s/ Karen M. Hoguet

Name: Karen M. Hoguet

Title: Chief Financial Officer