

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report: August 14, 2013

**MACY'S, INC.**

7 West Seventh Street, Cincinnati, Ohio 45202  
(513) 579-7000

-and-

151 West 34<sup>th</sup> Street, New York, New York 10001  
(212) 494-1602

Delaware  
(State of Incorporation)

1-13536  
(Commission File Number)

13-3324058  
(IRS Employer Identification No.)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On August 14, 2013, Macy's, Inc. ("Macy's") issued a press release announcing Macy's sales, financial condition and results of operations for the 13 and 26 weeks ended August 3, 2013. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release of Macy's dated August 14, 2013.

**MACY'S, INC.**

SIGNATURE

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.

MACY'S, INC.

Dated: August 14, 2013

By: /s/ Dennis J. Broderick

Name: Dennis J. Broderick

Title: Executive Vice President, General Counsel and Secretary

Index to Exhibits

Index  
Number

99.1

Press Release of Macy's dated August 14, 2013.

# macy's inc.

**Contacts:**

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**513/579-7764**

**Investor – Matt Stautberg**

**513/579-7780**

**FOR IMMEDIATE RELEASE**

**MACY'S, INC. REPORTS SECOND QUARTER EARNINGS OF  
72 CENTS PER DILUTED SHARE, AN INCREASE OF 7.5 PERCENT**  
*Company expects second half comparable sales to rise by 2.5 percent to 4 percent*

CINCINNATI, Ohio, August 14, 2013 – Macy's, Inc. today reported earnings of 72 cents per diluted share for the second quarter of 2013, ended Aug. 3, 2013. This represents an increase of 7.5 percent in earnings per diluted share from 67 cents in the second quarter of 2012.

Macy's, Inc.'s diluted earnings per share in the first half of 2013 were \$1.27, an increase of 16.5 percent compared with earnings per diluted share of \$1.09 in the first half of 2012.

"We had planned our second quarter sales with a lower increase than the first quarter because of a shift in a major promotional event. Even so, second quarter sales performance was softer than anticipated, and we are disappointed with the results. Our performance in the period, in part, reflects consumers' continuing uncertainty about spending on discretionary items in the current economic environment. After a cool spring, we have taken appropriate markdowns and customers are responding favorably. Also on the positive side, we have seen a strengthening of the sales trend in key elements of women's ready-to-wear, a category which has lagged over the past couple of years. Bloomingdale's sales rebounded in the second quarter, and we are encouraged by our recent momentum," said Terry J. Lundgren, Macy's, Inc. chairman, president and chief executive officer.

"Going into the third quarter, we also are encouraged by our early read on the back-to-school season. We accelerated receipts of fresh inventory at Macy's so we could be fully prepared for an early start to the academic year in certain regions of the country. As a result, we are capturing incremental sales opportunities in childrenswear, activewear and Impulse apparel (for the older Millennial customer). We also have intensified Macy's marketing support throughout the second half of the year to emphasize the fashion and value we deliver," Lundgren said. "We believe we have the right strategies in place at Macy's and Bloomingdale's, particularly in the omnichannel and online initiatives that are driving our business to a new level of shopping accessibility for our customer. Our My Macy's localization and Magic Selling customer engagement strategies continue to differentiate the Macy's shopping experience. We have dissected the fall calendar and related merchandise strategies for the second half, and we remain confident about our prospects for growth in the remainder of the year."

**Sales**

Sales in the second quarter totaled \$6.066 billion, down 0.8 percent from total sales of \$6.118 billion in the second quarter of 2012. On a comparable basis, Macy's, Inc.'s second quarter sales were down 0.8 percent in 2013 as compared to the second quarter of 2012.

For the year to date, Macy's, Inc. sales totaled \$12.453 billion, up 1.6 percent from total sales of \$12.261 billion in the first 26 weeks of 2012. On a comparable basis, Macy's, Inc.'s first half sales were up 1.5 percent in 2013 as compared to the first half of 2012.

Comparable sales include net sales from stores open at least one full fiscal year, as well as online sales at macys.com and bloomingdales.com.

In the second quarter, the company opened a new Macy's store in Gurnee, IL, and a Bloomingdale's Outlet store in Rosemont, IL. A Macy's store was closed in St. Louis, MO. In the second half of 2013, the company is opening a new Bloomingdale's store in Glendale, CA, and a new Macy's replacement store in Bay Shore, NY, as previously announced.

## **Operating Income**

Macy's, Inc.'s operating income totaled \$534 million or 8.8 percent of sales for the quarter ended Aug. 3, 2013, compared with operating income of \$554 million or 9.1 percent of sales for the same period last year.

For the first half of 2013, Macy's, Inc.'s operating income totaled \$969 million or 7.8 percent of sales, compared with operating income of \$945 million or 7.7 percent of sales for the same period last year.

## **Cash Flow**

Net cash provided by operating activities was \$664 million in the first half of 2013, compared with \$638 million in the first six months of last year. Net cash used by investing activities in the first half of 2013 was \$316 million, compared with \$393 million a year ago. Net cash used by financing activities in the first six months of 2013 was \$760 million, compared with \$1.468 billion in the first half of 2012. Cash used by financing activities in the first half of 2012 included the paydown of \$797 million in debt.

The company repurchased approximately 9.2 million shares of its common stock for a total of approximately \$446.7 million in the second quarter of 2013. In the fiscal year to date, the company repurchased approximately 17.5 million shares of its common stock for approximately \$806.5 million. At Aug. 3, 2013, the company had remaining authorization to repurchase up to approximately \$2.2 billion of its common stock.

## **Looking Ahead**

The company expects comparable sales in the second half of 2013 to increase in the range of 2.5 percent to 4 percent. This would calculate to a full-year 2013 comparable sales increase of 2 percent to 2.9 percent, which compares to previous guidance for comparable sales to increase by approximately 3.5 percent. Earnings for fiscal 2013 are now expected in the range of \$3.80 to \$3.90 per diluted share. This compares with previous guidance for earnings per diluted share of \$3.90 to \$3.95.

Macy's, Inc., with corporate offices in Cincinnati and New York, is one of the nation's premier retailers, with fiscal 2012 sales of \$27.7 billion. The company operates about 840 department stores in 45 states, the District of Columbia, Guam and Puerto Rico under the names of Macy's and Bloomingdale's, as well as the macys.com and bloomingdales.com websites. The company also operates 13 Bloomingdale's Outlet stores. 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 transactions, prevailing interest rates and non-recurring charges, competitive pressures from specialty stores, general merchandise stores, off-price and discount stores, manufacturers' outlets, the Internet, mail-order catalogs and television shopping and general consumer spending levels, including the impact of the availability and level of consumer debt, the effect of weather and other factors identified in documents filed by the company with the Securities and Exchange Commission.

# # #

(NOTE: Additional information on Macy's, Inc., including past news releases, is available at [www.macysinc.com/pressroom](http://www.macysinc.com/pressroom). A webcast of Macy's, Inc.'s call with analysts and investors will be held today (Aug. 14) at 10:30 a.m. (ET). Macy's, Inc.'s webcast is accessible to the media and general public via the company's website at [www.macysinc.com](http://www.macysinc.com). Analysts and investors may call in on 1-888-211-7360, passcode 3433211. A replay of the conference call can be accessed on the website or by calling 1-888-203-1112 (same passcode) about two hours after the conclusion of the call.)

## **MACY'S, INC.**

### **Consolidated Statements of Income (Unaudited) (Note 1)**

(All amounts in millions except percentages and per share figures)

13 Weeks Ended		13 Weeks Ended	
<u>August 3, 2013</u>		<u>July 28, 2012</u>	
	% to		% to
<u>\$</u>	<u>Net sales</u>	<u>\$</u>	<u>Net sales</u>

Net sales.....	\$ 6,066		\$ 6,118	
Cost of sales (Note 2).....	<u>3,533</u>	<u>58.2%</u>	<u>3,555</u>	<u>58.1%</u>
Gross margin.....	2,533	41.8%	2,563	41.9%
Selling, general and administrative expenses.....	<u>(1,999)</u>	<u>(33.0%)</u>	<u>(2,009)</u>	<u>(32.8%)</u>
Operating income.....	534	8.8%	554	9.1%
Interest expense - net.....	<u>(96)</u>		<u>(105)</u>	
Income before income taxes.....	438		449	
Federal, state and local income tax expense (Note 3)...	<u>(157)</u>		<u>(170)</u>	
Net income.....	<u>\$ 281</u>		<u>\$ 279</u>	
Basic earnings per share.....	<u>\$ .73</u>		<u>\$ .68</u>	
Diluted earnings per share.....	<u>\$ .72</u>		<u>\$ .67</u>	
Average common shares:				
Basic.....	382.5		411.2	
Diluted.....	389.3		417.1	
End of period common shares outstanding.....	377.9		404.3	
Depreciation and amortization expense.....	\$ 253		\$ 257	

# **MACY'S, INC.**

## Consolidated Statements of Income (Unaudited)

### Notes:

- (1) Because of the seasonal nature of the retail business, the results of operations for the 13 weeks ended August 3, 2013 and July 28, 2012 (which do not include the Christmas season) are not necessarily indicative of such results for the fiscal year.
- (2) Merchandise inventories are valued at the lower of cost or market using the last-in, first-out (LIFO) retail inventory method. Application of the LIFO retail inventory method did not result in the recognition of any LIFO charges or credits affecting cost of sales for the 13 weeks ended August 3, 2013 or July 28, 2012.
- (3) Federal, state and local income taxes differ from the federal income tax statutory rate of 35%, principally because of the effect of state and local taxes, including the settlement of various tax issues and tax examinations.

**MACY'S, INC.**

Consolidated Statements of Income (Unaudited) (Note 1)

(All amounts in millions except percentages and per share figures)

	<u>26 Weeks Ended</u> <u>August 3, 2013</u>		<u>26 Weeks Ended</u> <u>July 28, 2012</u>	
	<u>\$</u>	<u>% to</u> <u>Net sales</u>	<u>\$</u>	<u>% to</u> <u>Net sales</u>
Net sales.....	\$ 12,453		\$ 12,261	
Cost of sales (Note 2).....	<u>7,444</u>	<u>59.8%</u>	<u>7,312</u>	<u>59.6%</u>
Gross margin.....	5,009	40.2%	4,949	40.4%
Selling, general and administrative expenses.....	<u>(4,040)</u>	<u>(32.4%)</u>	<u>(4,004)</u>	<u>(32.7%)</u>
Operating income.....	969	7.8%	945	7.7%
Interest expense – net.....	<u>(193)</u>		<u>(217)</u>	
Income before income taxes.....	776		728	
Federal, state and local income tax expense (Note 3)...	<u>(278)</u>		<u>(268)</u>	
Net income.....	<u>\$ 498</u>		<u>\$ 460</u>	
Basic earnings per share.....	<u>\$ 1.29</u>		<u>\$ 1.11</u>	
Diluted earnings per share.....	<u>\$ 1.27</u>		<u>\$ 1.09</u>	
Average common shares:				
Basic.....	385.3		414.1	
Diluted.....	391.9		420.7	
End of period common shares outstanding.....	377.9		404.3	
Depreciation and amortization expense.....	\$ 504		\$ 513	

**MACY'S, INC.**

Consolidated Statements of Income (Unaudited)

Notes:

- (1) Because of the seasonal nature of the retail business, the results of operations for the 26 weeks ended August 3, 2013 and July 28, 2012 (which do not include the Christmas season) are not necessarily indicative of such results for the fiscal year.
- (2) Merchandise inventories are valued at the lower of cost or market using the last-in, first-out (LIFO) retail inventory method. Application of the LIFO retail inventory method did not result in the recognition of any LIFO charges or credits affecting cost of sales for the 26 weeks ended August 3, 2013 or July 28, 2012.
- (3) Federal, state and local income taxes differ from the federal income tax statutory rate of 35%, principally because of the effect of state and local taxes, including the settlement of various tax issues and tax examinations.

Consolidated Balance Sheets (Unaudited)

(millions)

	<u>August 3, 2013</u>	<u>February 2, 2013</u>	<u>July 28, 2012</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and cash equivalents.....	\$ 1,424	\$ 1,836	\$ 1,604
Receivables.....	347	371	359
Merchandise inventories.....	5,357	5,308	5,036
Prepaid expenses and other current assets.....	<u>387</u>	<u>361</u>	<u>387</u>
Total Current Assets.....	7,515	7,876	7,386
Property and Equipment - net.....	8,001	8,196	8,291
Goodwill.....	3,743	3,743	3,743
Other Intangible Assets - net.....	543	561	580
Other Assets.....	<u>629</u>	<u>615</u>	<u>565</u>
Total Assets.....	<u>\$20,431</u>	<u>\$20,991</u>	<u>\$20,565</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>			
Current Liabilities:			
Short-term debt.....	\$ 575	\$ 124	\$ 313
Merchandise accounts payable.....	2,064	1,579	1,895
Accounts payable and accrued liabilities.....	2,043	2,610	2,078
Income taxes.....	67	355	158
Deferred income taxes.....	<u>422</u>	<u>407</u>	<u>410</u>
Total Current Liabilities.....	5,171	5,075	4,854
Long-Term Debt.....	6,339	6,806	6,637
Deferred Income Taxes.....	1,217	1,238	1,134
Other Liabilities.....	1,849	1,821	2,037
Shareholders' Equity.....	<u>5,855</u>	<u>6,051</u>	<u>5,903</u>
Total Liabilities and Shareholders' Equity.....	<u>\$20,431</u>	<u>\$20,991</u>	<u>\$20,565</u>

**MACY'S, INC.**

Consolidated Statements of Cash Flows (Unaudited)

(millions)

	<u>26 Weeks Ended August 3, 2013</u>	<u>26 Weeks Ended July 28, 2012</u>
Cash flows from operating activities:		
Net income.....	\$ 498	\$ 460
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	504	513
Stock-based compensation expense.....	32	31
Amortization of financing costs and premium on acquired debt.....	(5)	(7)



Changes in assets and liabilities:		
Decrease in receivables.....	41	14
(Increase) decrease in merchandise inventories.....	(49)	81
(Increase) decrease in prepaid expenses and other current assets.....	(21)	60
Decrease in other assets not separately identified....	1	22
Increase in merchandise accounts payable.....	442	292
Decrease in accounts payable and accrued liabilities not separately identified.....	(560)	(591)
Decrease in current income taxes.....	(288)	(213)
Decrease in deferred income taxes.....	(37)	(35)
Increase in other liabilities not separately identified.....	<u>106</u>	<u>11</u>
Net cash provided by operating activities.....	<u>664</u>	<u>638</u>
Cash flows from investing activities:		
Purchase of property and equipment.....	(206)	(310)
Capitalized software.....	(110)	(109)
Disposition of property and equipment.....	5	23
Other, net.....	<u>(5)</u>	<u>3</u>
Net cash used by investing activities.....	<u>(316)</u>	<u>(393)</u>
Cash flows from financing activities:		
Financing costs.....	(3)	-
Debt repaid.....	(7)	(797)
Dividends paid.....	(173)	(165)
Increase (decrease) in outstanding checks.....	2	(43)
Acquisition of treasury stock.....	(785)	(615)
Issuance of common stock.....	<u>206</u>	<u>152</u>
Net cash used by financing activities.....	<u>(760)</u>	<u>(1,468)</u>
Net decrease in cash and cash equivalents.....	(412)	(1,223)
Cash and cash equivalents at beginning of period.....	<u>1,836</u>	<u>2,827</u>
Cash and cash equivalents at end of period.....	<u>\$ 1,424</u>	<u>\$ 1,604</u>