

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 11-K

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For fiscal year ended December 31, 1996

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission file number: 1-13536

A. Full title of the plan and the address of the plan, if
different from that of the issuer named below:

Federated Department Stores, Inc. Retirement Income
and Thrift Incentive Plan

B. Name of issuer of the securities held pursuant to the plan
and the address of its principal executive office:

Federated Department Stores, Inc.
151 West 34th Street
New York, New York 10001

and

7 West Seventh Street
Cincinnati, Ohio 45202

FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN
Financial Statements
December 31, 1996 and 1995

With Independent Auditors' Report Thereon

FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

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Pension and Profit Sharing Committee
Federated Department Stores, Inc.
Retirement Income and Thrift Incentive Plan:

We have audited the accompanying statements of net assets available for benefits of the Federated Department Stores, Inc. Retirement Income and Thrift Incentive Plan (the "Plan") as of December 31, 1996 and 1995, and the related statements of changes in net assets available for benefits for the years then ended. 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 generally accepted auditing standards. Those standards require that we plan and perform the audits 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, 1996 and 1995, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Fund Information in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of each fund. The Fund Information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

May 30, 1997

<TABLE>

FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

Statement of Net Assets Available for Benefits, with Fund Information

December 31, 1996

	Thrift Incentive Fund					
	Fund A	Fund B	Fund C	Fund D	Total	
<S>	<C>	<C>	<C>	<C>	<C>	
Assets:						
Investments, at fair value (note 3) -						
Participation in Master Trust	\$311,069,047	\$205,204,044	\$140,550,903	\$28,639,172	\$685,463,166	
Receivables:						
Employee contributions	2,075,082	1,828,675	1,565,220	198,098	5,667,075	
Interest receivable	17,399	11,696	7,886	1,577	38,558	
Due from (to) other funds	(1,452,119)	731,904	630,725	89,490	-	
Total receivables	640,362	2,572,275	2,203,831	289,165	5,705,633	
Total assets	311,709,409	207,776,319	142,754,734	28,928,337	691,168,799	
Liabilities:						
Trustee and management fees payable	265,021	317,852	55,979	11,636	650,488	
Excess employer contribution	(5,466)	-	-	178,731	173,265	
Total liabilities	259,555	317,852	55,979	190,367	823,753	
Net assets available for benefits	\$311,449,854	\$207,458,467	\$142,698,755	\$28,737,970	\$690,345,046	

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

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FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

Statement of Net Assets Available for Benefits, with Fund Information

December 31, 1995

	Stability		Thrift Incentive Fund				
	Diversified Fund	Income Fund	Fund A	Fund B	Fund C	Fund D	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Assets:							
Investments, at fair value (note 3) -							
Participation in Master Trust	\$143,822,947	\$12,830,469	\$230,187,959	\$151,535,258	\$90,648,217	\$15,264,151	\$644,289,001
Receivables:							
Employer contributions	-	-	-	-	33,739	33,739	
Employee contributions	-	-	1,762,832	1,314,502	896,929	63,592	4,037,855
Total receivables	-	-	1,762,832	1,314,502	896,929	97,331	4,071,594
Net assets available for benefits	\$143,822,947	\$12,830,469	\$231,950,791	\$152,849,760	\$91,545,146	\$15,361,482	\$648,360,595

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

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(Continued)
FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

Statement of Changes in Net Assets Available for Benefits, with Fund Information

Year Ended December 31, 1996

	Stability		
	Diversified	Income	Thrift Incentive Fund

	Fund <C>	Fund <C>	Fund A <C>	Fund B <C>	Fund C <C>	Fund D <C>	Total <C>
<S>							
Additions:							
Net investment income -							
Plan interest in Master Trust							
investment income (Note 3)	\$ 10,094,132	\$	377,306	\$ 14,370,016	\$ 23,216,545	\$ 22,186,244	\$ 3,866,753 \$ 74,110,996
Contributions:							
Employer	154,891	-	5,704	151	543	4,863,971	5,025,260
Employee	-	-	13,638,546	11,480,075	9,242,959	910,092	35,271,672
Total contributions	154,891	-	13,644,250	11,480,226	9,243,502	5,774,063	40,296,932
Total additions	10,249,023	377,306	28,014,266	34,696,771	31,429,746	9,640,816	114,407,928
Deductions -							
Distributions	8,612,913	1,928,594	37,509,690	14,771,088	7,940,164	1,661,026	72,423,475
Interfund transfers	(145,459,057)	(11,279,179)	88,994,487	34,683,024	27,664,027	5,396,698	-
Net increase (decrease)	(143,822,947)	(12,830,469)	79,499,063	54,608,707	51,153,609	13,376,488	41,984,451
Net assets available for benefits:							
Beginning of year	143,822,947	12,830,469	231,950,791	152,849,760	91,545,146	15,361,482	648,360,595
End of year	\$ -	\$ -	\$311,449,854	\$207,458,467	\$142,698,755	\$28,737,970	\$690,345,046

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

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FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

Statement of Changes in Net Assets Available for Benefits, with Fund Information

Year Ended December 31, 1995

	Stability		Thrift Incentive Fund				Total
	Diversified Fund <C>	Income Fund <C>	Fund A <C>	Fund B <C>	Fund C <C>	Fund D <C>	<C>
<S>							
Additions:							
Net investment income -							
Plan interest in Master Trust							
investment income (Note 3)	\$ 33,434,616	\$	1,220,110	\$ 19,879,755	\$ 37,022,253	\$24,872,815	\$ 2,032,764 \$118,462,313
Contributions:							
Employer	-	-	24,155	11,702	4,674	5,034,217	5,074,748
Employee	-	-	13,111,812	14,579,661	9,578,634	542,517	37,812,624
Total contributions	-	-	13,135,967	14,591,363	9,583,308	5,576,734	42,887,372
Total additions	33,434,616	1,220,110	33,015,722	51,613,616	34,456,123	7,609,498	161,349,685
Deductions -							
Distributions	25,989,769	5,886,209	51,438,577	20,217,307	10,480,554	1,364,739	115,377,155
Interfund transfers	(1,485,771)	1,410,438	396,867	(1,556,900)	695,014	540,352	-
Net increase (decrease)	5,959,076	(3,255,661)	(18,025,988)	29,839,409	24,670,583	6,785,111	45,972,530
Net assets available for benefits:							
Beginning of year	137,863,871	16,086,130	249,976,779	123,010,351	66,874,563	8,576,371	602,388,065
End of year	\$143,822,947	\$12,830,469	\$231,950,791	\$152,849,760	\$91,545,146	\$15,361,482	\$648,360,595

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

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FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

Notes to Financial Statements

December 31, 1996 and 1995

1. Description of the Plan

The following brief description of the Federated Department Stores, Inc. Retirement Income and Thrift Incentive Plan (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 consists of two parts: a retirement income plan and a thrift incentive plan. The Plan was adopted in 1953 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and U.S. tax law.

Eligibility and Vesting

Employees are generally eligible for participation in the Plan after one year of service of at least 1,000 hours. Participants are immediately 100% vested in their own and the Company's contributions.

Participant Accounts

An account is maintained for each participant in the Plan which shows the participant's separate interest in the Retirement Income and Thrift Incentive portions of the Plan. At the end of each year, the Company's contributions are allocated to individual accounts for participants who did not make a withdrawal of basic (first 5% of compensation) savings during the year, in the proportion that each participant's basic savings made and not withdrawn during the year bears to the aggregate amounts of basic savings made and not withdrawn by all participants during the year. Additional voluntary contributions (any contributions in excess of 5% of compensation) do not participate in the Company's allocation. Company contributions are made at year end only to persons who are active participants on the last day of the year. At the end of each month, investment earnings for each fund are allocated to individual accounts on amounts not withdrawn during the month in the proportion that each such participant's interest at the beginning of the month bears to the total of all such participants' interests in that fund at the beginning of such month less withdrawals.

Retirement Income

Retirement Income interests represent Company contributions to the Retirement Income portion of the Plan prior to January 1, 1984 and the earnings on such contributions. A defined benefit pension plan (the "Pension Plan") was adopted as of January 1, 1984. With the Pension Plan in place, the Company continues to make contributions to the Thrift Incentive portion of the Plan as described below and has the right to make additional contributions to the Retirement Income portion of the Plan.

(Continued)

FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

Notes to Financial Statements - Continued

December 31, 1996 and 1995

Thrift Incentive

The Thrift Incentive portion of the Plan provides for voluntary contributions by participating employees and for Company contributions matching a portion of the participant's contributions.

Participants may elect to contribute to the Thrift Incentive portion of the Plan an amount equal to 1% to 10% (subject to certain limitations) of the participant's eligible compensation. Alternatively, a participant may elect to make these contributions (subject to certain limitations) on a pre-tax basis pursuant to Section 401(k) of the Internal Revenue Code. Contributions up to 5% of eligible compensation are basic savings which are eligible for matching Company contributions. For 1984 and subsequent years, the Company's annual contribution is an amount equal to the greater of 2% of the Company's income before federal income taxes from participating divisions or the amount necessary to match 20% of participants' basic savings. The Company contributed 20% of participants' basic savings for the years ended December 31, 1996 and 1995.

Participants are permitted to make withdrawals of their after-tax contributions to the Thrift Incentive portion of the Plan at any time. Withdrawals of pre-tax contributions are subject to the hardship rules of Section 401 of the Internal Revenue Code. At termination, participants may elect to receive the balance of their account either in a lump sum or an annuity contract.

2. Summary of Significant Accounting Policies

a) Master Trust

Effective January 1, 1995, the Plan entered into the Federated Department Stores, Inc. Defined Contribution Plan Master Trust (the "Master Trust") Agreement with Mellon Bank (the "Trustee"). The Company changed the Master Trust Trustee to Chase Manhattan Bank effective January 1, 1996. Under the terms of the Master Trust, the Trustee serves as Trustee custodian for the Master Trust which was established for the investment of assets of the Plan and of the Federated Savings Plan for Employees of Lazarus PA, Inc., (the "Lazarus PA Plan") also sponsored by the Company.

The Federated Department Stores, Inc. Pension and Profit Sharing Committee selects a diversified group of investment managers who determine purchases and sales of investments for their respective portions of the assets allocated to them to manage in the Master Trust.

b) Basis of Presentation

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

c) Investments

The fair value of the Plan's participation in the Master Trust is based on the beginning of year value of the Plan's participation in the Master Trust plus allocated investment income and actual contributions, less actual distributions and allocated administrative expenses.

(Continued)

FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

Notes to Financial Statements - Continued

December 31, 1996 and 1995

Other investments are reported at fair value as determined by quoted market prices on an active market. Corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses on the sale of securities are reported on the average cost method.

Cash equivalents include highly liquid fixed-income securities with a maturity of one year or less.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

d) Insurance Contracts

Insurance contracts are valued at contract value, which represents contributions made under the contract, plus interest earned, less benefits paid and expenses charged.

e) Use of Estimates

The Plan administrator has made a number of estimates and assumptions relating to the preparation of these financial statements. Actual results could differ from these estimates and assumptions.

f) Reclassifications

Certain 1995 amounts have been reclassified to conform with the 1996 presentation.

3. Investments

All of the Plan's investments are included in the Master Trust which was established for the investment of assets of the Plan and of the Lazarus PA Plan. Each participating plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by the Trustee. At December 31, 1996 and 1995, the Plan's interest in the net assets of the Master Trust was approximately 99.2% and 99.1%, respectively. Investment income and administrative expense relating to the Master Trust are allocated to the individual plans based upon monthly balances invested by each plan.

The Trustee under the Master Trust, in accordance with the trust agreement, invests all contributions to the Plan among several investment funds. The funds are:

Diversified Fund - This fund is composed of employer contributions to the Retirement Income portion of the Plan and certain amounts transferred when certain plans were merged, together with the net earnings thereon. All amounts in this fund are invested in corporate equity and fixed-income securities, government fixed-income securities and common/collective trusts. This fund was discontinued

during 1996 and the balance of the fund was transferred to the Thrift Incentive portion of the Plan. Participants could elect to redirect their balances to any of the four Thrift Incentive funds. In the event the participants declined this election, their balances were directed to Fund A.

(Continued)

FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

Notes to Financial Statements - Continued

December 31, 1996 and 1995

Stability Income Fund - This fund consists of balances in the Retirement Income portion of the Plan of participants who were at least 60 years of age prior to December 31, 1986, or who have attained age 55 and who have completed at least ten years of service and have elected to transfer all or part of their balance out of the Diversified Fund. All amounts in this fund are invested in short-term, fixed-income corporate and government bonds. This fund was discontinued during 1996 and the balance of the fund was transferred to the Thrift Incentive portion of the Plan. Participants could elect to redirect their balances to any of the four Thrift Incentive funds. In the event the participants declined this election, their balances were directed to Fund A.

Thrift Incentive Funds - These funds include Company and participants' contributions to the Thrift Incentive portion of the Plan, together with the net earnings thereon. The amounts in these funds are invested in four separate investment options as directed by the participants. Fund A is invested in fixed-income investments and insurance contracts. Fund B is composed of common/collective trusts which invest in a varying mixture of equity securities and fixed income instruments. Fund C is invested in an equity index fund consisting principally of shares of companies included in the S&P 500 Composite Stock Price Index. Fund D was established on April 1, 1994 and is invested in the common stock of the Company. Company contributions are directed to Fund D. Participants may elect to redirect the value of Company contributions to other investment options permitted pursuant to the Plan provisions.

The following table presents the fair values or contract values of investments and total net assets for the Master Trust at December 31, 1996 and 1995:

	1996	1995
Assets:		
Investments at fair value:		
Cash and cash equivalents	\$ 39,839,098	\$ 18,087,401
U. S. government securities	68,486,345	106,828,383
Corporate debt instruments	60,779,347	61,405,982
Preferred stock	-	133,239
Common stock	28,689,775	72,012,053
Foreign government securities	2,050,615	4,967,180
Common/collective trusts	339,497,225	278,246,438
Total investments at fair value	539,342,405	541,680,676
Insurance contracts at contract value	163,004,655	111,880,590
Total investments	702,347,060	653,561,266
Non interest bearing cash	5,264	-
Receivables:		
Securities sold	-	282,364
Accrued interest, dividend and other income	4,811,746	2,313,919
Other receivables	37,376	-

Total receivables	4,849,122	2,596,283
Total assets	707,201,446	656,157,549

(Continued)

FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

Notes to Financial Statements - Continued

December 31, 1996 and 1995

	1996	1995
Accrued liabilities:		
Due to broker for securities purchased	15,917,026	5,651,352
Accrued administrative expenses	-	501,650
Total accrued liabilities	15,917,026	6,153,002
Total net assets	\$ 691,284,420	\$ 650,004,547

Net investment income for the Master Trust for the years ended December 31, 1996 and 1995 is as follows:

	1996	1995
Net appreciation in fair value of investments:		
Cash and cash equivalents	\$ (523)	\$ (5,610)
U.S. government securities	(2,319,416)	8,514,007
Corporate debt instruments	(864,389)	1,564,391
Preferred stock	(3,450)	9,323
Common stock	10,072,511	19,583,368
Foreign government securities	9,635	13,001
Miscellaneous securities	(472,962)	-
Common/collective trusts	39,908,759	60,910,182
Net appreciation in fair value of investments	46,330,165	90,588,662
Interest	27,339,508	24,425,834
Dividends	4,062,055	4,337,912
Other	-	2,856,868
Total investment income	77,731,728	122,209,276
Administrative expenses	(2,841,013)	(2,561,490)
Net investment income	\$ 74,890,715	\$ 119,647,786

4. 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, the Company would have no further obligation to make contributions, and all sums credited to individual accounts (after expenses) would be distributed to participants.

5. Federal Income Taxes

The Plan obtained its latest determination letter on June 18, 1996, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. While the Plan has been amended since receiving such determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

(Continued)

FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT INCENTIVE PLAN

Notes to Financial Statements - Continued

December 31, 1996 and 1995

The Plan's testings, subject to the provisions of the Internal Revenue Code, have not been completed for the current year. However, the Plan's sponsor believes that the Plan is currently in compliance.

6. Administrative Expenses

The Plan pays reasonable and necessary expenses incurred for the ongoing administration of the Plan.

7. Subsequent Event

Effective April 1, 1997, all previously existing tax-qualified savings plans maintained by the Company for Company employees were merged into the Plan. Concurrently, the Plan was amended and renamed the Federated Department Stores, Inc. Profit Sharing 401(k) Investment Plan (the "401(k) Plan"). Participants in the Plan became fully vested participants in the 401(k) Plan as of such date.

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

FEDERATED DEPARTMENT STORES, INC.
RETIREMENT INCOME AND THRIFT
INCENTIVE PLAN

Dated: June 30, 1997 By: /s/ John R. Sims
John R. Sims
Chairman of the Pension and
Profit Sharing Committee