

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
November 1, 1997.

FEDERATED DEPARTMENT STORES, INC.

151 West 34th Street
New York, New York 10001
(212) 695-4400
and
7 West Seventh St.
Cincinnati, Ohio 45202
(513) 579-7000

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

209,811,821 shares of the Registrant's Common Stock, \$.01 par
value, were outstanding as of November 29, 1997.

<TABLE>

PART I -- FINANCIAL INFORMATION

FEDERATED DEPARTMENT STORES, INC.

CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(THOUSANDS, EXCEPT PER SHARE FIGURES)

<CAPTION>

	13 Weeks Ended		39 Weeks Ended	
	November 1, 1997	November 2, 1996	November 1, 1997	November 2, 1996
<S>	<C>	<C>	<C>	<C>
Net Sales	\$ 3,746,276	\$ 3,609,148	\$10,608,196	\$10,194,041

Cost of sales:

Recurring	2,286,919	2,189,903	6,472,455	6,200,124
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Inventory valuation adjustments related to consolidation	-	-	-	65,681
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Total cost of sales	2,286,919	2,189,903	6,472,455	6,265,805
Selling, general and administrative expenses:				
Recurring	1,191,396	1,187,629	3,507,860	3,454,678
Business integration and consolidation expenses	-	44,304	-	155,228
Total selling, general and administrative expenses	1,191,396	1,231,933	3,507,860	3,609,906
Operating Income	267,961	187,312	627,881	318,330
Interest expense	(100,957)	(124,510)	(322,040)	(374,851)
Interest income	9,079	11,149	26,522	33,595
Income (Loss) Before Income Taxes and Extraordinary Item	176,083	73,951	332,363	(22,926)
Federal, state and local income tax expense	(70,969)	(32,150)	(136,820)	(412)
Income (Loss) Before Extraordinary Item	105,114	41,801	195,543	(23,338)
Extraordinary Item - loss on early extinguishment of debt, net of tax effect of \$24,960	-	-	(38,673)	-
Net Income (Loss)	\$ 105,114	\$ 41,801	\$ 156,870	\$ (23,338)

<TABLE>

(Continued)

PART I -- FINANCIAL INFORMATION

FEDERATED DEPARTMENT STORES, INC.

CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(THOUSANDS, EXCEPT PER SHARE FIGURES)

<CAPTION>

	13 Weeks Ended		39 Weeks Ended	
	November 1, 1997	November 2, 1996	November 1, 1997	November 2, 1996

<S> <C> <C> <C> <C>

Earnings (Loss) per Share:

Income (loss) before extraordinary item	\$.48	\$.20	\$.91	\$ (.11)
Extraordinary item	-	-	(.18)	-
Net Income (Loss)	\$.48	\$.20	\$.73	\$ (.11)

Fully Diluted Earnings (Loss)
per Share:

Income (loss) before extraordinary item	\$.47	\$.20	\$.89	\$ (.11)
Extraordinary item	-	-	(.17)	-
Net Income (Loss)	\$.47	\$.20	\$.72	\$ (.11)

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

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FEDERATED DEPARTMENT STORES, INC.

CONSOLIDATED BALANCE SHEET
(UNAUDITED)

(THOUSANDS)

<CAPTION>

	November 1, 1997	February 1, 1997	November 2, 1996
<S>	<C>	<C>	<C>
ASSETS:			
Current Assets:			
Cash	\$ 431,156	\$ 148,794	\$ 152,596
Accounts receivable	2,513,143	2,834,321	2,821,833
Merchandise inventories	4,287,328	3,245,996	4,170,860
Supplies and prepaid expenses	119,685	109,678	169,532
Deferred income tax assets	116,107	88,513	90,883
Total Current Assets	7,467,419	6,427,302	7,405,704
Property and Equipment - net	6,423,168	6,524,757	6,384,812
Intangible Assets - net	696,940	717,404	724,225
Notes Receivable	6,923	204,400	204,997
Other Assets	337,091	390,280	376,956
Total Assets	\$ 14,931,541	\$ 14,264,143	\$ 15,096,694
LIABILITIES AND SHAREHOLDERS' EQUITY:			
Current Liabilities:			
Short-term debt	\$ 1,899,473	\$ 1,094,557	\$ 741,117
Accounts payable and accrued liabilities	3,047,907	2,492,195	3,059,327
Income taxes	28,042	8,947	3,550
Total Current Liabilities	4,975,422	3,595,699	3,803,994
Long-Term Debt	3,682,499	4,605,916	5,624,065
Deferred Income Taxes	842,048	830,943	727,772
Other Liabilities	560,247	562,431	564,606
Shareholders' Equity	4,871,325	4,669,154	4,376,257
Total Liabilities and Shareholders' Equity	\$ 14,931,541	\$ 14,264,143	\$ 15,096,694

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

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FEDERATED DEPARTMENT STORES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(THOUSANDS)

<CAPTION>

	39 Weeks Ended November 1, 1997	39 Weeks Ended November 2, 1996
<S>	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	\$ 156,870	\$ (23,338)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization of		

property and equipment	417,474	379,816
Amortization of intangible assets	20,464	20,464
Amortization of financing costs	16,905	20,790
Amortization of unearned restricted stock	896	1,629
Loss on early extinguishment of debt	38,673	-
Changes in assets and liabilities:		
Decrease in accounts receivable	321,733	220,041
Increase in merchandise inventories	(1,041,333)	(1,076,012)
(Increase) decrease in supplies and prepaid expenses	(10,007)	6,879
(Increase) decrease in other assets not separately identified	(6,995)	20,342
Increase in accounts payable and accrued liabilities not separately identified	467,991	652,942
Increase (decrease) in current income taxes	4,055	(2,861)
Decrease in deferred income taxes	(16,489)	(21,536)
(Decrease) increase in other liabilities not separately identified	(2,184)	6,179
Net cash provided by operating activities	408,053	205,335

Cash flows from investing activities:

Purchase of property and equipment	(410,547)	(523,540)
Disposition of property and equipment	120,113	137,464
Decrease in notes receivable	199,997	-
Net cash used by investing activities	(90,437)	(386,076)

Cash flows from financing activities:

Debt issued	1,284,049	688,665
Financing costs	(6,351)	(11,096)
Debt repaid	(1,445,080)	(689,172)
Decrease in outstanding checks	87,724	47,842
Acquisition of treasury stock	(1,803)	(646)
Issuance of common stock	46,207	125,226
Net cash (used) provided by financing activities	(35,254)	160,819

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(Continued)

FEDERATED DEPARTMENT STORES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(THOUSANDS)

<CAPTION>

39 Weeks Ended 39 Weeks Ended
November 1, 1997 November 2, 1996

<S>	<C>	<C>	
Net increase (decrease) in cash	\$ 282,362	\$ (19,922)	
Cash at beginning of period	148,794	172,518	
Cash at end of period	\$ 431,156	\$ 152,596	

Supplemental cash flow information:

Interest paid	\$ 310,052	\$ 337,553	
Interest received	28,889	33,875	
Income taxes paid (net of refunds received)	96,587	18,604	

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

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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 February 1, 1997 (the "1996 10-K"). The accompanying Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto in the 1996 10-K.

Because of the seasonal nature of the general merchandising business, the results of operations for the 13 and 39 weeks ended November 1, 1997 and November 2, 1996 (which do not include the Christmas season) are not indicative of such results for the fiscal year.

The Consolidated Financial Statements for the 13 and 39 weeks ended November 1, 1997 and November 2, 1996, 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.

Earnings (loss) per share are computed on the basis of daily average number of shares and share equivalents (shares issuable under outstanding warrants and stock options) outstanding during the period for the 13 and 39 weeks ended November 1, 1997. For the 13 and 39 weeks ended November 2, 1996 the potential issuance of share equivalents was immaterial or anti-dilutive and earnings (loss) per share were computed on the basis of daily average number of shares outstanding. The computation of fully diluted earnings (loss) per share takes into account, if dilutive, the above-described share equivalents and shares issuable upon the conversion of convertible debt. Statement of Financial Accounting Standards No. 128, "Earnings Per Share" ("SFAS No. 128"), was issued in February 1997. The statement establishes standards for computing and presenting earnings per share and is effective for financial statements for periods ending after December 15, 1997. Adoption of this statement will not have a material impact on the Company's earnings per share computations.

Certain reclassifications have been made to amounts for the 13 and 39 weeks ended November 1, 1996 to conform to the classifications of such amounts for the 52 weeks ended February 1, 1997.

2. INVENTORY VALUATION ADJUSTMENTS RELATED TO CONSOLIDATION AND BUSINESS INTEGRATION AND CONSOLIDATION EXPENSES

In connection with the consolidation of merchandise inventories for acquired and pre-existing businesses, the Company recorded one-time inventory valuation adjustments related to merchandise in lines of business that were eliminated or replaced as a separate component of cost of sales. For the 39 weeks ended November 2, 1996, the amount recorded related to the consolidation of Broadway into the Company's Macy's West division.

FEDERATED DEPARTMENT STORES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Additionally, the Company incurred certain one-time costs related to the integration and consolidation of acquired and pre-existing businesses and classified such costs as business integration and consolidation expenses as a separate component of selling, general and administrative expenses. During the 39 weeks ended November 2, 1996, the Company recorded \$155.2 million of business integration and consolidation expenses consisting of \$116.9 million of costs associated with the integration of Broadway into the Company (related primarily to the incremental costs associated with converting the Broadway stores to other nameplates, including advertising, credit card issuance and promotion and other name change expenses, and the costs of operating Broadway central office functions for a transitional period), \$21.9 million of costs related to the consolidation of Macy's and \$16.4 million of costs related to other support operation restructurings.

3. EXTRAORDINARY ITEM

On July 14, 1997, the Company issued \$300.0 million of 7.45% Senior Debentures due 2017 and \$250.0 million of 6.79% Senior Debentures due 2027 and, on July 28, 1997, the Company entered into new credit agreements which provide for unsecured revolving credit loans of up to \$2,000.0 million. Using proceeds from these transactions and other funds, the Company voluntarily prepaid all amounts outstanding under the Company's mortgage loan facility, secured promissory note, certain other mortgages and previous bank credit facility, all of which were retired and terminated. The associated costs for the debt prepayments were recorded as an extraordinary charge of \$38.7 million, net of an income tax benefit of \$25.0 million.

FEDERATED DEPARTMENT STORES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

COMPARISON OF THE 13 WEEKS ENDED NOVEMBER 1, 1997 AND NOVEMBER 2, 1996

For purposes of the following discussion, all references to "third quarter of 1997" and "third quarter of 1996" are to the Company's 13-week fiscal periods ended November 1, 1997 and November 2, 1996, respectively.

Net sales for the third quarter of 1997 totaled \$3,746.3 million, compared to net sales of \$3,609.1 million for the third quarter of 1996, an increase of 3.8%. On a comparable store basis, net sales for the third quarter of 1997 increased 3.1% over the third quarter of 1996.

Cost of sales was 61.0% as a percent of net sales for the third quarter of 1997 compared to 60.7% for the third quarter of 1996. Cost of sales for the third quarter of 1997

reflected higher levels of clearance markdowns than the third quarter of 1996. Cost of sales was not impacted by the valuation of merchandise inventory on the last-in, first-out basis in the third quarter of 1997 or the third quarter of 1996.

Selling, general and administrative ("SG&A") expenses were 31.8% as a percent of net sales for the third quarter of 1997 compared to 34.1% for the third quarter of 1996. SG&A expenses for the third quarter of 1996 included \$44.3 million of one-time costs related to the integration and consolidation of acquired and pre-existing businesses as business integration and consolidation expenses ("BICE"). Excluding BICE, SG&A expenses would have been 32.9% of net sales for the third quarter of 1996. The major factor contributing to the 1.1% improvement in the SG&A expense rate (excluding BICE for the third quarter of 1996) was lower distribution-related expenses resulting from restructuring and technological improvements in the merchandise distribution process.

Net interest expense was \$91.9 million for the third quarter of 1997, compared to \$113.4 million for the third quarter of 1996. The lower interest expense for the third quarter of 1997 is due to lower levels of borrowings and lower interest rates resulting from the refinancings completed in July 1997.

The Company's effective income tax rate of 40.3% for the third quarter of 1997 differs from the federal income tax statutory rate of 35.0% principally because of the effect of state and local income taxes and permanent differences arising from the amortization of intangible assets.

COMPARISON OF THE 39 WEEKS ENDED NOVEMBER 1, 1997 AND NOVEMBER 2, 1996

For purposes of the following discussion, all references to "1997" and "1996" are to the Company's 39 week fiscal periods ended November 1, 1997 and November 2, 1996, respectively.

Net sales for 1997 were \$10,608.2 million compared to \$10,194.0 million for 1996, an increase of 4.1%. On a comparable store basis, net sales increased 3.4%.

FEDERATED DEPARTMENT STORES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Cost of sales was 61.0% as a percent of net sales for 1997 compared to 61.5% for 1996. Cost of sales for 1996 included \$65.7 million of one-time inventory valuation adjustments related to merchandise in lines of business that were eliminated or replaced in connection with the consolidation of Broadway's merchandise inventories with the Company's merchandise inventories. Excluding these inventory valuation adjustment from 1996, cost of sales would have been 60.8% of net sales, with the 0.2% increase in 1997 being due to higher merchandise markdowns associated with the elimination of certain consumer electronics lines of business. Cost of sales was not impacted by the valuation of merchandise inventory on the last-in, first-out basis in 1997 or 1996.

SG&A expenses were 33.1% as a percent of net sales for 1997 compared to 35.4% for 1996. SG&A expenses for 1996 included \$155.2 million of one-time costs related to the integration and consolidation of acquired and pre-existing businesses under the caption BICE. Excluding BICE, SG&A expenses would have been 33.9% of net sales for 1996. The major factor contributing to the 0.8% improvement in the SG&A expense rate (excluding BICE for 1996) was lower distribution-related expenses resulting from restructuring and technological improvements in the merchandise distribution process.

Net interest expense was \$295.5 million for 1997 compared to \$341.3 million for 1996. The lower interest expense for 1997 is principally due to lower levels of borrowings.

The Company's effective income tax rate of 41.2% for 1997 differs from the federal income tax statutory rate of 35.0% principally because of the effect of state and local income taxes and permanent differences arising from the amortization of intangible assets.

The extraordinary item of \$38.7 million for 1997 represents the after-tax expenses associated with debt prepayments.

LIQUIDITY AND CAPITAL RESOURCES

For purposes of the following discussion, all references to "1997" and "1996" are to the Company's 39 week fiscal periods ended November 1, 1997 and November 2, 1996, respectively.

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

Net cash provided by operating activities in 1997 was \$408.1 million compared to the \$205.3 million provided in 1996. The major factors contributing to this improvement were improved operating results and greater reductions in accounts receivable.

FEDERATED DEPARTMENT STORES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Net cash used by investing activities was \$90.4 million in 1997, with purchases of property and equipment totaling \$410.5 million and dispositions of property and equipment totaling \$120.1 million. During 1997, the Company opened five new stores, including a furniture gallery, and closed ten stores. On May 5, 1997, a \$200.0 million installment of a note receivable held by the Company was received.

Net cash used by the Company for all financing activities was \$35.3 million in 1997. During 1997, the Company incurred debt totaling \$1,284.0 million and repaid debt in the amount of \$1,445.1 million. On July 14, 1997, the Company issued \$300.0 million of 7.45% Senior Debentures due 2017 and \$250.0 million of 6.79% Senior Debentures due 2027 and, on July 28, 1997, the Company entered into new bank credit agreements which replaced its existing bank credit agreement. The new credit agreements provide for a \$1,500.0 million unsecured revolving credit facility with a termination date of July 28, 2002 and a \$500.0 million unsecured revolving credit facility with a termination date of July 27, 1998. The net incremental borrowings under the Company's revolving credit and commercial paper facilities were \$734.0 million in 1997.

The major components of debt repaid, with proceeds of the financings described above, proceeds of the \$200.0 million note receivable and other funds, included the entire \$345.1 million of outstanding borrowings under the Company's mortgage loan facility, the entire \$220.8 million of borrowings outstanding under its secured promissory note, \$176.0 million of borrowings outstanding under its note monetization facility, and all \$515.7 million of outstanding term borrowings under its bank credit facility. In addition to extending the maturities of its debt, the Company expects to save \$15.0-\$20.0 million in annual interest expense from the

refinancing transactions.

On May 3, 1998, the final \$200.0 million installment of a note receivable held by the Company matures and the remaining \$176.0 million of borrowings under the related note monetization facility become due and payable. Accordingly, as of November 1, 1997, such amounts have been included in accounts receivable and short-term debt, respectively.

Management believes the department store industry will continue to consolidate. Accordingly, the Company intends from time to time to consider additional acquisitions of department store assets and companies.

Management of the Company believes that, with respect to its current operations, cash on hand and funds from operations, together with its credit facilities, will be sufficient to cover its reasonably foreseeable working capital, capital expenditure and debt service requirements. Acquisition transactions, if any, are expected to be financed through a combination of cash on hand and from operations and the possible issuance from time to time of long-term debt or other securities. Depending upon conditions in the capital markets and other factors, the Company will from time to time consider other possible capital markets transactions, including the refinancing of indebtedness.

PART II -- OTHER INFORMATION

FEDERATED DEPARTMENT STORES, INC.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 10.1 Ninth Amendment to Amended and Restated Pooling and Servicing Agreement, dated as of August 28, 1997, by and among Prime Receivables Corporation, as Transferor, FDS National Bank, as Servicer, and The Chase Manhattan Bank, as Trustee.
- 10.2 First Amendment to Series 1992-1 Supplement, dated as of August 28, 1997, to the Pooling and Servicing Agreement, dated as of December 15, 1992, by and among Prime Receivables Corporation, as Transferor, FDS National Bank, as Servicer, and The Chase Manhattan Bank, as Trustee.
- 10.3 First Amendment to Series 1992-2 Supplement, dated as of August 28, 1997, to the Pooling and Servicing Agreement, dated as of December 15, 1992, by and among Prime Receivables Corporation, as Transferor, FDS National Bank, as Servicer, and The Chase Manhattan Bank, as Trustee.
- 10.4 First Amendment to Series 1995-1 Supplement, dated as of August 28, 1997, to the Pooling and Servicing Agreement, dated as of December 15, 1992, by and among Prime Receivables Corporation, as Transferor, FDS National Bank, as Servicer, and The Chase Manhattan Bank, as Trustee.
- 10.5 First Amendment to Series 1996-1 Supplement, dated as of August 28, 1997, to the Pooling and Servicing Agreement, dated as of December 15, 1992, by and among Prime Receivables Corporation, as Transferor, FDS National Bank, as Servicer, and The Chase Manhattan Bank, as Trustee.
- 11 Statement re computation of per share earnings

(b) Reports on Form 8-K

No reports were filed on Form 8-K during the quarter ended November 1, 1997.

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 thereunder duly authorized.

FEDERATED DEPARTMENT STORES, INC.

Date December 16, 1997 /s/ Dennis J. Broderick
Dennis J. Broderick
Senior Vice President, General Counsel
and Secretary

/s/ Joel A. Belsky
Joel A. Belsky
Vice President and Controller
(Principal Accounting Officer)

AMENDED AND RESTATED POOLING AND SERVICING AGREEMENT

This Ninth Amendment to Amended and Restated Pooling and Servicing Agreement, made as of August 28, 1997 (this "Amendment"), is among PRIME RECEIVABLES CORPORATION (the "Transferor"), FDS NATIONAL BANK (successor servicer to Federated Department Stores, Inc.), as servicer (in such capacity, the "Servicer"), and THE CHASE MANHATTAN BANK (formerly Chemical Bank), as trustee (the "Trustee"). Capitalized terms used in this Amendment and not otherwise defined have the meanings assigned to such terms in the Pooling and Servicing Agreement (as defined below).

PRELIMINARY STATEMENTS:

1. The Purchaser, the Servicer and the Trustee are parties to the Amended and Restated Pooling and Servicing Agreement dated as of December 15, 1992 (as amended, restated, supplemented or otherwise modified from time to time, the "pooling and Servicing Agreement").

2. Section 13.01(a) of the Master Pooling and Servicing Agreement provides that the Servicer, the Transferor and the Trustee, without the consent of Certificateholders, may amend the Pooling and Servicing Agreement from time to time upon the satisfaction of certain conditions;

3. The Servicer and Transferor and the Trustee desire to amend the Series 1992-2 Supplement as set forth below; and

AGREEMENT

The Transferor, the Servicer and the Trustee agree to the following terms and conditions:

1. Definitions. Section 1.1 of the Pooling and Servicing Agreement shall be amended by replacing the definition of "Minimum Aggregate Principal Receivables" contained therein with the following:

"Minimum Aggregate Principal Receivables" shall mean, as of any date of determination, an amount equal to the sum of (a) the Initial Invested Amounts for all outstanding Series on such date except a Series created pursuant to a Variable Funding Supplement at any time or a Paired Series at any time, (b) with respect to the Series created pursuant to a Variable Funding Supplement, during the Revolving Period for such Series, the Invested Amount on such date of determination or, during the Amortization Period for such Series, the Invested Amount of such Series on the last day of the Revolving Period for such Series and (c) with respect to any Paired Series, the Invested Amount of such Series as of the preceding Distribution Date (after taking into account any payments or adjustments made on such Distribution Date).

2. Counterparts. This Amendment may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute one and the same instrument.

3. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE IMMUNITY AND STANDARD OF CARE OF THE TRUSTEE IN THE ADMINISTRATION OF THE TRUST HEREUNDER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

4. Effective Date. This Amendment shall become effective as of the day and year first above written.

IN WITNESS WHEREOF, the Servicer, the Transferor and the Trustee have caused this Amendment to be duly executed by their respective officers, thereunto duly authorized, as of the day and year first above written.

PRIME RECEIVABLES CORPORATION
Transferor

By: /s/ Susan P. Storer
Name: Susan P. Storer
Title: President

FDS NATIONAL BANK,
Servicer

By: /s/ Susan R. Robinson
Name: Susan R. Robinson
Title: Treasurer

THE CHASE MANHATTAN BANK
Trustee

By: /s/ Ruth McKenna
Name: Ruth McKenna
Title: Trust Officer

PRIME RECEIVABLES CORPORATION

Transferor

FDS NATIONAL BANK

Servicer

and

THE CHASE MANHATTAN BANK

Trustee

on behalf of the Series 1992-1 Certificateholders

FIRST AMENDMENT

SERIES 1992-1 SUPPLEMENT

Dated as of August 28, 1997

to

POOLING AND SERVICING AGREEMENT

Dated as of December 15, 1992

\$450,000,000 7.05% Class A-1 Asset Backed
Certificates, Series 1992-1

\$40,500,000 7.55% Class B-1 Asset Backed
Certificates, Series 1992-1

\$55,000,000 8.05% Class C-1 Asset Backed
Certificates, Series 1992-1

PRIME CREDIT CARD MASTER TRUST

FIRST AMENDMENT dated as of August 28, 1997 (the "First Amendment") to SERIES 1992-1 SUPPLEMENT, dated as of December 15, 1992, by and among PRIME RECEIVABLES CORPORATION, as Transferor (the "Transferor"), FDS NATIONAL BANK (as successor servicer to Federated Department Stores, Inc.) as Servicer (the "Servicer"), and THE CHASE MANHATTAN BANK (formerly Chemical Bank), as Trustee (the "Trustee") under the Pooling and Servicing Agreement dated as of December 15, 1992 among the Transferor, the Servicer and the Trustee (as may be amended, modified or supplemented from time to time, the "Pooling and Servicing Agreement").

WHEREAS, the Transferor, Servicer and the Trustee have heretofore executed and delivered the Series 1992-1 Supplement dated as of December 15, 1992 (the "Series 1992-1 Supplement") to the Pooling and Servicing Agreement;

WHEREAS, Section 13.01(a) of the Master Pooling and Servicing Agreement provides that the Servicer, the Transferor and the Trustee, without the consent of the Series 1992-1 Certificateholders, may amend the Series 1992-1 Supplement from time to time upon the satisfaction of certain conditions;

WHEREAS, the Servicer and Transferor and the Trustee desire to amend the Series 1992-1 Supplement as set forth below; and

WHEREAS, all conditions precedent to the execution of this Amendment have been complied with;

NOW, THEREFORE, the Servicer, the Transferor and the Trustee are executing and delivering this Amendment in order to amend the Series 1992-1 Supplement in the following manner.

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Pooling and Servicing Agreement and the Series 1992-1 Supplement.

SECTION 1.1 Definitions. Section 2 of the Series 1992-1 Supplement shall be amended by replacing the definition of "Invested Amount" contained therein with the following:

"Invested Amount" shall mean, when used with respect to any Business Day, an amount equal to the sum of (a) the Class A Adjusted Invested Amount as of such date, (b) the Class B Invested Amount as of such date and (c) the Class C Invested Amount as of such Business Day; provided, however, that for purposes of calculating the "Pool Factor" for Series 1992-1 the amount specified in clause (a) above shall be the Class A Invested Amount.

(b) Section 2 of the Series 1992-1 Supplement shall be further amended by replacing the definition of "Portfolio Yield" contained therein with the following:

"Portfolio Yield" shall mean for the Series 1992-1 Certificates, with respect to any Monthly Period, the annualized percentage equivalent of a fraction, the numerator of which is an amount equal to the sum of (i) the aggregate Total Finance Charge Collections for such Monthly Period, calculated on a cash basis plus (ii)(a) the interest and other investment income earned from amounts on deposit in the Principal Funding Account which shall be available on the related Distribution Date and (b) amounts allocated to Certificateholders pursuant to Subsection 4.10(a) hereof with respect to each Business Day in such Monthly Period minus the aggregate Investor Default Amount for such Monthly Period, and the denominator of which is the sum of (i) the average daily Invested Amount and (ii) the average amount on deposit in the Principal Funding Account on each day during the preceding Monthly Period.

SECTION 2.1 Ratification of Series 1992-1 Supplement. As amended by this First Amendment, the Series 1992-1 Supplement is in all respects ratified and confirmed, and the Series 1992-1 Supplement as so amended by this First Amendment shall be read, taken and construed as one and the same instrument.

SECTION 3.1 No Waiver. The execution and delivery of this First Amendment shall not constitute a waiver of a past default under the Pooling and Servicing Agreement or impair any right consequent thereon.

SECTION 4.1 Counterparts. This First Amendment may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute one and the same instrument.

SECTION 5.1 GOVERNING LAW. THIS FIRST AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE

IMMUNITY AND STANDARD OF CARE OF THE TRUSTEE IN THE
ADMINISTRATION OF THE TRUST HEREUNDER SHALL BE GOVERNED BY THE
LAWS OF THE STATE OF NEW YORK.

SECTION 6.1 Effective Date. This First Amendment
shall become effective as of the day and year first above
written.

IN WITNESS WHEREOF, the Servicer, the Transferor and
the Trustee have caused this First Amendment to be duly executed
by their respective officers, thereunto duly authorized, as of
the day and year first above written.

PRIME RECEIVABLES CORPORATION
Transferor

By: /s/ Susan P. Storer
Name: Susan P. Storer
Title: President

FDS NATIONAL BANK,
Servicer

By: /s/ Susan R. Robinson
Name: Susan R. Robinson
Title: Treasurer

THE CHASE MANHATTAN BANK
Trustee

By: /s/ Ruth McKenna
Name: Ruth McKenna
Title: Trust Officer

PRIME RECEIVABLES CORPORATION

Transferor

FDS NATIONAL BANK

Servicer

and

THE CHASE MANHATTAN BANK

Trustee

on behalf of the Series 1992-2 Certificateholders

FIRST AMENDMENT

SERIES 1992-2 SUPPLEMENT

Dated as of August 28, 1997

to

POOLING AND SERVICING AGREEMENT

Dated as of December 15, 1992

\$450,000,000 7.45% Class A-2 Asset Backed
Certificates, Series 1992-2

\$40,500,000 7.95% Class B-2 Asset Backed
Certificates, Series 1992-2

\$55,000,000 8.45% Class C-1 Asset Backed
Certificates, Series 1992-2

PRIME CREDIT CARD MASTER TRUST

FIRST AMENDMENT dated as of August 28, 1997 (the "First Amendment"), to SERIES 1992-2 SUPPLEMENT, dated as of December 15, 1992, by and among PRIME RECEIVABLES CORPORATION, as Transferor (the "Transferor"), FDS NATIONAL BANK (as successor servicer to Federated Department Stores, Inc.) as Servicer (the "Servicer"), and THE CHASE MANHATTAN BANK (formerly Chemical Bank), as Trustee (the "Trustee") under the Pooling and Servicing Agreement dated as of December 15, 1992 among the Transferor, the Servicer and the Trustee (as may be amended, modified or supplemented from time to time, the "Pooling and Servicing Agreement").

WHEREAS, the Transferor, Servicer and the Trustee have heretofore executed and delivered the Series 1992-2 Supplement dated as of December 15, 1992 (the "Series 1992-2 Supplement") to the Pooling and Servicing Agreement;

WHEREAS, Section 13.01(a) of the Master Pooling and Servicing Agreement provides that the Servicer, the Transferor and the Trustee, without the consent of the Series 1992-2 Certificateholders, may amend the Series 1992-2 Supplement from time to time upon the satisfaction of certain conditions;

WHEREAS, the Servicer and Transferor and the Trustee desire to amend the Series 1992-2 Supplement as set forth below; and

WHEREAS, all conditions precedent to the execution of this Amendment have been complied with;

NOW, THEREFORE, the Servicer, the Transferor and the Trustee are executing and delivering this Amendment in order to amend the Series 1992-2 Supplement in the following manner.

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Pooling and Servicing Agreement and the Series 1992-2 Supplement.

SECTION 1.1 Definitions. (a) Section 2 of the Series 1992-2 Supplement shall be amended by replacing the definition of "Invested Amount" contained therein with the following:

"Invested Amount" shall mean, when used with respect to any Business Day, an amount equal to the sum of (a) the Class A Adjusted Invested Amount as of such date, (b) the Class B Invested Amount as of such date and (c) the Class C Invested Amount as of such Business Day; provided, however, that for purposes of calculating the "Pool Factor" for Series 1992-2 the amount specified in clause (a) above shall be the Class A Invested Amount.

(b) Section 2 of the Series 1992-2 Supplement shall be further amended by replacing the definition of "Portfolio Yield" contained therein with the following:

"Portfolio Yield" shall mean for the Series 1992-2 Certificates, with respect to any Monthly Period, the annualized percentage equivalent of a fraction, the numerator of which is an amount equal to the sum of (i) the aggregate Total Finance Charge Collections for such Monthly Period, calculated on a cash basis plus (ii)(a) the interest and other investment income earned from amounts on deposit in the Principal Funding Account which shall be available on the related Distribution Date and (b) amounts allocated to Certificateholders pursuant to Subsection 4.10(a) hereof with respect to each Business Day in such Monthly Period minus the aggregate Investor Default Amount for such Monthly Period, and the denominator of which is the sum of (i) the average daily Invested Amount and (ii) the average amount on deposit in the Principal Funding Account on each day during the preceding Monthly Period.

SECTION 2.1 Ratification of Series 1992-2 Supplement. As amended by this First Amendment, the Series 1992-2 Supplement is in all respects ratified and confirmed, and the Series 1992-2 Supplement as so amended by this First Amendment shall be read, taken and construed as one and the same instrument.

SECTION 3.1 No Waiver. The execution and delivery of this First Amendment shall not constitute a waiver of a past default under the Pooling and Servicing Agreement or impair any right consequent thereon.

SECTION 4.1 Counterparts. This First Amendment may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute one and the same instrument.

SECTION 5.1 GOVERNING LAW. THIS FIRST AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES

HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS,
AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE
IMMUNITY AND STANDARD OF CARE OF THE TRUSTEE IN THE
ADMINISTRATION OF THE TRUST HEREUNDER SHALL BE GOVERNED BY THE
LAWS OF THE STATE OF NEW YORK.

SECTION 6.1 Effective Date. This First Amendment
shall become effective as of the day and year first above
written.

IN WITNESS WHEREOF, the Servicer, the Transferor and
the Trustee have caused this First Amendment to be duly executed
by their respective officers, thereunto duly authorized, as of
the day and year first above written.

PRIME RECEIVABLES CORPORATION
Transferor

By: /s/ Susan P. Storer
Name: Susan P. Storer
Title: President

FDS NATIONAL BANK,
Servicer

By: /s/ Susan R. Robinson
Name: Susan R. Robinson
Title: Treasurer

THE CHASE MANHATTAN BANK
Trustee

By: /s/ Ruth McKenna
Name: Ruth McKenna
Title: Trust Officer

PRIME RECEIVABLES CORPORATION

Transferor

FDS NATIONAL BANK

Servicer

and

THE CHASE MANHATTAN BANK

Trustee

on behalf of the Series 1995-1 Certificateholders

FIRST AMENDMENT

Series 1995-1 SUPPLEMENT

Dated as of August 28, 1997

to

POOLING AND SERVICING AGREEMENT

Dated as of December 15, 1992

\$546,000,000 6.75% Class A Asset Backed
Certificates, Series 1995-1

\$52,000,000 6.90% Class B Asset Backed
Certificates, Series 1995-1

\$52,000,000 9.00% Class C Asset Backed
Certificates, Series 1995-1

PRIME CREDIT CARD MASTER TRUST

FIRST AMENDMENT dated as of August 28, 1997 (the "First Amendment"), to SERIES 1995-1 SUPPLEMENT, dated as July 27, 1995, by and among PRIME RECEIVABLES CORPORATION, as Transferor (the "Transferor"), FDS NATIONAL BANK (as successor servicer to Federated Department Stores, Inc.) as Servicer (the "Servicer"), and THE CHASE MANHATTAN BANK (formerly Chemical Bank), as Trustee (the "Trustee") under the Pooling and Servicing Agreement dated as of December 15, 1992 among the Transferor, the Servicer and the Trustee (as may be amended, modified or supplemented from time to time, the "Pooling and Servicing Agreement").

WHEREAS, the Transferor, Servicer and the Trustee have heretofore executed and delivered the Series 1995-1 Supplement dated as of July 27, 1995 (the "Series 1995-1 Supplement") to the Pooling and Servicing Agreement;

WHEREAS, Section 13.01(a) of the Master Pooling and Servicing Agreement provides that the Servicer, the Transferor and the Trustee, without the consent of the Series 1995-1 Certificateholders, may amend the Series 1995-1 Supplement from time to time upon the satisfaction of certain conditions;

WHEREAS, the Servicer and Transferor and the Trustee desire to amend the Series 1995-1 Supplement as set forth below; and

WHEREAS, all conditions precedent to the execution of this Amendment have been complied with;

NOW, THEREFORE, the Servicer, the Transferor and the Trustee are executing and delivering this Amendment in order to amend the Series 1995-1 Supplement in the following manner.

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Pooling and Servicing Agreement and the Series 1995-1 Supplement.

SECTION 1.1 Definitions. (a) Section 2 of the Series 1995-1 Supplement shall be amended by replacing the definition of "Invested Amount" contained therein with the following:

"Invested Amount" shall mean, when used with respect to any Business Day, an amount equal to the sum of (a) the Class A Adjusted Invested Amount as of such date, (b) the Class B Invested Amount as of such date and (c) the Class C Invested Amount as of such Business Day; provided, however, that for purposes of calculating the "Pool Factor" for Series 1995-1 the amount specified in clause (a) above shall be the Class A Invested Amount.

(b) Section 2 of the Series 1995-1 Supplement shall be further amended by replacing the definition of "Portfolio Yield" contained therein with the following:

"Portfolio Yield" shall mean for the Series 1995-1 Certificates, with respect to any Monthly Period, the annualized percentage equivalent of a fraction, the numerator of which is an amount equal to the sum of (i) the aggregate Total Finance Charge Collections for such Monthly Period, calculated on a cash basis plus (ii)(a) the interest and other investment income earned from amounts on deposit in the Principal Funding Account which shall be available on the related Distribution Date and (b) amounts allocated to Certificateholders pursuant to Subsection 4.10(a) hereof with respect to each Business Day in such Monthly Period minus the aggregate Investor Default Amount for such Monthly Period, and the denominator of which is the sum of (i) the average daily Invested Amount and (ii) the average amount on deposit in the Principal Funding Account on each day during the preceding Monthly Period.

SECTION 2.1 Ratification of Series 1995-1 Supplement. As amended by this First Amendment, the Series 1995-1 Supplement is in all respects ratified and confirmed, and the Series 1995-1 Supplement as so amended by this First Amendment shall be read, taken and construed as one and the same instrument.

SECTION 3.1 No Waiver. The execution and delivery of this First Amendment shall not constitute a waiver of a past default under the Pooling and Servicing Agreement or impair any right consequent thereon.

SECTION 4.1 Counterparts. This First Amendment may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute one and the same instrument.

SECTION 5.1 GOVERNING LAW. THIS FIRST AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES

HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS,
AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE
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ADMINISTRATION OF THE TRUST HEREUNDER SHALL BE GOVERNED BY THE
LAWS OF THE STATE OF NEW YORK.

SECTION 6.1 Effective Date. This First Amendment
shall become effective as of the day and year first above
written.

IN WITNESS WHEREOF, the Servicer, the Transferor and
the Trustee have caused this First Amendment to be duly executed
by their respective officers, thereunto duly authorized, as of
the day and year first above written.

PRIME RECEIVABLES CORPORATION
Transferor

By: /s/ Susan P. Storer
Name: Susan P. Storer
Title: President

FDS NATIONAL BANK,
Servicer

By: /s/ Susan R. Robinson
Name: Susan R. Robinson
Title: Treasurer

THE CHASE MANHATTAN BANK
Trustee

By: /s/ Ruth McKenna
Name: Ruth McKenna
Title: Trust Officer

PRIME RECEIVABLES CORPORATION

Transferor

FDS NATIONAL BANK

Servicer

and

THE CHASE MANHATTAN BANK

Trustee

on behalf of the Series 1996-1 Certificateholders

FIRST AMENDMENT

SERIES 1996-1 SUPPLEMENT

Dated as of August 28, 1997

to

POOLING AND SERVICING AGREEMENT

Dated as of December 15, 1992

\$218,000,000 6.70% Class A Asset Backed
Certificates, Series 1996-1

\$20,800,000 6.85% Class B Asset Backed
Certificates, Series 1996-1

\$20,800,000 9.00% Class C Asset Backed
Certificates, Series 1996-1

PRIME CREDIT CARD MASTER TRUST

FIRST AMENDMENT dated as of August 28, 1997 (the "First Amendment"), to SERIES 1996-1 SUPPLEMENT, dated as of May 14, 1996, by and among PRIME RECEIVABLES CORPORATION, as Transferor (the "Transferor"), FDS NATIONAL BANK (as successor servicer to Federated Department Stores, Inc.) as Servicer (the "Servicer"), and THE CHASE MANHATTAN BANK (formerly Chemical Bank), as Trustee (the "Trustee") under the Pooling and Servicing Agreement dated as of December 15, 1992 among the Transferor, the Servicer and the Trustee (as may be amended, modified or supplemented from time to time, the "Pooling and Servicing Agreement").

WHEREAS, the Transferor, Servicer and the Trustee have heretofore executed and delivered the Series 1996-1 Supplement dated as of May 14, 1996 (the "Series 1996-1 Supplement") to the Pooling and Servicing Agreement;

WHEREAS, Section 13.01(a) of the Master Pooling and Servicing Agreement provides that the Servicer, the Transferor and the Trustee, without the consent of the Series 1996-1 Certificateholders, may amend the Series 1996-1 Supplement from time to time upon the satisfaction of certain conditions;

WHEREAS, the Servicer and Transferor and the Trustee desire to amend the Series 1996-1 Supplement as set forth below; and

WHEREAS, all conditions precedent to the execution of this Amendment have been complied with;

NOW, THEREFORE, the Servicer, the Transferor and the Trustee are executing and delivering this Amendment in order to amend the Series 1996-1 Supplement in the following manner.

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Pooling and Servicing Agreement and the Series 1996-1 Supplement.

SECTION 1.1 Definitions. (a) Section 2 of the Series 1996-1 Supplement shall be amended by replacing the definition of "Invested Amount" contained therein with the following:

"Invested Amount" shall mean, when used with respect to any Business Day, an amount equal to the sum of (a) the Class A Adjusted Invested Amount as of such date, (b) the Class B Invested Amount as of such date and (c) the Class C Invested Amount as of such Business Day; provided, however, that for purposes of calculating the "Pool Factor" for Series 1996-1 the amount specified in clause (a) above shall be the Class A Invested Amount.

(b) Section 2 of the Series 1996-1 Supplement shall be further amended by replacing the definition of "Portfolio Yield" contained therein with the following:

"Portfolio Yield" shall mean for the Series 1996-1 Certificates, with respect to any Monthly Period, the annualized percentage equivalent of a fraction, the numerator of which is an amount equal to the sum of (i) the aggregate Total Finance Charge Collections for such Monthly Period, calculated on a cash basis plus (ii)(a) the interest and other investment income earned from amounts on deposit in the Principal Funding Account which shall be available on the related Distribution Date and (b) amounts allocated to Certificateholders pursuant to Subsection 4.10(a) hereof with respect to each Business Day in such Monthly Period minus the aggregate Investor Default Amount for such Monthly Period, and the denominator of which is the sum of (i) the average daily Invested Amount and (ii) the average amount on deposit in the Principal Funding Account on each day during the preceding Monthly Period.

SECTION 2.1 Ratification of Series 1996-1 Supplement. As amended by this First Amendment, the Series 1996-1 Supplement is in all respects ratified and confirmed, and the Series 1996-1 Supplement as so amended by this First Amendment shall be read, taken and construed as one and the same instrument.

SECTION 3.1 No Waiver. The execution and delivery of this First Amendment shall not constitute a waiver of a past default under the Pooling and Servicing Agreement or impair any right consequent thereon.

SECTION 4.1 Counterparts. This First Amendment may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute one and the same instrument.

SECTION 5.1 GOVERNING LAW. THIS FIRST AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES

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ADMINISTRATION OF THE TRUST HEREUNDER SHALL BE GOVERNED BY THE
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shall become effective as of the day and year first above
written.

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the Trustee have caused this First Amendment to be duly executed
by their respective officers, thereunto duly authorized, as of
the day and year first above written.

PRIME RECEIVABLES CORPORATION
Transferor

By: /s/ Susan P. Storer
Name: Susan P. Storer
Title: President

FDS NATIONAL BANK,
Servicer

By: /s/ Susan R. Robinson
Name: Susan R. Robinson
Title: Treasurer

THE CHASE MANHATTAN BANK
Trustee

By: /s/ Ruth McKenna
Name: Ruth McKenna
Title: Trust Officer

<TABLE>

EXHIBIT 11

FEDERATED DEPARTMENT STORES, INC.
EXHIBIT OF PRIMARY AND FULLY DILUTED EARNINGS (LOSS) PER SHARE
(THOUSANDS, EXCEPT PER SHARE FIGURES)

<CAPTION>

	13 Weeks Ended			39 Weeks Ended					
	November 1, 1997		November 2, 1996		November 1, 1997		November 2, 1996		
	Shares	Income	Shares	Income	Shares	Income	Shares	Loss	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net income (loss) and average number of shares outstanding		209,541	\$105,114	207,820	\$ 41,801	208,947	\$156,870	207,398	\$(23,338)
Earnings (loss) per share		\$.50	\$.20		\$.75		\$(.11)		

PRIMARY COMPUTATION:

Average number of common share equivalents:

Shares to be issued to the

U.S. Treasury

-

40

-

Deferred compensation plan

320

237

310

Warrants

6,588

3,074

4,894

Stock options

2,373

-

1,580

-

1,895

-

-

-

Adjusted number of common

and common equivalent

shares outstanding

and adjusted net

income (loss)

218,822

105,114

212,751

41,801

216,046

156,870

207,398

(23,338)

Primary earnings (loss)

per share

\$.48

\$.20

\$.73

\$(.11)

FULLY DILUTED COMPUTATION:

Additional adjustments to a fully diluted basis:

Convertible notes

10,239

2,593

10,239

7,778

Warrants

244

807

Stock options

93

-

-

-

313

-

-

-

Adjusted number of shares

outstanding and net income

(loss) on a fully diluted

basis

229,398

\$107,707

212,751

\$41,801

227,405

\$164,648

207,398

\$(23,338)

Fully diluted earnings (loss)

per share

\$.47

\$.20

\$.72

\$(.11)

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<F1>Includes the following:

Supplies and prepaid expenses	119,685
Deferred income tax assets	116,107

<F2>Includes the following:

Intangible assets - net	696,940
Notes receivable	6,923
Other assets	337,091

<F3>Includes the following:

Deferred income taxes	842,048
Other liabilities	560,247
Shareholders' Equity	4,871,325

<F4>Includes the following:

Interest Income	9,079
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</FN>

</TABLE>