

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, 1997

☐ 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.
PROFIT SHARING 401 (k) INVESTMENT PLAN
Financial Statements
December 31, 1997 and 1996

With Independent Auditors' Report Thereon

FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN

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December 31, 1997 and 1996

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Independent Auditors' Report

Pension and Profit Sharing Committee

Federated Department Stores, Inc.

Profit Sharing 401(k) Investment Plan:

We have audited the accompanying statements of net assets available for benefits of the Federated Department Stores, Inc. Profit Sharing 401(k) Investment Plan (the "Plan") as of December 31, 1997 and 1996, 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, 1997 and 1996, 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.

June 19, 1998

<TABLE>

FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN

Statement of Net Assets Available for Benefits, with Fund Information

December 31, 1997

<CAPTION>

	Fund A	Fund B	Fund C	Fund D	Fund E	Fund F	Fund L	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
Assets:								
Investments, at fair value (Note 3):								
Master Trust investments	\$434,543,368	\$285,786,385	\$262,957,586	\$56,284,607	\$9,147,975	\$40,674,761	\$ -	\$1,089,394,682
Participant loans	-	-	-	-	-	9,252,876	9,252,876	
Total investments	434,543,368	285,786,385	262,957,586	56,284,607	9,147,975	40,674,761	9,252,876	1,098,647,558
Receivables:								
Employer contributions	-	-	-	-	20,548,918	-	20,548,918	
Interest receivable	-	119,274	-	-	-	-	119,274	
Total receivables	-	119,274	-	-	20,548,918	-	20,668,192	
Total assets	434,543,368	285,905,659	262,957,586	56,284,607	9,147,975	61,223,679	9,252,876	1,119,315,750
Liabilities:								
Trustee and management fees payable	303,089	406,838	133,754	69,759	4,750	27,586	-	945,776
Total liabilities	303,089	406,838	133,754	69,759	4,750	27,586	-	945,776
Net assets available for benefits	\$434,240,279	\$285,498,821	\$262,823,832	\$56,214,848	\$9,143,225	\$61,196,093	\$9,252,876	\$1,118,369,974

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

</TABLE>

<TABLE>

FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN
(formerly named Federated Department Stores, Inc. Retirement Income and Thrift Incentive Plan)

Statement of Net Assets Available for Benefits, with Fund Information

December 31, 1996

<CAPTION>

	Fund A	Fund B	Fund C	Fund F	Total
<S>	<C>	<C>	<C>	<C>	<C>
Assets:					
Investments, at fair value (Note 3):					
Master Trust investments	\$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.

</TABLE>

<TABLE>

FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN
(formerly named 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

<CAPTION>

	Diversified Fund <C>	Stability Income Fund <C>	Fund A <C>	Fund B <C>	Fund C <C>	Fund F <C>	Total <C>
Additions:							
Net investment income							
(Note 3):							
Net appreciation in fair							
value of investments	\$ 5,830,267	\$ (158,163)	\$ (1,501,047)	\$ 17,746,541	\$ 19,653,096	\$ 3,862,635	\$ 45,433,329
Interest and dividends	4,594,002	557,235	16,884,265	6,631,643	2,765,904	44,852	31,477,901
Total investment income	10,424,269	399,072	15,383,218	24,378,184	22,419,000	3,907,487	76,911,230
Less administrative expenses	(330,137)	(21,766)	(1,013,202)	(1,161,639)	(232,756)	(40,734)	(2,800,234)
Net investment income	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	1,928,596	37,509,690	14,771,088	7,940,164	1,661,026	72,423,477
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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<TABLE>

FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN

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

Year Ended December 31, 1997

<CAPTION>

	Fund A	Fund B	Fund C	Fund D	Fund E	Fund F	Fund L	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
Total								
Additions:								
Net investment income								
(Note 3):								
Net appreciation in								
fair value								
of investments	\$ (1,630,626)	\$ 44,366,981	\$ 57,816,689	\$ 10,093,029	\$ (467,306)	\$ 8,500,046	\$ -	\$ 118,678,813
Interest and dividends	28,564,598	11,173,405	4,659,771	314	176,049	43,772	190,058	44,807,967
Total investment								
income	26,933,972	55,540,386	62,476,460	10,093,343	(291,257)	8,543,818	190,058	163,486,780
Less administrative								
expenses	(2,158,679)	(1,558,662)	(549,231)	(246,731)	(69,124)	(90,056)	-	(4,672,483)
Net investment income	24,775,293	53,981,724	61,927,229	9,846,612	(360,381)	8,453,762	190,058	158,814,297
Contributions:								
Employer	2,959	8,738	6,813	702	375	21,524,022	-	21,543,609
Employee	23,358,243	18,739,392	18,886,779	5,481,542	1,192,349	2,089,458	-	69,747,763
Total contributions	23,361,202	18,748,130	18,893,592	5,482,244	1,192,724	23,613,480	-	91,291,372
Total additions	48,136,495	72,729,854	80,820,821	15,328,856	832,343	32,067,242	190,058	250,105,669
Deductions:								
Distributions	71,349,898	26,789,518	21,086,687	2,175,995	176,477	3,620,623	57,127	125,256,325
Interfund transfers	(35,877,985)	(18,561,884)	12,881,118	24,117,144	8,487,359	(123,793)	9,078,041	-
Transfer of assets from								
previously existing								
tax-qualified profit								
sharing and savings								
plans maintained by								
the Company (Note 1)	181,881,813	50,661,902	47,509,825	18,944,843	-	4,135,297	41,904	303,175,584
Net increase	122,790,425	78,040,354	120,125,077	56,214,848	9,143,225	32,458,123	9,252,876	428,024,928
Net assets available								
for benefits:								
Beginning of year	311,449,854	207,458,467	142,698,755	-	-	28,737,970	-	690,345,046
End of year	\$434,240,279	\$285,498,821	\$262,823,832	\$56,214,848	\$9,143,225	\$61,196,093	\$9,252,876	\$1,118,369,974

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

</TABLE>

(Continued)

FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN

Notes to Financial Statements

December 31, 1997 and 1996

1. Description of the Plan

The following brief description of the Federated Department Stores, Inc. Profit Sharing 401 (k) Investment 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, which was amended and renamed on April 1, 1997, is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and U.S. tax law. Effective April 1, 1997, the Plan amended and replaced all of the prior tax-qualified profit sharing and savings plans which were maintained by the Company. Such prior plans include the

Federated Department Stores, Inc. Retirement Income and Thrift Incentive Plan, the R.H. Macy & Co., Inc. Savings Plan, the R.H. Macy & Co., Inc. Profit Sharing Plan, the Broadway Stores, Inc. 401 (k) Savings and Investment Plan, and the Federated Savings Plan for Employees of Lazarus PA, Inc. The assets of all such prior plans have been merged to form the Plan. Prior to April 1, 1997, the Plan was the Federated Department Stores, Inc. Retirement Income and Thrift Incentive Plan, exclusively. The Federated Department Stores, Inc. Retirement Income and Thrift Incentive Plan consisted of two parts: a retirement income plan and a thrift incentive plan.

Eligibility

Employees are generally eligible for participation in the Plan after one year of service of at least 1,000 hours and after reaching a minimum age of 21.

Contributions

Beginning April 1, 1997, participants may elect to contribute an amount equal to 1% to 15% (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. Pre-tax contributions up to 5% of eligible compensation are considered basic savings which are eligible for matching Company contributions. Company contributions are made as soon as administratively feasible after year end only to persons who are active participants on the last day of the year and who did not make a withdrawal of basic savings during the year. The Company's contribution formula is based on the Company's annual earnings and the minimum Company contribution is the amount necessary to produce a company match of 33 1/3% of an employee's basic savings. The Plan also provides that the matching percentage for eligible participants with 15 or more years of vesting service at the start of the applicable Plan year is up to 1-1/2 times the matching percentage of eligible participants with less than 15 years of service at the start of the applicable Plan year. For the Plan year ended December 31, 1997, the Company's matching percentage was 48% of the participants' basic savings for participants with less than 15 years of vesting service at January 1, 1997 and 72% of the participants' basic savings for participants with 15 or more years of vesting service at January 1, 1997. For the Plan year ended December 31, 1996, the Company's matching percentage was 20% of the participants' basic savings.

(Continued)

FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN

Notes to Financial Statements - Continued

December 31, 1997 and 1996

Forfeited nonvested accounts of participants who terminate employment are applied to participants' accounts in accordance with Plan provisions. During the 1996 and 1997 Plan years, there were no forfeited accounts.

Participant Accounts

Each participant's account is credited with the participant's contributions and an allocation of each fund's earnings or losses. Allocations are based on participant account balances. As soon as administratively feasible after the end of each year, the Company's applicable matching contributions are credited to the eligible individual accounts.

Vesting

Participants as of March 31, 1997 are immediately 100% vested in their own and the Company's contributions. New participants on or after April 1, 1997 are immediately 100% vested in their own contributions and become 20% vested in the Company's contributions after 3 years, with additional vesting of 20% each year thereafter until fully vested. 100% vesting is also achieved through normal retirement, death or disability.

Participant Withdrawals

Effective July 1997, participants may borrow from their accounts up to a maximum amount equal to the lesser of \$50,000 or 50% of their 401(k) vested account balance. All loans must be repaid within five years and are also subject to certain other conditions as to security, a reasonable rate of interest and repayment schedules. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan Fund (Fund L).

Participants are permitted to make withdrawals of their after-tax contributions and earnings thereon 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 vested account either in the form of a lump sum payment or in a variety of annuity forms.

2. Summary of Significant Accounting Policies

a) Master Trust

Effective January 1, 1996, the Plan entered into the Federated Department Stores, Inc. Defined Contribution Plan Master Trust (the "Master Trust") Agreement with Chase Manhattan Bank (the "Trustee"). Under the terms of the Master Trust, the Trustee serves as Trustee custodian for the Master Trust which was originally established for the investment of assets of the Federated Department Stores, Inc. Retirement Income and Thrift Incentive Plan and of the Federated Savings Plan for Employees of Lazarus PA, Inc., (the "Lazarus PA Plan") also sponsored by the Company. As of April 1, 1997, the Master Trust holds the assets of the Plan, exclusively (see Note 1).

(Continued)

FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN

Notes to Financial Statements - Continued

December 31, 1997 and 1996

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 the respective portions of the assets in the Master Trust managed by them.

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.

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. Participant loans are valued at cost which approximates fair value.

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 1996 amounts have been reclassified to conform with the 1997 presentation.

(Continued)

FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN

Notes to Financial Statements - Continued

December 31, 1997 and 1996

3. Investments

All of the Plan's investments are included in the Master Trust which was originally established for the investment of assets of the Federated Department Stores, Inc. Retirement Income and Thrift Incentive Plan and of the Lazarus PA Plan (see Note 1). The assets of the Master Trust are held by the Trustee. Each participating plan has an undivided interest in the Master Trust. At December 31, 1997, the Plan had exclusive interest in the net assets of the Master Trust (see Note 1). At December 31, 1996, the Plan's interest in the net assets of the Master Trust was approximately 99.2%. Prior to April 1, 1997, investment income and administrative expenses relating to the Master Trust were 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 Federated Department Stores, Inc. Retirement Income and Thrift Incentive 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 participants could elect to redirect their balances to any available funds. In the event the participants declined this election, their balances were directed to Fund A.

Stability Income Fund - This fund consists of balances in the Retirement Income portion of the Federated Department Stores, Inc. Retirement Income and Thrift Incentive 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 participants could elect to redirect their balances to any available funds. In the event the participants declined this election, their balances were directed to Fund A.

Fund A - Fixed Income Fund - consisting primarily of high quality fixed-income and stable value products.

Fund B - Balanced Fund - consisting of common/collective trusts which invest in a varying mixture of equity securities and fixed income instruments.

Fund C - S&P 500 Stock Index Fund - consisting principally of shares of companies included in the S&P 500 Composite Stock Price Index.

Fund D - Small Cap Stock Fund - consisting principally of small capitalization domestic equity securities.

(Continued)

FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN

Notes to Financial Statements - Continued

December 31, 1997 and 1996

Fund E - International Stock Fund - consisting of stocks of companies not based in the United States.

Fund F - Federated Stock Fund - consisting exclusively of the Company's registered common stock.

Company contributions are directed to Fund F. Participants may elect to redirect the value of Company contributions to other investment options permitted pursuant to Plan provisions. Funds D and E are new fund options for the 1997 Plan year.

The following table presents the fair values or contract values of investments and total net assets for the Master Trust at December 31, 1997 and 1996:

	1997	1996
Assets:		
Investments at fair value:		

Cash and cash equivalents	\$ 7,481,407	\$ 39,839,098
U. S. government securities	4,829,500	68,486,345
Corporate debt instruments	-	60,779,347
Common stock	38,357,370	28,689,775
Foreign government securities	-	2,050,615
Common/collective trusts	539,407,513	339,497,225
Registered investment companies	68,707,604	-
Total investments at fair value	658,783,394	539,342,405

Non interest bearing cash	1,160,337	5,264
Participant loans	9,252,876	-
Insurance contracts at contract value	429,450,951	163,004,655
Total investments	1,098,647,558	702,352,324

Receivables:

Employer contributions	20,548,918	-
Accrued interest, dividend and other income	119,274	4,811,746
Other receivables	-	37,376
Total receivables	20,668,192	4,849,122
Total assets	1,119,315,750	707,201,446

Accrued liabilities:

Due to broker for securities purchased	-	15,917,026
Accrued administrative expenses	945,776	-
Total accrued liabilities	945,776	15,917,026
Total net assets	\$1,118,369,974	\$691,284,420

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FEDERATED DEPARTMENT STORES, INC.
PROFIT SHARING 401 (k) INVESTMENT PLAN

Notes to Financial Statements - Continued

December 31, 1997 and 1996

Net investment income for the Master Trust for the years ended December 31, 1997 and 1996 is as follows:

	1997	1996
Net appreciation in fair value of investments:		
Cash and cash equivalents	\$ (33,508)	\$ (523)
U.S. government securities	(29,867)	(2,319,416)
Corporate debt instruments	(278,870)	(864,389)
Preferred stock	-	(3,450)
Common stock	8,482,993	10,072,511
Foreign government securities	-	9,635
Miscellaneous securities	(689,445)	(472,962)
Common/collective trusts	101,605,295	39,908,759
Registered investment companies	9,628,370	-
Net appreciation in fair value of investments	118,684,968	46,330,165
Interest and dividends	44,864,596	31,401,563
Total investment income	163,549,564	77,731,728
Administrative expenses	(4,675,757)	(2,841,013)
Net investment income	\$ 158,873,807	\$ 74,890,715

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.

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.

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, 1998 By: /s/ Karen M. Hoguet
Karen M. Hoguet
Chairman of the Pension and
Profit Sharing Committee