

**Federated**  
DEPARTMENT STORES, INC.

2003 ANNUAL REPORT

# WHAT'S IN A NAME?





# ONE OF THE NATION'S LEADING DEPARTMENT STORE RETAILERS, FEDERATED DEPARTMENT STORES, INC.

OPERATES MORE THAN 450 STORES IN 34 STATES, GUAM AND PUERTO RICO UNDER THE NAMES OF MACY'S, BLOOMINGDALE'S, BON-MACY'S, BURDINES-MACY'S, GOLDSMITH'S-MACY'S, LAZARUS-MACY'S AND RICH'S-MACY'S. THE COMPANY ALSO OPERATES MACYS.COM AND BLOOMINGDALE'S BY MAIL.

## COMMUNITY INVOLVEMENT

Each Federated department store division is well-established in its operating areas. The company believes in giving back to the communities from which it draws strength and sustenance. Federated understands that stronger, healthier and more vibrant communities provide better environments for our stores to do business and for our employees and customers to live and work.

In 2003, cash contributions to charitable organizations by Federated, its divisions and subsidiaries – including those made by the Federated Department Stores Foundation – totaled approximately \$14.9 million.

Partners in Time, the company's nationally recognized employee volunteer program, involves all divisions and support operations. In 2003, more than 50,000 volunteers gave nearly 110,000 hours of time – valued at more than \$1.8 million – touching nearly every segment of American society.

## DIVERSITY

As a leading retailer in some of America's largest and most diverse metropolitan areas, Federated prides itself on aggressively encouraging inclusion of individuals of all types within its workforce, vendor relationships and customer base. Management's philosophy is intended to help ensure that appreciation for the unique characteristics and strengths of every person is pervasive at every level of the company.

Of Federated's total management/professional ranks, 65 percent of our executives are women and 25 percent are racial minorities. This ranks Federated among the leaders in diversity in our industry, as well as among major U.S. corporations.

Additionally, Federated's vendor development program seeks to source goods and services – either for resale or in support of business operations – from qualified minority- and women-owned enterprises. In 2003, these purchases totaled more than \$365 million.





# FINANCIAL HIGHLIGHTS

	2003	2002	2001
Net Sales	\$ 15.264 billion	\$ 15.435 billion	\$ 15.651 billion
Change in same-store sales (Note 1)	(0.9 %)	(3.0 %)	(5.3 %)
Income From Continuing Operations Before Income Taxes	\$ 1.084 billion	\$ 1.048 billion	\$ 764 million
% of sales	7.1 %	6.8 %	4.9 %
Diluted Earnings (Loss) Per Share			
Income from Continuing Operations (Note 2)	\$3.71	\$3.21	\$2.54
Net Income (Loss) (Note 2)	\$3.71	\$4.12	\$(1.38)
Cash Flow Before Financing Activities (Note 3)	\$ 1.028 billion	\$ 531 million	\$ 580 million

- Notes: (1) Represents the year-to-year percentage change in net sales from stores in operation throughout the year presented and the immediately preceding year, including for 2001 Stern's stores in operation throughout the first quarter of 2001 and 2000, and excluding for 2001 the impact of the 53rd week in 2000.
- (2) Excluding the impact of a one-time \$.20 per share reduction in net deferred income tax liabilities, diluted earnings per share for both income from continuing operations and net income would be \$3.51 in 2003.
- (3) Represents net cash provided by continuing operating activities of \$1,590 million for 2003, \$1,168 million for 2002, and \$1,351 million for 2001 reduced by the net cash used by continuing investing activities of \$562 million for 2003, \$637 million for 2002 and \$771 million for 2001.





## SOMETIMES THE NAME IS EVERYTHING

IN THE 75 YEARS SINCE ITS FOUNDING, FEDERATED DEPARTMENT STORES, INC. HAS KNOWN EXACTLY THE POWER OF WHAT'S IN A NAME. THE COMPANY BEGAN WITH SOME OF THE BEST-KNOWN NAMES IN RETAILING GATHERED UNDER A CORPORATE UMBRELLA THAT HAS GROWN AND CHANGED ALONG WITH THE AMERICAN RETAIL LANDSCAPE. TODAY, THE NAME FEDERATED CONTINUES TO EVOKE ALL THAT IS NEW, EXCITING AND INNOVATIVE IN DEPARTMENT STORE RETAILING.

# LETTER TO SHAREHOLDERS



**TERRY J. LUNDGREN**  
CHAIRMAN, PRESIDENT &  
CHIEF EXECUTIVE OFFICER

**D**ear Fellow Shareholder:  
2003 was a year of progress, accomplishment and change. We deliberately set about looking at our business in new ways this past year, challenging assumptions about how department stores operate

and what our customers expect from us. We listened to our core customers, and we learned a lot from what they told us...

We continued investing in our initiatives to reinvent the department store. In our Macy's-brand divisions, we spent more than \$50 million of our total 2003 capital expenditure budget on such physical improvements as updated and enhanced fitting room areas to make shopping more fun and relaxing; easy-to-read directional signage to make finding what customers want more convenient; shopping buggies to make conveying bulky purchases easier, especially in the home area; and conveniently located price checkers throughout the store to make real value

easier to understand.

We began capitalizing on the unique strengths of our national brands – Macy's and Bloomingdale's – attaching the Macy's name to our regional department

- MAKE THE SHOPPING EXPERIENCE MORE FUN
- GIVE ME FASHION THAT'S NEW AND RIGHT FOR ME
- LET ME FIND UNIQUE PRODUCTS IN YOUR STORES
- MAKE YOUR PRICING CLEARER AND EASIER TO UNDERSTAND
- GIVE ME GOOD QUALITY AND VALUE, NOT JUST LOW PRICES
- MAKE THE STORES LESS CLUTTERED
- PROVIDE A PLACE TO REFRESH AND RELAX IN YOUR STORES
- MAKE EVERYTHING MORE CONVENIENT

As a result of this input, we began doing some things differently. We focused more resolutely than ever on our four key priorities for improving our business over the longer term – differentiating and editing merchandise assortments, simplifying pricing, enhancing the overall shopping experience and communicating better with our customers through more cost-effective marketing.

stores, and launching Bloomingdale's into the Atlanta market.

Federated has a long and valued history with our regional department store groups, and each of these stores has a long and valued history in the communities they serve. Most of these premier retail brands have been around for more than 150 years, coming together under the Federated umbrella to become stronger and more

efficient operators. It is a process that continues today...

By creating Bon-Macy's, Burdines-Macy's, Goldsmith's-Macy's, Lazarus-Macy's and Rich's-Macy's, we were able for the first time to test national advertising, with encouraging results in the fourth quarter. And we now are able to reach out to our customers through unique brand-marketing opportunities that were not feasible before, such as the American Heart Association's national "Go Red For Women" campaign that launches this year and last year's "Thanks for Sharing" promotion, the company's first nationwide cause-marketing initiative.

On the merchandising side, we identified a number of unique new product lines, such as "H" by Hilfiger, a sportswear brand that is exclusive to Federated this year. Other new merchandise offerings from national vendors such as Jones New York, Ralph Lauren, Calvin Klein and Kenneth Cole were combined with our terrific private brands - I·N·C, Hotel Collection, Tasso Elba, Alfani, Charter Club, Greendog, Tools of the Trade, The Cellar and more. Together, these brands deliver value and help to differentiate further our stores, making them true retail magnets for discerning customers.

Our results for fiscal 2003 clearly indicate that we are making good progress in each of these important areas. The numbers speak for themselves:

- Sales trends improved throughout the year and, coupled with excellent inventory

management, led to improved profitability and a better-than-anticipated same-store sales increase of 1.4 percent in the fourth quarter.

- Cash flow from continuing operations, before financing activities, totaled more than \$1 billion. This was nearly double the prior year's level, enabling us to institute a cash dividend, repurchase approximately 16 million shares of Federated common stock, pay down more than \$450 million of debt, and end the year with more than \$900 million in cash.

- Diluted earnings per share from continuing operations were \$3.71 for the year, or \$3.51 excluding the impact of a

CLEARLY, THERE ARE SOME EXCITING THINGS HAPPENING - NEW DIRECTIONS, NEW OPERATIONS, NEW HORIZONS OF OPPORTUNITY THAT WILL DEFINE WHAT IS IN THE NAME FEDERATED.

one-time reduction in net deferred income tax liabilities, up 9 percent over last year's \$3.21 in diluted earnings per share.

#### FULL STEAM AHEAD

We entered 2004 with a full head of steam, encouraged by strengthening sales trends that reflect an excitement about apparel fashion - especially men's and women's career apparel - that we have not experienced in a while.

A year ago, when the economy was not as far along the road to recovery, we talked about taking advantage of that down period to concentrate on positioning ourselves for the impending economic recovery. We wanted Federated to do the things necessary to strengthen the basic structure of our business so we would be ready when the time was ripe. So we invested in store reinvent initiatives, consolidated additional back-of-the-house functions, and implemented strategic new approaches to marketing and merchandising.

During this period we also changed our corporate management structure, establishing five vice chairs, who report to me, to oversee strategic areas of the business - Sue Kronick, our department stores; Janet Grove, our merchandising

and product development areas; Tom Cole, our logistics, systems, store planning and credit operations; Tom Cody, our legal and corporate administrative functions; and Ron Tysoe, our real estate and financial operations.

As we move through the coming months, we believe Federated is well positioned to be the nation's best and most successful department store retailer.

One of the key areas on which we are focusing in 2004 is the Macy's Home Store. Home-merchandise categories - from home textiles, dinnerware and kitchen appliances to furniture, bedding and home accessories - currently comprise about

20 percent of our retail sales, making Federated one of the nation's largest home-related retailers.

Because we believe there is a significant opportunity for sales growth and improved profitability in this category, we determined earlier this year that these areas would benefit from a more coordinated, centralized approach to buying, merchandising and marketing. So we are in the process of implementing a centralized home store strategy in 2004, from which we expect to realize significant benefits in the next two to three years.

We also will continue to invest in our private brands, both in apparel and home areas, which currently account for approximately 17 percent of our total merchandise mix. In addition to the new I·N·C line for men that debuts this spring, we are introducing a new home accessories line in the fall, called Inhabit. We also will be increasing the number of stores nationally that carry our new Hotel Collection brand of luxury bedding and textiles.

Clearly, there are some exciting things happening - new directions, new operations, new horizons of opportunity that will define what is in the name



Federated. Underlying all of this, however, is one of the finest retail management teams in the industry, and the best people in the business in every category of job. I believe we've proven this time and again, as Federated experienced a continuum of change throughout the last decade to evolve to where we are today. I am proud of this company, and of the dedicated people who help to make it what it is, and I thank each and every one of them for what they contribute to our company on a daily basis.

Much of our progress and success as a company, however, is attributable to Jim Zimmerman, who retired this year as chairman of Federated. You can read more about Jim and his contributions to Federated in the column to the right, but I want to take this opportunity to say that I am honored to succeed him and even more honored to have benefited from his insight, integrity and experience in the 10 years we worked together.

To you, our shareholders, I say thank you for your investment in Federated Department Stores, Inc. We will do our best to be worthy of your confidence, now and in the months and years to come.

Sincerely,



TERRY J. LUNDGREN

CHAIRMAN, PRESIDENT &  
CHIEF EXECUTIVE OFFICER

APRIL 15, 2004

## STRONG, STEADY LEADERSHIP ARE HALLMARKS OF JIM ZIMMERMAN'S TENURE AS FEDERATED'S CHAIRMAN/CEO

The year was 1965 and Federated Department Stores was a far different company when James M. Zimmerman launched his retail career on the loading docks of Foley's in Houston, Texas.

It was an unassuming beginning, but even then there was the suggestion of bigger and better things to come. Just how much bigger and better, few could have guessed...

Jim Zimmerman retired this year as Federated's chairman and chief executive officer, putting an exclamation mark on a distinguished 40-year career that took him to the pinnacle of department store retailing.

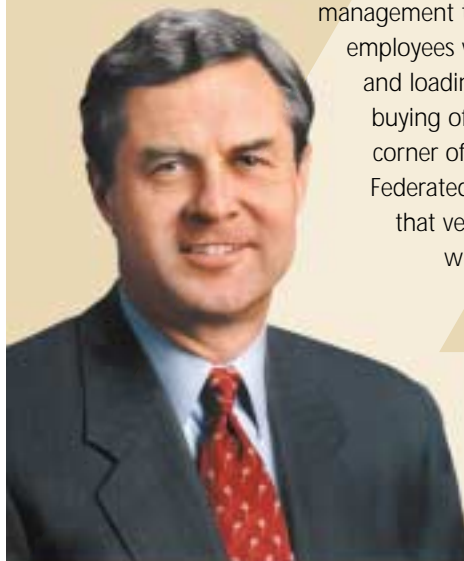
In his days in the trenches, Mr. Zimmerman's accomplishments ranged from laying the groundwork for shared, multi-divisional electronic data processing to turning Atlanta-based Rich's into one of Federated's most successful divisions. Change – even change that evolves slowly – demands leadership, and this, more than anything, is what Jim Zimmerman consistently provided.

When once he was asked how he thought others would describe him, Mr. Zimmerman was characteristically direct: "I hope they would see me as a good motivator and a good listener, someone who is decisive but fair, someone who is accessible and approachable, who's willing to take risks where you can see rewards, and someone who can provide leadership while still allowing the people around him to do their own jobs."

There may be no better or more accurate description of Jim Zimmerman than this. As chairman/ceo from 1997-2004 and president/chief operating officer from 1988-1997, he used his unique skills to steer Federated through potentially lethal shoals. Facing the most difficult of challenges, Mr. Zimmerman inspired confidence from all who dealt with him. He also inspired loyalty and devotion from all lucky enough to work with him. In the words of a former Federated chairman, "If it weren't for him, I doubt any of us would be here today."

So as Jim Zimmerman retires, he does so with the gratitude of

Federated's board of directors, its corporate and division management teams, and the more than 111,000 employees who today populate the cubicles and loading docks... the sales floors and buying offices... the conference rooms and corner offices of a successful company called Federated Department Stores – a company that very probably would not be here today without his tremendous leadership and vision.



JAMES M. ZIMMERMAN  
RETIRED CHAIRMAN

# WHAT'S IN A NAME? A LOT IF IT'S BLOOMINGDALE'S OR MACY'S



Ask any shopper for a short list of America's best and most recognized department stores – those that offer fashion, newness, value and convenience – and she's likely to name Macy's and Bloomingdale's.

It's no coincidence. Macy's and Bloomingdale's are compelling national brand names that stand out in the highly competitive arena of U.S. retailing. Macy's translates fashion trends and lifestyle choices into wear-now apparel and home décor for a broad swath of the population. Bloomingdale's defines "chic" for its sophisticated, upscale customer who craves the latest designer fashion and expects exceptional, personalized service.

Both stores are rooted in more than 130 years of history. Each is woven into the fabric of American culture and known worldwide. These stores are where characters in movies and TV series work and shop. They're where celebrities and alluring events draw crowds. They're where a loyal legion of customers shop first when

looking for apparel and accessories for themselves and their families... for gifts for their friends... for the décor to dress their homes.

Simply put, Macy's and Bloomingdale's are among America's most powerful brand names.

Federated recognizes these names as among the corporation's most valued assets, and our strategy is to invest in building the Macy's and Bloomingdale's brands in a manner that drives comp store sales and leverages investments in marketing and sales promotion.

By maximizing the Bloomingdale's and Macy's nameplates, Federated is emerging as a new breed of department store operator – one agile enough to fuse national brand recognition and merchandising acumen with local store execution and a regional focus on the customer.

In 2003, we propelled Macy's presence nationwide through successful co-branding with our regional department store nameplates. Bon-Macy's, Burdines-Macy's, Goldsmith's-Macy's, Lazarus-Macy's and Rich's-Macy's have made Macy's local for millions of new customers. This will allow the company to magnify the impact of marketing on a nationwide basis, as well as leverage major events such as the Macy's Thanksgiving Day Parade and the Fourth of July fireworks in New York.

Meanwhile, Bloomingdale's continued to refine its merchandise offerings, store ambience, marketing approach and customer service techniques.





# bloomingdale's

## LIKE NO OTHER STORE IN THE WORLD



Bloomingdale's is sharpening its edge with improved stores, new locations, enhanced tools for building customer relationships, and an ongoing obsession with offering unique and differentiated merchandise.

These factors are driving a renewed energy at Bloomingdale's, already known globally for being "like no other store in the world."

Bloomingdale's serves a special type of fashion-forward customer, one that enjoys the trend of the moment while still appreciating the classics of the past. She wants what's new and hot, and she easily spots and latches onto emerging fashion trends. Bloomingdale's customer is as comfortable wearing a Chanel suit as she is in a Marc Jacobs jacket with blue jeans. She expects and demands top quality.

Being the first with fashion and exclusive merchandise is what Bloomingdale's is all about. Its customers regularly see new designers, as well as the latest collections and shops from established names such as Calvin Klein, Ralph Lauren, Burberry, David Yurman, Chanel and Armani.

Bridge sportswear and Young East Sider (YES) are particular strengths of Bloomingdale's, and we are continuously resetting these stages – as well as our entire stores – with new shops, looks and designer fashion. Stores today have less signage, brighter lighting and clearer sight lines to increase the ease of shopping. In response to customer research, we are enhancing store amenities such as lounges, fitting rooms and seating areas.

YES departments have been upgraded in selected Bloomingdale's locations. In downtown Chicago, for example, junior's and young men's collections have been combined in an environment of more eclectic visual presentation, more congenial departmental layouts and eye-catching entertainment carried on plasma screens.



Bloomingdale's will continue to selectively open new stores to expand its reach to targeted market niches. In 2003, it opened two new stores in prime locations in Atlanta – Bloomingdale's first presence in that market – as well as two new home stores in the Chicago area. Upcoming are a focused new fashion store in the Soho section of Manhattan in spring 2004, as well as a new West Coast flagship in downtown San Francisco to open in fall 2006.

To its customer, Bloomingdale's represents a unique experience in catering to her individualized needs. We engage this customer through a philosophy called "the B-way of courtesy," which demonstrates Bloomingdale's eagerness to serve. Sales associates regularly contact our top customers personally to announce new merchandise of interest, invite them to store events and follow-up to ensure satisfaction with purchases.

As part of the customer experience at Bloomingdale's, a new point-of-sale system to be tested in 2004 will provide sales associates information on a customer's previous purchases so additional items can be suggested while a transaction is processed.

Overlaying this approach is sophisticated advertising that reflects a distinctive flair and sense of humor that separates Bloomingdale's from other upscale retailers. In 2003, Bloomingdale's introduced an exclusive new lifestyle magazine – called "B" – which offers dazzling four-color fashion spreads, as well as advice on travel, entertaining and decorating.

AMERICA'S  
"WAY TO  
SHOP"



Macy's has experienced something of a makeover.

Already the nation's best-known department store, we have extended the Macy's name to co-brand Federated's regional department store divisions, established a new Macy's Home Store division, introduced a new marketing approach and accelerated the rollout of "reinvent" elements to stores across the country.

The process began with extensive research on customer attitudes and shopping behaviors across the country. We explored where American consumers are shopping... how and why they're shopping... and what they expect from stores.

As a result, we more precisely defined the Macy's core customer. She's a fashion-conscious woman between the ages of 25-54. She more often than not works outside the home, and her household income averages more than \$75,000 a year. Most are married; about half have children and her purchase decisions are defined by her lifestyle.

Macy's core customer loves to shop. In fact, she shops an average of 78 times a year for the categories of merchandise sold at Macy's, spending about \$5,000 a year on herself, her family and for gifts.

Ever conscious about what's "brand right" for Macy's, Federated's business focus is consistent with four strategic priorities – differentiated assortments, simplified pricing, improving the shopping experience and marketing.

#### ASSORTMENTS

Macy's merchandise assortments today are better edited and more focused. We are eliminating duplication and clutter on the selling floor, while also re-introducing categories and items the customer is telling us she wants. We're more aggressively pursuing new ideas, becoming more curious and moving faster.



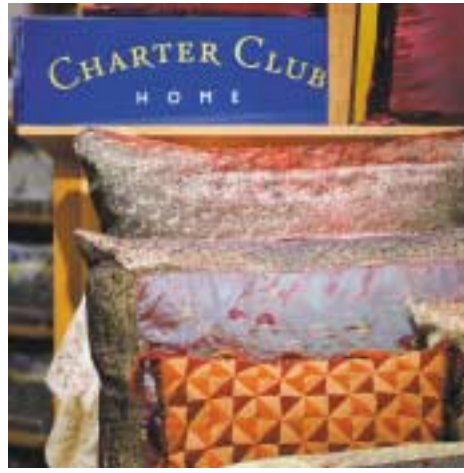
Exclusive private brands are important to differentiating Macy's assortments and delivering value to the customer. New private brands such as Hotel Collection, offering luxury bed and bath linens, and Tasso Elba, a modern traditional men's sportswear line, supplement already highly successful collections from I-N-C, Charter Club, Alfani, Greendog, The Cellar and Tools of the Trade. In 2004, I-N-C will launch a men's collection, and an exciting new home accessories line called "Inhabit" will debut, adding yet another category of exclusive merchandise under the Macy's umbrella.

In 2003, private brands represented 17 percent of total sales in Macy's-branded stores. Over time, total penetration is expected to reach 20 percent.

Macy's also is attracting exclusive and limited-distribution national apparel brands, such as "H" by Tommy Hilfiger, and new collections from Jones New York Signature, Lauren by Ralph Lauren, Michael Kors and Calvin Klein.

Recognizing that merchandise for the home is a significant strength and differentiator for Macy's, Federated in early 2004 created a Macy's Home Store division. Based in New York, this centralized organization is responsible for overall strategy, merchandising and





FEDERATED IS A RETAIL INDUSTRY LEADER IN THE DEVELOPMENT OF EXCLUSIVE PRIVATE BRANDS OF MERCHANDISE. AS A GROWING PROPORTION OF TOTAL SALES, PRIVATE BRANDS DIFFERENTIATE MACY'S ASSORTMENTS AND DELIVER VALUE TO THE CUSTOMER.

marketing of home-related categories of business – including textiles, tabletop, housewares and furniture – in all stores that carry the Macy's nameplate.

Our customer already looks to us as a favored place to shop for her home needs. Our national and international vendor base, combined with our high-quality private brands for the home, provides a strong foundation on which to build this part of our business with newness and value, making it bigger and better than ever before.

#### SIMPLIFIED PRICING

Recognizing that while customers continue to respond to value-oriented events, many have become confused by the complex system of sales, clearances, markdowns and promotions at department stores and other retailers. Macy's is developing a better approach.

Shoppers are beginning to find simplified pricing that is more credible, clear and easy to understand. Over the past two years, promotional coupons have been reduced by a total of 20 percent. True to its value proposition, Macy's is expanding its strategic program of Everyday Value – highly attractive prices for some of our best-selling items that a customer will always find at this same great value price,

every day, in our stores. These are items that never go on sale so a customer doesn't need to wait to buy them.

#### IMPROVING THE SHOPPING EXPERIENCE

Federated is entering its third year of rolling out key improvements as part of its drive to reinvent the department store. This includes listening to the voice of the customer, then taking action to make shopping simpler, more convenient and more interesting.

More than \$170 million has been invested in the past two years in reinventing more than 100 Macy's-branded stores, particularly as the Macy's name has been added to regional department store nameplates. Included are new fitting rooms, electronic price checkers, wayfinding signage and shopping buggies.

#### MARKETING

Macy's is employing a more compelling approach to communicate with its targeted customer and strengthen its unique brand image. Macy's new advertising theme – "Way to Shop" – will communicate with this customer in words and images she recognizes and understands. And with 425 stores nationwide now part of the brand, Macy's can advertise consistently

coast to coast for greater efficiency and impact – supported by a national e-commerce presence through macys.com.

"Way to Shop" celebrates the experience of shopping, reflecting the way customers think of a trip to a Macy's-branded store. More advertising dollars are being allocated to high-energy broadcast spots that reach our core customers more consistently in key markets.





# SUCCESS IS A STATE OF MIND

In fashion retailing, the difference between winning and losing with the customer comes down to attitude – having the can-do spirit that appeals to a shopper, serves her needs, and keeps her coming back time and again. At Federated, we're embracing change and building a culture of success that's infectious.

The company's future growth and prosperity depends on attracting, retaining and developing the best people in retailing. We're reaching out to create a community of talent that embraces the unique capabilities of each individual, recognizes and rewards high performance, and develops skills at every level of the organization.

We're connecting with customers by proactively soliciting their opinions, carefully analyzing the feedback, then taking appropriate action. Aside from our in-store interactions, we received feedback



from nearly 200,000 consumers in 2003 through customer response letters and the "Tell Us What You Think" feature on our Internet sites. This dialogue has guided our strategic priorities in improving assortments, pricing, store environments and marketing.

In the last year, Federated has become a more creative and innovative company, one that is known for always testing new merchandise, techniques and concepts, for rolling out the successes and learning from the mistakes. Our internal organization is coming closer together so we can learn from each other, leverage our collective experience and build strength on strength.

Most of all, we're capturing and catapulting the power of our nameplate brands – Macy's and Bloomingdale's – and our private brands of merchandise. We are thinking nationally and acting locally, always with the customer foremost in our minds.

It all comes together to create a culture of success and a mindset of achievement. And that's what's in the name "Federated" – by any measure, a company to watch.



## SHAREHOLDER INFORMATION

### TO REACH US:

#### WWW.FDS.COM/FINANCIAL:

- Sign up to have Federated's news releases sent to you via e-mail by subscribing to News Direct
- Get the latest stock price and chart, or take advantage of the historical price look-up feature

**CALL:** Federated Investor Relations Department, Monday-Friday, 8:30AM-5PM (ET): 1-513-579-7028  
Federated News & Information Request Hotline: 1-800-261-5385

**WRITE:** Federated Department Stores, Inc. Investor Relations Department  
7 West Seventh Street  
Cincinnati, OH 45202

### TRANSFER AGENT FOR FEDERATED SHARES:

The Bank of New York  
Shareholder Relations Department  
Church Street Station  
P.O. Box 11258  
New York, NY 10286-1258  
1-800-524-4458

### ANNUAL MEETING:

The next annual meeting of shareholders will be held at 11AM (ET), on Friday, May 21, 2004 at Corporate Headquarters in Cincinnati, OH.



## BOARD OF DIRECTORS

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COLUMBIA UNIVERSITY

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**Terry J. Lundgren**  
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CHIEF EXECUTIVE OFFICER  
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NICHOLAS APPLIGATE  
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CHIEF EXECUTIVE OFFICER

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**Thomas L. Cole**  
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**Janet E. Grove**  
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**Susan D. Kronick**  
VICE CHAIR

**Ronald W. Tysoe**  
VICE CHAIR

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GENERAL COUNSEL &  
SECRETARY

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HUMAN RESOURCES

**Karen M. Hoguet**  
CHIEF FINANCIAL OFFICER

**Rudolph V. Javosky**  
DESIGN & CONSTRUCTION

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CONTROLLER

**William L. Hawthorne, II**  
DIVERSITY &  
DEPUTY GENERAL COUNSEL

**Bradley R. Mays**  
TAX

**Gary J. Nay**  
REAL ESTATE

**Carol A. Sanger**  
CORPORATE COMMUNICATIONS  
& EXTERNAL AFFAIRS

**Cynthia Ray Walker**  
AREA RESEARCH

**Michael Zorn**  
EMPLOYEE RELATIONS

## DIVISION PRINCIPALS

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CHAIRMAN

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**Daniel H. Edelman**  
CHAIRMAN

### BURDINES-MACY'S

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CHAIRMAN

**N.K. "Trip" Tripathy**  
PRESIDENT

**J. David Scheiner**  
VICE CHAIRMAN &  
DIRECTOR OF STORES

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CHAIRMAN

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CHAIRMAN

**Michael J. Osborn**  
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**Rudolph J. Borneo**  
VICE CHAIRMAN &  
DIRECTOR OF STORES

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**Michael G. Krauter**  
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CHIEF MERCHANDISING OFFICER

**David L. Nichols**  
PRESIDENT &  
CHIEF OPERATING OFFICER

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PRESIDENT

### FEDERATED MERCHANDISING GROUP

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CHAIRMAN

**Leonard Marcus**  
PRESIDENT

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CHIEF MARKETING OFFICER

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CHAIRMAN &  
CHIEF EXECUTIVE OFFICER

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