

\*THIS IS A POST ONLY EMAIL. DO NOT SEND A REPLY TO THIS MESSAGE\*

To: All Federated Vendors

Subject: Federated/May Merger Information

November 30, 2005

Dear Vendor Partner:

The merger of Federated Department Stores and The May Department Stores Company was announced on August 30, 2005. This is the first of what we expect will be a series of communications related to the merging of Federated and May Operations. We hope that these communications will be an effective tool in making this period of transition as productive as possible.

We would like to begin by welcoming May vendors who may be new to Federated and assuring Federated's vendors that we look forward to continuing and enhancing our business partnership with you. Before outlining changes that we anticipate implementing, please take note of the following important items that will remain unchanged until you are otherwise advised:

\* All distribution Centers, stores, offices, and operations will remain in place through the Fall 2005 selling season.

\* The Purchase Order (PO) is your guide for shipping goods:

- May Company Purchase Orders must follow May company standards and guidelines. Vendors should continue to follow the May Partners manual located at <http://www.MDSPartners.com>

- Federated Purchase Orders must follow Federated standards and guidelines. Suppliers should continue to follow our Vendor Standards manual located at <http://www.FDSNet.com>

After the end of the Fall 2005 Selling Season, changes in the merged organizations will begin being implemented. Below is a schedule listing when May Divisions will be merging into existing Macy's Divisions and converting to Federated systems:

Current MAY Division: Filene's/Kaufmann's  
Future MACY'S Division: Macy's East/Macy's Home  
Conversion Date: 4/30/2006

Current MAY Division: Hecht's/Strawbridge's  
Future MACY'S Division: Macy's East/Macy's South/Macy's Home  
Conversion Date: 5/28/2006

Current MAY Division: Foley's  
Future MACY'S Division: Macy's West/Macy's South/Macy's Home  
Conversion Date: 7/2/2006

Current MAY Division: Robinson's-May/Meier & Frank  
Future MACY'S Division: Macy's West/Macy's Northwest/Macy's Home  
Conversion Date: 7/2/2006

The two May Co Divisions listed below will become new Macy's Divisions but will not convert to Federated systems until some date (TBD) in 2007:

Current MAY Division: Famous Barr/L.S.Ayres/The Jones Store  
Future MACY'S Division: Macy's Midwest  
Conversion Date: 2007 TBD

Current MAY Division: Marshall Field's  
Future MACY'S Division: Macy's North  
Conversion Date: 2007 TBD

Please note the following additional information:

\* The Macy's Central division, based in Atlanta, will be renamed "Macy's South" in February 2006.

\* Macy's Florida, Bloomingdale's and Lord & Taylor will continue to operate as they do today.

\* The May to Macy's store location transitions can be found at <http://www.fdsnet.com/MAY> under May Co. to Macy's Store Listing.

\* More information regarding routing, store locations, and vendor requirements will be published in January 2006.

\* Shipping and receiving cut off dates corresponding to each divisional transition will be published as soon as they are established. The originating division PO is your guide as to the standards and shipping methods to be followed.

\* Beginning February 2006, a help desk will be available to answer your questions.

\* Please continue to monitor FDSNET for any new information on the Federated-May Merger. This site will be updated as changes occur. In the interim, any questions can be directed to Federated Vendor Services at 513-782-1412.

Please feel free to also contact Federated Vendor Services at 513-782-1412 if we can be of any assistance with respect to any other subject.

We also want to take this opportunity to wish you a happy, healthy holiday season and to thank you all for your support as we look forward to building our business partnership with each of you.