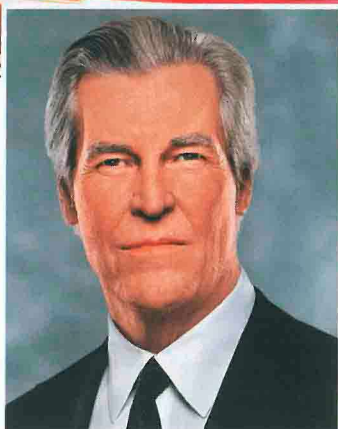


MACY'S SET TO OPEN IN ABU DHABI'S
AL MARYAH CENTRAL IN 2018

Vintage American



ONE OF THE NATION'S PREMIER RETAILERS, MACY'S REMAINS THE LARGEST DEPARTMENT STORE BRAND IN THE US. HERE, RLI SITS DOWN WITH CHAIRMAN & CEO TERRY J. LUNDGREN TO DISCUSS THE HISTORY OF THE FAMOUS COMPANY AND WHAT LIES AHEAD.

First opening on the corner of 14th Street and 6th Avenue in New York City in 1858, Macy's has come a long way and now operates 700 department stores under its Macy's and Bloomingdale's banners, along with 125 specialty stores, of which the majority are Bluemercury, the beauty cosmetic retailer. The company operates throughout the country in 45 states, the District of Columbia, Guam and Puerto Rico, and its international presence is on the rise in the Middle East.

The third largest online retailer after Amazon and Walmart, Macy's has had a challenging 12 months in which the consumer has been changing its shopping habits and there has been a decline in traffic in mall-based stores.

"We used to have 800 department stores and now we have 700, so we are making these adjustments to strip the retail footprint but at the same time aggressively expand the way the customer is shopping," says Macy's Chairman & CEO Terry J. Lundgren. "It is more omni-channel, where customers can look in store at products, but they can also go on their mobile phone at a later time and order product. Customers are now able to buy in store as well as going to our websites and buy the same product online."

Ten years ago Macy's became the first national department store in America, acquiring one of its largest competitors, May Company and quickly doubling its store count. Because of this expansion and the rise of omni-channel, between 2010 and 2014 Macy's enjoyed

the best years in its illustrious history.

Despite the closure of some stores, the company is still opening new doors when it is appropriate to the business plan. "In October last year we opened a Macy's in Hawaii, 12 months before this we opened a Bloomingdale's there as well. We opened in Puerto Rico our second location in November along with several Bluemercury stores. Our target is to open stores where there is a new centre or if there is a centre we have been trying to move into," explains Lundgren.

Looking forward, the company is testing new store layouts, new food concepts and new lease operations to its stores, an example is the opening of the first Apple Shop inside of Macy's at Herald Square, the first of its kind in America.

Outside of America, Macy's will next month be opening a second Bloomingdale's in Kuwait and next year a Macy's and Bloomingdale's will be opening in Abu Dhabi. It has also launched a website in China and has a team there managing that side of the business.

Closer to home, the company continues to differentiate its product offering by location, utilising consumer feedback, individual store technology and data analysis to help select correct fabrics, weights of fabrics, colour and fit for consumers across the country. "This has been a great evolution inside the company, to the point where we have elevated a team of people with the Chief of Data

MACY'S - PRODUCT PERSONALISATION

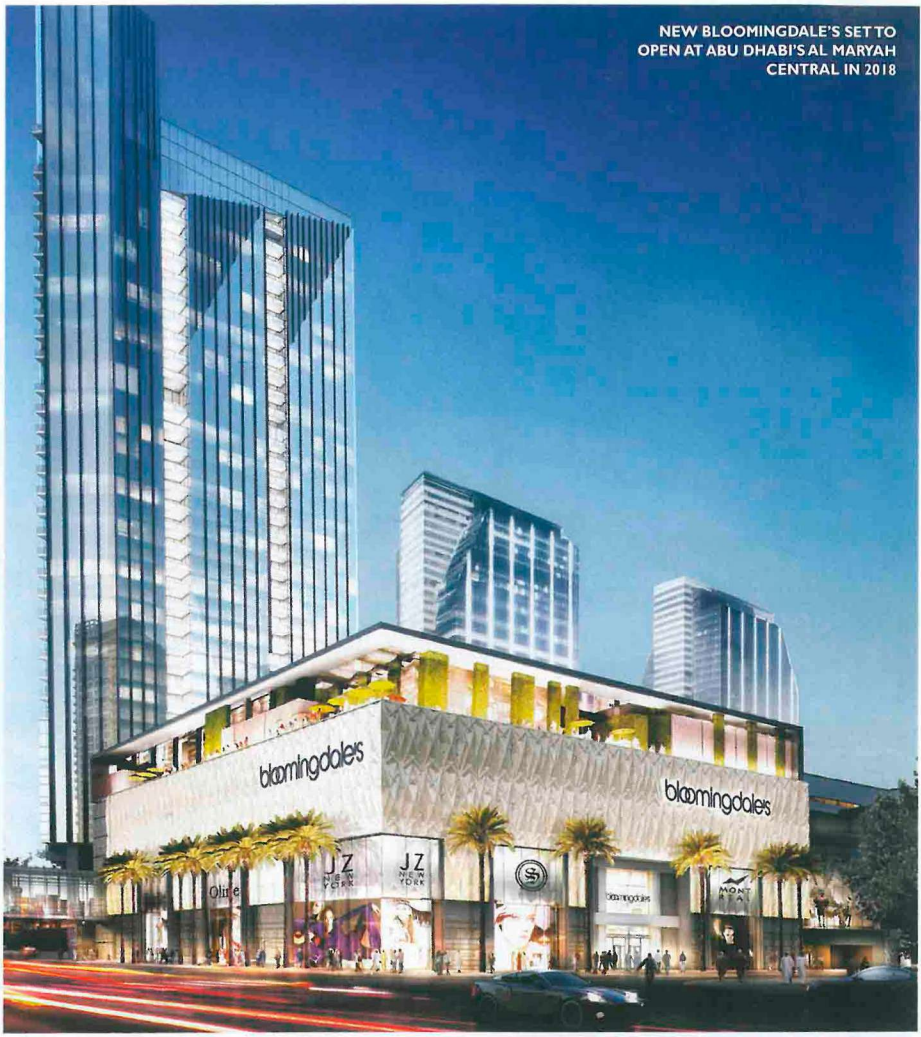




MOBILE TECHNOLOGY HELPS SHOPPERS PURCHASE ITEMS THAT MAY BE IN STOCK AT OTHER LOCATIONS



PICK UP POINTS INSTORE FOR ONLINE PURCHASES



NEW BLOOMINGDALE'S SET TO OPEN AT ABU DHABI'S AL MARYAH CENTRAL IN 2018

and Consumer Analytics reporting right to the office of the chairman," says Lundgren.

Embracing the surge in social media, Macy's has forged fantastic relationships with companies such as Facebook, Pinterest and even Google, ensuring it remains ahead of the social media curve and remaining connected to its customers on an almost constant basis.

So why is it customers remain so loyal to the brand?

"Being a more than 150-year old company reminds people that we have been around all of their lives, and we will be for all of their children's lives, so they can trust that if they buy something and it is not correct, they can come back to a Macy's or Bloomingdale's store and we will be there to correct it," explains Lundgren.

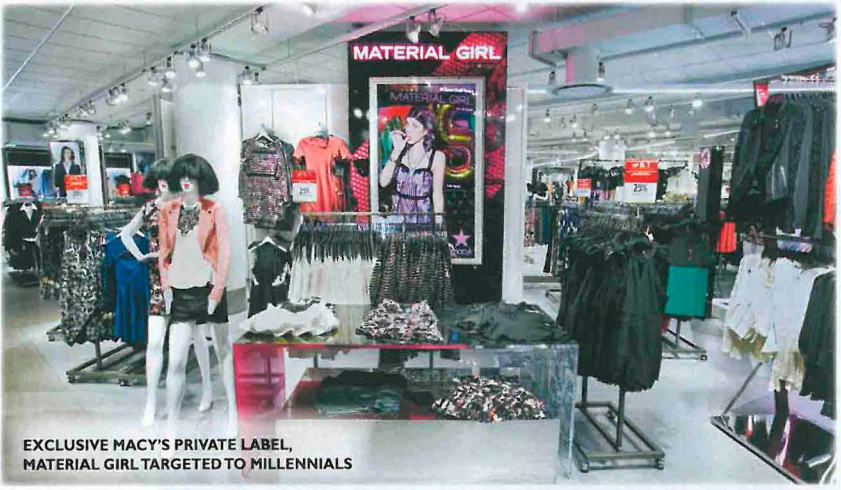
The key drivers for Macy's remains the same, to surprise and delight consumers with unique and interesting fashion merchandise, to keep product affordable and to keep the mix of exclusive brands available at Macy's and Bloomingdale's. The world-renowned events they are famous for is also a pivotal factor, with the Macy's Thanksgiving Day Parade now the second most watched programme in the US, only behind the Superbowl.

"We all recognise the customer is key and paramount and all of our actions must begin by putting the customer at the centre of any decision we make," says Lundgren.

To help maintain the high standards of Macy's and to keep offering customers this varied range of product, the company continues to invest and focus on the talented people within the company and work hard to recruit the very best talent coming out of America's colleges and universities

So what lies ahead?

We have led the consolidation of retail space, which needed to be done here in the US as more real estate is devoted to retail in the country than anywhere else in the world, and many retailers need to do the same. I think that is the next big step that needs to occur over the next few years in the US," concludes Lundgren.



EXCLUSIVE MACY'S PRIVATE LABEL, MATERIAL GIRL TARGETED TO MILLENNIALS



NEW BLOOMINGDALE'S MEN'S DEPARTMENT IN ALA MOANA SHOPPING CENTER HAWAII