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FOR IMMEDIATE RELEASE

MACY'S, INC. AGREES TO ACQUIRE BLUEMERCURY
*Macy's, Inc. to grow its beauty business and enhance customer offerings
in standalone Bluemercury specialty locations, in digital channels and in Macy's stores*

CINCINNATI, Ohio, February 3, 2015 – Macy's, Inc. today announced it has signed an agreement to acquire Bluemercury, Inc., widely recognized as America's largest and fastest-growing luxury beauty products and spa services retailer, for \$210 million in cash. The transaction is expected to be completed in Macy's, Inc.'s fiscal first quarter (which ends on May 2, 2015) and be accretive to Macy's, Inc.'s earnings in its first full year (fiscal 2016).

(Editor's Note: Macy's, Inc. this afternoon also issued separate news releases on preliminary 2014 financial results and announcing senior executive appointments to develop and drive growth strategies.)

Bluemercury, based in Washington, D.C., currently operates about 60 specialty stores in 18 states, typically in prime street-level locations and urban lifestyle centers, as well as an online business.

Products include well-known, high-end luxury beauty brands, as well as M-61, a proprietary skincare brand – all supported with personalized assistance from a team of beauty experts with a high level of technical product knowledge. Most locations include in-house spas.

Bluemercury will continue to be led by Marla and Barry Beck, who co-founded the company in 1999. Its team of approximately 500 associates will remain in their current roles operating a stand-alone Bluemercury specialty business.

“Beauty is a core signature business for Macy's and Bloomingdale's and a continued platform for our company's profitable sales growth. With Bluemercury, our company can access a new channel to reach additional customers, add new dimensions to our product offering and apply our expertise in omnichannel retailing,” said Terry J. Lundgren, Macy's chairman and chief executive officer. “Our plan is to operate and significantly expand Bluemercury stores as a standalone business with an enhanced omnichannel component for a seamless customer experience across stores, online and mobile. Concurrently, we also plan to add selected Bluemercury products and boutiques to Macy's stores nationwide.”

(more)

“We are excited to continue our aggressive expansion of Bluemercury while simultaneously leveraging Macy’s leadership in omnichannel technology, supply chain, and retail operations,” said Marla Malcolm Beck, Bluemercury’s co-founder and chief executive officer. “Keeping Bluemercury as a standalone business, while adding new expertise, will enable us to fulfill our mission of being the best at giving beauty advice and helping our customers make their way through the often complex process of purchasing beauty products.”

“With the full weight of Macy’s resources, we will be able to accelerate our store penetration across the United States, bringing our specialty store format to urban and suburban markets throughout the country,” said Barry Beck, Bluemercury’s co-founder and chief operating officer. “We are thrilled to team up with Macy’s in this next chapter of our growth and we especially want to thank The Invus Group who has been a great partner since 2006.”

Within Macy’s, Inc., Bluemercury will report directly to Lundgren. Marla Malcolm Beck will continue as Bluemercury’s chief executive officer and president. Barry Beck will continue as Bluemercury’s chief operating officer.

Macy’s, Inc. was advised in the transaction by Credit Suisse Securities (USA) LLC and Jones Day. Bluemercury, Inc. was advised in the transaction by Goldman, Sachs & Co., Patterson Belknap Webb & Tyler LLP and Cooley LLP.

Biographies

Marla Malcolm Beck co-founded Bluemercury, Inc. in 1999 and serves at its chief executive officer. She also co-founded M-61 Laboratories, maker of M-61 skincare products. Previously, she was a consultant at McKinsey & Company. Ms. Beck holds a bachelor’s degree from the University of California, Berkeley, an MBA from Harvard Business School and an MPA from Harvard University’s John F. Kennedy School of Government. She is a member of the advisory board of Harvard Business School’s Rock Center for Entrepreneurship, the board of directors of the National Retail Federation, and the board of trustees at the Sidwell Friends School in Washington, D.C. In 2014, Ms. Beck was appointed an Entrepreneur-in-Residence at Harvard Business School. She was Ernst and Young’s Entrepreneur of the Year in 2005.

Barry Beck co-founded Bluemercury, Inc. and M-61 Laboratories, and serves as Bluemercury’s chief operating officer. He oversees all aspects of Bluemercury’s operations, including real estate, product development, finance and acquisitions. Mr. Beck developed the original Bluemercury retail store model. Prior to Bluemercury, Mr. Beck participated in the founding of Tower Systems, Inc., now known as U.S. Maintenance, a contract maintenance business serving national retail chains. He holds a bachelor’s degree from Cornell University. Mr. Beck currently sits on the trustee council of Cornell University, the Advisory Council of Cornell University’s ILR School, and on the advisory council of the Federal Reserve Bank of Richmond.

About The Invus Group

The Invus Group is a global investment firm whose mission is to empower entrepreneurs to accelerate the growth of their business and transform their industry. With the same group of family investors since its founding 30 years ago, Invus invests over \$5 billion in an evergreen fund structure out of offices in New York, Paris and Hong Kong.

About Macy’s, Inc.

Macy’s, Inc., with corporate offices in Cincinnati and New York, is one of the nation’s premier retailers, with fiscal 2013 sales of \$27.931 billion. The company operates about 825 stores in 45 states, the District of Columbia, Guam and Puerto Rico under the names of Macy’s and Bloomingdale’s, as well as the macys.com and bloomingdales.com websites. The company also operates 13 Bloomingdale’s Outlet stores. Bloomingdale’s in Dubai is operated by Al Tayer Group LLC under a license agreement.

All statements in this press release that are not statements of historical fact are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Macy's management and are subject to significant risks and uncertainties. Actual results could differ materially from those expressed in or implied by the forward-looking statements contained in this release because of a variety of factors, including conditions to, or changes in the timing of, proposed transactions, prevailing interest rates and non-recurring charges, competitive pressures from specialty stores, general merchandise stores, off-price and discount stores, manufacturers' outlets, the Internet, mail-order catalogs and television shopping and general consumer spending levels, including the impact of the availability and level of consumer debt, the effect of weather and other factors identified in documents filed by the company with the Securities and Exchange Commission.

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(NOTE: Additional information on Macy's, Inc., including past news releases, is available at www.macysinc.com/pressroom.)