



Macy's boosts 2010 forecast after second quarter sales surge

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Macy's boosted its 2010 profit outlook after posting a jump in second-quarter income to \$147 million, from \$7 million for the same quarter a year ago. The retailer is stealing market share back from rivals JCPenney and Kohl's thanks in part to its efforts to tailor merchandise assortments in individual stores to local tastes, executives said on the chain's quarterly conference call with investors.

Macy's boosted its full-year profit forecast to \$1.85 to \$1.90 per share for the second time. The company's previous guidance was \$1.75 to \$1.80 per share. At the beginning of the year, Macy's had forecast \$1.55 per share to \$1.60 per share. Wall Street analysts were expecting \$1.86 per share.

The company said it now expects same-store to rise between 4% and 4.2% for 2010. In January, Macy's was only anticipating a 1-2% increase.

"We don't have a crystal ball on the economy, but we do have confidence that we can continue to gain share profitably, no matter the environment," Karen Hoguet, Macy's CFO, told investors during a conference call Wednesday.

Total sales rose 7.2% to \$5.54 billion. Same-store sales increased 4.9%.

"Our business is beginning to hit its stride after implementing significant structural and organizational changes over the past two years," Terry Lundgren, Macy's chairman, president and CEO, said in a press release.

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