



FORM 10-K405

MAY DEPARTMENT STORES CO - MAY

Exhibit:

Filed: April 25, 2001 (period: February 03, 2001)

Annual report. The Regulation S-K Item 405 box on the cover page is checked

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark one)

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended February 3, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-79

THE MAY DEPARTMENT STORES COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

43-1104396
(I.R.S. Employer
Identification Number)

611 Olive Street, St. Louis, Missouri
(Address of principal executive offices)

63101
(Zip Code)

Registrant's telephone number, including area code: (314) 342-6300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$.50 per share	New York Stock Exchange
Preferred stock purchase rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Aggregate market value of the registrant's common stock held by non-affiliates as of April 7, 2001: \$10,494,151,852

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
298,924,692 shares of common stock, \$.50 par value, as of April 7, 2001.

Documents incorporated by reference:

1. Portions of the registrant's 2000 Annual Report to Shareowners are incorporated into Parts I and II.
2. Portions of the registrant's 2001 Proxy Statement, dated April 20, 2001, are incorporated into Part III.

PART I

Items 1 and 2. Business and Description of Property

The May Department Stores Company ("May"), a corporation organized under the laws of the State of Delaware in 1976, became the successor to The May Department Stores Company, a New York corporation ("May NY") in a reincorporation from New York to Delaware pursuant to a statutory share exchange accomplished in 1996. As a result of the share exchange, May NY became a wholly-owned subsidiary of May. May NY was organized under the laws of the State of New York in 1910, as the successor to a business founded by David May, who opened his first store in Leadville, Colorado, in 1877.

May operates eight quality regional department store companies nationwide under 11 trade names. May also operates David's Bridal, Inc., which is the nation's largest retailer of bridal gowns and bridal-related merchandise. At fiscal year-end 2000, May operated 427 department stores and 123 David's Bridal stores in 43 states, the District of Columbia and Puerto Rico. The department store companies and the markets served are shown in the table below.

Store Company	Markets Served
Lord & Taylor	33 markets, including New York/New Jersey Metro, Chicago, Boston, Dallas/Fort Worth, Philadelphia Metro, Washington D.C. Metro, Detroit, Houston, Atlanta, and Miami
Hecht's and Strawbridge's	19 markets, including Washington D.C. Metro, Philadelphia Metro (Strawbridge's), Baltimore, Norfolk, and Richmond
Foley's	17 markets, including Houston, Dallas/Fort Worth, Denver, San Antonio, Austin, and Oklahoma City
Robinsons-May	9 markets, including Los Angeles/Orange County, Riverside/San Bernardino, Phoenix, San Diego, and Las Vegas
Filene's	16 markets, including Boston Metro, Southern Connecticut, Hartford, Providence Metro, and Albany
Kaufmann's	22 markets, including Pittsburgh, Cleveland, Buffalo, and Rochester
Famous-Barr, L.S. Ayres and The Jones Store	24 markets, including St. Louis Metro, Kansas City Metro(The Jones Store), and Indianapolis (L.S. Ayres)
Meier & Frank	10 markets, including Portland/Vancouver Metro and Salt Lake City Metro
David's Bridal	123 stores in 36 states and Puerto Rico

We plan to open 22 department stores in 2001 in the following cities:

Lord & Taylor:

Columbus, OH
 Washington, D.C.
 Palm Beach, FL
 Plano, TX
 Tampa, FL

Foley's:

Baton Rouge, LA (2)
 Houston, TX
 Lafayette, LA
 Memorial City, TX
 N. Richland Hills, TX
 Plano, TX

Hecht's:

Landover, MD
 Nashville, TN (5)
 South Durham, NC

Robinsons-May:

Chandler, AZ

Kaufmann's:

Columbus, OH

Famous-Barr:

St. Louis, MO

May employs approximately 63,000 full-time and 74,000 part-time associates in 43 states, the District of Columbia, Puerto Rico and 10 offices overseas.

Management's Discussion and Analysis (pages 18-21) of May's 2000 Annual Report to Shareowners is incorporated herein by reference.

A. Property Ownership

The following summarizes the property ownership of department stores and David's Bridal stores at February 3, 2001:

	Number of Stores*		% of Gross Building Sq. Footage	
	Department Stores	David's Bridal	Department Stores	David's Bridal
Entirely or mostly owned	241	2	60%	2%
Entirely or mostly leased	112	121	26	98
Owned on leased land	74	-	14	-
	427	123	100%	100%

* Includes a total of 18 department stores and 2 David's Bridal stores subject to financing.

B. Credit Sales

Sales at May's stores are made for cash or credit, including May's 30-day charge accounts and open-end credit plans, which include revolving charge accounts and revolving installment accounts. During the fiscal year ended February 3, 2001, 40.3% of department store net retail sales were made through May's credit plans.

In 1991, May formed May National Bank of Arizona (MBA) and May National Bank of Ohio (MBO), which are indirectly wholly-owned and consolidated subsidiaries of May.

During fiscal 2000, MBA and MBO extended credit to customers of May's Lord & Taylor, Foley's, Hecht's, Strawbridge's, Robinsons-May, Filene's, Kaufmann's, Famous-Barr, L.S. Ayres, The Jones Store and Meier & Frank department stores companies. Throughout 2000, MBA and MBO sold the resulting accounts receivables at face value

to May NY. In addition, MBA and MBO process remittances for their parent, Grande Levee, Inc., and its other subsidiaries. MBA and MBO receive processing fee revenue for this service.

C. Competition in Retail Merchandising

May conducts its retail merchandising business under highly competitive conditions. Although May is one of the nation's largest department store retailers, it has numerous competitors at the national and local level which compete with May's individual department stores and David's Bridal. Competition is characterized by many factors including location, reputation, assortment, advertising, price, quality, service, and credit availability. May believes that it is in a strong competitive position with regard to each of these factors.

D. May Merchandising Company/May Department Stores International, Inc.

May Merchandising Company ("MMC"), an indirectly wholly-owned and consolidated subsidiary of May, identifies emerging fashion trends in both domestic brands and our exclusive private-label merchandise. MMC works closely with our eight department store companies and our merchandise vendors to communicate emerging fashion trends, to develop meaningful merchandise assortments and negotiate the best overall terms for delivery of merchandise in a timely manner to our stores.

May Department Stores International, Inc. ("MDSI"), a wholly-owned and consolidated subsidiary of May, is primarily a design and sourcing company. MDSI owns all trade names and marks associated with private-label merchandise and develops, designs, sources, imports, and distributes them for May. MDSI has approximately 70 to 80 private labels in use at the department store companies and employs approximately 800 persons worldwide. In addition, to its corporate office in St. Louis, MDSI operates offices in New York City and ten countries.

E. Executive Officers of May

The names and ages (as of April 25, 2001) of all executive officers of May, and the positions and offices held with May by each such person are as follows:

Name	Age	Positions and Offices
Eugene S. Kahn	51	President and Chief Executive Officer
Jerome T. Loeb	60	Chairman of the Board
John L. Dunham	54	Vice Chairman and Chief Financial Officer
Richard W. Bennet III	48	Vice Chairman
William P. McNamara	50	Vice Chairman
Judith K. Hofer	61	President and Chief Executive Officer, May Merchandising Company
Thomas D. Fingleton	53	Executive Vice President
R. Dean Wolfe	57	Executive Vice President
Alan E. Charlson	52	Senior Vice President and General Counsel
Martin M. Doerr	46	Senior Vice President
William D. Edkins	48	Senior Vice President
Lonny J. Jay	59	Senior Vice President
Jan R. Kniffen	52	Senior Vice President
Richard A. Brickson	53	Secretary and Senior Counsel
Michael G. Culhane	38	Vice President

Each of the above named executive officers shall remain in office until the annual meeting of directors following the next annual meeting of shareowners of May and until the officer's successor shall have been elected and shall qualify. Messrs. Kahn, Loeb, Dunham, and Wolfe are also directors of May. Mr. Loeb will retire as an officer and director on April 30, 2001. At that time Mr. Kahn will become chairman of the board and chief executive officer, Mr. Dunham will become president, and Mr. Fingleton will become executive vice president and chief financial officer.

Each of the executive officers has been an officer of May for at least the last five years, with the following exceptions:

- Mr. Kahn served as president and chief executive officer of Filene's from 1992 to March 1996 when he became vice chairman. He was appointed executive vice chairman in June 1997 and assumed his current position in May 1998.
- Mr. Dunham served as chairman of May Merchandising Company from 1993 to May 1996 when he became executive vice president and chief financial officer and an executive officer of May. He assumed his current position in November of 1999.
- Mr. Bennet served as president and chief executive officer of Famous-Barr from 1995 to 1997 and as president and chief executive officer of Kaufmann's from 1997 to February 2000 when he became vice chairman and an executive officer of May.
- Mr. McNamara served as senior vice president and general merchandise manager for May Merchandising Company from 1995 to 1997, president and chief executive officer of Famous-Barr from 1997 to 1998, and president of May Merchandising Company from 1998 to February 2000 when he became vice chairman and an executive officer of May.
- Ms. Hofer served as president and chief executive officer of Meier & Frank from 1988 to 1996, president and chief executive officer of Filene's from 1996 to 1999, chief executive officer of Filene's from 1999 to February 2000 when she assumed her current position and became an executive officer of May.
- Mr. Fingleton served as chairman of Hecht's from 1991 to May 2000 when he became executive vice president and an executive officer of May.
- Mr. Charlson served as senior counsel for May from 1988 to 1998 when he became senior vice president and chief counsel and an executive officer of May. He assumed his current position in January of 2001.
- Mr. Culhane was associated with the public accounting firm of Arthur Andersen LLP from 1984 to 1997. He served in a financial position for May from 1997 to 1998 when he became vice president and an executive officer of May.

Item 3. Legal Proceedings

There are no material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which May or any of its subsidiaries is a party or of which any of their property is the subject.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the 14 weeks ended February 3, 2001.

PART II

Item 5. Market for May's Common Equity and Related Shareowner Matters

Common Stock Dividends and Market Prices (page 21) of May's 2000 Annual Report to Shareowners are incorporated herein by reference.

Item 6. Selected Financial Data

The Eleven Year Financial Summary (pages 32 and 33) of May's 2000 Annual Report to Shareowners is incorporated herein by reference.

In addition, basic earnings per share from continuing operations and the weighted average shares used to calculate basic earnings per share for the last five years are as follows:

	Earnings Per Share	Shares (millions)
2000	\$ 2.74	306.4
1999	2.73	332.2
1998	2.43	342.6
1997	2.18	348.5
1996	1.97	370.8

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis (pages 18-21) and Notes to Consolidated Financial Statements (pages 26-31) of May's 2000 Annual Report to Shareowners are incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

Consolidated Financial Statements (pages 22-25), Notes to Consolidated Financial Statements (pages 26-31), Report of Independent Public Accountants (page 36), and Quarterly Results (page 26) of May's 2000 Annual Report to Shareowners are incorporated herein by reference.

CONDENSED CONSOLIDATING FINANCIAL INFORMATION -

The May Department Stores Company, Delaware ("Parent") has fully and unconditionally guaranteed certain long-term debt obligations of its wholly-owned subsidiary The May Department Stores Company, New York ("Subsidiary Issuer"). Other subsidiaries of the Parent include May Department Stores International, Inc. (MDSI), Leadville Insurance Company, Snowdin Insurance Company, and David's Bridal, Inc. and subsidiaries. Subsidiary Issuer financial statements have been restated for all periods presented to reflect a February 3, 2001, reorganization of MDSI as a direct wholly-owned subsidiary of Parent rather than of the Subsidiary Issuer. Condensed consolidating balance sheets as of February 3, 2001, and January 29, 2000, and the related condensed consolidating statements of earnings and cash flows for each of the three fiscal years in the period ended February 3, 2001, are provided as required by recent Securities and Exchange Commission rule changes.

Condensed Consolidating Balance Sheet
As of February 3, 2001

(Millions)

	Parent	Subsidiary Issuer	Other Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ 137	\$ 19	\$ -	\$ 156
Accounts receivable, Net	-	2,076	43	(38)	2,081
Merchandise inventories	-	2,877	61	-	2,938
Other current assets	-	86	10	(1)	95
Total current assets	-	5,176	133	(39)	5,270
Property and equipment, at cost	-	8,093	74	-	8,167
Accumulated depreciation	-	(3,254)	(14)	-	(3,268)
Property and equipment, net	-	4,839	60	-	4,899
Goodwill and other assets	-	1,062	343	-	1,405
Intercompany receivable/ (payable)	(648)	449	199	-	-
Investment in subsidiaries	4,808	-	-	(4,808)	-
Total assets	\$4,160	\$11,526	\$ 735	\$ (4,847)	\$11,574
LIABILITIES AND SHAREOWNERS' EQUITY					
Current liabilities:					
Current maturities of long-term debt	\$ -	\$ 85	\$ -	\$ -	\$ 85
Accounts payable	-	922	43	-	965
Accrued expenses	6	857	47	(39)	871
Income taxes payable (receivable)	-	299	(6)	-	293
Total current liabilities	6	2,163	84	(39)	2,214
Long-term debt	-	4,531	3	-	4,534
Intercompany note payable (receivable)	-	3,200	(3,200)	-	-
Deferred income taxes	-	583	3	-	586
Other liabilities	-	777	-	(442)	335
ESOP preference shares	299	-	-	-	299
Unearned compensation	-	(249)	-	-	(249)
Shareowners' equity	3,855	521	3,845	(4,366)	3,855
Total liabilities and shareowner's equity	\$4,160	\$11,526	\$ 735	\$ (4,847)	\$11,574

Condensed Consolidating Statement of Earnings
For the Fiscal Year Ended February 3, 2001

(Millions)

	Parent	Subsidiary Issuer	Other Subsidiaries	Eliminations	Consolidated
Revenues	\$ -	\$14,406	\$ 1,283	\$ (1,178)	\$14,511
Cost of sales	-	9,907	1,115	(1,093)	9,929
Selling, general, and administrative expenses	-	2,870	63	(98)	2,835
Interest expense (income) net:					
External	-	346	(1)	-	345
Intercompany	-	287	(287)	-	-
Equity in earnings of subsidiaries	(858)	-	-	858	-
Earnings before income taxes	858	996	393	(845)	1,402
Provision for income taxes	-	404	140	-	544
Net earnings	\$ 858	\$ 592	\$ 253	\$ (845)	\$ 858

Condensed Consolidating Statement of Cash Flows
For the Fiscal Year Ended February 3, 2001

(Millions)

	Parent	Subsidiary Issuer	Other Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net earnings	\$ 858	\$ 592	\$ 253	\$ (845)	\$ 858
Equity in earnings of subsidiaries	(858)	-	-	858	-
Depreciation and amortization	-	501	10	-	511
(Increase) in working capital	(8)	(41)	(22)	-	(71)
Other, net	647	(545)	(41)	(13)	48
Total operating activities	639	507	200	-	1,346
Investing activities:					
Net additions to property and equipment	-	(539)	(11)	-	(550)
Business combination	(427)	-	7	-	(420)
Total investing activities	(427)	(539)	(4)	-	(970)
Financing activities:					
Issuances of long-term debt	-	1,076	-	-	1,076
Repayments of long-term debt	-	(241)	-	-	(241)
Net (purchases) issuances of common stock	(815)	23	-	-	(792)
Dividend payments	(309)	5	-	-	(304)
Intercompany activity, net	912	(725)	(187)	-	-
Total financing activities	(212)	138	(187)	-	(261)
Increase in cash and cash equivalents	-	106	9	-	115
Cash and cash equivalents, beginning of year	-	31	10	-	41
Cash and cash equivalents, end of year	\$ -	\$ 137	\$ 19	\$ -	\$ 156

Condensed Consolidating Balance Sheet
As of January 29, 2000

(Millions)

	Parent	Subsidiary Issuer	Other Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ 31	\$ 10	\$ -	\$ 41
Accounts receivable, net	-	2,171	38	(36)	2,173
Merchandise inventories	-	2,811	6	-	2,817
Other current assets	-	83	1	-	84
Total current assets	-	5,096	55	(36)	5,115
Property and equipment, at cost	-	7,780	17	-	7,797
Accumulated depreciation	-	(3,019)	(9)	-	(3,028)
Property and equipment, net	-	4,761	8	-	4,769
Goodwill and other assets	-	1,050	1	-	1,051
Intercompany receivable/ (payable)	-	(157)	157	-	-
Investment in subsidiaries	4,407	-	-	(4,407)	-
Total assets	\$ 4,407	\$ 10,750	\$ 221	\$ (4,443)	\$10,935
LIABILITIES AND SHAREOWNERS' EQUITY					
Current liabilities:					
Current maturities of long-term debt	\$ -	\$ 259	\$ -	\$ -	\$ 259
Accounts payable	-	982	48	-	1,030
Accrued expenses	15	891	22	(36)	892
Income taxes payable	-	234	-	-	234
Total current liabilities	15	2,366	70	(36)	2,415
Long-term debt	-	3,560	-	-	3,560
Intercompany note payable (receivable)	-	3,200	(3,200)	-	-
Deferred income taxes	-	540	-	-	540
Other liabilities	-	743	-	(429)	314
ESOP preference shares	315	-	-	-	315
Unearned compensation	-	(286)	-	-	(286)
Shareowners' equity	4,077	627	3,351	(3,978)	4,077
Total liabilities and shareowners' equity	\$ 4,407	\$ 10,750	\$ 221	\$ (4,443)	\$10,935

Condensed Consolidating Statement of Earnings
For the Fiscal Year Ended January 29, 2000

(Millions)

	Parent	Subsidiary Issuer	Other Subsidiaries	Eliminations	Consolidated
Revenues	\$ -	\$13,866	\$ 1,052	\$ (1,052)	\$ 13,866
Cost of sales	-	9,413	937	(980)	9,370
Selling, general, and administrative expenses	-	2,744	14	(72)	2,686
Interest expense (income), net:					
External	-	287	-	-	287
Intercompany	-	285	(285)	-	-
Equity in earnings of subsidiaries	(927)	-	-	927	-
Earnings before income taxes	927	1,137	386	(927)	1,523
Provision for income taxes	-	461	135	-	596
Net earnings	\$ 927	\$ 676	\$ 251	\$ (927)	\$ 927

Condensed Consolidating Statement of Cash Flows
For the Fiscal Year Ended January 29, 2000

(Millions)

	Parent	Subsidiary Issuer	Other Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net earnings	\$ 927	\$ 676	\$ 251	\$ (927)	\$ 927
Equity in earnings of subsidiaries	(927)	-	-	927	-
Depreciation and amortization	-	468	1	-	469
(Increase) Decrease in working capital	6	(4)	12	-	14
Other, net	(14)	139	(5)	-	120
Total operating activities	(8)	1,279	259	-	1,530
Investing activities:					
Net additions to property and equipment	-	(677)	(1)	-	(678)
Business combination	-	(40)	-	-	(40)
Total investing activities	-	(717)	(1)	-	(718)
Financing activities:					
Repayments of long-term debt	-	(135)	-	-	(135)
Net (purchases) issuances of common stock	(452)	18	-	-	(434)
Dividend payments	(319)	5	-	-	(314)
Intercompany activity, net	779	(528)	(251)	-	-
Total financing activities	8	(640)	(251)	-	(883)
Increase (decrease) in cash and cash equivalents	-	(78)	7	-	(71)
Cash and cash equivalents, beginning of year	-	109	3	-	112

Source: MAY DEPARTMENT STORE, 10-K405, April 25, 2001

Cash and cash equivalents, end of year	\$	-	\$	31	\$	10	\$	-	\$	41
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Condensed Consolidating Statement of Earnings
For the Fiscal Year Ended January 30, 1999

(Millions)

	Subsidiary Other			Eliminations	Consolidated
	Parent	Issuer	Subsidiaries		
Revenues	\$ -	\$ 13,090	\$ 1,014	\$ (1,014)	\$ 13,090
Cost of sales	-	8,945	905	(949)	8,901
Selling, general, and administrative expenses	-	2,577	4	(65)	2,516
Interest expense (income), net:					
External	-	278	-	-	278
Intercompany	-	285	(285)	-	-
Equity in earnings of subsidiaries	(849)	-	-	849	-
Earnings before income taxes	849	1,005	390	(849)	1,395
Provision for income taxes	-	409	137	-	546
Net earnings	\$ 849	\$ 596	\$ 253	\$ (849)	\$ 849

Condensed Consolidating Statement of Cash Flows
For the Fiscal Year Ended January 30, 1999

(Millions)

	Subsidiary Other			Eliminations	Consolidated
	Parent	Issuer	Subsidiaries		
Operating activities:					
Net earnings	\$ 849	\$ 596	\$ 253	\$ (849)	\$ 849
Equity in earnings of subsidiaries	(849)	-	-	849	-
Depreciation and amortization	-	437	2	-	439
Decrease in working capital	1	151	6	-	158
Other, net	16	50	(7)	-	59
Total operating activities	17	1,234	254	-	1,505
Investing activities:					
Net additions to property and equipment	-	(585)	(1)	-	(586)
Business combination	-	(302)	-	-	(302)
Total investing activities	-	(887)	(1)	-	(888)
Financing activities:					
Issuances of long-term debt	-	350	-	-	350
Repayments of long-term debt	-	(221)	-	-	(221)
Net (purchases) issuances of common stock	(559)	34	-	-	(525)
Dividend payments	(315)	7	-	-	(308)
Intercompany activity, net	857	(608)	(249)	-	-
Total financing activities	(17)	(438)	(249)	-	(704)
Increase (decrease) in cash and cash equivalents	-	(91)	4	-	(87)
Cash and cash equivalents, beginning of year	-	200	(1)	-	199
Cash and cash equivalents, end of year	\$ -	\$ 109	\$ 3	\$ -	\$ 112

Prior to fiscal year-end 2000, Parent was required to provide only summarized financial information for Subsidiary Issuer, which owned 100% of MDSI's common stock before the reorganization discussed above. Below is a restatement of Subsidiary Issuer's summarized financial position as of January 29, 2000, and summarized operating results for each of the two fiscal years in the period ending January 29, 2000, as if the reorganization had occurred on February 1, 1998. The "As Reported" information was previously reported in Parent's Form 10-K filed April 20, 2000.

Financial Position	January 29, 2000		
	As Reported	Adjustments	As Restated
Current assets	\$5,104	\$ (8)	\$5,096
Noncurrent assets	5,818	(164)	5,654
Current liabilities	2,425	(59)	2,366
Noncurrent liabilities	8,043	-	8,043

Operating Results	Fiscal year ended January 29, 2000		
	As Reported	Adjustments	As Restated
Revenues	\$13,866	\$ -	\$13,866
Cost of sales	9,370	43	9,413
Net earnings	739	(63)	676

Operating Results	Fiscal year ended January 30, 1999		
	As Reported	Adjustments	As Restated
Revenues	\$13,090	\$ -	\$13,090
Cost of sales	8,901	44	8,945
Net earnings	662	(66)	596

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Items 10, 11, 12, 13. Directors and Executive Officers of May, Executive Compensation, Security Ownership of Certain Beneficial Owners and Management, Certain Relationships and Related Transactions

Pursuant to paragraph G (Information to be Incorporated by Reference) of the General Instructions to Form 10-K, the information required by Items 10, 11, 12 and 13 (other than information about executive officers of May) is incorporated by reference from the definitive proxy statement dated April 20, 2001, and filed pursuant to Regulation 14A. Information about executive officers of May is set forth in Part I of this Form 10-K, under the heading "Items 1. and 2. Business and Description of Property."

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) Documents filed as part of this report:

- (1) Financial Statements. Incorporated by reference to May's 2000 Annual Report to Shareowners (Exhibit 13):

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(3) Exhibits:	Location
3.1 Amended and Restated Certificate of Incorporation of May, dated May 22, 1996	Incorporated by Reference to Exhibit 4(a) of Post Effective Amendment No. 1 to Form S-8, filed May 29, 1996.
3.2 Certificate of Amendment of the Amended and Restated Certificate of Incorporation, dated May 21, 1999	Incorporated by Reference to Exhibit 3(b) of Form 10-Q filed June 8, 1999.
3.3 By-Laws of May, as amended	Filed herewith.
10.1 1994 Stock Incentive Plan	Incorporated by Reference to Exhibit 10.1 of Form 10-K, filed April 19, 2000.

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K (continued)

(3)	Exhibits (continued):	Location
10.2	Deferred Compensation Plan	Incorporated by Reference to Exhibit 10.2 of Form 10-K, filed April 19, 2000.
10.3	Executive Incentive Compensation Plan for Corporate Executives	Incorporated by Reference to Exhibit 10.3 of Form 10-K, filed April 19, 2000.
10.4	Form of Employment Agreement	Incorporated by Reference to Exhibit 10.4 of Form 10-K filed April 19, 2000.
12	Computation of Ratio of Earnings to Fixed Charges	Filed herewith.
13	The May Department Stores Company 2000 Annual Report to Shareowners (only those portions specifically incorporated by reference shall be deemed filed with the Commission)	Filed herewith.
21	Subsidiaries of May	Filed herewith.
23	Consent of Independent Public Accountants	Page 17 of this Report.
99	Form 11-K Annual Report of the Profit Sharing and Savings Plan of The May Department Stores Company for the fiscal year ended December 31, 2000	Filed herewith.
(4)	Reports on Form 8-K	None.

All other schedules and exhibits of May for which provision is made in the applicable regulations of the Securities and Exchange Commission have been omitted, as they are not required or are inapplicable or the information required thereby has been given otherwise.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, May has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE MAY DEPARTMENT STORES COMPANY

Date: April 25, 2001

By: /s/ John L. Dunham
John L. Dunham
Director, Vice Chairman and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of May and in the capacities and on the dates indicated.

Date	Signature	Title
Principal Executive Officer:		
April 25, 2001	/s/ Eugene S. Kahn Eugene S. Kahn	Director, President and Chief Executive Officer
Principal Financial and Accounting Officer:		
April 25, 2001	/s/ John L. Dunham John L. Dunham	Director, Vice Chairman and Chief Financial Officer
Directors:		
April 25, 2001	/s/ Jerome T. Loeb Jerome T. Loeb	Director and Chairman of the Board
April 25, 2001	/s/ R. Dean Wolfe R. Dean Wolfe	Director and Executive Vice President

Date		Signature	Title
April 25, 2001	/s/	Marsha J. Evans Marsha J. Evans	Director
April 25, 2001	/s/	James M. Kilts James M. Kilts	Director
April 25, 2001	/s/	Russell E. Palmer Russell E. Palmer	Director
April 25, 2001	/s/	Michael R. Quinlan Michael R. Quinlan	Director

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To The May Department Stores Company:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in The May Department Stores Company's Annual Report to Shareowners incorporated by reference in this Form 10-K, and have issued our report thereon dated February 14, 2001. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. Schedule II included in this Form 10-K is the responsibility of the company's management and is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not part of the consolidated financial statements. The Schedule has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the consolidated financial statements taken as a whole.

/s/ Arthur Andersen LLP
 ARTHUR ANDERSEN LLP
 1010 Market Street
 St. Louis, Missouri 63101-2089
 February 14, 2001

Exhibit 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included or incorporated by reference in this Annual Report on Form 10-K for the year ended February 3, 2001 into the Company's previously filed Registration Statements on Form S-3 (No. 333-42940, 333-42940-01, 333-71413 and 333-71413-01) and Form S-8 (No. 33-21415, 33-58985, and 333-76227).

/s/ Arthur Andersen LLP
 ARTHUR ANDERSEN LLP
 1010 Market Street
 St. Louis, Missouri 63101-2089
 April 25, 2001

SCHEDULE II

THE MAY DEPARTMENT STORES COMPANY AND SUBSIDIARIES
 VALUATION AND QUALIFYING ACCOUNTS
 FOR THE THREE FISCAL YEARS ENDED FEBRUARY 3, 2001

	(Millions)			
	Balance beginning of period	Charges to costs and expenses and other adjustments	Deductions (a)	Balance end of period
FISCAL YEAR ENDED February 3, 2001 Allowance for uncollectible accounts	\$ 76	\$ 91	\$ (91)	\$ 76

FISCAL YEAR ENDED				
January 29, 2000				
Allowance for uncollectible accounts				
	\$ 82	\$ 81	\$ (87)	\$ 76
FISCAL YEAR ENDED				
January 30, 1999				
Allowance for uncollectible accounts				
	\$ 96	\$ 79	\$ (93)	\$ 82

- (a) Write-off of accounts determined to be uncollectible, net of recoveries of \$23 million in 2000, \$23 million in 1999 and \$25 million in 1998.

THE MAY DEPARTMENT STORES COMPANY AND SUBSIDIARIES
 COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
 FOR THE FIVE FISCAL YEARS ENDED FEBRUARY 3, 2001

(Dollars in Millions)	Fiscal Year Ended				
	Feb. 3, 2001	Jan. 29, 2000	Jan. 30, 1999	Jan. 31, 1998	Feb. 1, 1997
Earnings Available for Fixed Charges:					
Pretax earnings	\$ 1,402	\$ 1,523	\$ 1,395	\$ 1,279	\$ 1,232
Fixed charges (excluding interest capitalized and pretax preferred stock dividend requirements)	406	346	344	363	346
Dividends on ESOP Preference Shares	(23)	(24)	(25)	(26)	(26)
Capitalized interest amortization	8	7	7	6	6
	1,793	1,852	1,721	1,622	1,558
Fixed Charges:					
Gross interest expense (a) \$	395	\$ 340	\$ 339	\$ 353	\$ 341
Interest factor attributable to rent expense	28	22	21	23	22
	423	362	360	376	363
Ratio of Earnings to Fixed Charges	4.2	5.1	4.8	4.3	4.3

(a) Represents interest expense on long-term and short-term debt, ESOP debt and amortization of debt discount and debt issue expense.

THE MAY DEPARTMENT STORES COMPANY AND SUBSIDIARIES

SUBSIDIARIES OF MAY

The corporations listed below are subsidiaries of May, and all are included in the consolidated financial statements of May as subsidiaries (unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary):

Name	Jurisdiction in which organized
The May Department Stores Company	New York
May Merchandising Company	Delaware
May Department Stores International, Inc.	Delaware
May Capital, Inc.	Delaware
Grande Levee, Inc.	Nevada
Leadville Insurance Company	Vermont
Snowdin Insurance Company	Vermont
David's Bridal, Inc.	Florida

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BY-LAWS

OF

THE MAY DEPARTMENT STORES COMPANY
(a Delaware Corporation)

(as amended through November 17, 2000)

ARTICLE I.

MEETINGS OF SHAREOWNERS

Section 1. The annual meeting of shareowners shall be held on such date (not more than thirteen months after the most recent annual meeting) and at such place and time as may be fixed by the board and stated in the notice thereof, for the purpose of the election of directors and for the transaction of only such other business as is properly brought before the meeting in accordance with these By-laws. The annual meeting may be adjourned from day to day until its business is completed.

Section 2. Written notice of the date, time and place of each annual meeting of the shareowners shall be mailed not less than ten nor more than sixty days previous to the date of such meeting, postage prepaid, to each shareowner of record in the Company entitled to vote thereat, at such address as shall appear on the books of the Company.

Section 3. The business transacted at any special meeting of shareowners shall be confined to the object or objects specified in the notice therefor, and matters germane thereto.

Section 4. Written notice of every special meeting of shareowners stating the date, time, place and object thereof, shall be mailed, postage prepaid, not less than ten nor more than sixty days before the date specified for such meeting to each shareowner of record in the Company entitled to vote thereat, at such address as shall appear on the books of the Company.

Section 5. Except as otherwise provided in the Certificate of Incorporation, and subject to the provisions and limitations therein contained, at all meetings of shareowners each shareowner of record shall be entitled to cast one vote for each share appearing on the stock book of the Company as standing in his name, which vote may be cast either in person or by proxy, or power of attorney, but no proxy shall be voted on after three years from its date.

Section 6. Each shareowner entitled to vote at a meeting of shareowners or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such shareowner by proxy by any means authorized by the board and lawful under the Delaware General Corporation Law.

Section 7. No shareowner who is in default in the payment of any part of his subscription for any stock of the Company or who is disqualified by law, shall be entitled to vote at any meeting of shareowners.

Section 8. Every pledgor of stock standing in his name on the books of the Company shall be deemed the owner thereof.

Section 9. Except as otherwise provided by law, the Certificate of Incorporation or these By-laws, the owners of not less than a majority of the shares issued and outstanding, entitled to vote thereat, present in person or by proxy or power of attorney, are requisite for and shall constitute a quorum at all meetings of shareowners for the transaction of business, including the election of directors. The owners of a majority of the shares present in person or by proxy or power of attorney at any meeting, whether or not constituting a quorum, shall have power to adjourn the meeting from time to time (provided that each adjournment shall be for a period not exceeding twenty days), without notice other than announcement at the meeting, and at any adjourned meeting, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 10. The board of directors, in advance of the meeting of shareowners, shall appoint not less than two persons who are not directors to serve as inspectors of election. It shall be their duty to receive and canvass the votes for election of directors and on any proposal voted on by ballot and to certify the results to the chairman. In all cases where the right to vote upon any share of the Company shall be questioned, it shall be the duty of the inspectors to examine the stock ledger of the Company as evidence of the shares held, and all shares that appear standing thereon in the name of any person or persons may be voted upon by such person or persons. Each inspector of election before entering upon the duties of such office shall take and subscribe the following oath before an officer authorized by law to administer oaths: "I do solemnly swear that I will execute the duties of an inspector of the election now to be held with strict impartiality and according to the best of my ability."

Section 11. To be properly brought before the annual or any special shareowners' meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board, (b) otherwise properly brought before the meeting by or at the direction of the board or (c) otherwise properly brought before the meeting by a shareowner. In addition to any other applicable requirements, for business to be properly brought before the annual or any special shareowners' meeting by a shareowner, the shareowner must have given timely notice thereof in writing to the secretary of the Company. To be timely, a shareowner's notice must be delivered to or mailed and received at the principal executive offices of the Company not less than 90 days nor more than 105 days prior to the anniversary date of the immediately preceding annual meeting of shareowners; provided, however, that in the event that the annual or special meeting is called for a date that is not within thirty days before or after such anniversary date, notice by the shareowner to be timely must be so received not later than the close of business on the 15th day following the first day on which notice or public disclosure of the date of the meeting is given or made to shareowners. Public disclosure shall include, but not be limited to, disclosure in a filing with the Securities and Exchange Commission or similar governmental agency. Such shareowner's notice to the secretary shall set forth as to each matter the shareowner proposes to bring before the meeting (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and record address of the shareowner proposing such business, (iii) the class and number of shares of common stock of the Company which are beneficially owned by the shareowner and (iv) any material interest of the shareowner in such business.

Notwithstanding anything in the By-laws to the contrary, no business shall be conducted at the annual or any special meeting except in accordance with the procedures set forth in this Section 11, provided, however, that nothing in this Section 11 shall be deemed to preclude discussion by any shareowner of any business properly brought before the meeting.

The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 11, and if he should so determine and declare, any such business not properly brought before the meeting shall not be transacted.

Section 12. Except as provided in Section 1 of Article II, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the board of directors of the Company at the annual meeting may be made at that meeting by or at the direction of the board of directors, by any nominating committee or person appointed by the board of directors or by any shareowner of the Company entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 12. Such nominations, other than those made by or at the direction of the board of directors, shall be made pursuant to timely notice in writing to the secretary of the Company. To be timely, a shareowner's notice must be delivered to or mailed and received at the principal executive offices of the Company not less than 90 days nor more than 105 days prior to the anniversary date of the immediately preceding annual meeting of shareowners; provided, however, that in the event that the annual meeting is called for a date that is not within thirty days before or after such anniversary date, notice by the shareowner to be timely must be so received not later than the close of business on the 15th day following the first day on which notice or public disclosure of the date of the meeting is given or made to shareowners. Public disclosure shall include, but not be limited to, disclosure in a filing with the Securities and Exchange Commission or similar governmental agency. Such shareowner's notice to the secretary shall set forth (a) as to each person whom the shareowner proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of common stock of the Company which are beneficially owned by the person, and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended; and (b) as to the shareowner giving the notice (i) the name and record address of the shareowner and (ii) the class and number of shares of common stock of the Company which are beneficially owned by the shareowner. Such notice shall be accompanied by the executed consent of each nominee to serve as a director if so elected. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as a director of the Company.

The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine and declare, the defective nomination shall be disregarded.

ARTICLE II.

THE BOARD OF DIRECTORS

Section 1. The business and affairs of the Company shall be managed and conducted by or under the direction of a board of thirteen directors.

Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board of directors for any reason may be filled by vote of a majority of the directors then in office, although less than a quorum or by the sole remaining director. A director elected to fill a newly created directorship, and a director elected to fill a vacancy, shall hold office for the remainder of the term of the Class to which such director was elected and until his successor shall be chosen and qualified in his stead.

Section 2. The directors shall prescribe rules and regulations for voting at all elections and shall cause the result of each such election to be filed with the minutes of the proceedings of the board of directors, or of any committee of the board of directors appointed in accordance with Section 12 of this Article II.

Section 3. The board of directors at its first meeting after each annual meeting of shareowners, or at any subsequent meeting at which such action may be appropriate, shall elect a chairman of the executive committee, a chairman of the board, a president, a vice chairman of the board, one or more vice presidents, a secretary, a controller, and a treasurer, and such other officers as it may determine. The board of directors shall by resolution provide for the authority and duties of any and all such officers in the management of the Company to the extent not so provided in these By-laws.

The dates of the commencement and expiration of the term of office of any such officer may be fixed by the board of directors at the time of his election; but unless so fixed, such officer shall hold office from the date of his election until the first meeting of the board of directors following the next ensuing annual meeting of shareowners, or until his successor is elected.

The chairman of the executive committee, the chairman of the board, the president and the vice chairman of the board shall be members of the board of directors. No other officers need be members of the board of directors.

Any two offices, except the offices of president and secretary, may be held by the same person.

Section 4. If for any reason the election of officers shall not be held on or as of the date fixed therefor, the board of directors shall designate another day for such election.

Section 5. The board of directors may also appoint such additional officers and agents, including additional vice presidents, one or more assistant treasurers, one or more assistant secretaries and one or more assistant controllers, as it may from time to time deem advisable, and may remove any of the persons so appointed at its pleasure, and may, in its discretion, contract for a definite period of employment for any officer or agent upon such terms as it may deem advisable. The board of directors may by resolution provide for the powers and duties of any and all such additional officers and agents so appointed.

Section 6. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these By-laws, at all meetings of the board of directors, a majority of the entire board of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

All matters coming before the board of directors shall, except as otherwise provided by the General Corporation Law of the State of Delaware ("GCL") or by these By-laws, be determined by a majority vote of the members present, provided that a quorum shall be present.

Any one or more members of the board of directors or of any committee thereof may participate in any meeting of such board or of such committee thereof by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at any such meeting.

Section 7. The directors may hold their meetings and cause the books of the Company (except the Stock and Transfer Books) to be kept within or without the State of Delaware, at such place or places as they may from time to time determine.

Section 8. Subject to Section 15 of this Article II, there shall be an annual meeting of the board of directors on the day of the annual meeting of shareowners in each year or as soon thereafter as convenient, such annual meeting to be at such place and time (and, if applicable, on such date) as the chairman of the board shall designate by written notice to the directors, and regular meetings shall be held on such dates and at such times and places either as the directors shall by resolution provide or as the chairman of the board shall designate by written notice to the directors. Except as above provided, no notice of said annual meeting or such regular meetings of the board of directors need be given.

Section 9. Special meetings of the board of directors may be called by the chairman of the executive committee, the chairman of the board, the president, the vice chairman of the board, or the secretary or the treasurer. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone or facsimile transmission not later than the day preceding the date of such meeting, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstance. Special meetings shall be called by one of the foregoing officers in like manner on the written request of five directors, specifying the object or objects of such special meeting. In the event that one of the foregoing officers shall fail to call a meeting within two days after receipt of such request, such meeting may be called in like manner by the directors making such request.

Section 10. If any vacancy shall occur in the board of directors by reason of death, removal, resignation or otherwise, such vacancy may be filled by the vote of a majority of the remaining directors then in office, although less than a quorum, or by a sole remaining director.

Section 11. Any director may resign his office at any time, such resignation to be made in writing and delivered to the chairman of the executive committee, the chairman of the board, the president, the vice chairman of the board, or the secretary.

Section 12. The board of directors shall appoint an executive committee, which shall consist of one or more directors and may from time to time designate the number of such executive committee members that shall constitute a quorum and may provide for the holding of regular meetings thereof. In the absence of any such designation, a majority of the members of the executive committee shall constitute a quorum. To the extent permitted by law (including, without limitation, Section 141(c)(2) of the GCL) and by the Certificate of Incorporation, the executive committee shall have and may exercise all the powers vested in the board of directors during the intervals between the meetings of the board of directors. The affirmative vote of a majority of those present at a meeting of the executive committee, at which a quorum is present, shall be necessary for the adoption of any resolution. The executive committee shall, whenever called upon, report to the board of directors and be subject to its direction, and the board of directors may remove members and appoint new members thereof to fill vacancies therein, and may increase or decrease the membership thereof. Meetings of the executive committee shall be called by the chairman of the executive committee or, upon the request of not less than two members, by the secretary by notice deposited in the mail, sent by telegram or delivered by hand not less than two days prior to the date of such meeting. Waiver of notice by any member of the executive committee, whether before or after the meeting to which such waiver relates, shall be equivalent to notice.

The board of directors may appoint such other committees, each consisting of one or more directors, as the board of directors may at any time and from time to time deem appropriate; subject to the limitations contained in Section 141(c)(2) of the GCL, the board of directors from time to time may by resolution prescribe for each such committee such duties, powers and authority as the board of directors shall deem appropriate.

Section 13. In addition to the powers by these By-laws expressly conferred upon them, the board of directors may exercise such powers and do such lawful acts and things as are not prohibited by law or required by the Certificate of Incorporation or by these By-laws to be exercised and done by the shareowners.

Section 14. Directors as such may be paid such compensation as the board of directors may from time to time determine. Nothing herein contained shall be construed to preclude any director from serving the Company in any other capacity and receiving compensation therefor.

Section 15. Anything in this Article II to the contrary notwithstanding, any action required or permitted to be taken by the board of directors at any regular, annual or special meeting thereof, or by any committee thereof, may be taken without a meeting if all members of the board of directors or such committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the board of directors or such committee shall be filed with the minutes of the proceedings of the board of directors or such committee.

Section 16. No contract or transaction between the Company and one or more of its directors or officers, or between the Company and any other corporation, partnership, association, or other organization in which one or

more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board of directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the shareowners entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the shareowners; or (iii) the contract or transaction is fair as to the Company as of the time it is authorized, approved or ratified, by the board of directors, a committee thereof or the shareowners. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes the contract or transaction.

ARTICLE III.

ELECTED OFFICERS

The elected officers of the Company shall be the chairman of the executive committee, the chairman of the board, the president, the vice chairman of the board, the secretary, the treasurer, the controller, and such other officers of the Company as shall be elected by the board of directors.

ARTICLE IV.

AUTHORITY AND DUTIES OF OFFICERS

Each officer of the Company shall be subject to the control of the board of directors and shall have such duties in the management of the Company as may be provided by appropriate resolution of the board of directors and/or provided in these By-laws.

ARTICLE V.

DUTIES OF OFFICERS MAY BE DELEGATED

In the case of the absence of any officer of the Company, or for any other reason that the board of directors may deem sufficient, the board of directors may delegate the powers or duties of such officer to any other officer or to any other director, or to any other person for the time being.

ARTICLE VI.

INDEMNIFICATION

Section 1. The Company shall indemnify to the fullest extent authorized or permitted by law (as now or hereafter in effect) any person made, or threatened to be made a party to or otherwise involved in any action or proceeding (whether civil or criminal or otherwise) by reason of the fact that he, his testator or intestate, is or was a director or officer of the Company

or by reason of the fact that such director or officer, at the request of the Company, is or was serving any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, in any capacity. Nothing contained herein shall affect any rights to indemnification to which employees other than directors and officers may be entitled by law. No amendment or repeal of this Section 1 shall apply to or have any effect on any right to indemnification provided hereunder with respect to any acts or omissions occurring prior to such amendment or repeal.

Section 2. The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of the law. The Company may create a trust fund, grant a security interest and/or use other means (including, without limitation, letters of credit, surety bonds and/or other similar arrangements), as well as enter into contracts providing for indemnification to the fullest extent authorized or permitted by law and including as part thereof any or all of the foregoing, to ensure the payment of such sums as may become necessary to effect full indemnification.

Section 3. The rights to indemnification conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Certificate of Incorporation of the Company, these By-laws or any agreement, vote of stockholders or directors or otherwise.

ARTICLE VII.

POWER OF OFFICERS TO CONTRACT, ETC.

Section 1. All contracts and agreements, purporting to be the act of this Company shall be signed by such officer(s) of the Company or other person(s) as may be designated by resolution of the board of directors, in order that the same shall be binding upon the Company.

Section 2. The board of directors may, from time to time, authorize any officer or officers of the Company, or any other person or persons, to sign, countersign and endorse bills of exchange, checks, notes, leases, deeds and other instruments, agreements and documents in behalf of the Company.

ARTICLE VIII.

ORDER OF BUSINESS

Section 1. The order of business at all meetings of the shareowners shall be as follows:

1. The election of directors.
2. Other matters to be acted upon.

3. The reports of officers.
4. Election of inspectors of election.

The order of business at any meeting may be changed by a vote of the owners of a majority of the shares represented at such meeting.

Section 2. The order of business at meetings of the board of directors shall be as the directors may determine.

ARTICLE IX.

SHARES OF STOCK

Section 1. The interest of each shareowner shall be evidenced by a certificate or certificates for shares of stock of the Company in such form as the board of directors may from time to time prescribe. The certificates of stock shall be signed by the chairman of the executive committee, the chairman of the board, the president, the vice chairman of the board, or a vice president and the treasurer or an assistant treasurer or the secretary or an assistant secretary and sealed with the seal of the Company, and shall be countersigned and registered in such manner, if any, as the board of directors may by resolution prescribe; provided that, in case such certificates are required by such resolution to be signed by a transfer agent or transfer clerk and by a registrar, the signatures of the above designated officers and the seal of the Company upon such certificates may be facsimiles, engraved or printed. In case any such officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such before such certificate is issued, it may be issued with the same effect as if such officer had not ceased to be such at the date of its issue.

Section 2. Shares of stock of the Company shall be transferred only on the books of the Company, by the holder thereof in person or by his attorney, upon surrender for cancellation of certificates for the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Company or its agents may reasonably require.

Section 3. The board of directors may direct a new certificate or certificates of stock to be issued in the place of any certificate or certificates theretofore issued and alleged to have been lost, stolen or destroyed; but the board of directors, when authorizing the issue of such new certificate or certificates, may in its discretion require the owner of the stock represented by the certificate so lost, stolen or destroyed, or his legal representatives, to execute and deliver to the Company a bond with one or more sureties, in such sum as it may direct, indemnifying the Company and its agents against any claim that may be made against it by reason of the issue of such new certificate. The board of directors, however, may refuse to authorize any such new certificate except upon the order of a court having jurisdiction in such matter.

Section 4. The board of directors may from time to time appoint such transfer agents and registrars of shares as it may deem advisable and may define their powers and duties.

ARTICLE X.

DIVIDENDS

Subject to the limitations and provisions set forth in the Certificate of Incorporation of the Company, dividends on the stock of the Company shall be paid at such times and in such amounts as the board of directors shall, from time to time, determine.

ARTICLE XI.

CORPORATE SEAL

The corporate seal shall consist of the words "THE MAY DEPARTMENT STORES COMPANY" arranged in a circular around the words and figures "Corporate Seal -- Delaware" and shall be kept by the secretary in the office of the Company. The impression of the seal may be made and attested upon contracts, certificates of stock and other papers requiring the seal of the Company, when authorized by resolution of the board of directors, by the secretary, or by an assistant secretary or by any other officer of the Company, and the board of directors may authorize the use of a duplicate corporate seal by any assistant secretary or other officer of the Company.

ARTICLE XII.

FISCAL YEAR

The fiscal year of the Company shall end on the Saturday closest to the 31st day of January in each year.

ARTICLE XIII.

AMENDMENTS

In furtherance and not in limitation of the powers conferred by statute, the board of directors, by vote of two-thirds of the entire board of directors of the Company, is expressly authorized to adopt, repeal, alter, amend or rescind the foregoing By-laws at any meeting of the board of directors, provided that the substance of the proposed amendment or addition or the subject matter thereof shall have been submitted in writing at a preceding meeting of the board of directors or notice thereof shall have been given to the directors; waiver of notice by any director being deemed equivalent to such notice to him.

The By-laws may also be amended at any general or special meeting of shareowners, provided notice of the proposed amendment shall have been given in the call for such meeting.

ARTICLE XIV.

WAIVER OF NOTICE

Any notice required to be given by law or by the Certificate of Incorporation or by these By-laws may be waived in writing, and such waiver may be made either before or after the act or event to which the same relates.

Management's Discussion and Analysis

Our 26th consecutive year of increased sales and earnings per share is a record few companies in retailing can match. A solid fourth quarter performance resulted in record earnings per share of \$2.62 in 2000, compared with last year's \$2.60. Our three-year earnings per share compound growth rate is 8.2%. Net earnings totaled \$858 million versus \$927 million last year. Our return on equity of 21.0% and our return on net assets of 19.5% continue to be among the best in retailing.

Sales were \$14.5 billion, an increase of 4.3% over 1999 sales of \$13.9 billion. The increase reflects a 0.5% rise in store-for-store sales, 2000 store openings, the full-year impact of 1999 store openings, and the sales from David's Bridal.

In 2000 we opened 23 department stores, including 13 former ZCMI stores located in Utah and Idaho, adding 3.3 million square feet of retail space:

Lord & Taylor: 4 stores
 Pittsburgh (Downtown) Pittsburgh, PA
 Flatiron Crossing Denver, CO
 Moorestown Mall Moorestown, NJ
 Providence Place Providence, RI

Foley's: 4 stores
 Flatiron Crossing Denver, CO
 NorthPark Center Dallas, TX
 Stonebriar Center Frisco, TX
 South Park Mall San Antonio, TX

Kaufmann's: 1 store
 Oakdale Mall Johnson City, NY

Famous-Barr: 1 store
 Merle Hay Mall Des Moines, IA

Meier & Frank: 13 stores
 Cottonwood Mall Salt Lake City, UT
 Fashion Place Salt Lake City, UT
 Foothill Village Salt Lake City, UT
 Layton Hills Mall Salt Lake City, UT
 Ogden City Mall Salt Lake City, UT
 South Towne Center Salt Lake City, UT
 Valley Fair Mall Salt Lake City, UT
 ZCMI Center Salt Lake City, UT
 Cache Valley Mall Logan, UT
 Red Cliffs Mall St. George, UT
 University Mall Orem, UT
 Grand Teton Mall Idaho Falls, ID
 Pine Ridge Mall Pocatello, ID

We remodeled 20 department stores in 2000 totaling 1.6 million square feet, including the expansion of nine stores by 259,000 square feet. At fiscal year-end we operated 427 department stores in 37 states and the District of Columbia.

David's Bridal, the largest retailer of bridal apparel in the United States, joined May in August 2000. At fiscal year-end, David's Bridal operated 123 stores in 36 states and Puerto Rico.

We plan to open 22 new department stores in 2001 totaling 4.1 million square feet, including eight stores purchased from Saks Incorporated. We also plan to remodel 32 department stores totaling 2.0 million square feet of retail space, which includes the expansion of 20 stores by a total of 743,000 square feet. David's Bridal plans to add 28 new stores in 2001 totaling 308,000 square feet of retail space. In addition, we have agreed to purchase 13 former Wards stores. Seven are planned as new stores and the remainder will provide expansion in existing malls. We plan to reopen most of the locations in 2002.

The new-store plan for 2001 through 2005 would add 89 new department stores and 148 David's Bridal stores totaling 17 million retail square feet, a 5% annualized increase. During this five-year period, the major components of our \$4.3 billion capital plan include plans to invest \$2.0 billion for new stores, \$1.1 billion to expand and remodel existing stores, and \$380 million related to systems and operations improvements.

Common stock repurchase programs authorized by our board of directors since 1996 totaled more than \$2.5 billion:

(in millions, except per share)	As Repurchased			
	Authorized	\$	Shares	Average Price per Share
2000	\$ 650	\$789	28.4	\$28
1999	500	361	9.9	36
1998	500	500	12.5	40
1997	300	300	9.6	31
1996	600	600	19.1	31
Total	\$2,550	\$2,550	79.5	\$32

Review of Operations

Earnings per share was \$2.62 in 2000, compared with \$2.60 in 1999 and \$2.30 in 1998. Net earnings totaled \$858 million in 2000, compared with \$927 million in 1999 and \$849 million in 1998. The decline in net earnings is due to lower operating earnings during the first three quarters of 2000, including a \$63 million charge to clear excess spring and summer merchandise, and increased interest expense related to the 1999 and 2000 common stock repurchase programs. The 2000, 1999, and 1998 earnings per share growth rates were 0.8%, 13.0%, and 11.1%, respectively. Return on revenues was 5.9% in 2000, compared with 6.7% in 1999 and 6.5% in 1998.

Results for the past three years and the related percent of revenues were:

(dollars in millions, except per share)	2000		1999		1998	
	\$	%	\$	%	\$	%
Net retail sales	\$14,454		\$13,854		\$13,031	
Revenues	\$14,511	100.0%	\$13,866	100.0%	\$13,090	100.0%
Cost of sales	9,929	68.4	9,370	67.6	8,901	68.0
Selling, general, and administrative	2,835	19.5	2,686	19.4	2,516	19.2
Interest expense, net	345	2.4	287	2.0	278	2.1
Earnings before income taxes	1,402	9.7	1,523	11.0	1,395	10.7
Provision for income taxes (1)	544	38.8	596	39.1	546	39.1
Net earnings	\$ 858	5.9%	\$ 927	6.7%	\$ 849	6.5%
Earnings per share (2)	\$2.62	0.8%	\$ 2.60	13.0%	\$ 2.30	11.1%

(1) Percent of revenues columns represent effective income tax rates.

(2) Percent of revenues columns represent earnings per share growth rates.

Fiscal 2000 included 53 weeks. The additional week did not materially affect 2000 earnings. All net retail sales information is presented on a 52-week basis for comparability. References to earnings per share are to diluted earnings per share.

The following table shows earnings before interest and taxes excluding the LIFO (last-in, first-out) credit of \$29 million in 2000, \$30 million in 1999, and \$28 million in 1998:

(dollars in millions)	2000	1999	1998
Operating earnings	\$1,718	\$1,780	\$1,645
Percent of revenues	11.8%	12.8%	12.6%

Our 427 quality department stores are operated by eight regional department store companies across the United States under 11 long-standing and widely recognized trade names. Each department store company holds a leading market position in its region. David's Bridal operates 123 stores and is the nation's largest retailer of bridal gowns and bridal-related merchandise.

The table below summarizes net retail sales, sales per square foot, gross retail square footage, and the number of stores for each department store company and David's Bridal:

Store Company: Headquarters	Net Retail Sales in Millions of Dollars (1)	
	2000	1999
Lord & Taylor: New York City	\$ 2,181	\$2,129
Hecht's, Strawbridge's: Washington, D.C.	2,502	2,442
Foley's: Houston	2,206	2,174
Robinsons-May: Los Angeles	2,171	2,057
Filene's: Boston	1,790	1,703
Kaufmann's: Pittsburgh	1,600	1,597
Famous-Barr, L.S. Ayres, The Jones Store: St. Louis	1,319	1,348
Meier & Frank: Portland, Ore.	581	404

Total Department Stores	\$14,350	\$13,854
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David's Bridal: Philadelphia (2)	248	192
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The May Department Stores Company (3)	\$14,454	\$13,854
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Store Company: Headquarters	Sales per Square Foot (1)	
	2000	1999
Lord & Taylor: New York City	\$214	\$222
Hecht's, Strawbridge's: Washington, D.C.	203	203
Foley's: Houston	201	203
Robinsons-May: Los Angeles	217	210
Filene's: Boston	253	253
Kaufmann's: Pittsburgh	191	196
Famous-Barr, L.S. Ayres, The Jones Store: St. Louis	174	189
Meier & Frank: Portland, Ore.	170	233

Total Department Stores	\$205	\$210
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David's Bridal: Philadelphia (2)	205	207
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The May Department Stores Company (3)	\$205	\$210
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Store Company: Headquarters	Gross Retail Square Footage in Thousands	
	2000	1999
Lord & Taylor: New York City	10,601	10,070
Hecht's, Strawbridge's: Washington, D.C.	12,583	12,668
Foley's: Houston	11,572	10,975
Robinsons-May: Los Angeles	10,210	10,198
Filene's: Boston	7,222	7,212
Kaufmann's: Pittsburgh	8,721	8,513
Famous-Barr, L.S. Ayres, The Jones Store: St. Louis	7,630	7,655
Meier & Frank: Portland, Ore.	3,487	1,769

Total Department Stores	72,026	69,060
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David's Bridal: Philadelphia (2)	1,322	1,061
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The May Department Stores Company (3)	73,348	69,060
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Store Company: Headquarters	Number of Stores			
	2000	New	Closed	1999
Lord & Taylor: New York City	82	4	-	78
Hecht's, Strawbridge's: Washington, D.C.	73	-	1	74
Foley's: Houston	60	4	1	57
Robinsons-May: Los Angeles	55	-	-	55
Filene's: Boston	44	-	-	44
Kaufmann's: Pittsburgh	51	1	-	50

Famous-Barr, L.S. Ayres, The Jones Store: St. Louis	42	1	1	42
Meier & Frank: Portland, Ore.	20	13	1	8
Total Department Stores	427	23	4	408
David's Bridal: Philadelphia (2)	123	23	-	100
The May Department Stores Company (3)	550	146	4	408

(1) Fiscal 2000 net retail sales and sales per square foot are shown on a 52-week basis for comparability.

(2) David's Bridal shown on a full-year basis.

(3) Results of David's Bridal included since August 2000. All David's Bridal stores included as new.

Net retail sales exclude the sales of stores that have been closed and not replaced and include lease department sales.

Sales per square foot are calculated from net retail sales plus finance charge revenues and average gross retail square footage.

Gross retail square footage represents square footage of stores open at the end of the period presented.

(in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Net retail sales	\$14,454	\$13,854	\$13,031	\$12,248	\$11,446	\$10,327	\$9,622	\$8,884	\$8,270	\$7,723	\$7,349

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Earnings per share	\$2.62	\$2.60	\$2.30	\$2.07	\$1.87	\$1.75	\$1.62	\$1.43	\$1.18	\$1.02	\$1.01

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Sales per square foot	\$205	\$210	\$209	\$204	\$201	\$201	\$200	\$191	\$179	\$171	\$172

(in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Cash flows	\$1,369	\$1,396	\$1,288	\$1,191	\$1,123	\$1,033	\$947	\$859	\$755	\$677	\$657
Depreciation and amortization	\$ 511	\$ 469	\$ 439	\$ 412	\$ 374	\$ 333	\$297	\$281	\$283	\$273	\$253
Net earnings	\$ 858	\$ 927	\$ 849	\$ 779	\$ 749	\$ 700	\$650	\$578	\$472	\$404	\$404

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Return on equity	21.0%	24.1%	22.2%	21.2%	19.4%	20.8%	21.3%	22.1%	21.5%	20.7%	21.8%

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Return on net assets	19.5%	20.7%	19.8%	18.5%	18.8%	20.1%	20.1%	19.0%	15.4%	14.5%	15.8%

(per common share)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Dividend rate at year-end	\$0.93	\$0.89	\$0.85	\$0.80	\$0.77	\$0.76	\$0.69	\$0.61	\$0.55	\$0.54	\$0.53

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Common stock closing price and price range											
Low price	\$19.19	\$29.19	\$33.17	\$29.08	\$27.00	\$22.33	\$21.50	\$22.29	\$17.33	\$15.08	\$12.46
High price	\$39.50	\$45.38	\$47.25	\$38.08	\$34.83	\$30.83	\$30.08	\$31.00	\$24.83	\$20.13	\$19.71
Closing price	\$37.30	\$31.25	\$40.25	\$35.04	\$29.67	\$29.25	\$23.42	\$26.50	\$23.46	\$18.29	\$15.17

Net Retail Sales

Net retail sales (sales) exclude the sales of stores that have been closed and not replaced and include lease department sales. Store-for-store sales represent sales of those stores open during both years. David's Bridal sales are included in total sales since August 2000, but are not included in store-for-store sales. Sales increases (decreases) for 2000 and 1999 were:

Quarter	Total	2000		1999	
		Store-for-Store	Total	Store-for-Store	Total
First	3.5%	0.0%	8.1%	3.5%	3.5%
Second	2.6	(0.6)	9.2	4.7	4.7
Third	5.0	(0.1)	5.4	1.1	1.1
Fourth	5.5	1.8	4.0	1.6	1.6
Year	4.3%	0.5%	6.3%	2.6%	2.6%

The total sales increase for 2000 reflects a 0.5% rise in store-for-store sales, the opening of 19 net new department stores in 2000, the full-year impact of 1999 store openings, and the sales from David's Bridal. The total sales increase for 1999 includes a 2.6% store-for-store sales increase, the opening of 15 net new stores, and the full-year impact of 1998 store openings.

Revenues

Revenues (see page 26 for definition) include finance charge revenues of \$301 million, \$304 million, and \$298 million in 2000, 1999, and 1998, respectively.

Cost of Sales

Cost of sales includes cost of merchandise sold and buying and occupancy costs. The impact of LIFO on cost of sales and the related percent of revenues were:

(dollars in millions)	2000		1999		1998	
	\$	%	\$	%	\$	%
Cost of sales	\$9,929	68.4%	\$9,370	67.6%	\$8,901	68.0%
LIFO credit	29	0.2	30	0.2	28	0.2
Cost of sales before LIFO credit	\$9,958	68.6%	9,400	67.8%	\$8,929	68.2%

Before the LIFO credit, cost of sales as a percent of revenues increased in 2000 compared with 1999 due to a higher level of markdowns, including a \$63 million charge to clear excess spring and summer merchandise, which increased cost of sales as a percent of revenues by 0.5% in 2000. The remaining increase in cost of sales as a percent of revenues was in buying and occupancy costs. Before the LIFO credit, cost of sales as a percent of revenues decreased in 1999 compared with 1998 due to the elimination of the consumer electronics business.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses and the related percent of revenues were:

(dollars in millions)	2000		1999		1998	
	\$	%	\$	%	\$	%
Selling, general, and administrative	\$2,835	19.5%	\$2,686	19.4%	\$2,516	19.2%

As a percent of revenues, selling, general, and administrative expenses increased from 19.4% in 1999 to 19.5% in 2000 as a result of an increase in payroll expense partially offset by lower retirement and other employee benefit expenses. As a percent of revenues, selling, general, and administrative expenses increased from 19.2% in 1998 to 19.4% in 1999 as a result of increases in advertising and sales promotion, payroll, retirement, and profit sharing expenses.

Selling, general, and administrative expenses included advertising and sales promotion costs of \$572 million, \$540 million, and \$500 million in 2000, 1999, and 1998, respectively. As a percent of revenues, advertising and sales promotion costs were 3.9% in 2000 and 1999 and 3.8% in 1998.

Interest Expense

Interest expense components were:

(dollars in millions)	2000	1999	1998
Interest expense	\$373	\$315	\$311
Interest income	(11)	(12)	(19)
Capitalized interest	(17)	(16)	(14)
Interest expense, net	\$345	\$287	\$278
Percent of revenues	2.4%	2.0%	2.1%

Interest expense principally relates to long-term debt. Seasonal working capital requirements were met through commercial paper borrowings. In 2000, we issued \$1.1 billion in new debt. We did not issue any long-term debt in 1999. In 1998, we issued \$350 million in new debt.

Income Taxes

The effective income tax rate for 2000 was 38.8%, compared with 39.1% in 1999 and 1998, as a result of implementing corporate structure changes which have a favorable impact on our effective tax rate.

Impact of Inflation

Inflation did not have a material impact on our 2000 sales and earnings growth. We value inventory principally on a LIFO basis, and as a result the current cost of merchandise is reflected in current operating results.

Review of Financial Condition

We continue to meet our objective of generating top quartile shareowner returns in the retail industry while maintaining access to capital at reasonable costs.

Return on Equity

Return on equity is our principal measure for evaluating our performance for shareowners and our ability to invest shareowners' funds profitably. Our objective is performance that places our return on equity in the top quartile of the retail industry. Return on beginning equity was 21.0% in 2000, compared with 24.1% in 1999 and 22.2% in 1998.

Return on Net Assets

Return on net assets measures performance independent of capital structure. Return on net assets is pretax earnings before net interest expense and the interest component of operating leases, divided by beginning-of-year net assets (including present value of operating leases). Return on net assets was 19.5% in 2000, compared with 20.7% in 1999 and 19.8% in 1998.

Cash Flows

Cash flows from operations (net earnings plus depreciation and amortization) was \$1.4 billion, or 9.4% of revenues in 2000. This compares with 10.1% in 1999 and 9.8% in 1998. Our cash flows as a percent of revenues continues to be one of the highest in the retail industry and provides us with significant resources to enhance shareowners' value.

Sources (uses) of cash flows were:

(dollars in millions)	2000	1999	1998
Net earnings plus depreciation and amortization	\$1,369	\$1,396	\$1,288
Working capital (increases) decreases	(71)	14	158
Other operating activities	48	120	59
Net capital expenditures	(550)	(678)	(586)
Business combinations	(420)	(40)	(302)
Net long-term debt issuances (repayments)	835	(135)	129
Net purchases of common stock (1)	(792)	(434)	(525)
Dividend payments	(304)	(314)	(308)
Increase (decrease) in cash and cash equivalents	\$ 115	\$ (71)	\$ (87)

(1) Includes common stock repurchase programs authorized by our board of directors as described on page 18.

See "Consolidated Statement of Cash Flows" on page 24.

Capital Expenditures

Capital expenditures are primarily related to new stores, remodels and expansions. Our strong financial condition enables us to make capital expenditures to enhance growth and improve operations. The operating measures we emphasize when we invest in new stores and remodel or expand existing stores include return on net assets, internal rate of return, and sales per square foot.

Business Combinations

In August 2000, David's Bridal, Inc. joined May. The cost of this transaction was approximately \$420 million. In December 1999, we completed the merger of Zions Co-operative Mercantile Institution (ZCMI) stores. We issued 1.6 million shares of May common stock valued at \$50 million to ZCMI shareholders and assumed \$73 million of debt, of which \$40 million was repaid at closing. In September 1998, we purchased 11 former Mercantile stores for approximately \$302 million including merchandise inventories. These business combinations have been accounted for as purchases and did not have a material effect on our results of operations or financial position.

In January 2001, we announced that we will purchase nine department store locations from Saks Incorporated. The cash purchase price includes approximately \$237 million for the stores and approximately \$72 million for merchandise inventories and accounts receivable. The transaction is expected to close in the first quarter of 2001. This transaction will be accounted for as a purchase and will not have a material effect on our financial statements.

Available Credit and Debt Ratings

We can borrow up to \$878 million under our credit agreements. In addition we have filed with the Securities and Exchange Commission shelf registration statements that enable us to issue up to \$775 million of debt securities.

Our bonds are rated A1 by Moody's Investors Service, Inc. and A+ by Standard & Poor's Corporation. Our commercial paper is rated P1 by Moody's and A1 by Standard & Poor's. Our senior unsecured bank credit agreement is rated A1 by Moody's.

Financial Ratios

Our debt-to-capitalization and fixed-charge coverage ratios are consistent with our capital structure objective. Our capital structure provides us with substantial financial and operational flexibility.

The debt-to-capitalization ratios were 50%, 44%, and 45% for 2000, 1999, and 1998, respectively. The ratio increased in 2000 due to current year long-term borrowings of \$1.1 billion and the repurchase of \$789 million of our common stock. For purposes of the debt-to-capitalization ratio, we define total debt as short-term and long-term debt (including the Employee Stock Ownership Plan [ESOP] debt reduced by unearned compensation) and the capitalized value of all leases, including operating leases. We define capitalization as total debt, noncurrent deferred taxes, ESOP preference shares, and shareowners' equity. See "Profit Sharing" on page 27 for discussion of the ESOP.

The fixed-charge coverage ratios were 4.0x in 2000, 4.8x in 1999, and 4.5x in 1998. The ratio declined in 2000 due to higher interest expense related to the new debt issuances and lower operating earnings as previously discussed in "Review of Operations," compared with 1999. We define fixed charges as gross interest expense, interest expense on the

ESOP debt, total rent expense, and the pretax equivalent of dividends on redeemable preferred stock.

Common Stock Dividends and Market Prices

Our dividend policy is based on earnings growth and capital investment requirements. We increased the annual dividend by 1 cent to 94 cents per share effective with the March 2001 dividend. This is our 26th consecutive annual dividend increase. We have paid consecutive quarterly dividends since 1911.

The quarterly price ranges of the common stock and dividends per share in 2000 and 1999 were:

Quarter	2000			1999		
	Market Price High	Market Price Low	Dividends per Share	Market Price High	Market Price Low	Dividends per Share
First	\$32.13	\$23.75	\$0.2325	\$42.19	\$36.00	\$0.2225
Second	31.13	23.25	0.2325	45.38	38.13	0.2225
Third	25.50	19.19	0.2325	41.56	32.50	0.2225
Fourth	39.50	22.94	0.2325	34.63	29.19	0.2225
Year	\$39.50	\$19.19	\$0.9300	\$45.38	\$29.19	\$0.8900

The approximate number of common shareowners as of March 1, 2001, was 43,000.

Forward-looking Statements

Management's Discussion and Analysis contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. While such statements reflect all available information and management's judgment and estimates of current and anticipated conditions and circumstances and are prepared with the assistance of specialists within and outside the company, there are many factors outside of our control that have an impact on our operations. Such factors include but are not limited to competitive changes, general and regional economic conditions, consumer preferences and spending patterns, availability of adequate locations for building or acquiring new stores, and our ability to hire and retain qualified associates. Because of these factors, actual performance could differ materially from that described in the forward-looking statements.

CONSOLIDATED STATEMENT OF EARNINGS

(dollars in millions, except per share)	2000	1999	1998
Net retail sales	\$14,454	\$13,854	\$13,031
Revenues	\$14,511	\$13,866	\$13,090
Cost of sales	9,929	9,370	8,901
Selling, general, and administrative expenses	2,835	2,686	2,516
Interest expense, net	345	287	278
Earnings before income taxes	1,402	1,523	1,395
Provision for income taxes	544	596	546
Net earnings	\$ 858	\$ 927	\$ 849
Basic earnings per share	\$ 2.74	\$ 2.73	\$ 2.43
Diluted earnings per share	\$ 2.62	\$ 2.60	\$ 2.30

Fiscal 2000 was a 53-week year. Net retail sales for fiscal 2000 are shown on a 52-week basis for comparability.

Net retail sales for the 53 weeks ended February 3, 2001, were \$14,593.

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

(dollars in millions, except per share)	February 3, 2001	January 29, 2000
Assets		
Current assets:		
Cash	\$ 17	\$ 16
Cash equivalents	139	25
Accounts receivable, net of allowance for uncollectible accounts of \$76 and \$76	2,081	2,173
Merchandise inventories, net of LIFO reserve of \$6 and \$35	2,938	2,817
Other current assets	95	84
Total current assets	5,270	5,115
Property and equipment:		
Land	329	326
Buildings and improvements	4,090	3,863
Furniture, fixtures, and equipment	3,689	3,543
Property under capital leases	59	65
Total property and equipment	8,167	7,797
Accumulated depreciation	(3,268)	(3,028)
Property and equipment, net	4,899	4,769
Goodwill, net of accumulated amortization of \$263 and \$228	1,312	981
Other assets	93	70
Total assets	\$11,574	\$10,935
Liabilities and shareowners' equity		
Current liabilities:		
Current maturities of long-term debt	\$ 85	\$ 259
Accounts payable	965	1,030
Accrued expenses	871	892
Income taxes payable	293	234
Total current liabilities	2,214	2,415
Long-term debt	4,534	3,560
Deferred income taxes	586	540
Other liabilities	335	314
ESOP preference shares	299	315
Unearned compensation	(249)	(286)
Shareowners' equity:		
Common stock	149	163
Additional paid-in capital	-	-
Retained earnings	3,706	3,914
Total shareowners' equity	3,855	4,077
Total liabilities and shareowners' equity	\$11,574	\$10,935

Common stock has a par value of \$0.50 per share; 1 billion shares are authorized and 470.5 million shares were issued. At February 3, 2001, 298.2 million shares were outstanding, and 172.3 million shares were held in treasury. At January 29, 2000, 325.5 million shares were outstanding, and 145.0 million shares were held in treasury.

ESOP preference shares have a par value of \$0.50 per share and a stated value of \$507 per share; 800,000 shares are authorized. At February 3, 2001, 589,962 shares (convertible into 19.9 million shares of common stock) were issued and outstanding. At January 29, 2000, 622,197 shares (convertible into 21.0 million shares of common stock) were issued and outstanding.

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(dollars in millions)	2000	1999	1998
Operating activities			
Net earnings	\$ 858	\$ 927	\$ 849
Adjustments for noncash items included in earnings:			
Depreciation and other amortization	476	440	414
Goodwill amortization	35	29	25
Deferred income taxes	59	75	49
Working capital changes:			
Accounts receivable, net	97	13	20
Merchandise inventories	(77)	(137)	(176)
Other current assets	(9)	(22)	12
Accounts payable	(77)	57	176
Accrued expenses	(70)	57	89
Income taxes payable	65	46	37
Other assets and liabilities, net	(11)	45	10
Total operating activities	1,346	1,530	1,505
Investing activities			
Capital expenditures	(598)	(703)	(630)
Dispositions of property and equipment	48	25	44
Business combinations	(420)	(40)	(302)
Total investing activities	(970)	(718)	(888)
Financing activities			
Issuances of long-term debt	1,076	-	350
Repayments of long-term debt	(241)	(135)	(221)
Purchases of common stock	(828)	(468)	(589)
Issuances of common stock	36	34	64
Dividend payments	(304)	(314)	(308)
Total financing activities	(261)	(883)	(704)
Increase (decrease) in cash and cash equivalents	115	(71)	(87)
Cash and cash equivalents, beginning of year	41	112	199
Cash and cash equivalents, end of year	\$ 156	\$ 41	\$ 112
Cash paid during the year:			
Interest expense	\$ 376	\$ 307	\$ 297
Income taxes	414	463	411

See "Business Combinations" in Notes to Consolidated Financial Statements for a description of noncash transactions.

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF SHAREOWNERS' EQUITY

(dollars in millions, shares in thousands)	Shares	Outstanding Common Stock Dollars	Additional Paid-in Capital	Retained Earnings	Total Shareowners' Equity
Balance at January 31, 1998	346,512	\$ 173	\$ -	\$ 3,636	\$3,809
Net earnings	-	-	-	849	849
Dividends paid:					
Common stock (\$0.84 2/3 per share)	-	-	-	(290)	(290)
ESOP preference shares, net of tax benefit	-	-	-	(18)	(18)
Common stock issued	3,141	1	74	-	75
Common stock purchased	(14,989)	(7)	(74)	(508)	(589)
Balance at January 30, 1999	334,664	167	-	3,669	3,836
Net earnings	-	-	-	927	927
Dividends paid:					
Common stock (\$0.89 per share)	-	-	-	(295)	(295)
ESOP preference shares, net of tax benefit	-	-	-	(19)	(19)
Common stock issued	3,678	2	94	-	96
Common stock purchased	(12,877)	(6)	(94)	(368)	(468)
Balance at January 29, 2000	325,465	163	-	3,914	4,077
Net earnings	-	-	-	858	858
Dividends paid:					
Common stock (\$0.93 per share)	-	-	-	(286)	(286)
ESOP preference shares, net of tax benefit	-	-	-	(18)	(18)
Common stock issued	2,350	1	51	-	52
Common stock purchased	(29,645)	(15)	(51)	(762)	(828)
Balance at February 3, 2001	298,170	\$149	\$ -	\$3,706	\$3,855

Treasury Shares

(shares in thousands)	2000	1999	1998
Balance, beginning of year	144,990	135,791	123,943
Common stock issued:			
Exercise of stock options	(569)	(673)	(1,914)
Deferred compensation plan	(221)	(224)	(227)
Restricted stock grants, net of forfeitures	(158)	(372)	(306)
Conversion of ESOP preference shares	(1,089)	(781)	(694)
Contribution to profit sharing plan	(313)	-	-
Business combination	-	(1,628)	-
Common stock purchased	(2,350)	(3,678)	(3,141)
Common stock purchased	29,645	12,877	14,989
Balance, end of year	172,285	144,990	135,791

Outstanding common stock excludes shares held in treasury.

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Summary of Significant Accounting Policies

Fiscal Year The company's fiscal year ends on the Saturday closest to January 31. Fiscal year 2000 ended on February 3, 2001, and included 53 weeks. The additional week did not materially affect 2000 earnings. Fiscal years 1999 and 1998 ended on January 29, 2000, and January 30, 1999, respectively, and included 52 weeks. References to years in this annual report relate to fiscal years or year-ends rather than calendar years.

Basis of Reporting

The consolidated financial statements include the accounts of The May Department Stores Company, a Delaware corporation, and all wholly owned subsidiaries (May or the company). The company's 427 quality department stores are operated by eight regional department store companies across the United States under 11 long-standing and widely recognized trade names. David's Bridal operates 123 stores and is the nation's largest retailer of bridal gowns and bridal-related merchandise. The company aggregates its eight department store companies and David's Bridal into one reportable segment.

Use of Estimates

Management makes estimates and assumptions that affect the amounts reported in the consolidated financial statements. Actual results could differ from these estimates.

Net Retail Sales

Net retail sales (sales) represent sales of stores operating at the end of the latest period including lease department sales and excluding finance charge revenues and the sales of stores that have been closed and not replaced. Sales are net of returns and exclude sales tax. Store-for-store sales represent sales of those stores open during both years. David's Bridal sales are included in total sales since August 2000, but are not included in store-for-store sales.

Revenues

Revenues include sales from all stores operating during the period, finance charge revenues, and lease department income. Revenues are net of estimated merchandise returns. Revenues include finance charge revenues of \$301 million, \$304 million, and \$298 million in 2000, 1999, and 1998, respectively.

Cost of Sales

Cost of sales includes the cost of merchandise sold and the company's buying and occupancy costs.

Advertising Costs

Advertising and sales promotion costs are expensed at the time the advertising takes place. These costs were \$572 million, \$540 million, and \$500 million in 2000, 1999, and 1998, respectively.

Preopening Expenses

Preopening expenses of new stores are expensed as incurred.

Income Taxes

Income taxes are accounted for by the liability method. The liability method applies statutory tax rates in effect at the date of the balance sheet to differences between the book basis and the tax basis of assets and liabilities.

Earnings per Share

References to earnings per share relate to diluted earnings per share.

Stock-based Compensation

The company accounts for stock-based compensation by applying APB Opinion No. 25, as allowed under SFAS No. 123, "Accounting for Stock-based Compensation."

Cash Equivalents

Cash equivalents consist primarily of commercial paper with maturities of less than three months. Cash equivalents are stated at cost, which approximates fair value.

Merchandise Inventories

Merchandise inventories are principally valued at the lower of LIFO (last-in, first-out) cost basis or market using the retail method.

Property and Equipment

Property and equipment are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives. Properties under capital leases and leasehold improvements are amortized over the shorter of their useful lives or related lease terms. Software development costs are capitalized and amortized over the expected useful life.

Capitalized interest was \$17 million, \$16 million, and \$14 million in 2000, 1999, and 1998, respectively.

Goodwill

Goodwill represents the excess of cost over the fair value of net tangible assets acquired at the dates of acquisition. Substantially all amounts are amortized using the straight-line method over a 40-year period.

Long-lived Assets

Long-lived assets and certain identifiable intangibles are reviewed to determine whether the net book value is recoverable. Impairment losses resulting from these reviews have not been significant.

Financial Derivatives

The company uses financial derivatives only to reduce risk in specific business transactions. The company periodically purchases forward contracts on firm commitments to minimize the risk of foreign currency fluctuations. These contracts are not significant. The company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," in 2000. This statement did not have a material impact on the company.

Reclassifications

Certain prior-period amounts have been reclassified to conform with the current-year presentation.

Quarterly Results (Unaudited)

Quarterly results are determined in accordance with annual accounting policies. They include certain items based upon estimates for the entire year. Summarized quarterly results for the last two years were:

(dollars in millions, except per share)	First	Second	Third (1)	Fourth (2)	2000 Year
Revenues	\$3,050	\$3,131	3,326	\$5,004	\$14,511
Cost of sales	2,141	2,154	2,397	3,237	9,929
Selling, general, and administrative expenses	638	670	697	830	2,835
Pretax earnings	200	225	141	836	1,402
Net earnings	120	135	85	518	858

Earnings per share:

Basic	\$ 0.36	\$ 0.42	\$ 0.28	\$ 1.68	\$ 2.74
Diluted	0.35	0.41	0.27	1.59	2.62

(1) The 2000 third quarter results included a \$63 million charge to clear excess spring and summer merchandise.

(2) The 2000 fourth quarter included 14 weeks. The additional week increased both cost of sales and selling, general, and administrative expenses as a percent of revenues by 0.2%.

(dollars in millions, except per share)	First	Second	Third	Fourth	1999 Year
Revenues	\$2,989	\$3,067	\$3,176	\$4,634	\$13,866
Cost of sales	2,086	2,098	2,218	2,968	9,370
Selling, general, and administrative expenses	629	640	660	757	2,686
Pretax earnings	203	257	228	835	1,523
Net earnings	122	154	138	513	927

Earnings per share:

Basic	\$ 0.35	\$ 0.45	\$ 0.40	\$ 1.53	\$ 2.73
Diluted	0.34	0.43	0.38	1.45	2.60

There are variables and uncertainties in the factors used to estimate the annual LIFO provision (credit) on an interim basis. If the final variables and factors had been known at the beginning of the year, the pro forma earnings (loss) per share impact of LIFO would have been:

Quarter	2000		1999	
	Pro Forma	As Reported	Pro Forma	As Reported
First	\$0.01	\$(0.01)	\$0.01	\$(0.01)
Second	0.01	(0.01)	0.01	(0.01)
Third	0.01	(0.01)	0.01	(0.01)
Fourth	0.02	0.08	0.02	0.08
Year	\$0.05	\$ 0.05	\$0.05	\$ 0.05

Profit Sharing

The company has a qualified profit sharing plan that covers most associates who work 1,000 hours or more in a year and have attained age 21. The plan is a defined-contribution program that provides for discretionary matching allocations at a variable matching rate generally based upon changes in the company's annual earnings per share, as defined in the plan. The plan's matching allocation value totaled \$52 million for 2000, an effective match rate of 92%. The matching allocation values were \$54 million in 1999 and \$57 million in 1998.

The plan includes an Employee Stock Ownership Plan (ESOP) under which the plan borrowed \$400 million in 1989, guaranteed by the company, at an average rate of 8.5%. The proceeds were used to purchase \$400 million (788,955 shares) of convertible preference stock of the company (ESOP preference shares). Each share is convertible into 33.787 shares of common stock and has a stated value of \$15.01 per common share equivalent. The annual dividend rate on the ESOP preference shares is 7.5%.

The \$249 million outstanding portion of the guaranteed ESOP debt is reflected on the consolidated balance sheet as long-term debt because the company will fund the required debt service through 2004. The company's contributions to the ESOP and the dividends on the ESOP preference shares are used to repay the loan principal and interest. Interest expense associated with the ESOP debt was \$22 million in 2000, \$25 million in 1999, and \$27 million in 1998. ESOP preference shares' dividends were \$23 million in 2000, \$24 million in 1999, and \$25 million in 1998.

The release of ESOP preference shares is based upon debt-service payments. Upon release, the shares are allocated to participating associates' accounts. Unearned compensation, initially an equal offsetting amount to the \$400 million guaranteed ESOP debt, has been adjusted for the difference between the expense related to the ESOP and cash payments to the ESOP. It is reduced as principal is repaid.

The company's profit sharing expense was \$41 million in 2000, \$40 million in 1999, and \$28 million in 1998.

At February 3, 2001, the plan beneficially owned 15.1 million shares of the company's common stock and 100% of the company's ESOP preference shares, representing 11.0% of the company's common stock.

Pension and Other Postretirement Benefits

The company has a qualified defined-benefit plan that covers most associates who work 1,000 hours or more in a year and have attained age 21. The company also maintains two nonqualified, supplementary defined-benefit plans for certain associates. All plans are noncontributory and provide benefits based upon years of service and pay during employment.

Pension expense is based on information provided by an outside actuarial firm that uses assumptions to estimate the total benefits ultimately payable to associates and allocates this cost to service periods. The actuarial assumptions used to calculate pension costs are reviewed annually.

The accumulated benefit obligations (ABO), change in projected benefit obligations (PBO), change in net plan assets, and funded status of the benefit plans were:

(dollars in millions)	Qualified Plan		Nonqualified Plans	
	2000	1999	2000	1999
Change in PBO (1)				
PBO at beginning of year	\$542	\$517	\$ 129	\$ 122
Service cost	31	36	3	3

Interest cost	41	36	10	9
Business combinations	-	27	-	-
Actuarial loss (gain) (2)	52	(74)	12	1
Plan amendments	-	68	-	-
Benefits paid	(74)	(68)	(7)	(6)
PBO at end of year	\$592	\$542	\$ 147	\$ 129
ABO at end of year (3)	\$536	\$516	\$ 121	\$ 104
Change in net plan assets				
Fair value of net plan assets at beginning of year	\$622	\$579	\$ -	\$ -
Actual return on plan assets	4	38	-	-
Employer contribution	26	48	-	-
Business combinations	-	25	-	-
Benefits paid	(74)	(68)	-	-
Fair value of net plan assets at end of year	\$578	\$622	\$ -	\$ -
Funded status				
Plan assets in excess of (less than) PBO	\$ (14)	\$ 80	\$ (147)	\$ (129)
Unrecognized net actuarial loss (gain)	(26)	(124)	28	19
Unrecognized prior service cost	59	66	14	14
Additional minimum liability(4)	-	-	(16)	(8)
Prepaid (accrued) benefit cost	\$ 19	\$ 22	\$ (121)	\$ (104)
Plan assets in excess of (less than) ABO	\$ 42	\$106	\$ (121)	\$ (104)

- (1) PBO is the actuarial present value of benefits attributed by the benefit formula to prior associate service; it takes into consideration future salary increases.
- (2) Actuarial loss (gain) is the change in value of the benefit obligations or the plan assets resulting from changes in actuarial assumptions or from experience different than assumed.
- (3) ABO is the actuarial present value of benefits attributed by the pension benefit formula to prior associate service based on current and past compensation levels.
- (4) The additional minimum liability represents the excess of the accumulated benefit obligation over the accrued pension costs recognized. Recognizing the additional minimum liability results in an intangible asset being recorded for an equal amount.

The components of net periodic benefit costs and actuarial assumptions for the benefit plans were:

(dollars in millions)	2000	1999	1998
Components of pension expense (all plans)			
Service cost	\$ 34	\$ 39	\$ 33
Interest on PBO	51	45	40
Expected return on assets	(48)	(39)	(34)
Net amortization (1)	4	8	3
Total	\$ 41	\$ 53	\$ 42

(1) Prior service cost and actuarial (gain) loss are amortized over the remaining service period.

(as of January 1)	2001	2000	1999
Actuarial assumptions			
Discount rate	7.50%	8.00%	6.75%
Expected return on plan assets	7.75	8.25	7.00
Salary increase	4.25	4.50	4.25

The accrued pension costs are included in other liabilities. Prepaid pension costs and intangible assets are included in other assets.

The company also provides postretirement life and/or health benefits for certain associates. As of February 3, 2001, the company's estimated PBO (at a discount rate of 7.50%) for postretirement benefits was \$51 million, of which \$49 million was accrued in other liabilities. As of January 29, 2000, the company's estimated PBO (at a discount rate of 8.00%) for postretirement benefits was \$48 million, which was accrued in other liabilities. An unrecognized net loss of less than 10% of PBO need not be amortized. The postretirement plan is unfunded. The postretirement benefit expense was \$4 million in 2000, 1999, and 1998.

The estimated future obligations for postretirement medical benefits are based upon assumed annual healthcare cost increases of 12% for 2001, decreasing by 1% annually to 5% for 2008 and future years. A 1% increase or decrease in the assumed annual healthcare cost increases would increase or decrease the present value of estimated future obligations for postretirement benefits by approximately \$2 million.

Another important element in the retirement programs is the Social Security system, into which the company paid \$174 million in 2000 as its matching contribution to the \$174 million paid in by associates.

David's Bridal provides retirement benefits to associates who have worked three months or more and have attained age 21 through a separate 401(k) plan (a defined-contribution plan) that provides for a discretionary company contribution.

Taxes

The provision for income taxes and the related percent of pretax earnings for the last three years were:

(dollars in millions)	2000		1999		1998	
	\$	%	\$	%	\$	%
Federal	\$412		\$440		\$420	
State and local	73		81		77	
Current taxes	485	34.6%	521	34.2%	497	35.6%
Federal	50		63		41	
State and local	9		12		8	
Deferred taxes	59	4.2	75	4.9	49	3.5
Total	\$544	38.8%	\$596	39.1%	\$546	39.1%

The reconciliation between the statutory federal income tax rate and the effective income tax rate for the last three years follows:

(percent of pretax earnings)	2000	1999	1998
Statutory federal income tax rate	35.0%	35.0%	35.0%
State and local income taxes	5.8	6.1	6.1
Federal tax benefit of state and local income taxes	(2.0)	(2.2)	(2.2)
Other, net	-	0.2	0.2
Effective income tax rate	38.8%	39.1%	39.1%

Major components of deferred tax assets (liabilities) were:

(dollars in millions)	2000	1999
Accrued expenses and reserves	\$ 132	\$ 96
Deferred and other compensation	134	139
Merchandise inventories	(167)	(167)

Depreciation and amortization and basis differences	(587)	(528)
Other deferred income tax liabilities, net	(52)	(49)
Net deferred income taxes	(540)	(509)
Less: Net current deferred income tax assets	46	31
Noncurrent deferred income taxes	\$ (586)	\$ (540)

Net current deferred income tax assets are included in other current assets in the accompanying balance sheet.

Earnings per Share

The following tables reconcile net earnings and weighted average shares outstanding to amounts used to calculate basic and diluted earnings per share for 2000, 1999, and 1998.

(in millions, except per share)	Net Earnings	Shares	2000 Earnings per Share
Net earnings	\$858		
ESOP preference shares' dividends	(18)		
Basic earnings per share	\$840	306.4	\$2.74
ESOP preference shares	17	20.5	
Assumed exercise of options (treasury stock method)	-	0.8	
Diluted earnings per share	\$857	327.7	\$2.62

(in millions, except per share)	Net Earnings	Shares	1999 Earnings per Share
Net earnings	\$927		
ESOP preference shares' dividends	(19)		
Basic earnings per share	\$908	332.2	\$2.73
ESOP preference shares	16	21.5	
Assumed exercise of options (treasury stock method)	-	1.9	
Diluted earnings per share	\$924	355.6	\$2.60

(in millions, except per share)	Net Earnings	Shares	1998 Earnings per Share
Net earnings	\$849		
ESOP preference shares' dividends	(18)		
Basic earnings per share	\$831	342.6	\$2.43
ESOP preference shares	15	22.2	
Assumed exercise of options (treasury stock method)	-	2.6	
Diluted earnings per share	\$846	367.4	\$2.30

Accounts Receivable

Credit sales under department store credit programs as a percent of net retail sales were 40.3% in 2000. This compares with 40.7% in 1999 and 42.3% in 1998. An estimated 27 million customers hold credit cards under the company's various credit programs. Sales made through third-party credit cards totaled \$5.0 billion in 2000, compared with \$4.6 billion in 1999 and \$4.1 billion in 1998.

Net accounts receivable consisted of:

(dollars in millions)	2000	1999
Customer accounts receivable (1)	\$2,032	\$2,124
Other accounts receivable	125	125
Total accounts receivable	2,157	2,249
Allowance for uncollectible accounts	(76)	(76)
Accounts receivable, net	\$2,081	\$2,173

(1) The decrease in customer accounts receivable was primarily related to the additional week of customer payments as a result of the 53-week year.

The fair value of customer accounts receivable approximates their carrying values at February 3, 2001, and January 29, 2000, due to the short-term nature of these accounts.

Other Current Assets

In addition to net current deferred income tax assets, other current assets consisted of prepaid expenses and supply inventories of \$49 million in 2000 and \$53 million in 1999.

Other Assets

Other assets consisted of:

(dollars in millions)	2000	1999
Deferred debt expense	\$40	\$31
Prepaid and intangible pension asset	35	32
Other	18	7
Total	\$93	\$70

Accrued Expenses

Accrued expenses consisted of:

(dollars in millions)	2000	1999
Insurance costs	\$184	\$184
Salaries, wages, and employee benefits	172	196
Advertising and other operating expenses	148	128
Interest and rent expense	127	143
Sales, use, and other taxes	116	110
Construction costs	52	71
Other	72	60
Total	\$871	\$892

Short-term Debt and Lines of Credit

Short-term borrowings for the last three years were:

(dollars in millions)	2000	1999	1998
Balance outstanding at year	\$ -	\$ -	\$ -
Average balance outstanding	242	67	195
Average interest rate on average balance	6.6%	5.7%	5.4%
Maximum balance outstanding	\$667	\$407	\$621

The average balance of short-term borrowings outstanding, primarily commercial paper, and the respective weighted average interest rates are based on the number of days such short-term borrowings were outstanding during the year. The company has \$878 million available under credit agreements.

Long-term Debt

Long-term debt and capital lease obligations were:

(dollars in millions)	2000	1999
Unsecured notes and sinking-fund debentures due 2001-2036	\$4,470	\$3,638
Mortgage notes and bonds due 2001-2016	97	124
Capital lease obligations	52	57
Total debt	4,619	3,819
Less: Current maturities of long-term debt	85	259
Long-term debt	\$4,534	\$3,560

The weighted average interest rate of long-term debt was 8.2% at February 3, 2001, and 8.3% at January 29, 2000.

The annual maturities of long-term debt, including sinking fund requirements, are \$85 million, \$315 million, \$134 million, \$258 million, and \$172 million for 2001 through 2005.

The net book value of property encumbered under long-term debt agreements was \$128 million at February 3, 2001.

The fair value of long-term debt (excluding capital lease obligations) was approximately \$4.8 billion and \$3.7 billion at February 3, 2001, and January 29, 2000, respectively. The fair value was determined using borrowing rates for debt instruments with similar terms and maturities.

Lease Obligations

The company leases approximately 27% of its gross retail square footage. Rental expense for the company's operating leases consisted of:

(dollars in millions)	2000	1999	1998
Minimum rentals	\$63	\$48	\$49
Contingent rentals based on sales	18	18	18
Real property rentals	81	66	67
Equipment rentals	4	3	3
Total	\$85	\$69	\$70

Future minimum lease payments at February 3, 2001, were:

(dollars in millions)	Capital Lease	Operating Leases	Total
2001	\$ 7	\$ 72	\$ 79
2002	7	68	75
2003	7	65	72
2004	7	61	68
2005	7	55	62
After 2005	76	286	362
Minimum lease payments	\$111	\$607	\$718

The present value of minimum lease payments under capital leases was \$52 million at February 3, 2001, of which \$2 million was included in current liabilities. The present value of operating leases was \$414 million at February 3, 2001.

Property under capital leases was:

(dollars in millions)	2000	1999
Cost	\$ 59	\$ 65
Accumulated amortization	(29)	(32)
Total	\$30	\$ 33

Other Liabilities

In addition to accrued pension and postretirement costs, other liabilities consisted principally of deferred compensation liabilities of \$165 million at February 3, 2001, and \$162 million at January 29, 2000. Under the company's deferred compensation plan, eligible associates may elect to defer part of their compensation each year into cash and/or stock unit alternatives. The company issues shares to settle obligations with participants who defer in stock units and it maintains shares in treasury sufficient to settle all outstanding stock unit obligations.

Litigation

There are no legal proceedings, other than ordinary routine litigation incidental to the business, to which the company or any of its subsidiaries is a party or of which any of their property is the subject.

Business Combinations

In August 2000, David's Bridal, Inc. joined the company. The cost of this transaction was approximately \$420 million.

In December 1999, the company completed the merger of Zions Co-operative Mercantile Institution (ZCMI) stores. May issued 1.6 million shares of May common stock valued at \$50 million to ZCMI shareholders and assumed \$73 million of debt, of which \$40 million was repaid at closing. The company repurchased a comparable number of shares in the open market as were issued to acquire ZCMI.

In September 1998, the company purchased 11 former Mercantile stores for approximately \$302 million including merchandise inventories. At the date of purchase, nine of these stores were leased. The leases have both put and call options that obligate the company to buy the underlying properties for approximately \$100 million. As of February 3, 2001, the company has purchased five of these stores for \$57 million.

These business combinations have been accounted for as purchases and did not have a material effect on the results of operations or financial position.

In January 2001, the company announced that it will purchase nine department store locations from Saks Incorporated. The cash purchase price includes approximately \$237 million for the stores and approximately \$72 million for merchandise inventories and accounts receivable. The transaction is expected to close in the first quarter of 2001. This transaction will be accounted for as a

purchase and will not have a material effect on the company's financial statements.

Stock Option and Stock-related Plans

Under the company's common stock option plans, options are granted at the market price on the date of grant. Options to purchase may extend for up to 10 years, may be exercised in installments only after stated intervals of time, and are conditional upon continued active employment with the company. The company's plans are accounted for as provided by APB Opinion No. 25. For stock options, no compensation cost has been recognized because the option exercise price is fixed at the market price on the date of grant.

A combined summary of the stock option plans at the end of 2000, 1999, and 1998, and of the changes in outstanding shares within years is presented below:

	2000		1999		1998	
	Average	Average	Average	Average	Average	Average
(shares in thousands)	Shares	Price	Shares	Price	Shares	Price
Beginning of year	14,872	\$37	11,764	\$33	10,230	\$28
Granted	7,222	25	4,329	44	4,230	43
Exercised	(570)	24	(690)	25	(1,922)	25
Forfeited or expired	(1,467)	34	(531)	42	(774)	33
End of year	20,057	\$33	14,872	\$37	11,764	\$33
Exercisable at						
end of year	8,377	\$34	5,904	\$30	3,719	\$26
Shares available						
for grants	14,463		4,218		8,015	
Fair value of						
options granted		\$ 8		\$14		\$12

The following table summarizes information about stock options outstanding at February 3, 2001:

Exercise Price Range	Options Outstanding			Options Exercisable		
	Number Outstanding (in thousands)	Remaining Contractual Life	Average Exercise Price	Number Exercisable (in thousands)	Average Exercise Price	Average Life
\$16-24	1,408	4	\$22	1,257		3
25-34	11,245	8	30	4,142		6
35-45	7,404	8	43	2,978		8
	20,057	7	\$34	8,377		6

Under the 1994 Stock Incentive Plan, the company is authorized to grant up to 3.4 million shares of restricted stock to management associates with or without performance restrictions. No monetary consideration is paid by associates who receive restricted stock. All restrictions lapse over periods of up to 10 years. In 2000 and 1999, the company granted 235,150 and 407,167 shares of restricted stock, respectively. For restricted stock grants, compensation expense is based upon the grant date market price; it is recorded over the lapsing period. For performance-based restricted stock, compensation expense is recorded over the performance period and is based on estimates of performance levels.

As an alternative to accounting for stock-based compensation under APB No. 25, SFAS No. 123, "Accounting for Stock-based Compensation," establishes a fair-value method of accounting for employee stock options or similar equity instruments. The company used the Black-Scholes option pricing model to estimate the grant date fair value of its 1995 and later option grants. The fair value is recognized over the option vesting period, which is typically four years. Had compensation cost for these plans been determined in accordance with SFAS No. 123, the company's net earnings and net earnings per share would have been:

(dollars in millions, except per share)	2000	1999	1998
Net earnings:			
As reported	\$ 858	\$ 927	\$ 849
Pro forma	835	903	833
Basic earnings per share:			
As reported	\$2.74	\$2.73	\$2.43
Pro forma	2.67	2.66	2.38
Diluted earnings per share:			
As reported	\$2.62	\$2.60	\$2.30
Pro forma	2.55	2.54	2.27

The Black-Scholes assumptions were:

Assumptions	2000	1999	1998
Risk-free interest rate	6.4%	5.5%	5.6%
Expected dividend	\$0.93	\$0.89	\$0.85
Expected option life (years)	7	7	7
Expected volatility	32%	26%	23%

Common Stock Repurchase Programs

During 2000, the company purchased \$789 million or 28.4 million shares of May common stock. These repurchases completed the remaining \$139 million of stock repurchases related to the \$500 million 1999 stock repurchase program and the \$650 million common stock repurchase program authorized in 2000. The 2000 buyback was in addition to \$361 million, or 9.9 million shares, purchased in 1999 and \$500 million, or 12.5 million shares, purchased in 1998.

Preference Stock

The company is authorized to issue up to 25 million shares of \$0.50 par value preference stock. As of February 3, 2001, 800,000 ESOP preference shares were authorized and 589,962 were outstanding.

The ESOP preference shares are shown outside of shareowners' equity in the consolidated balance sheet because the shares are redeemable by the holder or by the company in certain situations.

Shareowner Rights Plan

The company has a shareowner rights plan under which a right is attached to each share of the company's common stock. The rights become exercisable only under certain circumstances involving actual or potential acquisitions of May's common stock by a person or by affiliated persons. Depending upon the circumstances the holder may be entitled to purchase units of the company's preference stock, shares of the company's common stock, or shares of common stock of the acquiring person. The rights will remain in

existence until August 31, 2004, unless they are terminated, extended, exercised, or redeemed.

Eleven-year financial summary

(in millions, except per share
and operating statistics)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Net retail sales	\$14,454	\$13,854	\$13,031	\$12,248	\$11,446	\$10,327	\$9,622	\$8,884	\$8,270	\$7,723	\$7,349
Total percent increase	4.3%	6.3%	6.4%	7.0%	10.8%	7.3%	8.3%	7.4%	7.1%	5.1%	6.8%
Store-for-store percent increase	0.5	2.6	3.5	3.6	4.3	2.5	5.4	5.4	4.5	(0.6)	0.6
Operations											
Revenues	\$14,511	\$13,866	\$13,090	\$12,390	\$11,727	\$10,708	\$9,886	\$9,353	\$9,154	\$8,864	\$8,497
Cost of sales	9,929	9,370	8,901	8,437	7,953	7,217	6,658	6,328	6,251	6,071	5,844
Selling, general, and administrative expenses	2,835	2,686	2,516	2,375	2,265	2,081	1,916	1,824	1,859	1,861	1,772
Interest expense, net	345	287	278	299	277	250	233	244	279	315	278
Earnings before income taxes	1,402	1,523	1,395	1,279	1,232	1,160	1,079	957	579 (7)	617	603
Provision for income taxes	544	596	546	500	483	460	429	379	107 (7)	213	199
Net earnings (1)	858	927	849	779	749	700	650	578	472	404	404
Percent of revenues	5.9%	6.7%	6.5%	6.3%	6.4%	6.5%	6.6%	6.2%	5.2%	4.6%	4.8%
LIFO provision (credit)	\$ (29)	\$ (30)	\$ (28)	\$ (5)	\$ (20)	\$ (53)	\$ (46)	\$ 7	\$ 10	\$ 26	\$ 39
Per share											
Net earnings (1)	\$ 2.62	\$ 2.60	\$ 2.30	\$ 2.07	\$ 1.87	\$ 1.75	\$ 1.62	\$ 1.43	\$ 1.18	\$ 1.02	\$ 1.01
Dividends paid (2)	0.93	0.89	0.85	0.80	0.77	0.74	0.67	0.60	0.55	0.54	0.51
Book value	12.93	12.53	11.46	10.99	10.27	12.28	11.10	9.77	8.55	7.51	6.69
Market price - high	39.50	45.38	47.25	38.08	34.83	30.83	30.08	31.00	24.83	20.13	19.71
Market price -low	19.19	29.19	33.17	29.08	27.00	22.33	21.50	22.29	17.33	15.08	12.46
Market price - year-end close	37.30	31.25	40.25	35.04	29.67	29.25	23.42	26.50	23.46	18.29	15.17
Financial statistics											
Return on equity	21.0%	24.1%	22.2%	21.2%	19.4%	20.8%	21.3%	22.1%	21.5%	20.7%	21.8%
Return on net assets	19.5	20.7	19.8	18.5	18.8	20.1	20.1	19.0	15.4 (8)	14.5	15.8
Operating statistics											
Stores open at year-end											
Department stores	427	408	393	369	365	346	314	301	303	318	324
David's Bridal (3)	123	100	77	59	48	36	23	14	6	5	1
Gross retail square footage (in millions) (4)	73.3	69.1	66.7	62.8	62.1	57.6	52.0	49.4	49.5	51.9	52.4
Sales per square foot (4) (5)	\$ 205	\$ 210	\$ 209	\$ 204	\$ 201	\$ 201	\$ 200	\$ 191	\$ 179	\$ 171	\$ 172
Cash flows and financial position											
Cash flows from operations (6)	\$ 1,369	\$ 1,396	\$ 1,288	\$ 1,191	\$ 1,123	\$ 1,033	\$ 947	\$ 859	\$ 755	\$ 677	\$ 657
Percent of revenues	9.4%	10.1%	9.8%	9.6%	9.6%	9.6%	9.6%	9.2%	8.3%	7.6%	7.7%
Depreciation and amortization	\$ 511	\$ 469	\$ 439	\$ 412	\$ 374	\$ 333	\$ 297	\$ 281	\$ 283	\$ 273	\$ 253
Capital expenditures	598	703	630	496	632	801	682	560	284	366	466
Dividends on common stock	286	295	290	279	287	277	251	223	204	198	191
Working capital	3,056	2,700	2,928	3,012	3,156	3,536	3,069	2,960	2,730	3,089	2,672
Long-term debt and preference stock	4,833	3,875	4,152	3,849	4,196	3,701	3,240	3,192	3,256	4,299	3,948
Shareowners' equity	3,855	4,077	3,836	3,809	3,650	4,585	4,135	3,639	3,181	2,781	2,467
Total assets	11,574	10,935	10,533	9,930	10,059	10,122	9,237	8,614	8,376	8,566	8,083
Average diluted shares outstanding and equivalents	327.7	355.6	367.4	373.6	396.2	397.3	397.3	398.2	397.0	394.3	397.1

All years included 52 weeks, except 2000 and 1995, which included 53 weeks.

Net retail sales for 2000 and 1995 are shown on a 52-week basis for comparability.

- (1) Represents net earnings and diluted earnings per share from continuing operations.
- (2) The annual dividend was increased to \$0.94 per share effective with the March 15, 2001, dividend payment.
- (3) David's Bridal joined the company in 2000. Stores open at year-end prior to 2000 are shown for comparability.
- (4) David's Bridal included since August 2000.
- (5) Sales per square foot are calculated from net retail sales plus finance charge revenues and average gross retail square footage.
- (6) Cash flows from operations represents net earnings plus depreciation and amortization. It is different from cash flows from operating activities as shown on the statement of cash flows.
- (7) Pretax earnings include a net special and nonrecurring charge of \$187 million, and the provision for income taxes includes a nonrecurring tax benefit of \$187 million.
- (8) Based on pretax earnings before special and nonrecurring items.

REPORTS OF MANAGEMENT AND INDEPENDENT PUBLIC ACCOUNTANTS

Report of Management

Management is responsible for the preparation, integrity, and objectivity of the financial information included in this annual report. The financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts. Although the financial statements reflect all available information and management's judgment and estimates of current conditions and circumstances, prepared with the assistance of specialists within and outside the company, actual results could differ from those estimates.

Management has established and maintains an internal control structure to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that the accounting records provide a reliable basis for the preparation of financial statements, and that such financial statements are not misstated due to material fraud or error. Internal controls include the careful selection of associates, the proper segregation of duties, and the communication and application of formal policies and procedures that are consistent with high standards of accounting and administrative practices. An important element of this structure is a comprehensive internal audit program. Management continually reviews, modifies, and improves its systems of accounting and controls in response to changes in business conditions and operations, and in response to recommendations in the reports prepared by the independent public accountants and internal auditors.

Management believes that it is essential for the company to conduct its business affairs in accordance with the highest ethical standards and in conformity with the law. These standards are described in the company's policies on business conduct, which are publicized throughout the company.

To the Board of Directors and Shareowners of

The May Department Stores Company:

We have audited the accompanying consolidated balance sheet of The May Department Stores Company (a Delaware corporation) and subsidiaries as of February 3, 2001, and January 29, 2000, and the related consolidated statements of earnings, shareowners' equity and cash flows for each of the three fiscal years in the period ended February 3, 2001. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The May Department Stores Company and subsidiaries as of February 3, 2001, and January 29, 2000, and the results of their operations and their cash flows for each of the three fiscal years in the period ended February 3, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP
1010 Market Street
St. Louis, Missouri 63101-2089
February 14, 2001
</TEXT>
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For The Year Ended December 31, 2000

A. Full title of the plan if different from that of the issuer
named below:

THE MAY DEPARTMENT STORES COMPANY
PROFIT SHARING PLAN

B. Name of issuer of securities held pursuant to the plan and the
address of its principal executive office:

THE MAY DEPARTMENT STORES COMPANY
611 Olive Street
St. Louis, MO 63101

Commission File Number 1-79

THE MAY DEPARTMENT STORES COMPANY

PROFIT SHARING PLAN

FINANCIAL STATEMENTS AND EXHIBIT

Listed below are all financial statements and exhibit filed as part of this annual report on Form 11-K:

Financial Statements	Page of this Form 11-K
Report of Independent Public Accountants	3
Financial Statements of the Plan:	
Statement of Net Assets Available for Benefits - December 31, 2000 and 1999	4
Statement of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2000 and 1999	5
Notes to Financial Statements - December 31, 2000 and 1999	6
Schedule I - Item 27(a): Schedule of Assets Held for Investment Purposes - December 31, 2000	12
Schedule II - Item 27(d): Schedule of Reportable Transactions for the Year Ended December 31, 2000	16
Exhibit	
Consent of Independent Public Accountants	17

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed by the undersigned, thereunto duly authorized.

THE MAY DEPARTMENT STORES COMPANY
PROFIT SHARING PLAN

By: The May Department Stores Company

Date: April 25, 2001

By: /s/ John L. Dunham
John L. Dunham
Executive Vice President and Chief
Financial Officer

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To The May Department Stores Company
Profit Sharing Plan:

We have audited the accompanying statement of net assets available for benefits of The May Department Stores Company Profit Sharing Plan as of December 31, 2000 and 1999, and the related statement of changes in net assets available for benefits for the years then ended. These financial statements and the schedules referred to below are the responsibility of the Plan Administrator. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2000 and 1999, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statement of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of each fund. The supplemental schedules and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen LLP
St. Louis, Missouri,
March 23, 2001

THE MAY DEPARTMENT STORES COMPANY

PROFIT SHARING PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2000 AND 1999
(Thousands)

ASSETS	2000	1999
INVESTMENTS, at fair value:		
The May Department Stores Company-		
ESOP preference stock	\$ 656,177	\$ 678,260
Common stock	501,542	490,820
Commingled equity index fund	220,606	221,180
Short-term investments	75,464	66,601
U.S. government securities	33,751	27,859
Fixed income investments	14,694	14,486
	-----	-----
	1,502,234	1,499,206
OTHER ASSETS:		
Receivable for allocation to member accounts	254	8,546
Dividends and interest receivable	1,126	1,021
Receivable - withholdings of member contributions	2,215	2,512
	-----	-----
Total assets	1,505,829	1,511,285
	-----	-----
LIABILITIES		
LIABILITIES:		
Notes payable	248,472	285,826
Accrued interest payable	4,396	4,021
Net amount payable for investment securities transactions and other	5,779	2,956
Accrued administrative expenses	771	951
	-----	-----
Total liabilities	259,418	293,754
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$1,246,411	\$1,217,531
	=====	=====

The accompanying notes are an integral part of these statements.

THE MAY DEPARTMENT STORES COMPANY

PROFIT SHARING PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999
(Thousands)

	2000	1999
CONTRIBUTIONS:		
Member	\$ 94,631	\$ 89,268
Employer ESOP contribution	38,000	40,992
Transfer from ZCMI 401(k) Plan	3,224	-
	-----	-----
	135,855	130,260
	-----	-----
APPRECIATION/(DEPRECIATION) IN FAIR VALUE OF INVESTMENTS:		
The May Department Stores Company-		
ESOP preference stock	4,531	(169,644)
Common stock	7,302	(121,016)
Commingled equity index fund	(21,627)	36,061
U.S. government securities	1,352	(1,723)
Fixed income investments	472	(951)
	-----	-----
	(7,970)	(257,273)
	-----	-----
INVESTMENT INCOME:		
Dividends	37,263	38,991
Interest	7,343	6,298
	-----	-----
	44,606	45,289
	-----	-----
DEDUCTIONS:		
Benefits paid to participants	(117,100)	(143,395)
Interest expense	(22,055)	(24,990)
Administrative expenses	(4,456)	(4,711)
	-----	-----
	(143,611)	(173,096)
	-----	-----
INCREASE/(DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	28,880	(254,820)
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	1,217,531	1,472,351
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS, end of year	\$1,246,411	\$1,217,531
	=====	=====

The accompanying notes are an integral part of these statements.

THE MAY DEPARTMENT STORES COMPANY

PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2000 AND 1999

1. DESCRIPTION OF THE PLAN:

The following description of The May Department Stores Company Profit Sharing Plan (the "Plan") is provided for financial statement purposes only. Members should refer to the Plan document and the Summary Plan Description dated July 1999 for more complete information.

General

The Plan is a defined contribution profit sharing plan. The Plan covers eligible associates of The May Department Stores Company, a Delaware corporation ("May"), and its subsidiaries and affiliates who are members of the Plan. Participation is voluntary.

ESOP Feature

In 1989, the Plan was amended and restated to add an Employee Stock Ownership Plan ("ESOP") feature and acquired 788,955 shares of convertible preferred stock of May (the "ESOP Preference Shares"). Each ESOP Preference Share costs \$507, has a guaranteed minimum value of \$507, receives a fixed annual dividend of \$38.03 and is convertible into 33.78747 shares of May common stock. The acquisition of the ESOP Preference Shares was financed with the proceeds of a private placement to a group of institutional investors of an aggregate \$400 million principal amount (the "ESOP Loans") (see Note 5).

The ESOP Loans are repaid by the Plan from the following sources in the following order: (a) dividends from May on ESOP Preference Shares previously allocated to members; (b) dividends from May on unallocated ESOP Preference Shares; and (c) contributions by May. During the term of the ESOP Loans, the ESOP Preference Shares which have not been allocated to members' company accounts serve as collateral for the ESOP Loans. The ESOP Loans are guaranteed by May.

ESOP Preference Shares are initially held by the Plan in an Unallocated account. As ESOP Loans are repaid, ESOP Preference Shares are released to a suspense account pending allocation to the members' ESOP Preference Fund accounts in satisfaction of the required dividend and employer allocation.

Contributions

Plan members may contribute 1% to 15% of their annual pay as defined. Contributions may be made prior to federal and certain other income taxes pursuant to Section 401(k) of the Internal Revenue Code.

The employer allocation is variable and discretionary. Generally, the employer allocation for each Plan year is determined by multiplying a base matching rate times members' basic contributions (generally, contributions up to 5% of pay each paycheck), reduced by forfeitures, one-third of annual dividends with respect to the ESOP Preference Shares, as defined, administrative expenses and excess ESOP allocations from prior Plan years (to the extent such amounts have not been previously used to reduce employer allocations for earlier Plan years).

The base matching rate is determined as follows: In the event May has earnings per share ("EPS") of its common stock for its most recent fiscal year ("current year") resulting in a 6.0% increase over the EPS for the fiscal year immediately preceding the current year, the base matching rate will be 50%. For each percentage point increase over 6.0% or decrease below 6.0%, there is a 1.25 percentage point increase in or decrease from the 50% base matching rate.

ESOP Preference Shares allocated to associates' accounts through application of the base matching rate formula are allocated at their original cost to the Plan of \$15.01 per common share equivalent. Because the ESOP Preference Shares are convertible into May common stock, the ESOP Preference Shares are worth more than original cost when the market value of May common stock is higher than \$15.01 per share. This market value of the employer allocation (including any supplemental contributions), divided by associates' matchable contributions, is the effective matching rate.

If the effective matching rate for a Plan year exceeds 100%, only ESOP Preference Shares are used for the employer allocation and no May common shares are contributed as a supplemental contribution. The effective matching rate is also limited to 2.5 times the base matching rate. The base matching rate formula may be adjusted at any time for unusual events including discontinued operations, accounting changes, or items of extraordinary gain or loss.

If the guaranteed minimum value of the ESOP Preference Shares allocated to members' company accounts as a result of the ESOP Loan payments (principal and interest) for a year is less than the employer allocation, then May makes supplemental contributions to the Plan for the difference. Supplemental contributions can be made in either shares of May common stock or cash.

If the guaranteed minimum value of the ESOP Preference Shares released for allocation to members' company accounts as a result of the ESOP Loan payments is greater than the required employer allocation, any "excess" would be applied (in accordance with applicable law) to satisfy required employer allocations in future Plan years.

Investments

Members' contributions may be invested in any of four participant-directed investment funds:

May Common Stock Fund - Invests in May common stock.

Common Stock Index Fund - Invests in the Northern Trust Equity Index Fund, which invests in the common stock of corporations that make up the Standard & Poor's 500 Composite Stock Price Index. Investment mix is determined based on the relative market size of the 500 corporations, with larger corporations making up a higher proportion of the fund than smaller corporations.

Money Market Fund - Invests in short-term (less than one year) obligations of high-quality issuers including banks, corporations, municipalities, the U.S. Treasury and other federal agencies.

Fixed Income Index Fund - Invests in corporate, U.S. Government, federal agency and certain foreign government securities that make up the Lehman Intermediate Government/Credit Bond Index. The Lehman Intermediate Government/Credit Bond Index represents the composite performance of intermediate-term, fixed income securities. The securities that comprise this index have maturities ranging from one to 10 years, with an average of four years.

Employer allocations and supplemental contributions are invested in the ESOP Preference Fund and the May Common Stock Fund, respectively. The employer allocation to the Plan for the year ended December 31, 2000, will be made in May 2001 and will be in the form of 43,278 ESOP Preference Shares and a supplemental contribution from May of 6,694 shares of May common stock.

Vesting

The method of calculating vesting service is the elapsed time method. Elapsed time is measured by calculating the time which has elapsed between the member's hire date and retirement date/termination date (excluding certain break-in-service periods). Plan members are vested in company accounts in accordance with the following schedule:

Years of Vesting Service	Vesting Percentage
Less than 3 years	0%
3 years	20%
4 years	40%
5 years	60%
6 years	80%
7 years or more	100%

Plan members are always fully vested in the value of their member accounts.

Payment of Benefits

Amounts in a member's account and the vested portion of a member's company account may be distributed upon retirement, death, disability or termination of employment. Distributions from the May Common Stock Fund and ESOP Preference Fund are made in shares of May common stock or cash. All other distributions are generally made in cash.

Administration of Plan

The Plan is administered by a committee consisting of at least five persons appointed by May. An administrative subcommittee has the general responsibility for administration of the Plan and an investment subcommittee establishes and monitors investment policies and activities. The assets of the Plan are held in a trust for which The Bank of New York is the Trustee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Investments

The Plan's investments are stated at fair value, as determined by the Trustee, based on publicly reported price information. Each ESOP Preference Share is valued at the greater of (a) the guaranteed minimum value (original cost) of \$507 per share or (b) a conversion value equal to the market price of May common stock multiplied by the conversion rate for each ESOP Preference Share. As of December 31, 2000 and 1999, the ESOP Preference Shares were valued at their conversion values of \$1,107 and \$1,090, respectively.

Federal Income Taxes

The Trust established under the Plan to hold the Plan's assets is qualified pursuant to Sections 401(a), 401(k) and 4975(e)(7) of the Internal Revenue Code and accordingly, the Trust's net investment income is exempt from income taxes. The Plan has received a favorable tax determination letter dated December 13, 1994. The Plan has been amended since receiving the determination letter. The Plan administrators believe that the amendments do not affect the tax-exempt status of the Plan.

Employer allocations and contributions, member before-tax contributions and any cumulative investment returns on member accounts are not taxable to the members until distributions are made.

Administrative Expenses

All administrative expenses (including the allocable portion of expenses for data processing services, and salaries and benefits of associates providing services to the Plan) are paid by the Plan.

Monthly Valuation of the Trust

The unit value of each investment fund is determined by dividing the month-end market value of the particular investment fund by the total number of units outstanding at month-end in all member accounts in such investment fund. As of each succeeding monthly valuation date, the unit value of each fund is redetermined and account balances in each fund are adjusted as follows:

- (a) All payments made from an account (except for the ESOP Preference Fund) are valued based on the unit value at the month-end valuation date. Payments from the ESOP Preference Fund are valued based on the greater of the guaranteed minimum value (plus accrued dividends) or conversion value, as of the distribution date.
- (b) With respect to any dollar amount contributed during the month (except for the ESOP Preference Fund), an equivalent number of additional units are credited to the appropriate accounts in such investment fund based on the unit value at the month-end valuation date. Allocations of ESOP Preference Shares are valued at the greater of the guaranteed minimum value (plus accrued dividends) or conversion value, as of the distribution date.
- (c) In the event that a member's employment is terminated and a portion of such member's company account has been forfeited, the forfeited units or ESOP Preference Shares shall be canceled as of the last day of the Plan year. The dollar amount of such forfeited units or ESOP Preference Shares is reallocated among the remaining members of the Plan as of the last day of the Plan year in the same manner as the employer allocation for such year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and the reported amounts of additions to and deductions from net assets available for benefits during the year. Actual results could differ from those estimates.

Newly Adopted Accounting Pronouncement

The Accounting Standards Executive Committee issued Statement of Position (SOP) 99-3 Accounting for and Reporting of Certain Defined Contribution Plan Investments and Other Disclosure Matters. This SOP eliminated the separate disclosure requirement for participant-directed investment funds, including total number of units and net asset value per unit information, and added the separate disclosure of nonparticipant-directed investments that represent 5% or more of net assets available for benefits. The SOP was adopted for the 2000 financial statements. The 1999 financial statements have been reclassified accordingly.

Transfers from ZCMI 401(k) Plan

Effective January 1, 2001, the Zions Cooperative Mercantile Institution (ZCMI) 401(k) Plan (ZCMI Plan) was merged with the May Plan. During the 2000 plan year, affected associates with accounts in the ZCMI Plan were permitted to transfer their accounts to the May Plan.

3. INVESTMENTS:

The fair market value of the Plan's investments that represent 5% or more of the Plan's Net Assets Available for Benefits as of December 31, 2000 and 1999, are as follows (dollars in thousands):

	December 31, 2000		December 31, 1999	
	Number of Shares or Principal Amount	Fair Value	Number of Shares or Principal Amount	Fair Value
ESOP Preference Stock (nonparticipant-directed):				
Unallocated	291,717	\$ 322,797	352,448	\$ 384,040
Member allocated	301,281	333,380	270,014	294,220
	592,998	\$ 656,177	622,462	\$ 678,260
May Common Stock:				
Nonparticipant-directed	3,434,992	\$ 112,496	3,829,147	\$ 123,490
Participant-directed	11,879,261	389,046	11,390,092	367,330
	15,314,253	\$ 501,542	15,219,239	\$ 490,820
Northern Trust Equity Index Fund	6,612,886	\$ 220,606	6,020,138	\$ 221,180
The Bank of New York Short-Term Investment Fund - Master Notes	\$ 75,464	\$ 75,464	\$ 66,601	\$ 66,601

At December 31, 2000, the Plan beneficially owned 15.3 million shares of May's common stock and 100% of May's ESOP preference shares, representing 11.1% of May's common stock.

4. NONPARTICIPANT-DIRECTED INVESTMENTS:

Nonparticipant-directed investments are reduced by the ESOP notes payable, accrued interest and accrued administrative expenses. Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows (dollars in thousands):

	December 31	
	2000	1999
Net Assets:		
ESOP Preference Stock	\$404,358	\$388,127
May Common Stock	111,320	131,905
	\$515,678	\$520,032
	=====	=====
	Year Ended	Year Ended
	December 31, 2000	December 31, 1999
Changes in net assets:		
Contributions	\$ 38,000	\$ 40,992
Net depreciation in fair value of investments	(8,360)	(198,864)
Dividends	26,341	27,610
Interest income	33	32
Benefits paid to participants	(29,733)	(41,227)
Interest expense	(22,055)	(24,990)
Administrative expenses	(367)	(620)
Transfers to participant-directed investments	(8,213)	(7,623)
	-----	-----
	\$ (4,354)	\$ (204,690)
	=====	=====

At December 31, 2000, the nonparticipant-directed May Common Stock and ESOP Member Allocated Funds include approximately \$43.1 million and \$91.1 million, respectively, attributable to participants over the age of 55. These amounts can be transferred to other funds at the discretion of the participants.

5. NOTES PAYABLE:

Notes payable as of December 31 consisted of the following (dollars in thousands):

	2000	1999
ESOP Notes Payable:		
Series A, 8.32%, due April 30, 2001	\$ 44,508	\$ 81,862
Series B, 8.49%, due April 30, 2004	203,964	203,964
	-----	-----
	\$248,472	\$285,826
	=====	=====

The scheduled principal payments for the Series A and B ESOP Notes for the remaining years are as follows: 2001 - \$44,508, 2002 - \$52,317; 2003 - \$60,787; and 2004 - \$90,860. As of December 31, 2000 and 1999, the total fair value of the ESOP Notes was approximately \$297,888 and \$357,816, respectively.

6. RECONCILIATION TO FORM 5500:

As of December 31, 2000 and 1999, the Plan had approximately \$10,117,000 and \$8,630,000, respectively, of pending distributions to participants. These amounts are included in Net Assets Available for Benefits. For reporting on the Plan's Form 5500, these amounts will be classified as Benefit Claims Payable with a corresponding reduction in Net Assets Available for Benefits. The following table reconciles the financial statements to the Form 5500 which will be filed by the Plan for the Plan year ended December 31, 2000 (dollars in thousands):

	Benefits Payable to Participants	Benefits Paid	Net Assets Available for Benefits
Per financial statements	\$ -	\$117,100	\$1,246,411
Pending benefit distributions - December 31, 2000	10,117	10,117	(10,117)
Pending benefit distributions - December 31, 1999	-	(8,630)	-
	-----	-----	-----
Per Form 5500	\$10,117	\$118,587	\$1,236,294
	=====	=====	=====

7. DISTRIBUTION OF ASSETS UPON TERMINATION OF THE PLAN:

May reserves the right to terminate the Plan, in whole or in part, at any time. If an employer shall cease to be a participating employer in the Plan, the accounts of the members of the withdrawing employer shall be revalued as if such withdrawal date were a valuation date. The Plan Committee is then to direct the Trustee either to distribute the accounts of the members of the withdrawing employer as of the date of such withdrawal on the same basis as if the Plan had been terminated, or to deposit in a trust established by the withdrawing employer, pursuant to a plan substantially similar to the Plan, assets equal in value to the assets allocable to the accounts of the members of the withdrawing employer.

If the Plan is terminated at any time or contributions are completely discontinued and May determines that the Trust shall be terminated, the members' company accounts shall become fully vested and nonforfeitable, all accounts shall be revalued as if the termination date were a valuation date and such accounts shall be distributed to members.

If the Plan is terminated or contributions completely discontinued but May determines that the Trust shall be continued pursuant to the terms of the Trust agreement, no further contributions shall be made by members or the employer and the members' company accounts shall become fully vested, but the Trust shall be administered as though the Plan were otherwise in effect.

SCHEDULE I

THE MAY DEPARTMENT STORES COMPANY

PROFIT SHARING PLAN

EMPLOYER #: 43-1104396

PLAN #: 003

SCHEDULE H, ITEM 4i: SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

DECEMBER 31, 2000

(a)	(b) Identity of Issue	(c) Number of Shares or Principal Amount	(d) Cost	(e) Fair Value (Thousands)
ESOP PREFERENCE FUND				
*	The May Department Stores Company ESOP Preference Stock:			
	Unallocated	291,717	\$147,901	\$ 322,797
	Allocated	301,281	152,750	333,380
*	The Bank of New York Short-Term Investment Fund - Master Notes	\$ 479,713	480	480
	ESOP Preference Fund Total		\$301,131	\$ 656,657
			=====	=====
MAY COMMON STOCK FUND				
*	The May Department Stores Company Common Stock	15,314,253	\$297,157	\$ 501,542
*	The Bank of New York Short-Term Investment Fund- Master Notes	\$ 837,088	837	837
	May Common Stock Fund Total		\$297,994	\$ 502,379
			=====	=====
COMMON STOCK INDEX FUND				
	Northern Trust Equity Index Fund	6,612,886	\$216,969	\$ 220,606
*	The Bank of New York Short-Term Investment Fund- Master notes	\$ 199,786	200	200
	Common Stock Index Fund Total		\$217,169	\$ 220,806
			=====	=====
MONEY MARKET FUND				
*	The Bank of New York Short-Term Investment Fund- Master Notes	\$66,371,202	\$ 66,371	\$ 66,371
			=====	=====
FIXED INCOME INDEX FUND				
*	The Bank of New York Short-Term Investment Fund- Master Notes	\$ 1,796,559	\$ 1,797	\$ 1,797
			-----	-----

* Also a party-in-interest.

SCHEDULE I
(Continued)

(a)	(b) Identity of Issue	(c) Principal Amount	(d) Cost	(e) Fair Value
(Thousands)				
FIXED INCOME INDEX FUND (Continued)				
U.S. Government Securities				
U.S. Treasury Notes:				
	6.5%, due 10/15/06	\$1,600,000	\$ 1,629	\$ 1,707
	6.3750%, due 8/15/02	\$3,800,000	3,918	3,865
	5.75%, due 8/15/03	\$3,300,000	3,305	3,350
	6.8750%, due 5/15/06	\$2,000,000	2,133	2,164
	5.6250%, due 5/15/08	\$2,100,000	2,018	2,157
	5.25%, due 1/31/01	\$1,200,000	1,188	1,199
	7.0%, due 7/15/06	\$ 400,000	414	436
	6.0%, due 8/15/09	\$1,440,000	1,492	1,520
	6.625%, due 5/15/07	\$1,300,000	1,339	1,402
	13.75%, due 8/15/04	\$ 525,000	810	672
	6.125%, due 12/31/04	\$2,550,000	2,587	2,565
	5.25%, due 5/15/04	\$2,600,000	2,537	2,608
	Total U.S. treasury notes		23,370	23,645
U.S. Government Agency Securities:				
Federal Home Loan Mortgage Corp.:				
	6.22%, due 3/24/03	\$ 200,000	181	203
	4.75%, due 12/14/01	\$1,000,000	997	991
	6.25%, due 7/15/04	\$ 500,000	501	509
Federal National Mortgage Assoc. Securities-				
	5.1250%, due 2/13/04	\$ 660,000	648	652
	5.75%, due 6/15/05	\$ 800,000	824	800
	4.625%, due 10/15/01	\$ 500,000	499	495
	7.0%, due 7/15/05	\$ 810,000	842	850
	6.625%, due 9/15/09	\$ 400,000	388	416
Debentures-				
	5.75%, due 7/15/03	\$ 400,000	406	401
	6.25%, due 8/13/04	\$ 500,000	496	509
	6.3750%, due 6/15/09	\$3,400,000	3,309	3,482
Medium Term Notes-				
	6.69%, due 8/7/01	\$ 400,000	402	401
Interamerican Development Bank:				
	5.75%, due 2/26/08	\$ 400,000	398	397
	Total U.S. government agency securities		9,891	10,106
	Total U.S. government securities		33,261	33,751
Fixed Income Investments				
Bank Corporate Bonds:				
	Bank America Corp., 7.75%, due 7/15/02	\$ 300,000	306	306
	Republic NY Corp., 7.25%, due 7/15/02	\$ 100,000	98	102
	National Westminster, 7.375%, due 10/01/09	\$ 400,000	398	413
	Bayerische Landesbank, 5.875%, due 12/01/08	\$ 450,000	450	428
	National Australia, 8.60%, due 5/19/10	\$ 450,000	448	499
	Total bank corporate bonds		1,700	1,748

SCHEDULE I
(Continued)

(a)	(b) Identity of Issue	(c) Principal Amount	(d) Cost	(e) Fair Value (Thousands)
FIXED INCOME INDEX FUND (Continued)				
Finance and Insurance Corporate Bonds:				
	ABN-AMRO Bank, 6.625%, due 10/31/01	\$ 300,000	\$ 300	\$ 301
	American Express Co., 8.5%, due 8/15/01	\$ 200,000	201	203
	Cit Group Inc., 7.375%, due 3/15/03	\$ 400,000	400	405
	Corestates Cap. Corp., 5.75%, due 1/15/01	\$ 400,000	388	400
	General Electric Cap. Corp., 8.85%, due 4/1/05	\$ 300,000	364	331
	Marsh & McLennan Cos., Inc., 6.625% due 6/15/04	\$ 400,000	398	404
	Mellon Finl Co., 6.0%, due 3/1/04	\$ 400,000	389	395
	Morgan Stanley Dean Witter, 7.75%, due 6/15/05	\$ 400,000	405	420
	National City Bank Louisville, 6.3%, due 2/15/11	\$ 200,000	180	187
	Simon Debartolo Group, 6.875%, due 11/15/06	\$ 500,000	498	485
	Toyota Motor Corp., 5.5%, due 12/15/08	\$ 450,000	449	423
	Travelers Property Casualty Corp., 6.75%, due 4/15/01	\$ 300,000	301	300
	Total finance and insurance corporate bonds		----- 4,273	----- 4,254
Industrial Corporate Bonds:				
	Atlantic Richfield Co., 5.9%, due 4/15/09	\$ 450,000	449	435
	Clear Channel Comm., 7.65%, due 9/15/10	\$ 200,000	199	204
	Delphi Auto Systems, 6.125%, due 5/1/04	\$ 400,000	401	385
	Electronic Data Systems Corp., 7.125%, due 10/15/09	\$ 400,000	400	416
	General Motors Corp., 7.1%, due 3/15/06	\$ 300,000	303	303
	Guidant Corp., 6.15%, due 2/15/06	\$ 100,000	100	96
	Honeywell Int'l Inc., 6.875%, due 10/3/05	\$ 200,000	199	207
	International Business Machine, 5.375%, due 2/1/09	\$ 400,000	399	371
	Eli Lilly & Co., 8.125%, due 12/1/01	\$ 200,000	199	203
	Lockheed Martin Corp., 6.85%, due 5/15/01	\$ 400,000	400	400
	Raytheon Co., 6.5%, due 7/15/01	\$ 400,000	372	399
	Tyco International Group, 6.375%, due 6/15/05	\$ 400,000	398	398
	Wal-Mart Stores, 6.55%, due 8/10/04	\$ 400,000	399	409
	Total industrial corporate bonds		----- 4,218	----- 4,226
Oil Corporate Bonds:				
	Tenneco, Inc., 7.875%, due 10/1/02	\$ 250,000	248	256
	El Paso Nat. Gas Co., 6.75%, due 11/15/03	\$ 300,000	305	302
	Total oil corporate bonds		----- 553	----- 558

SCHEDULE I
(Continued)

(a)	(b) Identity of Issue	(c) Principal Amount	(d) Cost	(e) Fair Value (Thousands)
FIXED INCOME INDEX FUND (Continued)				
Utilities Corporate Bonds:				
	Enron Corp., 9.5%, due 6/15/01	\$ 100,000	\$ 110	\$ 101
	Enron Corp., 6.50% due 8/1/02	\$ 300,000	298	301
	Total utilities corporate bonds		----- 408	----- 402
Telephone Corporate Bonds:				
	Deutsche Telekom Int., 7.75%, due 6/15/05	\$ 135,000	135	138
	Sprint Capital Corp., 6.125%, due 11/15/08	\$ 400,000	356	357
	Total telephone corporate bonds		----- 491	----- 495
Asset Backed Securities:				
	California Infrastructure, 6.32%, due 9/25/05	\$ 400,000	403	404
			----- 403	----- 404
Foreign Obligations:				
	British Columbia Prov. Canada, 5.375%, due 10/29/08	\$ 450,000	448	430
	Hydro-Quebec Debenture, Series IF, 7.375%, due 2/1/03	\$ 150,000	161	154
	Province of Ontario, Canada Debenture, 7.375%, due 1/27/03	\$ 400,000	415	411
	Province of Ontario, Canada Debenture, 8%, due 10/17/01	\$ 150,000	150	152
	British Telecom, 8.125%, due 12/15/10	\$ 250,000	249	253
	Finland Rep NT, 7.875%, due 7/28/04	\$ 225,000	229	240
	Republic of Italy, 7.25%, due 2/7/05	\$ 400,000	409	419
	Total foreign obligations		----- 2,061	----- 2,059
Miscellaneous:				
	Qwest Cap. Fdg. Inc., 7.75%, due 8/15/06	\$ 140,000	140	142
	Burlington Northern Santa Fe, 7.125%, due 12/15/10	\$ 400,000	399	406
			----- 539	----- 548
	Total fixed income investments		----- 47,907	----- 48,445
	Fixed Income Index Fund Total		----- \$ 49,704	----- \$ 50,242
DISTRIBUTION ACCOUNT				
*	The Bank of New York Short-Term Investment Fund- Master Notes	\$5,778,832	\$ 5,779	\$ 5,779
			-----	-----
	TOTAL ASSETS HELD FOR INVESTMENT PURPOSES AT DECEMBER 31, 2000		----- \$938,148	----- \$1,502,234

* Also a party-in-interest.

THE MAY DEPARTMENT STORES COMPANY

PROFIT SHARING PLAN

EMPLOYER #: 43-1104396

PLAN #: 003

SCHEDULE H, ITEM 4j: SCHEDULE OF REPORTABLE TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2000
 (Thousands, except number of transactions)

	Purchases		Sales			
	No. of Trans.	Cost	No. of Trans.	Cost	Sales Price	Gain or (Loss)
The Bank of New York Short-Term Investment Fund-Master Notes (1)	471	\$149,977	249	\$143,167	\$143,167	\$ -
The May Department Stores Company Common Stock (1) (2)	47	\$ 41,242	40	\$ 19,529	\$ 7,540	\$ (11,989)

(1) Also a party-in-interest.

(2) Includes conversion of ESOP Preference Shares.

EXHIBIT

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report on The May Department Stores Company Profit Sharing Plan financial statements included in this Form 11-K, into the Company's previously filed Registration Statement on Form S-8 Files No. 333-00957 and 333-76227.

/s/ Arthur Andersen LLP
ARTHUR ANDERSEN LLP

St. Louis, Missouri,
April 25, 2001

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