

JCPENNEY REPORTS HOLIDAY SALES UPDATE

PLANO, Texas – (Jan. 6, 2017) – J. C. Penney Company, Inc. (NYSE: JCP) announced today that its comparable store sales for the combined nine-week November and December period resulted in a (0.8) percent decline over the same period last year, which equates to a 3.1 percent positive two-year stack of comparable store sales for the same time period. The Company also reaffirmed its full-year EBITDA¹ target of \$1 billion for fiscal 2016.

"The first three weeks of November proved to be challenging in stores, consistent with the trends in the broader retail industry. However, the business improved and overall comp sales for the six-week period from Thanksgiving week through the end of December were positive. During the holiday season we saw strength in appliances, outerwear, boots, toys, Sephora and fine jewelry. However, weakness in women's apparel continued to impact our performance. We are also encouraged by a very strong performance in our e-commerce business, evidenced by double-digit growth. This validates the strength of our omnichannel strategy as efforts to improve site functionality, expand fulfillment capabilities, offer flexible shipping options and introduce a broad assortment of new product categories were instrumental to this digital sales growth," said Marvin R. Ellison, chairman and chief executive officer of JCPenney.

"As we prepare for a new fiscal year, our turnaround in profitability remains on track, and I am pleased that we expect to deliver our fourth consecutive quarter of positive operating profit," Ellison added.

The Company will report its full fourth quarter and fiscal 2016 results on Feb. 24.

¹ A reconciliation of non-GAAP forward-looking projections to GAAP financial measures is not available as the nature or amount of potential adjustments, which may be significant, cannot be determined at this time.

Media Relations:

(972) 431-3400 or jcpnews@jcp.com and follow us at @jcpnews on Twitter.

Investor Relations:

(972) 431-5500 or jcpinvestorrelations@jcp.com

About JCPenney:

J. C. Penney Company, Inc. (NYSE:JCP), one of the nation's largest apparel and home furnishings retailers, is on a mission to ensure every customer's shopping experience is worth her time, money and effort. Whether shopping jcp.com or visiting one of over 1,000 store locations across the United States and Puerto Rico, she will discover a broad assortment of products from a leading portfolio of private, exclusive and national brands. Supporting this value proposition is the warrior spirit of over 100,000 JCPenney associates worldwide, who are focused on the Company's three strategic priorities of strengthening private brands, becoming a world-class omnichannel retailer and increasing revenue per customer. For additional information, please visit jcp.com.

Forward-Looking Statements

This release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expect" and similar expressions identify forward-looking statements, which include, but are not limited to, statements regarding sales, gross margin, selling, general and administrative expenses, earnings and cash flows. Forward-looking statements are based only on the Company's current assumptions and views of future events and financial performance. They are subject to known and unknown risks and uncertainties, many of which are outside of the Company's control that may cause the Company's actual results to be materially different from planned or expected results. Those risks and uncertainties include, but are not limited to, general economic conditions, including inflation, recession, unemployment levels, consumer confidence and spending patterns, credit availability and debt levels, changes in store traffic trends, the cost of goods, more stringent or costly payment terms and/or the decision by a significant number of vendors not to sell us merchandise on a timely basis or at all, trade restrictions, the ability to monetize non-core assets on acceptable terms, the ability to implement our strategic plan including our omnichannel initiatives, customer acceptance of our strategies, our ability to attract, motivate and retain key executives and other associates, the impact of cost reduction initiatives, our ability to generate or maintain liquidity, implementation of new systems and platforms including EMV chip technology, changes in tariff, freight and shipping rates, changes in the cost of fuel and other energy and transportation costs, disruptions and congestion at ports through which we import goods, increases in wage and benefit costs, competition and retail industry consolidations, interest rate fluctuations, dollar and other currency valuations, the impact of weather conditions, risks associated with war, an act of terrorism or pandemic, the ability of the federal government to fund and conduct its operations, a systems failure and/or security breach that results in the theft, transfer or unauthorized disclosure of customer, employee or Company information, legal and regulatory proceedings and the Company's ability to access the debt or equity markets on favorable terms or at all. There can be no assurances that the Company will achieve expected results, and actual results may be materially less than expectations. Please refer to the Company's most recent Form 10-Q for a further discussion of risks and uncertainties. Investors should take such risks into account and should not rely on forward-looking statements when making investment decisions. Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. We do not undertake to update these forward-looking statements as of any future date.

###