

JCPENNEY REPORTS A 6.4 PERCENT INCREASE IN SAME STORE SALES AND A 70 BASIS POINT IMPROVEMENT IN GROSS MARGIN TO 37.3 PERCENT FOR THE THIRD QUARTER OF FISCAL 2015

Continued expense discipline drove a 300 basis point improvement in SG&A; Adjusted EBITDA improved \$83 million to \$108 million for the quarter

PLANO, Texas – (November 13, 2015) – J. C. Penney Company, Inc. (NYSE: JCP) today announced financial results for its third quarter ended October 31, 2015. The Company reported net sales of \$2.90 billion compared to \$2.76 billion in the third quarter of 2014. Same store sales increased 6.4 % for the period.

Marvin Ellison, chief executive officer, said, “The continuation of our strong sales performance this quarter demonstrates ongoing progress towards achieving the Company’s long-term financial targets. We grew the top line, improved margin and intensified our expense discipline. As we look ahead to the fourth quarter, we are well positioned to compete effectively during the key holiday shopping period thanks to the hard work and dedication of all our associates.” Ellison continued, “While there is significant work to do to improve our Company, the JCPenney team remains determined to regain our status as a world-class retailer.”

For the quarter, all merchandise divisions had positive comp sales gains over last year. Men’s, Home, Footwear, Handbags, and Sephora were among the Company’s top performing divisions. Geographically, all regions experienced sales growth compared to the same period last year, with the best performance in the southern and western regions of the country.

For the third quarter, gross margin improved by 70 basis points, on top of a 710 basis point improvement in the third quarter of last year, to 37.3 % of sales, driven by improvements in our clearance and promotional selling margins and supply chain productivity.

SG&A expenses for the quarter were down \$41 million to \$947 million or 32.7 % of sales, representing a 300 basis point improvement from last year. These savings were primarily driven by lower store controllable costs, more efficient advertising and improved private label credit card revenue.

EBITDA improved \$5 million to \$107 million for the quarter. On an adjusted basis, EBITDA improved by \$83 million to \$108 million, despite the negative impact from the recent settlement of a class action lawsuit. In the third quarter, the Company showed a

27 % improvement in net income over the prior year to a loss of \$137 million or \$(0.45) per share.

2015 Full-Year Outlook

The Company's 2015 full-year guidance is as follows:

- Comparable store sales: expected to increase 4 percent to 5 percent;
- Gross margin: expected to improve 100 to 150 basis points;
- SG&A: expected to decrease approximately \$120 million;
- Adjusted EBITDA: approximately \$645 million;
- Depreciation and amortization: approximately \$615 million;
- Interest expense: approximately \$415 million;
- Capital expenditures: approximately \$300 million; and
- Free cash flow: expected to be breakeven.

Third Quarter 2015 Earnings Conference Call Details

At 8:30 a.m. ET today, the Company will host a live conference call conducted by chief executive officer Marvin Ellison and chief financial officer Ed Record. They will discuss the Company's performance during the quarter and take questions from participants.

To access the conference call, please dial (866) 314-5232, or (617) 213-8052 for international callers, and reference 69064429 participant code or visit the Company's investor relations website at <http://ir.jcpenney.com>. Supplemental slides will be available on the Company's investor relations website approximately 10 minutes before the start of the conference call.

Telephone playback will be available for 7 days beginning approximately two hours after the conclusion of the meeting by dialing (888) 286-8010, or (617) 801-6888 for international callers and referencing 76116861 participant code.

Investors and others should note that we currently announce material information using SEC filings, press releases, public conference calls and webcasts. In the future, we will continue to use these channels to distribute material information about the Company and may also utilize our website and/or various social media to communicate important information about the Company, key personnel, new brands and services, trends, new marketing campaigns, corporate initiatives and other matters. Information that we post on our website or on social media channels could be deemed material; therefore, we encourage investors, the media, our customers, business partners and others interested in our Company to review the information we post on our website as well as the following social media channels:

Facebook (<https://www.facebook.com/jcp>) and Twitter (<https://twitter.com/jcpnews>).

Any updates to the list of social media channels we may use to communicate material information will be posted on the Investor Relations page of the Company's website at www.jcpenney.com

Media Relations:

(972) 431-3400 or jcpnews@jcp.com

Investor Relations:

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

About JCPenney:

J. C. Penney Company, Inc. (NYSE: JCP), one of the nation's largest apparel and home furnishing retailers, is dedicated to fitting the diversity of America with unparalleled style, quality and value. Across approximately 1,020 stores and at jcpenney.com, customers will discover a broad assortment of national, private and exclusive brands to fit all shapes, sizes, occasions and budgets. For more information, please visit jcpenney.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, 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, 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, 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.

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