

JCPENNEY REPORTS A \$168 MILLION INCREASE IN EBITDA FOR THE FIRST QUARTER OF FISCAL 2015 AND RAISES GUIDANCE FOR THE FISCAL YEAR

Strategic initiatives drove improved performance across key growth categories and jcp.com; EPS improved 52% compared to last year

Opened 23 new Sephora inside JCPenney locations and expanded 6 existing locations, bringing total to 515

PLANO, Texas – (May 13, 2015) – J. C. Penney Company, Inc. (NYSE: JCP) today announced financial results for its first quarter ended May 2, 2015. For the first quarter, JCPenney reported net sales of \$2.86 billion compared to \$2.80 billion in the first quarter of 2014. Same store sales increased 3.4 % for the period.

Myron E. (Mike) Ullman, III, chief executive officer said, "We are pleased with the Company's solid performance this quarter across all key metrics including sales, gross margin and EBITDA. This year we are switching gears, going on the offensive to gain back share and grow our business profitably while executing our vision to become the preferred shopping choice for Middle America. I would like to thank our team of 114,000 associates for their hard work and warrior spirit that helped us deliver these results. It is their passion to win and to serve the customer that sets JCPenney apart from the competition."

Marvin Ellison, president and CEO-designee, said, "The teams executed extremely well this quarter, resulting in significantly improved performance across the enterprise. It is clear that our strategic initiatives are working to drive profitable sales growth. Our exceptional customer experience, when combined with our strength in private brands, national brands and points of differentiation like Sephora inside JCPenney and the Disney Collection, give us confidence in our ability to earn customer loyalty and deliver on our long term goals. In fact, based on our results to date, including a strong Easter and Mother's Day, we feel confident in raising our 2015 expectations for sales, gross margin and SG&A."

For the quarter, Women's apparel, Men's and Home were the Company's top performing merchandise divisions. Sephora inside JCPenney, which is now available in 515 locations, also continued its strong performance. Geographically, all regions experienced sales growth when compared to the same period last year with the best performance in the western and central regions of the country.

For the first quarter, gross margin improved 330 basis points to 36.4 % of sales, compared to 33.1 % in the same quarter last year.

SG&A expenses for the quarter were down \$44 million to \$965 million or 33.8 % of sales, representing a 220 basis point improvement from last year. These savings were primarily driven by lower store controllable costs, advertising and improved credit income.

Operating income for the quarter improved 70 % over last year to a loss of \$75 million. EBITDA improved by \$168 million to \$79 million, a 600 basis point or 189% improvement from the same period last year. For the first quarter, the Company incurred a net loss of \$167 million or (\$0.55) per share, a 52% improvement.

2015 Outlook

The Company increased its 2015 full-year guidance as follows:

- Comparable store sales: now expected to increase 4 percent to 5 percent versus 3 percent to 5 percent previously;
- Gross margin: now expected to improve 100 to 150 basis points up from 50 to 100 basis points previously;
- SG&A: now expected to decrease \$100 million up from \$50 to \$100 million previously;
- EBITDA: approximately \$600 million
- Primary pension plan expense: approximately \$19 million;
- Depreciation and amortization: approximately \$615 million;
- Interest expense: approximately \$415 million
- Capital Expenditures: \$250 to \$300 million; and
- Free cash flow: expected to be breakeven.

First Quarter 2015 Earnings Conference Call Details

At 4:30 p.m. ET today, the Company will host a live conference call conducted by Chief Executive Officer Myron E. (Mike) Ullman, III, President and CEO-Designee Marvin Ellison and Chief Financial Officer Ed Record. Management will discuss the Company's performance during the quarter and take questions from participants.

To access the conference call, please dial (877) 546-5021, or (857) 244-7553 for international callers, and reference 45705116 participant code or visit the Company's investor relations website at <http://ir.jcpenny.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 approximately two hours after the conclusion of the meeting by dialing (888) 286-8010, or (617) 801-6888 for international callers and referencing 64171968 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-K 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.

###