

JCPENNEY ANNOUNCES SALE OF HOME OFFICE CAMPUS FOR \$353M

PLANO, Texas – (Jan. 3, 2017) – J. C. Penney Company, Inc. (NYSE: JCP) announced today that it has completed the sale of its Home Office building and surrounding 45 acres of land in Plano, Texas to Dreien Opportunity Partners, LLC, general partner of Silos Opportunity Partners, LP, for a gross sale price of \$353 million before closing and transaction costs. The Company previously announced that upon the transfer of ownership, JCPenney would lease back approximately 65 percent of the building, leaving the remaining square footage available for new tenants. The building lease expense would be offset by a reduction in maintenance costs, property taxes and interest expense as a result of paying down debt with proceeds from the transaction.

“Since we began exploring the sale of our Home Office, we have been quite pleased by the level of interest in the building. Our team reviewed numerous offers and decided that it was most advantageous to select Dreien Opportunity Partners, whose leadership recognizes the building’s long-term potential and has demonstrated tremendous support of the Company as we maintain our Home Office operations within the booming Legacy corridor,” said Marvin R. Ellison, chairman and chief executive officer for JCPenney. “This transaction also represents a significant financial milestone for the Company, as proceeds from the sale give us the opportunity to reduce outstanding debt and make improvements to our workspace, creating a modern and efficient environment that fosters productivity and seamless collaboration.”

Prominently located near the intersection of Dallas North Tollway and State Highway 121, JCPenney has occupied the three-story 1.8 million-square-foot office building as its global headquarters since 1992. CBRE Capital Markets represented the Company in this transaction.

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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.

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