

jcpenny's Transformation Plans Revealed at Launch Event in New York City

CEO Ron Johnson Outlines Blueprint to Make jcpenny America's Favorite Store

Includes New Pricing Strategy, New Corporate Identity, Monthly Promotional Cadence, and Substantial Changes to Merchandise Content and Presentation

Entire Fleet of Stores to be Updated by 2015 through a Month-by-Month, Shop-by-Shop Rollout of Strategic Merchandise Initiatives

Major Initiatives to Begin on February 1

Ellen DeGeneres to be New jcpenny Brand Partner

PLANO, Texas, Jan. 25, 2012 /PRNewswire/ -- At a launch event in New York City this morning, J. C. Penney Company, Inc. ("jcpenny") (NYSE: JCP) revealed its plans to become America's favorite store. In a presentation titled "In Praise of Fresh Air," Ron Johnson, the Company's chief executive officer, and Michael Francis, its president, detailed the initiatives that will transform the jcpenny shopping experience by fundamentally re-imagining every aspect of the Company's business and boldly pursuing change.

(Logo: <https://photos.prnewswire.com/prnh/20110222/DA51975LOGO>)

"The department store is the number one opportunity in retail today. We are going to rethink every aspect of our business, boldly pursue change, and create long-term shareholder value, as we become America's favorite store. Every initiative we pursue will be guided by our core value to treat customers as we would like to be treated - fair and square. Beginning February 1, we will have Fair and Square Pricing, making every day a great day to shop. We will create tremendous excitement through monthly promotions that are in sync with the rhythm of our customers' lives. And we will transform each and every jcpenny store over the next four years with a month-by-month, shop-by-shop roll-out of exciting new merchandise initiatives," Mr. Johnson said.

- **Fair and Square Pricing and Monthly Promotions in Sync with Customers' Lives:**

During the presentation, Mr. Johnson and Mr. Francis introduced a new pricing

strategy called Fair and Square, which includes three types of prices. Everyday, regular prices, which are always great; Month-Long Values, even better prices on the things you need now; and Best Prices, jcpenny's lowest prices, which always happen on the 1st and 3rd Fridays of every month as jcpenny makes room for exciting new merchandise.

These prices will be coupled with a new promotional cadence that is in sync with customers' lives. Rather than inundating the customer with a relentless series of sales, coupons, rebates and retail gimmicks, jcpenny will host 12 promotional events each year, on a monthly calendar. Each month will include even better values on the things customers are looking to buy during the month and a host of exciting products and services that are unique to the month.

Commenting on the new monthly calendar, Mr. Johnson said, "We want customers to shop on their terms, not ours. By setting our store monthly and maintaining our best prices for an entire month, we feel confident that customers will love shopping when it is convenient for them, rather than when it is expedient for us."

- **Re-inventing the In-Store Experience around New and Transformed Brands:**

At the event, Mr. Johnson and Mr. Francis also outlined plans to entirely re-invent the jcpenny store experience, to include *Main Street* -- the entire store merchandised in a series of 80 to 100 brand shops, rather than the confusing and seemingly endless racks common in department stores today. It will also feature *Town Square* -- an exciting new place that replaces the traditional retail center core of a department store with a series of services, which customers will enjoy before they buy, while they shop and afterwards. And, throughout, the new jcpenny store experience will merge the physical and digital worlds, assuring the physical retail stores' vital role as the centerpiece of retailing's future.

They also gave a sneak peek into the exciting new brands that will be featured in jcpenny's brand shops. They include Martha Stewart® and l'amour nanette lepore™, which were shown at the event today, among many others. jcpenny also announced plans to transform its customers' favorite existing brands, including, IZOD®, Liz Claiborne® and The Original Arizona Jean Company®, which were also featured at today's event, and a number of others. jcpenny expects to feature 30 new and transformed brands by fall 2012.

- **Launching a new jcpenny brand identity, new logo, new look and Ellen!**

In celebration of the complete transformation of its shopping experience, Mr. Johnson and Mr. Francis gave an overview of the new jcpenny brand identity. It includes:

- The **new jcpenny logo**, which combines the elements that have made jcpenny an enduring American brand, by evoking the nation's flag and jcpenny's commitment to treating customers Fair and Square. The square frame imagery will be evident throughout all of jcpenny's marketing, to remind

customers to frame the things they love.

- **New brand marketing** to showcase great product in an exciting new way, to solidify jcpenny's relationship with its loyal customers and entice new ones. This includes the new monthly book, beginning next month, that millions of Americans will receive, which includes 96 pages of highlights for that month, as well as an entirely new look for jcpenny stores in terms of signage and presentation.
- **Welcoming Ellen DeGeneres back to jcpenny**, as jcpenny's new brand partner. Ellen began her career in her teens as a jcpenny associate and now, as one of the country's most beloved television personalities, she will help bring the new jcpenny experience to life in her own fun-loving, sneaker-wearing, laugh-making way.

Mr. Francis said, "We are redefining the jcpenny brand so we become a store for all Americans, by offering an experience they cannot get anywhere else. This will start by freeing consumers from the barrage of promotions and undifferentiated shopping experiences they have become used to and replacing it with something entirely fresh and new that is evident in every aspect of our store – new brands, new marketing, unique attractions, and much more. Beginning on February 1, our customers will see immediate changes that give a sense of how we will transform jcpenny over the next four years. It will be a breath of much-needed fresh air and give them reasons to visit jcpenny more often than ever before. Our objective is to make our customers love to shop again and across jcpenny, we're very excited about the changes to come."

The Transformation Begins on February 1

The Company will begin the transformation of the jcpenny shopping experience on February 1, with the implementation of its new logo, pricing strategy and monthly cadence, including new in-store signage reflecting true price clarity as well as edited merchandise assortments for the monthly store set.

Then, beginning in August of this year, jcpenny will begin a month-by-month, shop-by-shop strategy to update all stores with new and exciting merchandise and presentation. Two to three shops will be installed monthly, each and every month, over a four-year transformation period, including the debut of *Town Square* during 2013. These initiatives will culminate in the complete transformation of jcpenny by the end of 2015.

For additional information on Ellen DeGeneres' new role as jcpenny's brand partner and jcpenny's new brand partnership with Nanette Lepore, please see the separate press releases that the Company issued today on each of these exciting initiatives.

Tomorrow, as previously announced, the Company will hold a presentation and Q&A session for analysts and investors beginning at 9:00 am ET through 10:30 am ET, to discuss the financial components of its transformation plans and financial outlook. For webcast and conference call dial-in information, please visit <http://ir.jcpenny.com>.

About J. C. Penney Company, Inc.

Over 110 years ago, James Cash Penney founded his company on the principle of

treating customers the way he wanted to be treated himself: fair and square. Today, rooted in its rich heritage, J. C. Penney Company, Inc. (NYSE: JCP) is re-imagining every aspect of its business in order to reclaim its birthright and become America's favorite store. The Company is transforming the way it does business and remaking the customer experience across its 1,100 jcpenny stores and on jcp.com. On every visit, customers will discover straightforward Fair and Square Pricing, month-long promotions that are in sync with the rhythm of their lives, exceptionally curated merchandise, artful presentation, and unmatched customer service.

For more information about jcpenny, visit jcp.com.

This release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, which reflect the Company's current views of future events and financial performance, involve known and unknown risks and uncertainties 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 spending patterns, credit availability and debt levels, changes in store traffic trends, the cost of goods, trade restrictions, changes in pricing strategies, changes in tariff, freight and shipping rates, changes in the cost of fuel and other energy and transportation costs, 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, and a systems failure and/or security breach that results in the theft, transfer or unauthorized disclosure of customer, employee or Company information and legal and regulatory proceedings. Please refer to the Company's most recent Form 10-K and subsequent filings for a further discussion of risks and uncertainties. Investors should take such risks into account when making investment decisions. We do not undertake to update these forward-looking statements as of any future date.

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