

jcpenny Increases Tender Offer Consideration and Extends Consent Expiration and Expiration Time in Connection with the Tender Offer for 7 1/8% Debentures Due 2023

PLANO, Texas (May 14, 2013)-- J. C. Penney Company, Inc. (NYSE: JCP) (the "Company"), as co-obligor on the Notes (as defined below), and J. C. Penney Corporation, Inc., a wholly owned subsidiary of the Company ("JCP"), as issuer of the Notes, announced today that, in connection with the previously announced cash tender offer to purchase any and all of JCP's outstanding 7 1/8% Debentures Due 2023 (CUSIP No. 708160 BE5) (the "Notes") and related solicitation of consents to previously described amendments to the indenture, as amended and supplemented (the "Indenture"), governing the Notes (the "Proposed Amendments"), JCP has increased the tender offer consideration (as increased, the "Tender Offer Consideration") payable in the tender offer from \$1,300 to \$1,400 per \$1,000 principal amount of Notes, has extended the expiration date of the consent solicitation from May 13, 2013, to May 20, 2013, at 5:00 p.m., New York City time (such date and time, as the same may be extended or terminated, the "Consent Expiration"), and has extended the expiration of the tender offer from May 28, 2013, to June 4, 2013, at 11:59 p.m., New York City time (such date and time, as the same may be extended or terminated, the "Expiration Time"). As a result, holders of Notes that have validly tendered their Notes prior to the Consent Expiration, as extended, will be eligible to receive total consideration of \$1,450 per \$1,000 principal amount of Notes, which consists of the Tender Offer Consideration plus a consent payment in an amount equal to \$50 per \$1,000 principal amount of Notes. Holders of Notes that validly tender their Notes after the Consent Expiration, as extended, but prior to the Expiration Time, as extended, will be eligible to receive only the Tender Offer Consideration.

Holders whose Notes are accepted for purchase in the tender offer will also receive accrued and unpaid interest to, but not including, the applicable payment date for the Notes. Holders of Notes who validly tender their Notes pursuant to the tender offer will be deemed to consent to the Proposed Amendments.

Tendered Notes may no longer be withdrawn. Holders who have previously tendered (and have not validly withdrawn) their Notes do not need to re-tender their Notes or take any other action in order to receive the increase in the Tender Offer Consideration.

JCP may, but is not required to, select an initial settlement date for Notes validly tendered prior to the Consent Expiration, which would be a business day it chooses following both the Consent Expiration and the satisfaction or waiver of the conditions to the consummation of the tender offer and consent solicitation.

The terms of the tender offer and consent solicitation, as described further in the Offer to Purchase and Consent Solicitation Statement, dated as of April 30, 2013, and the accompanying Consent and Letter of Transmittal (together, the "Offer Documents"), including the conditions to the consummation of the tender offer and consent solicitation, have not changed, other than the increase in the Tender Offer Consideration, the

extension of the Consent Expiration, and the extension of the Expiration Time, each as described above.

If JCP does not receive sufficient consents to effect the Proposed Amendments, JCP currently intends to satisfy and discharge under the Indenture any and all Notes not tendered, though there is no guarantee JCP will effect such satisfaction and discharge.

Goldman, Sachs & Co. is acting as dealer manager and solicitation agent for the tender offer and consent solicitation. Questions regarding the tender offer and consent solicitation may be directed to Goldman, Sachs & Co. at (800) 828-3182 (toll-free) or (212) 902-5183 (collect).

D.F. King & Co., Inc. is acting as tender and information agent for the tender offer and consent solicitation. Requests for copies of the Offer Documents may be directed to D.F. King & Co., Inc. at (212) 269-5550 (banks and brokers) or (800) 290-6427 (toll-free).

This press release is for informational purposes only and does not constitute an offer to purchase or the solicitation of an offer to sell any Notes. The tender offer is not being made in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. No recommendation is made as to whether or not holders of Notes should tender their Notes pursuant to the tender offer or provide consents to the Proposed Amendments. The tender offer and consent solicitation is being made solely pursuant to the Offer Documents, which more fully set forth and govern the terms and conditions of the tender offer and consent solicitation. The Offer Documents contain important information and should be read carefully before any decision is made with respect to the tender offer and consent solicitation.

For further information:

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This release may contain forward-looking statements. 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, the success of our transformation, the impact of changes designed to transform our business, competition and promotional activities, changes in merchandise styles and trends, changes in store traffic trends, maintaining an appropriate mix and level of inventory, the implementation of our new store layout, the availability of internal and external sources of liquidity, our failure to retain, attract and motivate our employees, the reduction and restructuring of our workforce, the impact of

cost reduction initiatives, a systems failure and/or security breach that results in the theft, transfer or unauthorized disclosure of customer, employee or Company information, disruptions in our information technology systems or website, changes in our credit ratings, our failure to source and deliver merchandise in a timely and cost-effective manner, changes in our arrangements with our suppliers and vendors, restrictions under our revolving credit facility, potential asset impairment charges, risks associated with importing merchandise from foreign countries, economic and political conditions that impact consumer confidence and spending, the impact of holiday spending patterns and weather conditions, changes in federal, state or local laws and regulations, legal and regulatory proceedings, significant changes in discount rates, actual investment return on pension assets and other factors related to our qualified pension plan, the influence of our largest stockholders, the volatility of our stock price and our ability to use net operating loss carryforwards to offset future taxable income for U.S. federal income tax purposes. 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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