

JCPenney Announces Defeasance of 6.875% Medium-Term Notes due 2015

PLANO, Texas (October 22, 2014)- 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, as issuer of the Notes (the "Issuer" and, together with the Company, "J. C. Penney"), announced today that the Issuer has deposited funds in the amount of \$63,849,262.50 with Wilmington Trust, National Association, as Trustee under the Indenture with respect to J. C. Penney's 6.875% Medium-Term Notes due 2015 (the "Notes"), to effect a legal defeasance of the Notes as permitted by the terms of the Notes and the Indenture. As a result of depositing funds with the Trustee sufficient to make all payments of interest and principal on the outstanding Notes to October 15, 2015, the stated maturity of the Notes, J. C. Penney has satisfied and discharged all of its obligations under the terms of the Notes and with respect to the Notes under the Indenture.

Holders of the Notes should consult their own advisors with respect to the tax consequences of the defeasance.

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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 1,060 stores and at jcpenny.com, customers will discover a broad assortment of national, private and exclusive brands to fit all shapes, sizes, colors and wallets. For more information, please visit jcpenny.com.

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