This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements regarding sales, cost of goods sold, expenses, earnings, adjusted EBITDA, and cash flows. Forward-looking statements are based only on the Company’s current assumptions and views of future events and financial performance.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which are outside of the Company’s control. 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 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 document is based only on information currently available to us and speaks only as of March 2, 2018. We do not undertake to update these forward-looking statements as of any future date.
OUR MISSION

HELP OUR CUSTOMER FIND WHAT SHE LOVES FOR LESS TIME, MONEY AND EFFORT.
### 2017 Fourth Quarter Performance

<table>
<thead>
<tr>
<th></th>
<th>4Q-17</th>
<th>vs.</th>
<th>4Q-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparable store sales</td>
<td>2.6%</td>
<td></td>
<td>+1.9%*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2-year stack</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>66.4%</td>
<td></td>
<td>-50bps</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>23.4%</td>
<td></td>
<td>Flat</td>
</tr>
<tr>
<td>Adjusted EBITDA (non-GAAP)**</td>
<td>$413M</td>
<td></td>
<td>-$36M</td>
</tr>
<tr>
<td>Adjusted EPS (non-GAAP)**</td>
<td>$0.57</td>
<td></td>
<td>-$0.07</td>
</tr>
</tbody>
</table>

* 2017 = 2.6%, 2016 = (0.7%) equating to a 2-year stack of 1.9%  
**A reconciliation of GAAP to non-GAAP financial measures is available on our investor relations site at ir.jcpenney.com
# Full Year 2017 Performance

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>vs.</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparable Store Sales</td>
<td>0.1%</td>
<td></td>
<td>+0.1%*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2-year stack</td>
<td></td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>65.4%</td>
<td></td>
<td>+110bps</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>27.7%</td>
<td></td>
<td>-50bps</td>
</tr>
<tr>
<td>Adjusted EBITDA (non-GAAP)**</td>
<td>$972M</td>
<td></td>
<td>-$37M</td>
</tr>
<tr>
<td>Adjusted EPS (non-GAAP)**</td>
<td>$0.22</td>
<td></td>
<td>+$0.14</td>
</tr>
</tbody>
</table>

* 2017 = 0.1%, 2016 = 0.0% equating to a 2-year stack of 0.1%
**A reconciliation of GAAP to non-GAAP financial measures is available on our investor relations site at ir.jcpenney.com
2017 FULL YEAR HIGHLIGHTS

- **Merchandise Initiatives**
  - Opened 100 new appliance showrooms; introduced Frigidaire kitchen appliances in 600 appliance showrooms and on jcp.com
  - Expanded mattress assortment in over 300 in-store showrooms; mattresses now showcased in ~500 stores
  - Enhanced assortment and presentation in active apparel, including Adidas in women’s and an expansion of Nike
  - Launched Fenty Beauty by Rihanna chainwide
  - Re-branded 50 salons to The Salon by InStyle and opened 70 Sephora locations
  - Announced partnership to offer LEGO® building bricks and playsets in all toy shops and on jcp.com
  - Re-introduced Liz Claiborne Plus for women
2017 FULL YEAR HIGHLIGHTS

- **Dot Com**
  - Delivered .com sales growth of 20%
  - Increased online SKUs by ~50%
  - Expanded ship from store fulfillment strategy to 100% of store network
  - Over 75% of online orders interacted with a physical store
  - Improved online value proposition to highlight price after promotional coupon; led to increased site conversion/sales
  - Transformed mobile app from a 1.5 star rated app with minimal reviews to an over 4.5 star rated app with over 150,000 reviews and counting
2017 FULL YEAR HIGHLIGHTS

- **SG&A Leverage**
  - Store controllable costs
  - Advertising efficiencies

- **Enhanced Capital Structure**
  - Retired over $600M in outstanding debt, which included:
    - Paid $220M notes, at maturity, in April 2017
    - Completed tender for $300M aggregate principal amount on portions of 2018 and 2019 outstanding bonds
    - Repurchased and retired $40M of 2020 notes in open market
    - Paid $42M debt amortization payment on term loan
  - Amended and extended $2.35B senior secured asset-based revolving credit facility with extended maturity and improved pricing terms
  - Completed sale of Buena Park distribution facility
  - Received credit rating upgrade from S&P to B+
STRATEGIC PRIORITIES
## WHAT WE HAVE ACHIEVED

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>IMPROVEMENT</th>
<th>TODAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Goods Sold</td>
<td>70.6%</td>
<td>↓520 bps</td>
<td>65.4%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>34.7%</td>
<td>↓700 bps</td>
<td>27.7%</td>
</tr>
<tr>
<td>Adj. EBITDA (non-GAAP)*</td>
<td>($612)M</td>
<td>+$1.6B</td>
<td>$972M</td>
</tr>
<tr>
<td>Debt**</td>
<td>$5.5B</td>
<td>↓$1.6B</td>
<td>$3.9B</td>
</tr>
<tr>
<td>Free Cash Flow*</td>
<td>($2.7)B</td>
<td>+$2.9B</td>
<td>$213M</td>
</tr>
<tr>
<td>Adj. EPS (non-GAAP)*</td>
<td>($5.64)</td>
<td>+$5.86</td>
<td>$0.22</td>
</tr>
<tr>
<td>Stores</td>
<td>1,094</td>
<td>↓222</td>
<td>872</td>
</tr>
</tbody>
</table>

* A reconciliation of GAAP to non-GAAP financial measures is available on our investor relations site at ir.jcpenney.com

** The current outstanding debt of $3.9 billion includes the recent retirement of $190 million notes on February 15, 2018
POWER OF JCPENNEY

2013

- JCPenney Salon
- Optical

- Apparel
- Shoes
- Housewares

- Sephora

- No “Ship from Store”
- Minimal Mobile Presence

2013

- Services

- Offering

- Partnerships

- Omnichannel

TODAY

- InStyle Salon
- Home Services

- Optical
- LifeTouch/Shutterfly

- Appliances
- Flooring
- Toys
- Furniture
- Housewares

- Apparel
- Shoes
- Mattresses
- Endless Aisle Online

- Sephora
- Ashley Furniture
- InStyle

- Michael Strahan
- Project Runway
- Trane

- All 872 Stores
- “Ship from Store”
- 4.5 Star Rated App
- +50% SKUs

- Tech driven platform
- BOPIS
# Sales Opportunities

<table>
<thead>
<tr>
<th>Category</th>
<th>Today</th>
<th>Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>🔄</td>
<td>↑</td>
</tr>
<tr>
<td>Appliances</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Beauty</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Dot.com</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Fine Jewelry</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Mattresses</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Special Sizes</td>
<td>🔄</td>
<td>↑</td>
</tr>
<tr>
<td>Toys</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Work Wear</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>
OUR STRATEGIC FRAMEWORK

- REVENUE PER CUSTOMER
- OMNICHANNEL
- PRIVATE BRANDS
2018 GUIDANCE

Comparable store sales  Positive 0.0% to 2.0%

Adjusted EPS* (non-GAAP)  Positive $0.05 to $0.25

* A reconciliation of non-GAAP forward-looking projections to GAAP financial measures is not available as the nature or amount of potential adjustments, which may be significant, cannot be determined at this time