

## JCPenney Extends Stockholder Rights Plan to Protect Tax Benefits

**PLANO, Texas (Jan. 23, 2017)**- J. C. Penney Company, Inc. (NYSE: JCP) (the "Company") today announced that it has extended its existing stockholder rights plan for an additional three years to continue protecting the Company's valuable net operating loss carryforwards ("NOLs").

As of the end of fiscal 2015, the Company had approximately \$2.6 billion in NOLs, which can be used in certain circumstances to offset future taxable income and reduce federal income tax liability. The Company's ability to use its NOLs would be substantially limited if an "ownership change" under Section 382 of the Internal Revenue Code were to occur. Ownership changes under Section 382 generally relate to the cumulative change in ownership among stockholders with an ownership interest of 5% or more (as determined under Section 382's rules) over a rolling three year period. The rights plan was extended to reduce the likelihood of an "ownership change" occurring.

As amended, the Company's rights plan will expire on January 25, 2020, subject to earlier expiration in specific circumstances. Under the plan, if any person or group acquires 4.9% or more of the outstanding shares of common stock of the Company without the approval of the Board of Directors, a triggering event would occur causing significant dilution in the ownership interest of such person or group.

The purpose of the rights plan is to protect stockholder value by preserving the Company's ability to fully utilize its NOLs. The rights plan is similar to plans adopted by other public companies with significant net operating losses.

The Company expects to submit the extension of the plan to a vote at the next annual meeting of stockholders in May 2017. If stockholders do not approve the extension, the plan will terminate.

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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](http://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](http://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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