

JCPenney news release

JCPenney Restructuring Plan to Create PropCos Confirmed by Court

PropCos Expected to Emerge from Court-Supervised Restructuring Process in First Half of 2021; Owned and Operated by DIP and First Lien Lenders

PLANO, Texas--(BUSINESS WIRE)--J. C. Penney Company, Inc. (OTCMKTS: JCPNQ) today announced that the U.S. Bankruptcy Court for the Southern District of Texas (the "Court") has confirmed the Company's Plan of Reorganization (the "Plan") to create separate property holding companies ("PropCos") comprising 160 of the Company's real estate assets and all of its owned distribution centers, which will be owned and operated by JCPenney's DIP and First Lien Lenders. The PropCos are expected to complete the Court-supervised restructuring process and emerge from Chapter 11 bankruptcy protection in the first half of 2021.

The Plan is pursuant to the Company's asset purchase agreement ("APA") with Simon Property Group ("Simon") and Brookfield Asset Management, Inc. ("Brookfield") and the Company's DIP and First Lien Lenders, supported by the Unsecured Creditors Committee. The APA also provides that Simon and Brookfield are acquiring JCPenney's retail and operating assets ("OpCo"). The PropCos and OpCo will enter into master leases with respect to the properties and distribution centers moved into the PropCos.

Additional Information

Additional information regarding JCPenney's financial restructuring is available at jcprestructuring.com. Court filings and information about the claims process are available at cases.primeclerk.com/JCPenney, by calling the Company's claims agent, Prime Clerk, toll-free at 877-720-6576, or by sending an email to JCPenneyinfo@primeclerk.com.

Advisers

Kirkland & Ellis LLP is serving as legal adviser, Lazard is serving as financial adviser, and AlixPartners LLP is serving as restructuring adviser to the Company.

Cautionary Statement Regarding Forward-Looking Information

The Company has included statements in this press release that may constitute 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. Forward-looking statements are based only on the Company's current assumptions and views of future events. They are subject to known and unknown risks and uncertainties, many of which are outside of the Company's control. Those risks and uncertainties include, but are not limited to, risks attendant to the bankruptcy process, including the Company's ability to obtain court approval from the Court with respect to motions or other requests made to the Court throughout the course of the voluntary cases under chapter 11 of title 11 of the United States Code (the "Chapter 11 Cases"); the ability of the Company to consummate the Plan; the effects of the Chapter 11 Cases, including increased legal and other professional costs necessary to execute the Company's reorganization, on the Company's liquidity; the effects of the Chapter 11 Cases on the interests of various constituents; the length of time that the Company will operate under Chapter 11 protection; risks associated with third-party motions in the Chapter 11 Cases; Court rulings in the Chapter 11 Cases and the outcome of the Chapter 11 Cases in general; conditions to which any debtor-in-possession financing is subject and the risk that these conditions may not be satisfied for various reasons, including for reasons outside the Company's control; the ability of the parties to the APA to consummate the remaining transactions contemplated therein; and legal and regulatory proceedings. Please refer to the Company's Annual Report on Form 10-K for the year ended February 1, 2020, and

Quarterly Reports on Form 10-Q filed subsequently thereto, 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 the Company in this press release is based only on information currently available to it and speaks only as of the date on which such statement is made. The Company does not undertake to update these forward-looking statements as of any future date.

About JCPenney

J. C. Penney Company, Inc. (OTCMKTS: JCPNQ), one of the nation's largest apparel and home retailers, combines an expansive footprint of stores across the United States and Puerto Rico with a powerful eCommerce site, jcp.com, to deliver style and value for all hard-working American families. At every touchpoint, customers will discover stylish merchandise at incredible value from an extensive portfolio of private, exclusive and national brands. Reinforcing this shopping experience is the customer service and warrior spirit of JCPenney associates across the globe, all driving toward the Company's mission to help customers find what they love for less time, money, and effort. For additional information, please visit jcp.com.

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