

Q4 2016 IN REVIEW

STRATEGIC SHOP YOUR WAY® PARTNERSHIPS

SHOP YOUR WAY®



Launched new Sears Mastercard



Expanded Rider Rewards Program to 25 markets



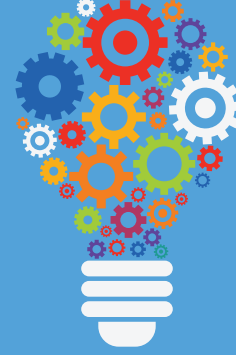
activehours

Announced a Strategic Partnership



Expanded to 30,000+ Restaurants

CONTINUED INNOVATION



Kenmore

Won Five 2016 Best of Year Awards from Reviewed.com

DieHard 360° VEHICLE ASSESSMENT

DieHard EDGE Maintenance Plans

GoToAssist Home Services GoToAssist Mobile Solution

BUILDING ON OUR POSITIVE MOMENTUM

ENHANCING PERFORMANCE



Notable improvement in Q4 Adjusted EBITDA

Targeting annualized cost savings in 2017 of at least \$1.0B

INCREASING FINANCIAL FLEXIBILITY



~\$3.6B in Total Liquidity and Liquid Assets*

Targeting reduction in debt and pension obligations of at least \$1.5B

CREATING VALUE FROM OUR ASSETS

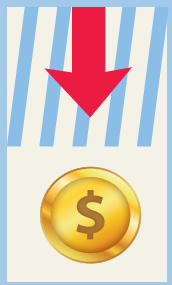


Sale of Craftsman® brand for a net present value of over \$900M

Marketing real estate properties targeting at least \$1.0B

SG&A EXPENSE REDUCTION

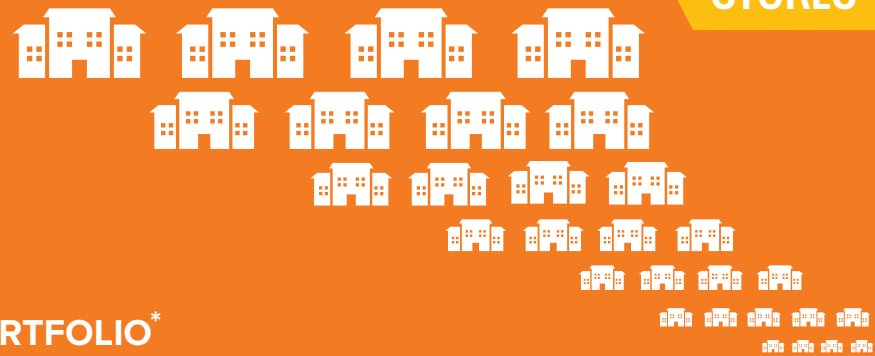
\$273M



1,430

SUBSTANTIAL REAL ESTATE PORTFOLIO*

STORES



NEXT PHASE OF OUR TRANSFORMATION

DRIVING OUR TRANSFORMATION

Focus investments on strategic transformation and Shop Your Way®

Value-enhancing partnerships in-store and online

ENHANCING PERFORMANCE

Simplify and implement organizational structure change
Transition to an integrated value chain model

INCREASING FINANCIAL FLEXIBILITY

Increase liquidity through Craftsman and announced real estate transactions
Reduce outstanding debt and pension obligations



CREATING VALUE FROM OUR ASSETS

Actively manage real estate portfolio to unlock value
Pursue strategic options for our Kenmore® and DieHard® brands and Sears Home Services and Sears Auto Centers businesses



* as of January 28, 2017