

Q2 2016 IN REVIEW

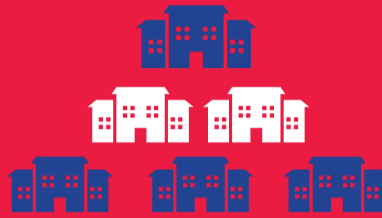
OPERATIONAL PERFORMANCE

Year-Over-Year Improvement in Adjusted EBITDA of **\$35M**



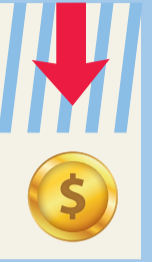
LIQUIDITY GENERATION^o

\$176M



SG&A EXPENSE REDUCTION

\$193M*



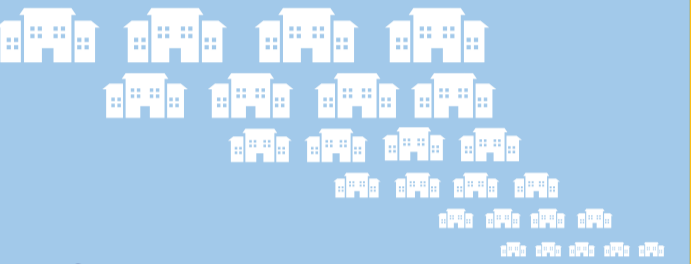
1,592

STORES

NET INVENTORY

SHOP YOUR WAY ENGAGEMENT

SHOP YOUR WAY[®]



VAST AND VALUABLE REAL ESTATE PORTFOLIO**

\$1.1B

Net Inventory Investment Reduction[†]



58%

2011

75%

2016

NEW PRODUCTS & SERVICES

DieHard

DieHard Silver Touring All-Season Tires



Kenmore TV



Kenmore Alfie



Sport Shoe and Athleisure Brand



NEW YORK - CHICAGO - SAN FRANCISCO
Est. 1893
ROEBUCK & CO.
HERITAGE SUPPLY COMPANY

Denim Lines

PRESENCE IN TOP MALLS

AWARDS & RECOGNITION

of locations on list

2007
2016

42 39

Top 100 Malls in America⁽¹⁾

41 36

Top 100 Fashion Malls in America⁽¹⁾

59 54

Top 144 Malls in America⁽¹⁾

⁽¹⁾Source: Goldman Sachs and Morgan Stanley October 23, 2015 report of top 100 Malls.

#1 in Omnichannel / Integrated retail capabilities by Forrester Research

#2 in Customer Satisfaction with Appliance Retailers

Won Call2Recycle 2015 Leaders in Sustainability Award



FOCUS ON OUR FUTURE

Q2 2016 Key Takeaways

- Restoring Profitability To Our Company
- Funding Our Transformation
- Transforming Into A Member-Focused Company

Focus on Our Best



Supported By



* year-over-year relative to Q2 2015

^o real estate transactions and other asset sales

[†] Q2 2012 vs Q2 2016; Q2 2012 inventory adjusted to exclude Lands' End and Sears Hometown and Outlet Stores, Inc.

** as of July 30, 2016