



JCPENNEY REPORTS AUGUST SALES

Company Achieves Seventh Consecutive Successful Back-to-School Season

PLANO, Texas, Sept. 5, 2007 – J. C. Penney Company, Inc. (NYSE:JCP) reported sales for the four weeks ended Sept. 1, 2007, that were better than previous guidance. Combined with strong sales in the July reporting period, 2007 represents the Company's seventh consecutive successful Back-to-School selling season, with comparable department store sales increasing 2.4 percent for the combined months of July and August.

For the August reporting period, comparable department store sales decreased 4.0 percent, which was better than guidance for a mid- to high-single digit sales decrease. Both July and August sales were distorted by the calendar shift that moved sales for the first week of August, an important Back-to-School sales week, into the July reporting period. As previously reported, comparable store sales in the July period increased 10.8 percent. Reflecting the strength of the Company's merchandise assortments for the Back-to-School season that began in mid-July, sales for junior's, young men's, boy's and girl's apparel, and children's shoes all increased at least mid-single digits.

Total Direct sales increased 3.6 percent for the four-week August period in line with management's most recent guidance for a low-single digit sales increase. Internet sales through www.jcp.com increased 23.9 percent for the month, on top of a 16 percent increase last year. Total Company sales decreased 1.1 percent.

August sales results reflected good response to both regular priced and clearance merchandise. Department store sales were strongest in family shoes and men's and women's apparel. Geographically, the northeast, northwest, and southwest were the best performing regions of the

country. In Direct, August sales benefited from improvement in both soft and hard home categories.

Sales Outlook

Looking ahead, the Company recognizes the challenging macroeconomic environment and its potential impact on consumers. However, management remains focused on executing its long-range plan and is reaffirming its sales guidance for September and October. As previously noted, calendar shifts due to last year's 53rd week will continue to have a significant impact on reported monthly sales.

- September: Sales are expected to increase low-single digits for both comparable department stores and Direct.
- October: Comparable department store sales are expected to increase mid- to high-single digits due to a promotional event in the first week of November that will be included in this year's October reporting period. Direct sales are expected to increase low-single digits.

Preliminary August Sales Summary (\$ in millions)

	Period ended		% Increase/(Decrease)			
	Sept 1, 2007	Aug 26, 2006	All Stores		Comp Stores	
			2007	2006	2007	2006
<u>4 Weeks</u>						
Department stores	\$ 1,361	\$ 1,386	(1.8)	0.7	(4.0)	(0.5)
Direct	202	195	3.6	0.5		
Total Company	<u>\$ 1,563</u>	<u>\$ 1,581</u>	(1.1)	0.7		
<u>30 Weeks</u>						
Department stores	\$ 8,849	\$ 8,552	3.5	4.0	1.1	3.2
Direct	1,455	1,487	(2.2)	3.0		
Total Company	<u>\$ 10,304</u>	<u>\$ 10,039</u>	2.6	3.8		

Sales Conference Call Recording (4:15 p.m. ET) – (402) 220-5662

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About JCPenney

JCPenney is one of America's leading retailers, operating 1,048 department stores throughout the United States and Puerto Rico, as well as one of the largest apparel and home furnishing sites on the Internet, jcp.com, and the nation's largest general merchandise catalog business. Through these integrated channels, JCPenney offers a wide array of national, private and exclusive brands which reflect the Company's commitment to providing customers with style and quality at a smart price. Traded as "JCP" on the New York Stock Exchange, the Company posted revenue of \$19.9 billion in 2006 and is executing its strategic plan to be the growth leader in the retail industry. Key to this strategy is JCPenney's "Every Day Matters" brand positioning, intended to generate deeper, more emotionally driven relationships with customers by fully engaging the Company's 155,000 Associates to offer encouragement, provide ideas and inspire customers every time they shop with JCPenney.

This release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, which reflect the Company's current views of future events and financial performance, involve known and unknown risks and uncertainties 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, consumer spending patterns and debt levels, the cost of goods, trade restrictions, changes in tariff, freight, paper and postal rates, changes in the cost of fuel and other energy and transportation costs, competition and retail industry consolidations, interest rate fluctuations, risks associated with war, an act of terrorism or pandemic, and a systems failure and/or security breach that results in the theft, transfer or unauthorized disclosure of customer, employee or Company information. Please refer to the Company's most recent Form 10-K and subsequent filings for a further discussion of risks and uncertainties. Investors should take such risks into account when making investment decisions. We do not undertake to update these forward-looking statements as of any future date.

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