



JCPENNEY REPORTS DECEMBER SALES

PLANO, Texas, Jan. 10, 2008 – J. C. Penney Company, Inc. (NYSE:JCP) stated that its December sales continued to be impacted by a challenging consumer environment. In addition, sales across all channels were affected by the calendar shift resulting from last year's 53rd week that moved a week of pre-holiday shopping into this year's November reporting period.

Comparable department store sales decreased 7.5 percent for the five weeks ended Jan. 5, 2008, compared with guidance for a mid-single digit decrease and a 2.6 percent increase in last year's December period. Total department store sales decreased 4.5 percent for the five weeks. The best performing merchandise categories in December were seasonal gift items across all divisions, housewares in the home division, family shoes and women's apparel, with the weakest being fine jewelry and big-ticket home categories. Geographically, the best performances were in the northwest and southwest regions of the country, with softer results in the northeast and central regions.

Internet sales through www.jcp.com increased 12.2 percent for the nine-week November and December period, but decreased 5.1 percent for the month, compared to a 15.2 percent increase last year. Total Direct sales decreased 12.9 percent compared with guidance for a decrease in the mid-teens and a 1.4 percent decrease last year. The Company continued to see good response to its Christmas book, with the best performing merchandise category being women's apparel.

Sales and Earnings Outlook

The Company guidance for January is for a mid-single digit decline in both comparable department store sales and Direct sales on a 4-week basis, compared to a 3.6 percent increase

and a 1.5 percent decrease, respectively, in last year's January period. For reference, total sales reported in last year's January period included about \$200 million in department store sales and about \$50 million in Direct sales from the 53rd week.

For the fourth quarter, comparable department store sales are now expected to decrease mid-single digits, and Direct sales are now expected to decrease low-single digits on a 13-week basis. In last year's fourth quarter, comparable department store sales increased 2.2 percent and Direct sales decreased 1.2 percent.

Based on actual sales results for the November and December periods and the above guidance for January, the Company now expects fourth quarter earnings to be at the lower end of its previous guidance of \$1.65 to \$1.80 per share.

Preliminary December Sales Summary

(\$ in millions)

	Period ended		% Increase/(Decrease)			
			All Stores		Comp Stores	
	Jan. 5, 2008	Dec. 30, 2006	2007	2006	2007	2006
<u>5 Weeks</u>						
Department stores	\$ 2,819	\$ 2,953	(4.5)	4.2	(7.5)	2.6
Direct	358	411	(12.9)	(1.4)		
Total Company	<u>\$ 3,177</u>	<u>\$ 3,364</u>	(5.6)	3.5		
<u>9 Weeks</u>						
Department stores	\$ 4,528	\$ 4,569	(0.9)	3.9	(3.9)	2.2
Direct	699	701	(0.3)	(1.0)		
Total Company	<u>\$ 5,227</u>	<u>\$ 5,270</u>	(0.8)	3.2		
<u>48 Weeks</u>						
Department stores	\$ 16,051	\$ 15,797	1.6	5.0	(1.1)	3.7
Direct	2,646	2,712	(2.4)	2.6		
Total Company	<u>\$ 18,697</u>	<u>\$ 18,509</u>	1.0	4.7		

Sales Conference Call Recording (8:30 a.m. ET)

(800) 642-1687 (U.S.), (706) 645-9291 (International) -- Conference ID: 8337161

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About JCPenney

JCPenney is one of America's leading retailers, operating 1,067 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, dollar and other currency valuations, 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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