



## **JCPENNEY REPORTS DECEMBER SALES**

**Comparable Department Store Sales Increase 2.2%, Direct Sales Increase 4.3%**

**Management Raises Fourth Quarter Earnings Guidance**

**PLANO, Texas, Jan. 5, 2006** -- J. C. Penney Company, Inc. (NYSE:JCP) comparable department store sales increased 2.2 percent for the five weeks ended Dec. 31, 2005, while total department store sales increased 3.1 percent. Comparable store sales were in line with previous guidance for a low-single digit increase, and compare with a sales decline of 1.3 percent in last year's December period. Comparable sales for the combined November and December holiday period increased 2.7 percent versus an increase of 3.1 percent last year.

Sales were strongest the last two weeks of the period, with the best sales performance in the month coming from women's accessories, children's apparel and family shoes. Geographically, the best performance continued to be in the west and southeast.

Direct (catalog/Internet) sales increased 4.3 percent during the period, slightly ahead of previous guidance for a low-single digit sales increase. The December 2005 increase comes on top of a 6.7 percent increase in the December period last year. Sales for [jcpenney.com](http://jcpenney.com) increased approximately 26 percent in December and nearly 30 percent year-to-date.

### **January Sales Guidance**

For the month of January, the company expects comparable department store sales to increase low-single digits and Direct (catalog/Internet) sales to be about flat. In last year's January period, comparable department store sales increased 2.5 percent and Direct sales increased 12.6 percent.

## Preliminary Sales Summary

(\$ in millions)

	Period ended		% Increase / (Decrease)			
			All Stores		Comp Stores	
	Dec. 31, 2005	Jan. 01, 2005 <sup>(1)</sup>	Dec. 31, 2005	Jan. 01, 2005	Dec.31, 2005	Jan. 01, 2005
<u>5 Weeks</u>						
Department stores	\$ 2,839	\$ 2,757	3.0	(1.5)	2.2	(1.3)
Direct	417	400	4.3	6.7		
Total Company	\$ 3,256	\$ 3,157	3.1	(0.6)		
<u>9 Weeks</u>						
Department stores	\$ 4,404	\$ 4,257	3.5	2.9	2.7	3.1
Direct	708	684	3.5	1.9		
Total Company	\$ 5,112	\$ 4,941	3.5	2.8		
<u>48 Weeks</u>						
Department stores	\$ 15,048	\$ 14,515	3.7	5.0	2.9	5.1
Direct	2,642	2,551	3.6	2.7		
Total Company	\$ 17,690	\$ 17,066	3.7	4.6		

*(1) 2005 department store sales have reflected the accounting for a sales returns reserve on a monthly basis. Beginning with the October period, 2004 monthly sales are being shown on a comparable basis with 2005.*

### Earnings Guidance

Overall, management is pleased with the sales performance through December, which was at planned promotional levels. As a result, management is raising previously announced fourth quarter earnings guidance of \$1.58 per share to \$1.60 per share.

### **Sales Conference Call Recording (8:00 a.m. Eastern) – (402) 220-5662**

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## **About JCPenney**

J. C. Penney Corporation, Inc., the wholly owned operating subsidiary of J. C. Penney Company, Inc., is one of America's largest department store, catalog, and e-commerce retailers, employing approximately 150,000 associates. As of October 29, 2005, J. C. Penney Corporation, Inc. operated 1,017 JCPenney department stores throughout the United States and Puerto Rico. JCPenney is the nation's largest catalog merchant of general merchandise, and jcpenney.com is one of the largest apparel and home furnishings sites on the Internet.

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, competition, consumer demand, changes in credit card payment terms, seasonality, economic conditions, including the price and availability of oil and natural gas, changes in management, retail industry consolidations, acts of terrorism or war, and government activity. 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. In addition, non-GAAP terms referenced are defined and presented in the company's 2004 annual report on Form 10-K.

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