



JCPENNEY REPORTS OCTOBER SALES

PLANO, Texas, Nov. 6, 2008 -- J. C. Penney Company, Inc. (NYSE:JCP) comparable store sales decreased 13.0 percent for the four-week period ended Nov. 1, 2008. The Company's guidance was for sales to decrease low-double digits. In last year's October period, comparable store sales decreased 1.0 percent. Total Company sales in October decreased 11.8 percent.

October results were impacted by ongoing declines in mall traffic and a pronounced slowdown in consumer spending, which continues to be influenced by financial market volatility and tightening credit availability. For the month, the Company noted:

- October sales were weakest during the first week and improved relative to expectations over the course of the month. Sales in the last week of the month were impacted by the shift of the Company's annual "Biggest Sale of Them All" event to the November reporting period this year from the last week of October in 2007. The shift of this event lowered October comparable store sales results by approximately 500 basis points.
- On a relative basis, JCPenney's apparel divisions continued to be its strongest performers with the women's and children's apparel and women's accessories divisions delivering the best results in October. Additionally, the Company stated that despite the challenging economic conditions, JCPenney's recently launched private brands are achieving early success, notably Decree in juniors, Flirtitude in intimate apparel, Linden Street in home and the re-launches of the Worthington brand for women and Stafford for men during the past month. And, Sephora inside JCPenney continues to be well received as it is rolled out to additional stores.
- This relative strength was offset by continued softness in sales performance in the home and fine jewelry divisions. These categories negatively impacted store sales as well as catalog and Internet performance, for which home merchandise comprises a significantly greater proportion of sales than in stores.

- Although sales were challenging across the country, the northeast and central regions delivered the strongest performance, while the southeast and southwest regions experienced the softest results during the period. In particular, business continues to be the most challenging in those areas where the negative impact on housing markets has been the greatest.
- For the third quarter, the Company expects to report a total inventory decrease of approximately 6 percent, despite the addition of 35 new stores since last year's third quarter. On a comparable store basis, inventory is expected to be down approximately 9 percent. Management is comfortable that the inventory position will support the "Biggest Sale of Them All" event at the beginning of November and is in general alignment with both the Company's year-to-date performance and expected trends for future comparable store sales levels for the remainder of the year.

Preliminary October Sales Summary
(\$ in millions)

	Total Company Sales for period ended		% Increase/(Decrease)			
	Nov. 1, 2008	Nov. 3, 2007	Total Sales		Comp Stores	
			2008	2007	2008	2007
<u>4 Weeks</u>	\$ 1,361	\$ 1,543	(11.8)	0.3	(13.0)	(1.0)
<u>13 Weeks</u>	\$ 4,318	\$ 4,729	(8.7)	(1.1)	(10.1)	(2.4)
<u>39 Weeks</u>	\$ 12,727	\$ 13,470	(5.5)	1.7	(7.3)	1.2

November Sales and Updated Third Quarter Earnings Outlook

Reflecting the Company's expectation for continued sales weakness in light of consumer sentiment, management's guidance for the four-week period ending Nov. 29, 2008, is for a low-double digit decrease in comparable store sales, compared with a 5.4 percent increase during the same period last year. Comparable store sales in November will benefit from the previously discussed promotional event shift, but will be offset by the calendar shift that eliminates a full week of post-Thanksgiving sales from the reporting period.

Based on October sales results and continued strong expense control, management now expects earnings for the third quarter to be in a range of \$0.53 to \$0.55 per share, including a benefit of approximately \$0.02 per share from the sale of non-operating real estate during the period. The

Company's most recent guidance was for third quarter earnings to be in a range of \$0.50 to \$0.60 per share.

Management will host a live conference call and real-time webcast on Friday, Nov. 14, 2008, beginning at 9:30 a.m. ET to discuss its third quarter results. Access to the conference call is open to the press and general public in a listen-only mode. To access the conference call, please dial 877-407-0778, or 201-689-8565 for international callers, and reference the JCPenney Third Quarter Earnings Conference Call. The telephone playback will be available for three days beginning approximately two hours after the conclusion of the call by dialing 877-660-6853, account code 286, and passcode 284828. The live webcast may be accessed via JCPenney's Investor Relations page at jcpenney.net, on streetevents.com (for members), or on fulldisclosure.com (for media and individual investors).

Sales Conference Call Recording (8:30 a.m. ET) -- (877) 793-7778

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About JCPenney

JCPenney is one of America's leading retailers, operating 1,093 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 2007 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, recession, consumer spending patterns, credit availability 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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