



# News Release

## JCPENNEY REPORTS JANUARY SALES

### Management Raises Fourth Quarter Earnings Guidance

**PLANO, Texas, Feb. 7, 2008** – J. C. Penney Company, Inc. (NYSE:JCP) comparable department store sales decreased 1.9 percent for the four weeks ended Feb. 2, 2008, compared with guidance for a mid-single digit decrease and a 3.6 percent increase in last year's January period. Total department store sales in January increased 1.7 percent on a four-week basis.

During the January period, the best merchandise performance was in the men's, women's and children's apparel divisions with home and fine jewelry being the weakest. Geographically, the best performance was in the northwest region of the country, with softer results in the southeast. Department stores performance during the month benefited from seasonal clearance activities. In addition, the Company experienced good initial response to spring merchandise assortments.

Total Direct sales increased 3.6 percent on a four-week basis compared with guidance for a mid-single digit decrease and a 1.5 percent decrease last year. Internet sales through [www.jcp.com](http://www.jcp.com) increased 19.1 percent in January on a four-week basis on top of a 23.5 percent increase last year. Internet sales were above expectations and led to improved Direct results for the month.

Including last year's 53<sup>rd</sup> week, department store sales decreased 16.3 percent and Direct sales decreased 17.7 for this year's four-week period compared to last year's five-week January period.

## **February Sales and Fourth Quarter Earnings Outlook**

Beginning in fiscal 2008, the Company will change its sales reporting methodology to include Internet sales as part of comparable store sales performance. The change in reporting methodology will better reflect the Company's consolidation of merchandising and marketing functions for department stores, jcp.com, and catalog and is consistent with the sales reporting practices of other major retailers. In addition to comparable store sales, the Company will report total sales.

The following guidance for February reflects the new sales reporting methodology. For February, total sales are expected to be about flat, and comparable department store sales are expected to decrease low-single digits. In the February 2007 period, total sales increased 0.9 percent, and comparable store sales increased 1.5 percent as shown in the attached table of historical comparable store sales performance as calculated under the new reporting methodology.

Based on improved January sales and preliminary earnings results, the Company now projects fourth quarter earnings to be at the high end of its original guidance range of \$1.65 to \$1.80 per share.

### **Preliminary January Sales Summary**

(\$ in millions)

	Period Ended			Excluding the 2006 53 <sup>rd</sup> Week		Comparable Stores 2006
	Feb. 02,	Feb. 03,	%	% Increase/(Decrease)		
	2008	2007	Inc/Dec	Total Sales 2007	Comparable Stores 2007	
<u>4 Weeks</u>						
Department stores	\$ 963	\$ 1,151	(16.3)	1.7	(1.9)	3.6
Direct	200	243	(17.7)	3.6		
Total Company	\$ 1,163	\$ 1,394	(16.6)	2.0		
<u>13 Weeks</u>						
Department stores	\$ 5,492	\$ 5,720	(4.0)	(0.5)	(3.6)	2.2
Direct	899	944	(4.8)	0.8		
Total Company	\$ 6,391	\$ 6,664	(4.1)	(0.3)		
<u>52 Weeks</u>						
Department stores	\$ 17,014	\$16,948	0.4	1.6	(1.1)	3.7
Direct	2,846	2,955	(3.7)	(2.0)		
Total Company	\$ 19,860	\$19,903	(0.2)	1.1		

## **Fourth Quarter Earnings Conference Call**

Management will host a live conference call and real-time webcast to discuss its fiscal 2007 fourth quarter financial results on Feb. 21, 2008, beginning at 9:30 a.m. ET. 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 973-935-2035 and reference the JCPenney Quarterly Earnings Conference Call. The telephone playback will be available for two days beginning approximately two hours after the conclusion of the call by dialing 973-341-3080, pin code 8337170. The live webcast may be accessed via JCPenney's Investor Relations page at [jcpenney.net](http://jcpenney.net), or on [streetevents.com](http://streetevents.com) (for members) and [fulldisclosure.com](http://fulldisclosure.com) (for media and individual investors). Replays of the webcast will be available for up to 90 days after the event.

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

***(800) 642-1687 (U.S.), (706) 645-9291 (International) -- Conference ID: 8337162***

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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](http://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, recession, 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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**J. C. Penney Company, Inc.**  
**Comparable Stores Sales**  
**Reflecting a New Basis to Include Internet Sales**

	2007		2006	
	As Reported	New Basis	As Reported	New Basis
<b>February</b>	-0.2%	1.5%	2.3%	3.7%
<b>March</b>	10.6%	11.0%	-1.0%	0.7%
<b>April</b>	-4.7%	-3.4%	2.6%	3.4%
<b>1st Quarter</b>	2.2%	3.4%	1.3%	2.6%
<b>May</b>	-2.0%	-0.9%	11.1%	11.9%
<b>June</b>	-1.5%	-0.7%	4.3%	5.5%
<b>July</b>	10.8%	12.0%	4.9%	5.8%
<b>2nd Quarter</b>	1.9%	2.9%	6.6%	7.6%
<b>August</b>	-4.0%	-2.4%	-0.5%	0.3%
<b>September</b>	-4.6%	-3.7%	8.7%	10.5%
<b>October</b>	-1.8%	-1.0%	8.1%	9.3%
<b>3rd Quarter</b>	-3.5%	-2.4%	5.2%	6.5%
<b>November</b>	2.6%	5.4%	1.4%	2.5%
<b>December</b>	-7.5%	-7.3%	2.6%	3.4%
<b>January</b>	-1.9%	0.0%	3.6%	5.2%
<b>4th Quarter</b>	-3.6%	-2.3%	2.2%	3.2%
<b>Full Year</b>	-1.1%	0.0%	3.7%	4.9%

Years	As Reported	New Basis
<b>2005</b>	2.9%	4.2%
<b>2004</b>	4.9%	5.9%
<b>2003</b>	0.8%	2.4%