



JCPENNEY REPORTS JULY SALES

PLANO, Texas, Aug. 9, 2007 -- J. C. Penney Company, Inc. (NYSE:JCP) total company sales increased 13.3 percent for the four weeks ended Aug. 4, 2007, including a 13.6 percent increase in total department store sales. Comparable department store sales increased 10.8 percent following a 4.9 percent increase last year, and compared to guidance for sales to increase low-double digits to mid-teens. As previously communicated, current month sales benefited from calendar shifts resulting from last year's 53rd week that moved sales for the first week of August, an important Back-to-School selling period, into the July reporting period.

For the month, comparable department store sales increased at least mid-single digits across all merchandise divisions and high-single digits in all regions of the country. Management is pleased with early results across Back-to-School merchandise categories, as well as the positive customer response to recent promotional events in fine jewelry and home, including furniture. On August 3rd, the Company opened 14 new or relocated stores, of which 12 stores are in the Company's off-mall format. Seven of the new stores offer Sephora inside JCPenney.

Internet sales through www.jcp.com increased 28.4 percent for the month, on top of a 21 percent increase last year. Total Direct sales increased 11.5 percent, which exceeded management's most recent guidance for a low-single digit sales increase. Direct sales for the month also benefited from the calendar shift related to last year's 53rd week and enhanced clearance/promotional activities.

Third Quarter Sales Guidance

For the third quarter, management expects both comparable department store and Direct sales to increase low-single digits. Consistent with second quarter sales patterns, management reiterated that calendar shifts due to last year's 53rd week will continue to have a significant impact on reported monthly sales. Sales guidance by month for the quarter is as follows:

- August: Because sales for the first week in August – which is a significant Back-to-School week – were reported in this year's July period, guidance for the August reporting period is for a mid- to high-single digit decrease in comparable store sales, while Direct sales are expected to increase low-single digits. In last year's August period, comparable department store sales decreased 0.5 percent and Direct sales increased 0.5 percent.
- September: Sales are expected to increase low-single digits for both comparable department stores and Direct.
- October: Comparable department stores are expected to increase mid- to high-single digits in October due 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 July Sales Summary

(\$ in millions)

	Period ended		% Increase/(Decrease)			
	Aug 4, 2007	July 29, 2006	All Stores		Comp Stores	
			2007	2006	2007	2006
<u>4 Weeks</u>						
Department stores	\$ 1,201	\$ 1,057	13.6	5.5	10.8	4.9
Direct	203	182	11.5	0.0		
Total Company	<u>\$ 1,404</u>	<u>\$ 1,239</u>	13.3	4.6		
<u>13 Weeks</u>						
Department stores	\$ 3,797	\$ 3,631	4.6	7.1	1.9	6.6
Direct	593	607	(2.3)	2.7		
Total Company	<u>\$ 4,390</u>	<u>\$ 4,238</u>	3.6	6.5		
<u>26 Weeks</u>						
Department stores	\$ 7,488	\$ 7,166	4.5	4.6	2.1	3.9
Direct	1,253	1,292	(3.0)	3.4		
Total Company	<u>\$ 8,741</u>	<u>\$ 8,458</u>	3.3	4.4		

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

Second Quarter Earnings Conference Call

Management will host a live conference call and real-time webcast on Aug. 16, 2007, 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 8337168. The live webcast may be accessed via JCPenney's Investor Relations page at jcpenney.net, or on streetevents.com (for members) and fulldisclosure.com (for media and individual investors). Replays of the webcast will be available for up to 90 days after the event.

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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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