



## **JCPENNEY REPORTS JUNE SALES**

### **Management Reaffirms Second Quarter Earnings Guidance**

**PLANO, Texas, July 12, 2007** -- J. C. Penney Company, Inc. (NYSE:JCP) total department store sales increased 1.4 percent for the five weeks ended July 7, 2007. Comparable department store sales decreased 1.5 percent, in-line with guidance for a low-single digit decline. Last year, comparable department store sales increased 4.3 percent in the June period. The best performing merchandise categories for the month were children's apparel, women's apparel and family footwear, while categories such as furniture and fine jewelry continued to be soft. Geographically, the best performing areas were the southwest and northwest regions of the country.

Sales performance improved towards the end of the month, reflecting a strong initial response to the Company's Back-To-School merchandise assortments, as well as good clearance activity in seasonal merchandise categories.

Internet sales through [www.jcp.com](http://www.jcp.com) increased 10 percent for the month, on top of a 27 percent increase last year. Total Direct sales decreased 10.9 percent, in-line with guidance for sales to decline about 10 percent, and compares to a 6.0 percent increase last year. Sales in Direct continue to be impacted by softness in higher ticket home categories and the Spring/Summer Big Book.

### **Sales and Earnings Outlook**

Management guidance for July continues to be for comparable department store sales to increase low-double digits to mid-teens. For Direct, management guidance is for sales to increase low-single digits. As previously noted, this year's July period, which ends Aug. 4, 2007, benefits from

an additional week of Back-to-School sales, due to the fiscal calendar shift resulting from last year's 53<sup>rd</sup> week. In last year's July period, comparable department store sales increased 4.9 percent and Direct sales were flat.

Management is reaffirming earnings guidance for the second quarter of \$0.77 per share.

### **Preliminary June Sales Summary**

(\$ in millions)

|                   | Period ended    |                 | % Increase/(Decrease) |      |             |      |
|-------------------|-----------------|-----------------|-----------------------|------|-------------|------|
|                   | July 7,<br>2007 | July 1,<br>2006 | All Stores            |      | Comp Stores |      |
|                   |                 |                 | 2007                  | 2006 | 2007        | 2006 |
| <u>5 Weeks</u>    |                 |                 |                       |      |             |      |
| Department stores | \$ 1,405        | \$ 1,386        | 1.4                   | 5.0  | (1.5)       | 4.3  |
| Direct            | 204             | 229             | (10.9)                | 6.0  |             |      |
| Total Company     | \$ 1,609        | \$ 1,615        | (0.4)                 | 5.1  |             |      |
| <u>9 Weeks</u>    |                 |                 |                       |      |             |      |
| Department stores | \$ 2,596        | \$ 2,573        | 0.9                   | 7.8  | (1.7)       | 7.3  |
| Direct            | 390             | 425             | (8.2)                 | 3.9  |             |      |
| Total Company     | \$ 2,986        | \$ 2,998        | (0.4)                 | 7.2  |             |      |
| <u>22 Weeks</u>   |                 |                 |                       |      |             |      |
| Department stores | \$ 6,286        | \$ 6,108        | 2.9                   | 4.5  | 0.6         | 3.8  |
| Direct            | 1,050           | 1,110           | (5.4)                 | 3.9  |             |      |
| Total Company     | \$ 7,336        | \$ 7,218        | 1.6                   | 4.4  |             |      |

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

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#### **About JCPenney**

JCPenney is one of America's leading retailers, operating 1,040 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, 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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