



JCPENNEY REPORTS MAY SALES

PLANO, Texas, June 7, 2007 -- J. C. Penney Company, Inc. (NYSE:JCP) total department store sales increased 0.3 percent for the four weeks ended June 2, 2007. Comparable department store sales decreased 2.0 percent, compared to initial guidance for sales to be flat, and an 11.1 percent increase last year. The best performing merchandise categories for the May period were in apparel, where women's, children's and men's all experienced solid gains, while sales were softest in fine jewelry, women's accessories and home categories. Geographically, the best performing area of the country was in the northeast region.

Internet sales through www.jcp.com increased approximately 15 percent for the month, on top of a 27 percent increase last year. Total Direct sales decreased 5.1 percent, in-line with initial guidance for sales to decline mid-single digits, and a 1.6 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 Outlook

Looking ahead, management reiterated that calendar shifts due to last year's 53rd week will have a significant impact on reported monthly sales in the current year. For the second quarter, management continues to expect comparable department store sales to increase low- to mid-single digits and Direct sales to decline low- to mid-single digits. This guidance takes into consideration the fiscal calendar shift, as well as recent sales trends.

Looking at sales on a monthly basis for the balance of the quarter, guidance for June is for comparable department store sales to be down low-single digits and for Direct sales to decline about 10 percent. The decline in Direct sales is due in part to the planned later distribution of the Fall/Winter Big Book. In last year's June period, comparable department store sales increased 4.3 percent and Direct sales increased 6.0 percent. This year's five-week June period ends July

7, 2007, last year it ended July 1, 2006. The June period this year excludes Memorial Day and includes Independence Day.

Consistent with initial expectations, July sales should exceed recent trends as a result of an additional week of Back-to-School sales in the period, due to the fiscal calendar shift. Consequently, comparable department store sales are expected to increase low- to mid-double digits and Direct sales are expected to increase high-single digits for the month.

Share Repurchase Update

During the May period, the Company repurchased 3.4 million shares of its common stock at a cost of approximately \$271 million. This represents approximately 68 percent of the existing share repurchase authorization.

Preliminary May Sales Summary (\$ in millions)

	Period ended		% Increase/(Decrease)			
	June 2, 2007	May 27, 2006	All Stores		Comp Stores	
			2007	2006	2007	2006
<u>4 Weeks</u>						
Department stores	\$ 1,191	\$ 1,187	0.3	11.2	(2.0)	11.1
Direct	186	196	(5.1)	1.6		
Total Company	<u>\$ 1,377</u>	<u>\$ 1,383</u>	(0.4)	9.8		
<u>17 Weeks</u>						
Department stores	\$ 4,881	\$ 4,722	3.4	4.3	1.2	3.6
Direct	846	881	(4.0)	3.4		
Total Company	<u>\$ 5,727</u>	<u>\$ 5,603</u>	2.2	4.2		

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, 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, competition, consumer demand and confidence, seasonality, economic conditions, including the price and availability of oil and natural gas, changes in interest rates, retail industry consolidations, government activity, pandemic and acts of terrorism or war. 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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