



JCPENNEY REPORTS OCTOBER SALES

PLANO, Texas, Nov. 8, 2007 – J. C. Penney Company, Inc. (NYSE:JCP) total department store sales increased 1.1 percent for the four weeks ended Nov. 3, 2007, while comparable department store sales decreased 1.8 percent compared to an 8.1 percent comparable store sales increase in last year's October period and guidance for a low- to mid-single digit increase. For the month, the best performing merchandise categories were family shoes and selected home categories, while apparel sales were impacted by unseasonable weather. Sales were softest in men's apparel and women's accessories. Geographically, the best performance was in the northwest region of the country.

Internet sales through www.jcp.com increased 8.7 percent for the month, on top of a 26 percent increase last year. Total Direct sales decreased 3.8 percent compared with a 2.1 percent increase last year and guidance for a low-single digit decline.

Sales in the October period reflect a softer consumer spending environment relative to last year as well as the continuation of unseasonable weather patterns in much of the country. Myron E. (Mike) Ullman, III, chairman and chief executive officer of JCPenney said, "Our customers are clearly facing headwinds that are impacting both sentiment and discretionary spending levels, including weak housing market conditions, high energy prices, and uncertainty in the mortgage and credit markets.

"Although we have seen our customers respond to calendar-related, or 'appointment shopping' events, we expect the challenging retail environment to continue for the foreseeable future. As a result, we are approaching the fourth quarter and 2008 cautiously to ensure our inventory positioning and expense levels are appropriate in light of current conditions. Over the longer

term, we remain confident that the growth initiatives of our long-range plan to improve our merchandise assortments and continue new store growth are the right strategies to ensure our business is well-positioned for sustainable growth when the consumer environment improves.”

Store Opening and Renovation Update

With the opening of six stores on Nov. 2, the Company has completed its plan for the addition of 50 new and relocated stores during 2007, which are included in total department store sales. The Company has also achieved its plan to complete 65 store renovations this year.

Earnings and Sales Outlook

Management continues to expect that third quarter earnings from continuing operations will be in the range of its previously stated guidance of \$1.00 to \$1.04 per share, before the favorable effect of \$0.14 per share in one-time federal and state tax credits that will be recorded in the third quarter.

As noted above, management has modified its sales expectations for the remainder of the year to reflect the continuation of current weakness in the retail and consumer environment. In addition, the calendar shift due to last year's 53rd week is expected to benefit the November reporting period and negatively impact the December and January periods and is reflected in the following guidance:

- November: Comparable department store sales are expected to increase low-single digits for the four-week period ending Dec. 1, and Direct sales are expected to increase mid-single digits. Comparable department store sales increased 1.4 percent in last year's November period, while Direct sales decreased 0.3 percent.
- Fourth quarter: Comparable department store sales are expected to decrease low-single digits for the fourth quarter, and Direct sales are expected to decrease mid-single digits. Comparable department store sales increased 2.2 percent for last year's fourth quarter, while Direct sales decreased 1.2 percent.

Preliminary October Sales Summary

(\$ in millions)

	Period ended		% Increase/(Decrease)			
			All Stores		Comp Stores	
	Nov 3, 2007	Oct 28, 2006	2007	2006	2007	2006
<u>4 Weeks</u>						
Department stores	\$ 1,312	\$ 1,298	1.1	11.0	(1.8)	8.1
Direct	231	240	(3.8)	2.1		
Total Company	\$ 1,543	\$ 1,538	0.3	9.5		
<u>13 Weeks</u>						
Department stores	\$ 4,035	\$ 4,062	(0.7)	7.0	(3.5)	5.2
Direct	693	719	(3.6)	5.3		
Total Company	\$ 4,728	\$ 4,781	(1.1)	6.7		
<u>39 Weeks</u>						
Department stores	\$ 11,523	\$ 11,228	2.6	5.5	0.1	4.4
Direct	1,947	2,011	(3.2)	4.0		
Total Company	\$ 13,470	\$ 13,239	1.7	5.3		

Sales Conference Call Recording (8:30 a.m. ET) – (402) 220-5662

Third Quarter Earnings Conference Call

Management will host a live conference call and real-time webcast on Nov. 15, 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 8337169. 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 1,067 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, 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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