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News Release

JCPENNEY REPORTS OCTOBER SALES

Comparable Department Store Sales Increase 2.4 Percent

Third Quarter Earnings Guidance Raised to \$0.92 Per Share

PLANO, Texas, November 3, 2005 -- J. C. Penney Company, Inc. (NYSE:JCP) comparable department store sales increased 2.4 percent for the four weeks ended October 29, 2005. Comparable store sales were in-line with guidance of a low-single digit increase, and come on top of a 1.8 percent increase in last year's October period. Total department store sales increased 2.7 percent in October. The best performing merchandise categories for the month were children's apparel, women's accessories and family shoes. From a geographical perspective, October sales continued to be strongest in the southeastern and western regions of the country, with sales trends improving in the central and northeastern regions toward the end of the month.

Direct (catalog/Internet) sales decreased 2.9 percent, which was below previous guidance for flat sales, and compares to a 1.7 percent increase in the October period last year. Sales for jcpenney.com increased over 20 percent in October and over 30 percent year-to-date, while print catalog sales, as expected, continued their lower trend.

November Sales Guidance

For the month of November, the company expects comparable department store sales to increase low-single digits, following an increase of 12.2 percent in the same period last year. Direct (catalog/Internet) sales are expected to be about flat versus a decline of 4.1 percent last November.

Preliminary Sales Summary

(\$ in millions)

	Period ended		% Increase / (Decrease)			
			All Stores		Comp Stores	
	Oct. 29, 2005	Oct. 30, 2004 ⁽¹⁾	Oct. 29, 2005	Oct. 30, 2004	Oct.29, 2005	Oct. 30, 2004
<u>4 Weeks</u>						
Department stores	\$ 1,170	\$ 1,139	2.7	2.0	2.4	1.8
Direct	235	242	(2.9)	1.7		
Total Company	\$ 1,405	\$ 1,381	1.7	2.0		
<u>13 Weeks</u>						
Department stores	\$ 3,797	\$ 3,685	3.0	2.7	2.5	2.6
Direct	684	690	(0.9)	3.6		
Total Company	\$ 4,481	\$ 4,375	2.4	2.9		
<u>39 Weeks</u>						
Department stores	\$ 10,645	\$ 10,258	3.8	5.9	3.0	6.0
Direct	1,933	1,867	3.5	2.9		
Total Company	\$ 12,578	\$ 12,125	3.7	5.4		

(1) 2005 department store sales have reflected the accounting for a sales returns reserve on a monthly basis. Beginning with the October period, 2004 monthly sales are being shown on a comparable basis with 2005.

Earnings Guidance

Management is raising earnings guidance for the third quarter to approximately \$0.92 per share, which is an increase of \$0.08 per share from previous guidance. This earnings guidance reflects improved operating performance and lower interest expense than anticipated in its most recent guidance, as well as income of approximately \$0.03 per share related to a Visa Check/MasterMoney Antitrust Litigation settlement. The company continues to expect average diluted common shares of approximately 249 million shares for the quarter, consistent with previous guidance.

Capital Structure Repositioning Update

The company repurchased nearly 9 million shares of common stock during the four weeks ended October 29, 2005, bringing total fiscal 2005 repurchases to about 44 million shares of common stock for approximately \$2.2 billion. With the October share repurchases, the company's aggregate \$4.15 billion share repurchase programs authorized since 2004 are essentially complete.

Sales Conference Call Recording (7:00 a.m. Eastern) – (402) 220-5662

Third Quarter Earnings Conference Call

Senior management will host a live conference call and real-time webcast on November 15, 2005, beginning at 9:30 a.m. ET to discuss third quarter earnings. 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 **5717200**. The live webcast may be accessed via JCPenney's Investor Relations page at www.jcpenney.net or on www.streetevents.com (for members) and www.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

J. C. Penney Corporation, Inc., the wholly owned operating subsidiary of J. C. Penney Company, Inc., is one of America's largest department store, catalog, and e-commerce retailers, employing approximately 150,000 associates. As of October 29, 2005, J. C. Penney Corporation, Inc. operated 1,017 JCPenney department stores throughout the United States and Puerto Rico. JCPenney is the nation's largest catalog merchant of general merchandise, and jcpenney.com is one of the largest apparel and home furnishings sites on the Internet.

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, seasonality, economic conditions, including the price and availability of oil, changes in management, retail industry consolidations, acts of terrorism or war, and government activity. 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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