



## JCPENNEY REPORTS SEPTEMBER SALES

### Updates Third Quarter Sales and Earnings Expectations in View of Economic Conditions

**PLANO, Texas, Oct. 8, 2008** -- J. C. Penney Company, Inc. (NYSE:JCP) comparable store sales decreased 12.4 percent for the five-week period ended Oct. 4, 2008, compared with the Company's guidance for sales to decrease mid- to high-single digits. In last year's September period, comparable store sales decreased 3.7 percent. Total Company sales in September decreased 10.9 percent.

Myron E. (Mike) Ullman, III, chairman and chief executive officer said, "During the September period, further weakening of the economic climate was accompanied by unprecedented events in the financial markets. As a result, our business was impacted by falling consumer confidence and spending levels, and mall traffic experienced an even greater decline than in previous months.

"We believe it is prudent to lower expectations for the coming months, but we remain confident in the underlying strength of our business. Our sales patterns indicate that customers appreciate the newness and innovation in our merchandise offerings, as evident in good response to new brands such as Decree, enthusiasm for Sephora in our stores, and the positive reaction we have seen to fall and winter apparel in those regions experiencing cooler temperatures. As we pursue our strategies to deliver a compelling customer experience, we remain committed to tightly controlling inventory levels, and carefully managing our capital and operating expenses. These efforts will position JCPenney to gain market share both during and after this economic downturn."

As part of the Company's continuing effort to provide newness in its merchandise assortments, it announced the launch of *I "Heart" Ronson*, a complete women's fashion sportswear line designed by Charlotte Ronson to be sold exclusively at JCPenney in spring of 2009.

The Company opened 12 new stores on Oct. 3, bringing the total of new and relocated stores in 2008 to 35, consistent with the Company's previously announced Bridge Plan. In addition, over the course of the year JCPenney will complete extensive renovations of 21 stores, three store expansions, and refurbishments and upgrades to 90 other stores across the country.

The Company continues to maintain a strong financial position, with \$2.1 billion of cash investments available as of the end of the second quarter to fund peak seasonal inventory needs of approximately \$1.0 billion. The Company's liquidity position is further supported by a \$1.2 billion revolving credit facility.

### **Updated Third Quarter Sales and Earnings Outlook**

The following updated guidance takes into consideration operating performance during the first two months of the Company's fiscal third quarter, and the expectation for a continuation of weaker sales trends.

- ***October sales:*** Comparable department store sales are expected to decrease low-double digits.
- ***Third quarter sales:*** Management now expects comparable store sales to decrease low-double digits.
- ***Third quarter earnings:*** Management now expects earnings for the third quarter to be in the range of \$0.50 to \$0.60 per share, compared to previous guidance of \$0.70 to \$0.75 per share.

### **New Release Dates for Third and Fourth Quarter Earnings**

The Company will release third quarter earnings and fourth quarter and full year earnings on Friday, Nov. 14, 2008, and Friday, Feb. 20, 2009, respectively.

## Preliminary September Sales Summary

(\$ in millions)

	Total Company Sales for period ended		% Increase/(Decrease)			
	Oct. 4, 2008	Oct. 6, 2007	Total Sales		Comp Stores	
			2008	2007	2008	2007
<u>5 Weeks</u>	\$ 1,446	\$ 1,622	(10.9)	(2.4)	(12.4)	(3.7)
<u>9 Weeks</u>	\$ 2,959	\$ 3,185	(7.1)	(1.8)	(8.6)	(3.0)
<u>35 Weeks</u>	\$ 11,368	\$ 11,927	(4.7)	1.9	(6.6)	1.4

### ***Sales Conference Call Recording (8:30 a.m. ET) -- (877) 793-7778***

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#### **About JCPenney**

JCPenney is one of America's leading retailers, operating 1,093 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 2007 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, recession, consumer spending patterns, credit availability 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, dollar and other currency valuations, 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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