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# News Release

## **JCPENNEY REPORTS APRIL SALES**

**Comparable Store Sales Increase 2.6 Percent, Direct Sales Increase 1.5 Percent**

**Company Raises First Quarter Earnings Guidance to Approximately \$0.88 Per Share**

**PLANO, Texas, May 4, 2006** -- J. C. Penney Company, Inc. (NYSE:JCP) total department store sales increased 3.2 percent for the four weeks ended April 29, 2006. On a comparable store basis, sales increased 2.6 percent, in line with guidance for a low single digit increase, and compared to a 3.5 percent increase in the same period last year. The southeast and western regions of the country continue to generate the strongest sales results, with the best divisional performance coming from children's, family shoes, and men's apparel.

Direct sales increased 1.5 percent during the period, compared to initial guidance for sales to be flat to up slightly. The sales improvement compared to an increase of 12.5 percent in the April period last year. Internet sales through [jcp.com](http://jcp.com) continue to represent the company's fastest growing sales channel, increasing 17 percent in April, on top of a 45 percent increase last year.

### **May Sales Guidance**

For the month of May, management expects comparable department store sales to increase low single digits and Direct sales to be about flat. In last year's May period, comparable department store and Direct sales increased 2.9 percent and 7.8 percent, respectively.

### **Earnings Outlook**

Based on operating performance trends, the Company now expects first quarter earnings from continuing operations to be approximately \$0.88 per share, including approximately \$0.05 per share from real estate income and from lower than expected interest expense. This compares

to initial guidance of \$0.80 per share for this year's quarter and \$0.62 per share last year. Adding this change into full year results, the Company now expects full year earnings from continuing operations to be in the range of \$4.22 to \$4.32 per share.

### **Preliminary April Sales Summary**

(\$ in millions)

|                   | Period ended     |                  | % Increase |      |             |      |
|-------------------|------------------|------------------|------------|------|-------------|------|
|                   | Apr. 29,<br>2006 | Apr. 30,<br>2005 | All Stores |      | Comp Stores |      |
|                   |                  |                  | 2006       | 2005 | 2006        | 2005 |
| <u>4 Weeks</u>    |                  |                  |            |      |             |      |
| Department stores | \$ 1,168         | \$ 1,132         | 3.2        | 4.6  | 2.6         | 3.5  |
| Direct            | 201              | 198              | 1.5        | 12.5 |             |      |
| Total Company     | \$ 1,369         | \$ 1,330         | 2.9        | 5.6  |             |      |
| <u>13 Weeks</u>   |                  |                  |            |      |             |      |
| Department stores | \$ 3,535         | \$ 3,459         | 2.2        | 3.4  | 1.3         | 2.8  |
| Direct            | 685              | 659              | 3.9        | 5.4  |             |      |
| Total Company     | \$ 4,220         | \$ 4,118         | 2.5        | 3.7  |             |      |

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

### **First Quarter Earnings Conference Call**

Management will host a live conference call and real-time webcast on May 11, 2006, 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 6939841. The live webcast may be accessed via JCPenney's Investor Relations page at [jcpenny.net](http://jcpenny.net), or on [streetevents.com](http://streetevents.com) (for members) and [fulldisclosure.com](http://fulldisclosure.com) (for media and individual investors). Replays of the webcast will be available for up to 90 days after the event.

**For further information, contact:**

#### Investor Relations

Bob Johnson; (972) 431-2217; [rvjohnso@jcpenny.com](mailto:rvjohnso@jcpenny.com)

Ed Merritt; (972) 431-8167; [emerritt@jcpenny.com](mailto:emerritt@jcpenny.com)

#### Media Relations

Darcie Brossart; (972) 431-3400; [dbrossar@jcpenny.com](mailto:dbrossar@jcpenny.com)

Quinton Crenshaw; (972) 431-3400; [gcrensa@jcpenny.com](mailto:gcrensa@jcpenny.com)

#### **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 151,000 associates. As of April 29, 2006, J. C. Penney Corporation, Inc. operated 1,021 JCPenney department stores throughout the United States and Puerto Rico. JCPenney is the nation's largest catalog merchant of general merchandise, and jcp.com is one of the largest apparel and home furnishings sites on the Internet. JCPenney refers to the catalog/Internet business as Direct.

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, changes in credit card payment terms, seasonality, economic conditions, including the price and availability of oil and natural gas, 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. In addition, non-GAAP terms referenced are defined and presented in the Company's most recent annual report on Form 10-K.

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