

# JCPenney News Release

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## JCPENNEY REPORTS AUGUST SALES

**Comparable Department Store Sales Increase 3.8%**

**Catalog/Internet Sales Increase 6.0%**

**PLANO, Texas, September 2, 2004** -- J. C. Penney Company, Inc. (NYSE:JCP) reported today that comparable Department Store sales increased 3.8 percent for the four weeks ended August 28, 2004. Sales reflected good customer response to back-to-school merchandise assortments as well as the Home marketing event, and represented the fourth consecutive year of solid August performance. Catalog/Internet sales increased 6.0 percent, with strong results from the Fall/Winter Big Book and continued growth of Internet. Internet sales increased more than 35 percent for the period.

The Company currently projects September sales for both comparable Department Stores and Catalog/Internet to increase low-single digits.

At this time, management is reaffirming its recently announced third quarter earnings guidance in the range of \$0.35 to \$0.40 per share. As of August 31, 2004, the Company had repurchased 6.1 million shares of its common stock in open market transactions.

**Preliminary Sales Summary**  
(\$ in millions)

	Period ended		% Increase	
	Aug. 28, 2004	Aug 23, 2003	All Stores	Comparable Stores
<b><u>4 Weeks</u></b>				
Department stores	\$ 1,346	\$ 1,294	4.0	3.8
Catalog/Internet	194	183	6.0	
Total	<u>\$ 1,540</u>	<u>\$ 1,477</u>	4.3	
<b><u>30 Weeks</u></b>				
Department stores	\$ 8,058	\$ 7,502	7.4	7.5
Catalog/Internet	1,372	1,331	3.1	
Total	<u>\$ 9,430</u>	<u>\$ 8,833</u>	6.8	

***Sales Conference Call Recording (8:00 a.m. Eastern)***  
***Monthly Sales Plan***

***402-220-5662***  
***972-431-5500***

J. C. Penney Corporation, Inc., the wholly-owned operating subsidiary of the Company, is one of America's largest department store, catalog, and e-commerce retailers, employing approximately 150,000 associates. As of July 31, 2004, J. C. Penney Corporation, Inc. operated 1,018 JCPenney department stores throughout the United States and Puerto Rico, and 60 Renner department stores in Brazil. JCPenney Catalog, including e-commerce, 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. J. C. Penney Corporation, Inc. is a contributor to JCPenney Afterschool Fund, a charitable organization committed to providing children with high quality after school programs to help them reach their full potential.

*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, and government activity. Investors should take such risks into account when making investment decisions. In addition, non-GAAP terms referenced, such as EBITDA and free cash flow, are defined and presented in the Company's 2003 Annual Report on Form 10-K.*

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