

JCPenney News Release

CONTACT

Quinton Crenshaw
Public Relations
(972) 431-5581
qcrensa@jcpenney.com

Tim Lyons
Public Relations
(972) 431-4834
tmylons@jcpenney.com

Bob Johnson
Investor Relations
(972) 431-2217
rvjohnso@jcpenney.com

Ed Merritt
Investor Relations
(972) 431-8167
emerritt@jcpenney.com

JCPENNEY REPORTS SOLID NOVEMBER/DECEMBER SALES

Department Store and Catalog/Internet Sales Increase In-Line with Expectations

Fourth Quarter Earnings Trending Toward the High End of Previous Guidance

PLANO, Texas, January 6, 2005 -- J. C. Penney Company, Inc. (NYSE:JCP) reported 2004 holiday sales, comprised of the nine-week November and December period, increased by 3.1 percent for comparable Department Stores and 1.9 percent for Catalog/Internet. Internet sales increased over 30 percent and now exceed \$745 million for the year. *(See table for December only results.)*

Sales for both the November and December periods individually, were within management's guidance for Department Stores and Catalog/Internet, and reflected strong Thanksgiving and after-Christmas performance. As previously noted, the Company's reporting calendar in 2004 is impacted by a fiscal calendar shift resulting from last year's 53rd week, in particular, Thanksgiving week sales were reported in November this year and December last year.

Based on the results of the November and December periods, management now believes that fourth quarter earnings are trending toward the high-end of previously communicated guidance. Earnings are now expected to be in the range of \$1.00 to \$1.05 per share, including the impact of previously disclosed one-time charges of approximately \$0.08 per share.

Preliminary Sales Summary
(\$ in millions)

	Period ended		% Increase/ (Decrease)	
	Jan. 01, 2005	Dec. 27, 2003	All Stores	Comparable Stores
<u>5 Weeks</u>				
Department stores	\$ 2,801	\$ 2,839	(1.3)	(1.2)
Catalog/Internet	400	375	6.7	
Total	\$ 3,201	\$ 3,214	(0.4)	
<u>9 Weeks</u>				
Department stores	\$ 4,344	\$ 4,216	3.0	3.1
Catalog/Internet	684	671	1.9	
Total	\$ 5,028	\$ 4,887	2.9	
<u>48 Weeks</u>				
Department stores	\$ 14,828	\$ 14,090	5.2	5.3
Catalog/Internet	2,551	2,485	2.7	
Total	\$ 17,379	\$ 16,575	4.9	

For the month of January, the Company now expects comparable Department Stores to decline low- to mid-single digits and Catalog/Internet to increase mid-single digits. January results continue to reflect the impact of the fiscal calendar shift.

Capital Structure Repositioning Update

As of January 3, 2005 the Company had repurchased 43.4 million shares of its common stock in open market transactions for approximately \$1.7 billion. This represents approximately 56 percent of the total planned share repurchase program. The Company continues to expect to complete the share repurchase program by the end of the second quarter of 2005.

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

402-220-5662

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 30, 2004, J. C. Penney Corporation, Inc. operated 1,020 JCPenney department stores throughout the United States and Puerto Rico, and 61 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.

#