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News Release

JCPENNEY REPORTS DECEMBER SALES

Comparable Store Sales Increase 2.6 Percent, Internet Sales Increase 15.2 Percent

PLANO, Texas, Jan. 4, 2007 -- J. C. Penney Company, Inc. (NYSE:JCP) comparable department store sales increased 2.6 percent for the five weeks ended Dec. 30, 2006, in line with initial expectations for a low-single digit increase and compared with a 2.2 percent gain last year. Total department store sales increased 4.2 percent for the five weeks. The best sales performances for the month were in children's, fine jewelry and fashion jewelry, as well as seasonal and gift categories such as home entertainment.

Geographically, the best performances for the month were in the west and northeast regions of the country. While certain apparel areas were impacted by unseasonably warm weather across much of the country, the Company is pleased with overall holiday sales performance and its enhanced "redbox gifts" program.

Internet sales through www.jcp.com increased 15.2 percent in December, on top of a 26 percent increase last year. Total Direct sales, including catalog media and outlet stores, decreased 1.4 percent for the period compared with initial guidance for a low-single digit increase and a 4.3 percent increase last year. Direct sales reflect improvement in the performance of apparel, accessory and gift merchandise, partially offsetting weakness in soft home, which represents a significant share of the Direct business.

January Sales Guidance

On a four week basis, January comparable department store sales are expected to increase low-single digits and Direct sales are expected to be down slightly. In last year's January period, comparable department store sales and Direct sales increased 2.5 percent and 4.3 percent,

respectively. This year's 53rd week, which will be included in the January reporting period, is expected to generate approximately \$200 million in total department store and Direct sales, as previously disclosed.

Preliminary December Sales Summary

(\$ in millions)

	Period ended		% Increase /(Decrease)			
	Dec. 30, 2006	Dec. 31, 2005	All Stores		Comp Stores	
			2006	2005	2006	2005
<u>5 Weeks</u>						
Department stores	\$ 2,955	\$ 2,836	4.2	3.0	2.6	2.2
Direct	411	417	(1.4)	4.3		
Total Company	<u>\$ 3,366</u>	<u>\$ 3,253</u>	3.5	3.1		
<u>9 Weeks</u>						
Department stores	\$ 4,571	\$ 4,401	3.9	3.5	2.2	2.7
Direct	701	708	(1.0)	3.5		
Total Company	<u>\$ 5,272</u>	<u>\$ 5,109</u>	3.2	3.5		
<u>48 Weeks</u>						
Department stores	\$ 15,799	\$ 15,045	5.0	3.7	3.7	2.9
Direct	2,712	2,642	2.6	3.6		
Total Company	<u>\$ 18,511</u>	<u>\$ 17,687</u>	4.7	3.7		

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

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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 151,000 associates. As of Oct. 28, 2006, J. C. Penney Corporation, Inc. operated 1,037 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 Internet/catalog 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, seasonality, economic conditions, including the price and availability of oil and natural gas, changes in interest rates, changes in management, retail industry consolidations, government activity, and acts of terrorism or war. 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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