

it's **all** inside.



stores | catalog | .com

News Release

JCPENNEY JANUARY SALES EXCEED EXPECTATIONS

Comparable Department Store Sales Increase 3.3 Percent

Catalog/Internet Sales Increase 12.6 Percent

Company Raises Fourth Quarter Earnings Guidance

PLANO, Texas, February 3, 2005 -- J. C. Penney Company, Inc. (NYSE:JCP) reported today that comparable department store sales increased 3.3 percent for the four weeks ending January 29, 2005. Department store sales exceeded expectations and reflected good sell-through of seasonal and holiday clearance merchandise, as well as a positive early response to Spring apparel and seasonal products.

Catalog/Internet sales increased 12.6 percent for the comparable four week period, which was also above expectations. Internet sales for the comparable four week period increased nearly 45 percent for the month. For the full year, Internet sales increased 31 percent and totaled approximately \$812 million.

While the Company has not finalized earnings for the quarter, based on January's sales performance, management now expects fourth quarter earnings to be in the range of \$1.08 to \$1.12 per share. Earnings will be released on February 24, 2005. The Company will provide earnings guidance for 2005 in conjunction with the fourth quarter earnings release.

For the month of February, the Company expects comparable Department Stores sales to be flat to up slightly and Catalog/Internet sales to increase low single digits. This compares to increases of 12.1 percent and 8.0 percent, respectively, in last year's February period.

Preliminary Sales Summary

(\$ in millions)

	Period ended			% Increase	
	Jan. 29, 2005	Jan. 31, 2004	% (Dec.)/Inc	Excluding 53rd Week*	Comparable Stores **
<u>4 vs 5 Weeks</u>					
Department stores	\$ 879	\$ 997	(11.8)	4.0	3.3
Catalog/Internet	188	214	(12.1)	12.6	
Total Company	<u>\$ 1,067</u>	<u>\$ 1,211</u>	(11.9)	5.4	
<u>13 vs 14 Weeks</u>					
Department stores	\$ 5,210	\$ 5,213	(0.1)	2.9	3.1
Catalog/Internet	872	885	(1.5)	3.9	
Total Company	<u>\$ 6,082</u>	<u>\$ 6,098</u>	(0.3)	3.1	
<u>52 vs 53 Weeks</u>					
Department stores	\$ 15,693	\$ 15,087	4.0	5.1	5.1
Catalog/Internet	2,739	2,699	1.5	3.3	
Total Company	<u>\$ 18,432</u>	<u>\$ 17,786</u>	3.6	4.8	

* Last year's 53rd week accounted for sales (in millions) of \$152 and \$46 for department stores and catalog/Internet respectively

** Comparable store sales are presented on a 4-week, 13-week and 52-week basis.

Capital Structure Repositioning Update

As of January 28, 2005 the Company had repurchased approximately 50 million shares of its common stock in open market transactions for approximately \$2 billion. This represents approximately two-thirds 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

Fourth Quarter Earnings Conference Call

Senior management will host a live conference call and real-time webcast on February 24, 2005, beginning at 9:30 a.m. EST. 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 **4323462**. The live webcast may be accessed via JCPenney's

Investor Relations page (JCPenney.net), or on StreetEvents.com (for members) and 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:

Public Relations

Carolyn Covey Morris; (972) 431-4753; ccovey1@jcpenney.com
Quinton Crenshaw; (972) 431-5581; qcrensa@jcpenney.com

Investor Relations

Bob Johnson; (972) 431-2217; rvjohnso@jcpenney.com
Ed Merritt; (972) 431-8167; emerritt@jcpenney.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 150,000 associates. As of January 29, 2005, J. C. Penney Corporation, Inc. operated 1,017 JCPenney department stores throughout the United States and Puerto Rico, and 63 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, changes in management, 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.

###