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News Release

JCPENNEY REPORTS JANUARY SALES

Comparable Department Store Sales Increase 2.5%, Direct Sales Increase 4.3%

Management Outlines Operating Profit Guidance

PLANO, Texas, Feb. 2, 2006 -- J. C. Penney Company, Inc. (NYSE:JCP) comparable department store sales increased 2.5 percent for the four weeks ended January 28, 2006, while total department store sales increased 2.9 percent. Comparable store sales were in line with previous guidance for a low-single digit increase, and compare with a sales increase of 2.5 percent in last year's January period. Sales were positive across all regions of the country and all merchandise divisions, with the strongest performance in children's apparel, family shoes, women's accessories, and fine jewelry. Sales strengthened throughout the month, with a positive initial response to spring apparel and seasonal products.

Direct (catalog/Internet) sales increased 4.3 percent during the period, compared to previous guidance for flat sales. The sales increase comes on top of a 12.6 percent increase in the January period last year. Sales through jcpenney.com were up low double digits in January and nearly 28 percent for the fiscal year, and as previously announced, exceeded \$1 billion in annual sales.

February Sales Guidance

For the month of February, the company expects both comparable department stores sales and Direct sales to be flat to up slightly. In last year's February period, comparable department store sales increased 5.9 percent and Direct sales increased 6.4 percent.

Preliminary Sales Summary

(\$ in millions)

	Period ended		% Increase			
			All Stores		Comp Stores	
	Jan. 28, 2006	Jan. 29, 2005 ⁽¹⁾	Jan. 28, 2006	Jan. 29, 2005	Jan. 28, 2006 ⁽¹⁾	Jan. 29, 2005
<u>4 Weeks</u>						
Department stores	\$ 898	\$ 873	2.9	2.4	2.5	2.5
Direct	196	188	4.3	12.6		
Total Company	\$ 1,094	\$ 1,061	3.1	4.2		
<u>13 Weeks</u>						
Department stores	\$ 5,299	\$ 5,083	4.2	2.5	2.6	2.8
Direct	904	872	3.7	3.9		
Total Company	\$ 6,203	\$ 5,955	4.2	2.7		
<u>52 Weeks</u>						
Department stores	\$ 15,943	\$ 15,357	3.8	4.7	2.9	4.9
Direct	2,838	2,739	3.6	3.3		
Total Company	\$ 18,781	\$ 18,096	3.8	4.5		

(1) 2005 department store sales have reflected the accounting for a sales returns reserve on a monthly basis. Beginning with the October period, 2004 monthly sales are being shown on a comparable basis with 2005.

Fourth Quarter Earnings Guidance

While the company has not finalized earnings for the quarter, management currently expects operating profit for the fourth quarter to increase to approximately 10.3 percent of sales. In addition, management expects reported earnings will be positively impacted by two one-time items related to income taxes. The first item, attributable principally to certain state tax valuation allowance adjustments, is expected to benefit income from continuing operations by about \$0.20 per share. The second item, principally related to the resolution of tax issues involving the Eckerd Drugstore operation, which the company sold in 2004, is expected to benefit discontinued operations by about \$0.40 per share.

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 16, 2006, 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 **5717203**. 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.

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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 150,000 associates. As of January 28, 2006, J. C. Penney Corporation, Inc. operated 1,019 JCPenney department stores throughout the United States and Puerto Rico. JCPenney 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. 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 2004 annual report on Form 10-K.

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