

JCPenney News Release

CONTACT

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

Carolyn Covey Morris
Public Relations
(972) 431-4753
ccovey1@jcpenney.com

Eli Akresh
Investor Relations
(972) 431-2207
eakresh@jcpenney.com

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

JCPENNEY REPORTS JUNE SALES

Comparable Department Store Sales Increase 4.8%

Management Raises Second Quarter Earnings Guidance

PLANO, Texas, July 8, 2004 -- J. C. Penney Company, Inc. (NYSE:JCP) reported today that comparable department store sales increased 4.8 percent for the five weeks ended July 3, 2004. Sales reflect a good customer response to planned Father's Day marketing events.

Catalog/Internet sales decreased 3.4 percent, with Internet increasing over 25 percent. Sales were soft primarily as a result of out-of-stocks in selected merchandise categories due to strong sales earlier in the season.

For July, the Company currently expects comparable department store sales to be up low single digits. Catalog/Internet sales are expected to be down mid-single digits, compared with a strong 10.6 percent gain last year.

Operating profit for the second quarter is tracking above previous guidance, reflecting strong department store sales and related gross margin, as well as an improved profit contribution from Catalog/Internet. As a result, the Company now expects second quarter earnings in the range of \$0.09 to \$0.13 per share, compared to a loss of \$0.03 per share in last year's second quarter.

Preliminary Sales Summary

(\$ in millions)

	Period ended		% Increase/(Decrease)	
	July 3, 2004	June 28, 2003	All Stores	Comparable Stores
<u>5 Weeks</u>				
Department stores	\$ 1,257	\$ 1,200	4.8	4.8
Catalog/Internet	198	205	(3.4)	
Total	<u>\$ 1,455</u>	<u>\$ 1,405</u>	3.6	
<u>9 Weeks</u>				
Department stores	\$ 2,299	\$ 2,156	6.6	6.7
Catalog/Internet	377	384	(1.8)	
Total	<u>\$ 2,676</u>	<u>\$ 2,540</u>	5.4	
<u>22 Weeks</u>				
Department stores	\$ 5,708	\$ 5,280	8.1	8.4
Catalog/Internet	1,002	971	3.2	
Total	<u>\$ 6,710</u>	<u>\$ 6,251</u>	7.3	

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 J. C. Penney Company, Inc., (the “Company”) is one of America’s largest department store, catalog, and e-commerce retailers, employing approximately 150,000 associates. As of May 1, 2004, J. C. Penney Corporation, Inc. operated 1,021 JCPenney department stores throughout the United States and Puerto Rico, and 59 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.

###