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News Release

JCPENNEY REPORTS SEPTEMBER SALES

Comparable Department Store Sales Increase 1.4 Percent

Accelerated Share Repurchases Raise Third and Fourth Quarter EPS Guidance

PLANO, Texas, October 6, 2005 -- J. C. Penney Company, Inc. (NYSE:JCP) total department store sales increased 1.9 percent, while comparable store sales increased 1.4 percent for the five weeks ended October 1, 2005. Comparable store sales were in line with guidance of a low-single digit increase and come on top of a 1.8 percent increase in last year's September period. The best performing merchandise categories for the month were family shoes, home, and children's apparel. From a geographical perspective, sales continue to be strongest in the southeast and western regions of the country.

Direct (catalog/Internet) sales increased 0.4 percent, which was also in line with guidance, and compared to a 3.3 percent increase in last year's September period. Sales for jcpenney.com increased nearly 30 percent in the September period in both this year and last year.

October Sales Guidance

For the month of October, the company expects comparable department store sales to increase low-single digits compared to an increase of 1.8 percent in the same period last year. Direct (catalog/Internet) sales are expected to be about flat versus a 1.7 percent increase last October, with continued strength coming from jcpenney.com. On October 7, 2005 the company will open seven stores in existing markets, six of which are in the off-mall format. An additional four stores are expected to open in the fourth quarter. In total the company will open 19 stores in fiscal 2005, representing its largest number of store openings since 1997.

Preliminary Sales Summary

(\$ in millions)

	Period ended		% Increase			
			All Stores		Comp Stores	
	Oct. 1, 2005	Oct. 2, 2004	Oct. 1, 2005	Oct. 2, 2004	Oct.1, 2005	Oct. 2, 2004
<u>5 Weeks</u>						
Department stores	\$ 1,251	\$ 1,228	1.9	1.8	1.4	1.8
Direct	254	253	0.4	3.3		
Total Company	<u>\$ 1,505</u>	<u>\$ 1,481</u>	1.6	2.0		
<u>9 Weeks</u>						
Department stores	\$ 2,627	\$ 2,554	2.9	3.0	2.2	3.0
Direct	448	448	0.0	4.7		
Total Company	<u>\$ 3,075</u>	<u>\$ 3,002</u>	2.4	3.3		
<u>35 Weeks</u>						
Department stores	\$ 9,476	\$ 9,127	3.8	6.4	3.0	6.6
Direct	1,698	1,625	4.5	3.1		
Total Company	<u>\$ 11,174</u>	<u>\$ 10,752</u>	3.9	5.9		

Earnings Guidance

As a result of an acceleration of the company's share repurchase program due to recent market conditions, management is raising earnings per share guidance for the third and fourth quarters. Management now expects earnings from continuing operations to be approximately \$0.84 per share and \$1.56 per share for the third and fourth quarters, respectively. This earnings guidance assumes average diluted outstanding common shares of approximately 249 million and 235 million shares for the third and fourth quarters, respectively. The company had previously guided to earnings from continuing operations of \$0.82 per share and \$1.52 per share for the third and fourth quarters, respectively. Management continues to expect full year operating profit to be in the area of eight percent of sales, consistent with previous guidance.

Capital Structure Repositioning Update

The company repurchased 11.4 million shares of common stock during the five weeks ended October 1, 2005, bringing total fiscal 2005 repurchases to 35.1 million shares of common stock for approximately \$1.8 billion. The company has now completed approximately \$3.7 billion, or

nearly 90 percent, of the aggregate \$4.15 billion share repurchase programs authorized since 2004, and continues to expect to complete the existing programs by the end of fiscal 2005.

Sales Conference Call Recording (8:00 a.m. Eastern) – (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 150,000 associates. As of July 30, 2005, J. C. Penney Corporation, Inc. operated 1,015 JCPenney department stores throughout the United States and Puerto Rico. JCPenney is the nation's largest catalog merchant of general merchandise, and jcpenny.com is one of the largest apparel and home furnishings sites on the Internet.

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, 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.

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