JCPenney Company, Inc.
Investor Update Package

May 16, 2006

The following information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which reflect the company's current view of future events and financial performance. The words expect, plan, anticipate, believe, intend, should, will and similar expressions identify forward-looking statements. Any such forward-looking statements are subject to 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 energy prices, increases in minimum credit card payments, retail industry consolidations, changes in management, acts of terrorism or war, and government activity. Please refer to the company's current Form 10-K and other filings with the SEC for a further discussion of risks and uncertainties. Non-GAAP terms, such as EBITDA and free cash flow, are defined and presented in the company's most recent Annual Report on Form 10-K. This information may not be republished or otherwise distributed without the prior written consent of JC Penney Company, Inc.

Table of Contents

Executive Summary

2005 Accomplishments

- Operating profit increased nearly 23% for the year, up 130 bps to 8.4% of sales
- Sales through jcp.com surpassed $1 billion
- Comparable department store sales increased 2.9%
- Sales per gross square foot in JCPenney stores increased to $157
- Gross margin increased 70 bps to 39.3% of sales
- SG&A improved by 60 bps to 30.9% of sales
- Upgraded credit ratings on company debt to investment grade
- Generated $700 million of free cash flow, ended with $3.0 billion in cash and short-term investments
- Completed aggregate $4.1 billion common stock buyback program
- Announced new shareholder value programs
  - $750 million common stock buyback program, expect to complete by the end of fiscal 2006
  - 44 percent increase in annual dividend (from $0.50 to $0.72 per share)
- Opened 18 new stores, the most in eight years

Growth Initiatives

- Accelerate new store growth
  - 50 new stores per year, beginning in 2007
  - Dept. store square footage growth of about 3% annually, beginning in 2007
  - Key EPS drivers are growth initiatives and improving fundamentals
- Merchandise
  - Grow private brands and launch new brands
  - Focus resources on key businesses (children's apparel and shoes, women's shoes, intimate apparel, handbags, fashion jewelry and beauty)
  - Improve inventory flow and cycle time
  - Accelerate JCPenney brand marketing efforts
- Internet competitive advantage
  - Capitalize on industry leadership position and existing infrastructure

Financial Targets

- EPS expected to grow at 16% annually through 2009
- Comparable department store sales increasing low-single digits through 2009
- Direct (catalog and Internet) sales increasing mid single digits through 2009
- Gross margin about 40%, SG&A < 30% in 2009
- Operating profit of 10% to 10.5% in 2009
- Continued strengthening of credit profile

Long Range Plan

JCPenney Vision

- Make JCPenney the preferred shopping choice for Middle America
  - We define Middle America as household income of $35,000 to $85,000 and 35 to 54 years of age
- Long-Range Plan is focused on delivering benefits to customers – in order to acquire new customers, increase shopping frequency, gain greater share of spending – as well as associates and investors

Four Key Strategies of the Long-Range Plan

I. Make an emotional connection with the customer

- Offer styles that inspire and reflect the lifestyles of our customer
- Create winning JCPenney private brands that develop customer loyalty
- Build focused businesses that are compelling to our customer and improve performance
- Provide merchandise with quality and selection comparable to relevant competitors at smart prices
- Develop powerful marketing and advertising that motivates our customers to visit JCPenney on a regular basis

II. Make JCPenney an easy and exciting place to shop

- Interact with our customers pleasantly and efficiently
- Clearly communicate ideas and information important to our customer
- Add interest, newness and excitement to the shopping experience
- Create easy and seamless shopping by connecting our channels – (multi-channel)
- Strengthen our market presence with new stores and renovations

III. Make JCPenney a great place to work

- Attract, develop, and retain the best people in retail
- Create and sustain a customer-focused culture

IV. Make JCPenney a leader in performance and execution

- Maintain consistent, competitive sales growth
- Increase the productivity of our assets, including inventory and selling space
- Optimize our operating speed and cycle time
- Improve gross margin
- Continually challenge and leverage our expense structure
- Achieve top quartile performance within the retail industry

Making an Emotional Connection

Lifestyle Merchandising (4 key lifestyles)

CONSERVATIVE	**TRADITIONAL**
• Comfortable • Practical • Hesitant to change • Look for: - Comfort (loose fitting) - Ease of care *(Towncraft, Cabin Creek)*	• Timeless • Classic • Look for: - Hidden comfort - Natural fibers - Product detail/quality - Ease of care *(Stafford, St. John's Bay, Solitude)*
MODERN	**TRENDY**
• On-trend • Open to change • Look for: - New takes on traditional looks - Shaped fit - Product detail/quality *(Worthington, a.n.a, W, Studio)*	• Fast fashion • Open to change • Look for: - Latest trends - Cutting edge - Ability to push the envelope *(Mixit, Bisou Bisou,)*

- Lifestyle Merchandising requires that the company understands and responds to the target customer
  - Develop assortments that reflect the many styles of our customer
  - Lifestyle reflects attitude and how customers live (casual, active, work, home)
- JCPenney's goal is to:
  - Offer merchandise with quality and selection comparable to other department and specialty stores at smart prices
  - Introduce new brands and products to fill opportunities in the assortment, attract new customers, and add interest, newness and excitement
  - Balance the level of basic and fashion items within each lifestyle
    - Essential items – basic, long-life items on the selling floor 7 or more months
    - Core items – on the selling floor 5 – 6 months
    - Fashion items – quick inventory turns, on the selling floor less than 4 months
- Recent launches include:
  - Sephora
  - a.n.a, Miss Bisou, Izod (women's)
  - Solitude (men's)
  - Chris Madden Hotel, Studio by the JCPenney Home Collection (home)
  - Rule by Steve Madden (family footwear)

Growing Private Brands

- Private brand strategy for growth
  - Private brands accounted for over 40% of JCPenney sales in 2005 – optimal mix of private vs. national brands will be determined by the customer
  - Private brand gross margins are 300 to 500 basis point higher than national brands
  - Private and exclusive brands develop customer loyalty through differentiation, smart pricing
  - Balanced by national brands which provide credibility and recognition
- Seven major private brands generate about 80% of private brand sales
  - The JCPenney Home Collection* (home)
  - St. John's Bay* (women's and men's sportswear)
  - Arizona* (juniors, young men's, children's)
  - Worthington (women's career and accessories)
  - Stafford (men's career and accessories)
  - Delicates (intimate apparel)
  - Okie Dokie (children's)

** sales exceeded $1 billion in 2005*

Cycle Time Reduction -- Planning & Allocation and Sourcing

- The cycle time process begins with the initial product concept, ending with delivery of merchandise to the store
- Average cycle time is currently over 50 weeks, expect substantial reduction to approximately 30 weeks
- Cycle time initiative is managed by Sourcing and Planning & Allocation areas
- Cycle time improvement will be achieved through:
  - Pre-planning – from design to merchandise replenishment parameters
  - Better pre-positioning of raw materials
  - Collaboration across the entire supply chain
  - Centralized technical product development
- Largest impact of cycle time reduction will be on fashion product

  Once and done merchandise (fashion product)

  - Pre-allocated merchandise routed through the distribution center network without being held in inventory
  - Less than a 4 month selling life of product

  Hold and flow (core product)

  - Initial assortment delivered to stores, remainder of the assortment held in a supplier warehouse or JCPenney warehouse
  - 5 to 6 month life of product

Warehouse replenishment (basics product)

- – Product is warehoused in a JCPenney distribution center or at vendor
- – Greater than 7 month life of product

- Planning & Allocation technology involved in reducing cycle time:
  - Merchandise planning (class level)
  - Store planning
  - Item planning
  - Assortment planning
  - Allocation
  - Basic replenishment
- Benefits of improved cycle time:
  - Higher frequency of new product in stores
  - Newness of product drives more frequent customer visits to JCPenney
  - Better gross margins
  - Reduced inventory levels – increased inventory turns, lower carrying costs
  - Better stock balancing
  - Improved advertised item service levels (in-stocks)
  - Higher basics service levels (in-stocks)
- a.n.a example: created and shipped in just 96 days

Impact of Quota Elimination

- JCPenney will optimize production in targeted countries and factories, reflecting the current market dynamics
- Cost reductions allow investment in better product
- China will become a more important source for product over time

Marketing

- Connecting on an emotional level
- Message is balanced between promotion and branding, however, JCPenney is not moving away from being a promotional retailer
- Attract new customers who have not been aware of what JCPenney has to offer
- Academy awards sponsorship
  - Reached 37 million total viewers, including 26% of the U.S. population of women between the ages of 18 and 54
- Spring brand campaign
  - Reached 90% of the total U.S. population of women ages 18 to 54 about 16 times over a 4-week period
  - Focused on key primetime, “appointment television” with large audiences
- Hispanic marketing
  - Exclusive retail sponsorship of Premio lo Nuestro
  - 11 million Hispanic viewers

- On-line marketing will continue to grow
- Exclusive partnerships will be developed
  - Brand sitelets with streaming video enabling customers to watch, click and buy
  - Dedicated designer private brand landing pages
- “The JCPenney Experience” March 3-26, 2006, One Times Square, New York City
  - Biggest brand launch in company’s history
  - Generated significant media coverage (*USA Today, Women’s Wear Daily, Wall Street Journal*, etc.)

Easy and Exciting Place to Shop

Existing Stores

- Increase associate engagement with focus on customer service
  - Sales team – focused on selling activities
  - Support team – focused on replenishment, visual, pricing and signing activities
- Increasing productivity to strengthen our store portfolio
  - Improved customer satisfaction
  - Engaged associates
  - Localized operational decision making
  - New and enhanced store technology
- More resources in front of the customer, improved execution, overall expense reduction
- New handheld mobile technology for pricing and signing, report inventory stock status, price inquiry, product knowledge
- Aggressive renovation strategy compared to last 5 years
  - Plan to spend about $250 million annually through 2009 for existing stores
- Consistent, proven BOX1 format is used for all renovations and new stores

New Stores

- Opened 18 new stores in 2005 including 10 relocations (12 new stores were off-mall)
- Now have 28 off-mall stores
- Performance of new store format (both mall and off-mall) continues to exceed expectations
- Plan to open about 50 new stores per year beginning in 2007, primarily off-mall
  - Gross square footage growth approximately 3% annually
  - Plan to spend $600 million annually on new stores through 2009
  - Mall stores core to business, off-mall stores represent new growth opportunity
  - On a long-term basis, have identified up to 400 opportunities for new stores, relocations or expansions

Direct, jcp.com, Multi-Channel

- jcp.com is the top apparel and home Internet site
  - Breadth of assortment not found at other department stores (more sizes, colors, and categories)
  - jcp.com continues to be the fastest growing sales channel
  - jcp.com continues to attract new, younger customers
  - Internet advertising will increase in importance (affiliations with AOL, Yahoo, etc.)
  - one of the highest conversion rates in the industry

- Multi-channel is competitive advantage for JCPenney – leverages pre-existing catalog infrastructure
- On a "typical" non-peak day:
  - jcp.com hosts over 450,000 unique visitors who
  - perform 130,000 searches and
  - view over 12 million pages
  -

Managing the Dynamics of the Direct-to-Consumer Business

- The Direct business is shifting from print business supported by the Internet to a model that is Internet driven and supported by the print business
  - Customer is less reliant on major catalogs "Big Books", however these catalogs remain an important and profitable part of the Direct business
  - Specialty catalogs supplement the offering in the Big Books with freshness and newness
- New POS System
  - Installed chain wide by back-to-school 2006,offers jcp.com access to all stores (over 35,000 POS terminals)
  - Improve efficiency and effectiveness of selling associates
  - Increased functionality, simplifies complex sales transactions
  - In-store access to jcp.com enhances the in-store sales referral program

A Great Place to Work

- Payoff of Making JCPenney a Great Place to Work
  - Higher sales and EBIT
- Attract, develop and retain the best people in retail
- Create and sustain a customer focused culture
- Engagement of all associates
  - Engaged workforce enhances the customer relationship
  - Stores with high engagement score have significantly higher sales and EBIT
- Improve development of existing associates
  - Executive Development
- Store Managers Meeting (January 2006)
  - Store managers “own” the customer experience in their store
  - Making their store a fun place to shop
  - Making their store one that customers will recommend to their friends
  - Beginning in 2006, customer satisfaction will be measured at the store level

Leader In Performance and Execution

2005 Accomplishments

- Reached Financial Position Inflection Point
  - Improved operating performance, operating profit 8.4% of sales

- Value Delivery to Investors
  - Completed aggregate $4.1 billion stock repurchase program in 4th quarter of 2005
  - Key financial metrics are substantially aligned with industry leaders
  - New $750 million stock repurchase program announced, expect to complete in 2006
  - 44% increase in annual dividend
  - Credit rating agencies upgraded JCPenney debt to investment grade
- Capital markets increased both debt and equity valuations throughout the year

(in millions, except per share data)		Fiscal 2003		Fiscal 2004		Fiscal 2005	
Retail sales, net							
Department stores	$	14,815	$	15,357	$	15,943	
Direct (Catalog/Internet)		2,698		2,739		2,838	
Total		17,513		18,096		18,781	
Gross margin		6,498		6,989		7,376	
Selling, general and administrative expenses		5,729		5,702		5,799	
Operating profit		769		1,287		1,577	
Net interest expense		247		223		169	
Bond premiums and unamortized costs		-		47		18	
Real estate and other (income)/expense		(17)		12		(54)	
Income/(loss) from continuing operations before income taxes		539		1,005		1,444	
Income taxes		179		348		467	
Income/(loss) from continuing operations		**360**		**657**		**977**	
Diluted earnings per share from continuing operations	$	1.20	$	2.20	$	3.83	*
Average shares used for diluted EPS calculation		297		307		255	
Ratios as a % of sales							
Gross margin		37.1%		38.6%		39.3%	
SG&A expenses		32.7%		31.5%		30.9%	
Operating profit		4.4%		7.1%		8.4%	
Depreciation and amortization	$	364	$	359	$	372	

** includes $0.20 per share related to one-time tax credits*

End of Year Debt Position

($ in billions)	**2003**	**2004**	**2005**
Long-Term Debt	$5.4	$3.9	$3.5
Cash	3.0	4.7	3.0
Net Debt	2.4	(0.8)	.5
EBITDA [1] Continuing Operations	1.2	1.7	1.8

[1] EBITDA = income from continuing operations + net interest expense + real estate and other expense + bond premium and unamortized costs + depreciation and amortization expense

2nd Quarter 2006 Guidance

- Comparable department store sales up low-single digits
- Direct sales up low-single digits
- Net interest expense of about $40 million
- EPS of about $0.60
- Average diluted shares for the quarter about 238 million (for EPS calculation)
- Tax rate approximately 27 percent

2006 Full Year Guidance

- Comparable department store sales increase low-single digits
- 1% gross square footage growth
- Direct sales increase low-to-mid single digits
- Modest expansion of gross margin
- SG&A expenses leveraged and primary driver of EBIT improvement
- Operating profit of approximately 8.8%
- Interest expense about $160 million
- Income tax rate of about 37%
- Average diluted shares for the year of about 236 million
- EPS $4.24 to $4.34 per share
- Free cash flow of about $200 million (includes higher capex spending)
- Capital expenditures about $800 million

Capital Spending

($in millions)	**2005 Actual**	**2006 Estimate**	**2007-2009 Estimate**
New stores	$175	$350	$600
Existing stores	$205	$250	$250
Technology	$110	$150	$75
Other	$45	$50	$75
Total	$535	$800	$1,000

- Capital spending expected to increase to $1 billion per year through 2009
  - Company has flexibility for opportunistic purchases of real estate – incremental to plan shown above
  - Capital spending planned for 2006 is impacted by increased capital for new and existing stores, and the new point of sale (POS) system.

Long-Range Plan Guidance (2007 to 2009)

- Department store sales increase mid-to-high single digits
- Comp store sales increase low-single digits, improving throughout period
- Direct sales increase mid-single digits
- Gross margin increases over the plan period (about 40% of sales in 2009)
- SG&A improves to less than 30% of sales in 2009, majority of operating profit improvement from SG&A sales leverage
- Targeting operating profit of approximately 10% to 10.5% of sales in 2009
- Free cash flow of about $400 million in 2009
- Stronger credit metrics in 2009 (ROE >25%, ROIC >15%, Debt/EBITDA ≈1 times, cash position of about $1.5 billion)

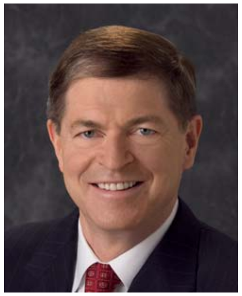
Value Delivery

- Dividend outlook – competitive payout within the retail industry, about 20% of prior year EPS
- Common stock repurchase programs expected to be funded by free cash flow and proceeds from employee stock option exercises
- Debt reductions expected to be funded by existing cash balances

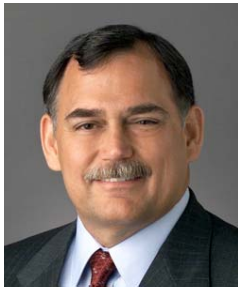
EPS Growth Drivers

- Expect to generate an annual EPS growth rate of about 16% through 2009
- Financial Flexibility
- Sales growth – comp department store sales increases, supplemented by off-mall stores, Direct and multi-channel
- Consistent execution of Long-Range Plan will drive improved operating performance and is the most significant contributor to EPS growth through 2009

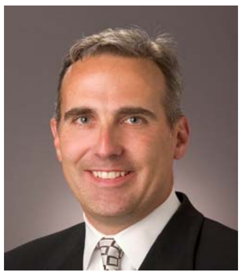
Executive Board Biographies



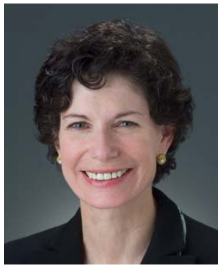
MYRON E. (MIKE) ULLMAN, III is chairman of the board of directors and chief executive officer of JCPenney Company, Inc. Since joining the company in December 2004, Mike has led the development and execution of the company's strategic plan to achieve retail industry leadership. Before JCPenney, Mike served as directeur general, group managing director of LVMH Möet Hennessy Louis Vuitton from 1999 to 2002. He previously served as group chairman and chief executive officer of DFS Group Limited (1995-1999) and as chairman and chief executive officer of R.H. Macy & Co., Inc. (1992-1995). Mike also serves on the board of Starbucks Coffee Company and is vice chairman of the National Retail Federation.



KEN C. HICKS has served as president and chief merchandising officer since January 2005, with responsibility for all of JCPenney's merchandising initiatives, including private brand development. He joined the company in 2002 as president and chief operating officer of JCPenney stores and merchandise operations. Previously, Ken was president of Payless Shoe Source and executive vice president of merchandising and programming for Home Shopping Network. Ken has also held a number of senior merchandise positions at May Department Stores and was a senior manager at McKinsey & Co.

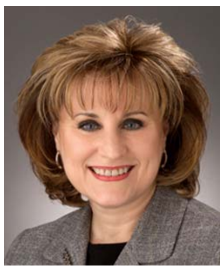


JEFFREY J. ALLISON has served as executive vice president and director of planning and allocation since 2000. In this role, Jeff develops and leads the execution of the company's merchandise planning and allocation strategies, with a primary focus on driving sales and improving inventory productivity. He was formerly vice president of finance at Express, Inc., a division of The Limited, Inc., which he joined in 1990. Jeff began his career with Exxon Corporation.



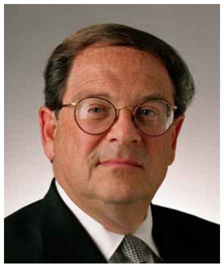
JOANNE L. BOBER has served as JCPenney's executive vice president, general counsel and secretary since 2005. She was previously senior vice president and general counsel at The Chubb Corporation from 1999 to 2005. Prior to then, Joanne held positions including senior vice president, general counsel and secretary at General Signal Corporation and partner at Jones, Day, Reavis and Pogue where she worked for 13 years. Joanne began her career as an attorney with Moore & Peterson in 1980.

MICHAEL J. BOYLSON has served as executive vice president and chief marketing officer since 2003, with responsibility for the development and execution of JCPenney's brand strategy, including all advertising and marketing initiatives and campaigns. In addition, Mike oversees branding for JCPenney's private and proprietary brands, with a focus on the company's top five apparel private brands. Mike Boylson began his career with JCPenney in 1978. In 2006, he was inducted into the Retail Advertising Hall of Fame.

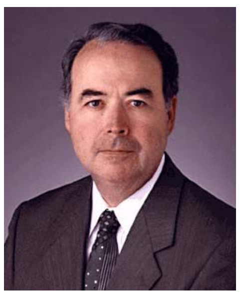


LANA CAIN has served as executive vice president and general merchandise manager of the men's and children's divisions since 2003. In this role, Lana oversees the development of merchandise for these divisions, ensuring that the merchandise mix matches the lifestyle needs of the JCPenney customer. Prior to joining JCPenney, Ms. Cain was president and chief merchandising officer for Goody's Family Clothing. She previously held senior merchandise management positions at Sears Roebuck, Stage Stores and Joske's of Texas.

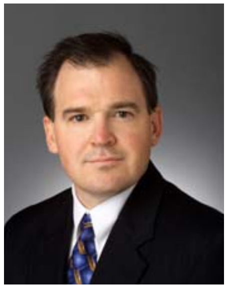
ROBERT B. CAVANAUGH is executive vice president and chief financial officer, a position he has held since 2001. In his role, Bob is responsible for developing and executing the company's financial plans, and providing strategic leadership to the treasurer's, controller's, tax services, investor relations, business finance and internal auditing functions. Bob joined JCPenney in 1978, and served as executive vice president and chief financial officer of Eckerd Drug Stores in 1999 and 2000. Prior to that, he held positions of increasing responsibility in corporate finance, and was elected vice president and treasurer in 1995.



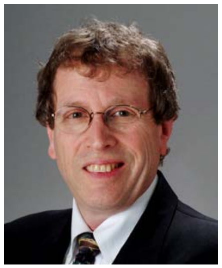
CHARLES CHINNI has served as the executive vice president and general merchandise manager for the home, family footwear and women's accessories divisions since 2001. Among other important initiatives, Charlie Chinni has led the expansion of The JCPenney Home Collection, one of the nation's largest private home brands, which includes the company's exclusive partnership with leading designer Chris Madden and the company's new modern furnishing offering, Studio by JCPenney Home Collection. Charlie Chinni was previously chairman and chief executive officer of Strouds, executive vice president of merchandising for Kmart Corp., and president of merchandise for Macy's/Bamberger's.



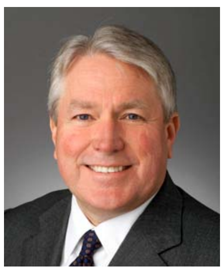
THOMAS A. CLERKIN is senior vice president and director of finance for stores, catalog and Internet. In this position, which he has held since 2001, Tom oversees financial analysis and reporting for JCPenney's operating units and leads the implementation of financial strategies impacting them. He joined JCPenney in 1971 in catalog, and has held a variety of management positions of increasing responsibility in personnel, administrative services, treasurer's, specialty retailing and planning and research.



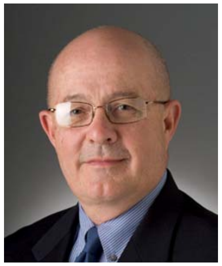
MICHAEL DASTUGUE has served as senior vice president, director of property development for JCPenney since 2005. In this position, he is leading the company's existing store renovation program as well as the aggressive store opening program, most notably in its new, highly successful off-mall format. Prior to his current position, Michael served as senior vice president and director of corporate finance. He began his career with JCPenney as a Treasurer's Financial Analyst in 1991, and subsequently held a variety of finance management positions of increasing responsibility.



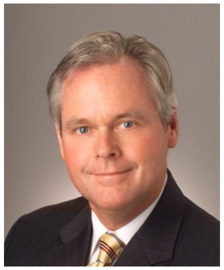
BERNARD D. FEIWUS is senior vice president and chief operating officer of JCPenney Direct, a role in which he oversees marketing, systems, inventory, and operations (including outlet stores) for JCPenney's Direct business. Bernie joined JCPenney in 2001, having previously been president of eRewards.com. He also served as president of Brierley & Partners and spent 19 years at Neiman Marcus, including eight years as president and chief executive officer of Neiman Marcus Direct. Previously, Bernie spent 10 years at Citicorp as vice president of credit card policy, in addition to other assignments.



JOHN W. IRVIN has served as executive vice president and president of JCPenney Direct since 2001, and is responsible for the catalog and internet business. Under his leadership, jcp.com surpassed $1 billion dollars in annual sales in January 2006. John joined JCPenney in 2001. Previously, he was president and chief executive officer of Spiegel, Inc. In his more than 30-year career, he has also held senior positions at Mervyn's, Maison Blanche Department Stores, the Dallas Market Center, Sanger-Harris and Foley's.

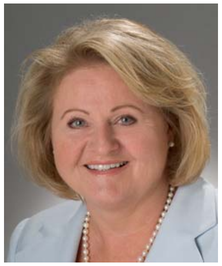


JAMES W. LaBOUNTY is senior vice president and director of supply chain management, and president of JCP Logistics LP, an operating subsidiary of the company. Jim is responsible for providing strategic and operational leadership for supply chain activities surrounding the movement of merchandise from suppliers to JCPenney stores and Direct customers. This includes distribution activities in 18 facilities throughout the United States, supported by over 8,000 associates. Jim joined JCPenney in 2001 and became director of supply chain in 2004. Prior to joining JCPenney, Jim served over 28 years in the U.S. Army.

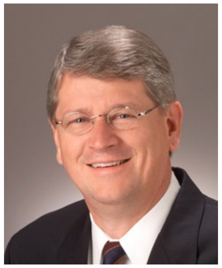


PETER M. McGRATH has served as executive vice president and director of private brands, product development and sourcing since 2005. Peter directs the development of the company's private brand strategy, leads the overseas and domestic sourcing operations and heads the company's cycle time reduction initiative. Peter is recognized as an industry leader and expert in the global apparel trade and has served in several leadership positions with industry organizations. He is currently chairman of global product marketing for the U.S.D.A. Cotton Board. He joined JCPenney in 1973.

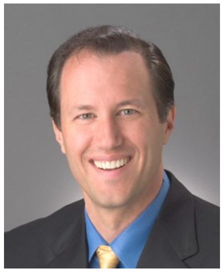
BERYL RAFF has been executive vice president and general merchandise manager of fine jewelry since 2005. In her role, Beryl provides strategic leadership in the development of merchandise and marketing business plans for the fine jewelry division, ensuring that the company's selection meets the JCPenney customer's needs and desires. Prior to joining JCPenney in 2001, Beryl served as the chairman and chief executive officer of Zale Corporation. In 1999, the Women's Jewelry Association named Beryl to its Lifetime Hall of Fame.



ELIZABETH H. SWENEY is executive vice president and general merchandise manager of the women's apparel division, a position she has held since 2000. Under her leadership, the company has successfully launched a number of private and exclusive designer brands, including Bisou-Bisou by Michele Bohbot, nicole by Nicole Miller, W-Work to Weekend, a.n.a and Miss Bisou, while refocusing existing brands around distinct customer lifestyles. Liz joined JCPenney in 2000. She previously held several senior-level positions at Kellwood Co., which she joined after 17 years with Montgomery Ward & Co.



MICHAEL W. TAXTER has served as executive vice president, director of JCPenney stores since 2002, with leadership of all store-level execution strategies and responsibility for district and regional support units. In recent years, he has overseen the development and execution of comprehensive improvements in store operations and service programs following the company's centralization process. Mike began his career with JCPenney in 1971 and held positions including regional president, director of stores coordination, district manager and store manager.



MICHAEL THEILMANN joined JCPenney in 2005 as executive vice president, chief human resources and administration officer. In his role, he is responsible for strategies designed to make JCPenney a Great Place to Work, including spearheading its Winning Together internal brand with the goal of improving associate engagement and reducing turnover. Previously, he was senior vice president International Human Resources and chief people officer at Yum! Brands, Inc. Before joining Yum!, Mike worked in Human Resources at Burger King and Grand Metropolitan. He has been in the human resources field for nearly 20 years.

Investor Relations

Robert Johnson
Vice President, Director of Investor Relations
rvjohnso@jcpenney.com
972.431.2217

Edward Merritt
Manager of Investor Relations
emerritt@jcpenney.com
972.431.8167

Jeanne Rae
jrae1@jcpenney.com
972.431.3436

Or visit our Investor Relations website @ www.jcpenney.net