

## **JCPenney to Open Logistics Center in Lathrop, Calif.**

### **Oakland-Area Facility Will Address Needs of Store Growth and Support Port Diversification**

PLANO, Texas--(BUSINESS WIRE)--

To support its store growth strategy and overall sales growth, J. C. Penney Company, Inc. (NYSE:JCP) will open a 436,000 square-foot cross-dock logistics center in Lathrop, Calif.

The operation will occupy an existing building at 700 D'Arcy Parkway in the Crossroads Commerce Center. Its primary function will be to receive and sort imported merchandise for routing to JCPenney's Store Support Centers across the country.

Modifications to the building and installation of equipment are expected to begin in May, and the facility is expected to be operational in early August. Hiring of approximately 100 staff is expected to begin in early July.

"With over 1,000 stores and approximately 150 stores opening in the next three years, we need additional capacity in our logistics network to service the growth of our business," said Jim LaBounty, Senior Vice President of Supply Chain Management. "The Lathrop cross-dock facility will also allow us to route inbound goods through the Port of Oakland. We expect the added capacity and port diversification will help us reduce transportation time for our direct imports and support the Company's long-range growth plans. We look forward to becoming part of the community in Lathrop."

JCPenney's current logistics network includes similar cross-dock facilities in Buena Park, Calif.; Statesville, N.C.; Alliance, Texas; Atlanta, Ga.; and North Bergen, N.J. The Company also operates a network of 13 regional Store Support Centers, each servicing 80 to 125 stores; four Direct Distribution Centers, fulfilling orders for catalog and jcp.com customers; and four Retail Furniture Distribution Centers.

#### About JCPenney

JCPenney is one of America's leading retailers, operating 1,033 department stores throughout the United States and Puerto Rico, as well as one of the largest apparel and home furnishing sites on the Internet, jcp.com, and the nation's largest general merchandise catalog business. Through these integrated channels, JCPenney offers a wide array of national, private and exclusive brands which reflect the Company's commitment to providing customers with style and quality at a smart price. Traded as "JCP" on the New York Stock Exchange, the Company posted revenue of \$19.9 billion in 2006 and is executing its strategic plan to be the growth leader in the retail industry. Key to this strategy is JCPenney's "Every Day Matters" brand positioning, intended to generate deeper, more emotionally driven relationships with customers by fully engaging the Company's 155,000 associates to offer encouragement, provide ideas and inspire customers every time they shop with JCPenney.

Source: J. C. Penney Company, Inc.