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J C PENNEY CO INC
Form 8-K
October 27, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 26, 2004

J. C. PENNEY COMPANY, INC.
(Exact name of registrant as specified
in its charter)

Delaware (State or other jurisdiction of incorporation)	1-15274 (Commission File No.)	26-0037077 (I.R.S. Employer Identification No.)
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6501 Legacy Drive Plano, Texas (Address of principal executive offices)	75024-3698 (Zip code)
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Registrant's telephone number, including area code: (972) 431-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13d-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events

On October 26, 2004, the Company's wholly-owned operating subsidiary, J. C. Penney Corporation, Inc., announced that it is calling for redemption all of its outstanding 5% Convertible Subordinated Notes Due 2008, of which the Company is a co-obligor. (See attached Exhibit 99.)

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Item 9.01 Financial Statement and Exhibits

Exhibit 99 News Release date October 26, 2004 announcing the redemption of the 5% Convertible Subordinated Notes Due 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

J. C. PENNEY COMPANY, INC.

By: /s/ Charles R. Lotter

Charles R. Lotter
Executive Vice President, Secretary
and General Counsel

Date: October 27, 2004

EXHIBIT 99

JCPenney News Release

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JCPENNEY CALLS 5% CONVERTIBLE NOTES

Equity and Debt Reduction Program on Plan

Share Repurchase Program 34 Percent Complete

PLANO, Texas, October 26, 2004 - J. C. Penney Corporation, Inc. ("Corporation"), a wholly-owned subsidiary of J. C. Penney Company, Inc. ("JCPenney" or "Company") (NYSE: JCP) has called for redemption the outstanding 5% Convertible Subordinated Notes Due 2008. In addition, the Company also provided an update on its equity and debt reduction program.

Commenting on the program, Robert Cavanaugh, Executive Vice President and Chief Financial Officer of JCPenney said, "We are pleased with the progress that we have made with our capital structure repositioning program. Through October 22, 2004, the Company had repurchased 27.6 million shares of its Common Stock for approximately \$1.0 billion in open market transactions, representing about 34 percent of the announced share repurchase program. After the conversion or redemption of the convertible notes, the Company will have also reduced its long-term debt by approximately \$1.7 billion in 2004, representing nearly 75 percent of our announced debt reduction program."

Corporation today announced it is calling all of its outstanding 5% Convertible Subordinated Notes Due 2008 at a price of 102.5%, plus accrued interest to November 17, 2004. Approximately \$650 million of the Notes, which are convertible into approximately 22.8 million shares of JCPenney Common Stock, are outstanding. The Notes will be redeemed on November 17, 2004 (the "Redemption Date").

Holders of the Notes have the option to convert the Notes into JCPenney Common Stock at the conversion price of \$28.50 per share. Holders electing to convert the Notes into Common Stock will not receive accrued interest. The conversion price is equivalent to 35.0877 shares per \$1,000 principal amount of the Notes. The Common Stock price at the close of business on October 25, 2004 was \$37.75. Holders wishing to convert the Notes must do so by the close of business on November 16, 2004, the day prior to the Redemption Date. The Trustee and Conversion Agent for the Notes is The Bank of New York.

J. C. Penney Corporation, Inc., the wholly-owned operating subsidiary of the Company, is one of America's largest department store, catalog, and e-commerce retailers, employing approximately 150,000 associates. As of July 31, 2004, J. C. Penney Corporation, Inc. operated 1,018 JCPenney department stores throughout the United States and Puerto Rico, and 60 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.

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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. Any non-GAAP terms referenced, such as EBITDA and free cash flow, are defined and presented in the Company's 2003 Annual Report on Form 10-K.

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