

J C PENNEY CO INC  
Form 10-Q  
June 09, 2010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 1, 2010

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-15274

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

Delaware	26-0037077
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6501 Legacy Drive, Plano, Texas	75024 - 3698
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) (972) 431-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

236,397,100 shares of Common Stock of 50 cents par value, as of June 4, 2010

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J. C. PENNEY COMPANY, INC.

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For the Quarterly Period Ended May 1, 2010

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## Part I. Financial Information

## Item 1. Unaudited Financial Statements

## J. C. PENNEY COMPANY, INC.

CONSOLIDATED STATEMENTS of OPERATIONS  
(Unaudited)

(\$ in millions, except per share data)

	Three Months Ended	
	May 1, 2010	May 2, 2009
Total net sales	\$ 3,929	\$ 3,884
Cost of goods sold	2,299	2,310
Gross margin	1,630	1,574
Operating expenses:		
Selling, general and administrative (SG&A)	1,289	1,255
Pension	64	90
Depreciation and amortization	125	120
Pre-opening	3	9
Real estate and other, net	(6)	(6)
Total operating expenses	1,475	1,468
Operating income	155	106
Net interest expense	59	63
Income before income taxes	96	43
Income tax expense	36	18
Net income	\$ 60	\$ 25
Earnings per share:		
Basic	\$ 0.25	\$ 0.11
Diluted	\$ 0.25	\$ 0.11

The accompanying notes are an integral part of these unaudited Interim Consolidated Financial Statements.



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## J. C. PENNEY COMPANY, INC.

## CONSOLIDATED BALANCE SHEETS

(\$ in millions)	May 1, 2010 (Unaudited)	May 2, 2009 (Unaudited)	Jan. 30, 2010
Assets			
Current assets			
Cash in banks and in transit	\$ 220	\$ 220	\$ 163
Cash short-term investments	2,158	1,918	2,848
Cash and cash equivalents	2,378	2,138	3,011
Merchandise inventory	3,214	3,237	3,024
Income taxes receivable	357	320	395
Prepaid expenses and other	199	234	222
Total current assets	6,148	5,929	6,652
Property and equipment (net of accumulated depreciation of \$2,806, \$2,550 and \$2,701)	5,307	5,335	5,357
Other assets	626	481	572
Total Assets			