



The Bon-Ton Stores, Inc. Announces Third Quarter Results

York, PA, November 21, 2002--The Bon-Ton Stores, Inc. (NASDAQ: BONT) today reported results for the third quarter ended November 2, 2002.

Income

The Company reported net income in the third quarter of \$0.3 million, or \$0.02 per share, compared to a net loss of \$0.5 million, or \$0.03 per share, for the same period of fiscal 2001. In the third quarter of fiscal 2001, the Company recorded an unusual expense of \$0.9 million pre-tax, or \$0.04 per share, related to a reduction in workforce. Excluding the unusual expense, net income for the third quarter of fiscal 2001 was \$0.01 per share. For the nine months ended November 2, 2002, the Company reported a net loss of \$5.6 million, or \$0.37 per share, versus a net loss of \$8.6 million, or \$0.57 per share, reported for the comparable period last year. Excluding the unusual expense incurred in the third quarter of 2001, the net loss for the first nine months of 2001 was \$0.53 per share.

Sales

As previously announced, third quarter total and comparable store sales decreased 4.6% to \$167.5 million from \$175.6 million reported in the same period last year. Year-to-date, total and comparable store sales decreased 0.9% to \$471.9 million from \$476.2 million for the same period last year.

Gross Margin/Inventory

The gross margin rate in the third quarter increased 1.1 percentage points to 37.4% this year versus 36.3% reported for the same period last year. Year-to-date, gross margin increased by five tenths of a percentage point to 36.2% versus 35.7% in the prior year. At the end of the third quarter, inventory at retail decreased 9.2% compared to the same period as last year.

Selling, General and Administrative Expenses

Selling, general and administrative (SG&A) expenses decreased \$1.4 million in the third quarter; the expense rate increased to 33.0% of sales due to the lower sales volume in the period, compared to 32.3% of sales for the prior year period. The year-to-date SG&A expense rate decreased six tenths of a percentage point to 33.8% versus 34.4% reported for the same period last year, with an expense reduction of \$4.2 million from last year.

Comments

James H. Baireuther, Vice Chairman and Chief Administrative Officer, commented, "We delivered third quarter earnings ahead of the prior year in spite of lower sales. The gross margin rate increased, reflecting the change in our inventory mix with less clearance inventory and seasonal carry over than last year. Lower SG&A expenses, better inventory turnover and a fresh, current merchandise offering, all contributed to the improved earnings in the quarter."

Mr. Baireuther continued, "Our balance sheet remains strong as debt decreased by \$37.6 million or 26% versus last year reflecting the decline in the level of inventory and the improvement in cash flow. We are well positioned for the important holiday selling season with a strong merchandise assortment, competitive promotional offerings and a sensitivity for the needs of our customer."

The Company's quarterly conference call to discuss third quarter results will be broadcast live over the Internet on November 21, 2002 at 10:00 a.m. eastern time. To access the call, please visit the investor relations section of the Company's website at www.bonton.com. An online archive of the broadcast will be available within one hour after the conclusion of the call.

The Bon-Ton Stores, Inc. operates 73 department stores in targeted markets in Pennsylvania, New York, Maryland, New Jersey, Connecticut, Massachusetts, New Hampshire, Vermont and West Virginia. The stores carry a broad assortment of quality, brand-name fashion apparel and accessories for women, men and children, as well as distinctive home furnishings.

Statements made in this press release, other than statements of historical information, are forward looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause results to differ materially from those set forth in these statements. Factors that could cause such differences include, but are not limited to, risks related to retail businesses generally, additional competition from existing and new competitors, uncertainties associated with opening new stores or expanding or remodeling existing stores, the Company's presence in and dependence on limited geographic markets, the ability to attract and retain qualified management, the dependence upon key vendor relationships and the ability to obtain financing for working capital, capital expenditures and general corporate purposes. Additional factors that could cause the Company's actual results to differ from those contained in these forward looking statements are discussed in greater detail in the Company's periodic reports filed with the Securities and Exchange Commission.

The Bon-Ton Stores, Inc. and subsidiaries
Consolidated Balance Sheets
(In thousands except share and per share data)

	November 2, 2002	February 2, 2002
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,913	\$ 9,752
Trade and other accounts receivable, net of allowance for doubtful accounts and sales returns of \$4,558 and \$3,408 at November 2, 2002 and February 2, 2002, respectively	33,188	31,161
Merchandise inventories	210,029	166,042
Prepaid expenses and other current assets	21,507	10,542
Deferred income taxes	5,350	7,371
Total current assets	284,987	224,868
Property, fixtures and equipment at cost, less accumulated depreciation and amortization	136,034	143,884

Deferred income taxes	3,646	2,741
Goodwill and intangible assets	9,633	9,999
Other assets	3,658	4,091
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Total assets	\$ 437,958	\$ 385,583
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 91,144	57,007
Accrued payroll and benefits	11,567	9,743
Accrued expenses	24,104	28,191
Current portion of long-term debt	697	646
Current portion of obligations under capital leases	245	232
Income taxes payable	-	11,891
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Total current liabilities	127,757	107,710
Long-term debt, less current maturities	105,179	67,209
Obligations under capital leases, less current maturities	533	720
Other long-term liabilities	7,532	6,683
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Total liabilities	241,001	182,322
Shareholders' equity		
Preferred Stock - authorized 5,000,000 shares at \$0.01 par value; no shares issued	-	-
Common Stock - authorized 40,000,000 shares at \$0.01 par value; issued and outstanding shares of 12,264,678 and 12,483,941 at November 2, 2002 and February 2, 2002, respectively	125	125
Class A Common Stock - Authorized 20,000,000 shares at \$0.01 par value; issued and outstanding shares of 2,989,853 at November 2, 2002 and February 2, 2002	30	30
Treasury stock, at cost - shares of 212,700 at November 2, 2002	(882)	-
Additional paid-in-capital	107,412	107,467
Deferred compensation	(258)	(408)
Accumulated other comprehensive income	(2,255)	(2,354)
Retained earnings	92,785	98,401
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Total shareholders' equity	196,957	203,261
Total liabilities and shareholders' equity	\$ 437,958	\$ 385,583