

Credit Suisse

2009 Retail Roundup

June 9, 2009

THE BON♦TON STORES, INC.

BON-TON BERGNER'S BOSTON STORE CARSON PIRIE SCOTT ELDER-BEERMAN HERBERGER'S YOUNKERS PARISIAN
Detroit area

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Key Investment Highlights

- ◆ Equity of local brand nameplates and strong department store concept
- ◆ Merchandise strategies to reinforce niche in our markets
- ◆ Initiatives for cost savings and margin improvement
- ◆ Appropriate capital structure
- ◆ Adept management team

Key Objectives - 2009 and Beyond

- ◆ Focus on profitability
- ◆ Benefit gross margin rate through multiple initiatives
- ◆ Operate to a conservative inventory plan
- ◆ Control expenses and capital expenditures while maintaining focus on strategic opportunities
- ◆ Rebalance marketing and media mix to deliver a stronger message emphasizing value-oriented key item program
- ◆ Maintain strength of balance sheet
 - Manage excess borrowing capacity under our credit facility
 - Reduce debt with cash generated from the business

Achieve Sales & Margin Plan

- ◆ Implement our core merchandise initiatives
 - Grow franchise businesses faster than total store
 - Expand penetration of private brands
 - Execute our key item program with authority
 - Expand Incredible Value Program
- ◆ Improve gross margin rate
 - Ongoing inventory control with focused assortments, less clearance
 - Advantageous buys
 - Private brand initiatives
 - Lower sourcing costs on overseas merchandise
 - Increased number of IVP (Incredible Value) items, supported by advertising
 - Merchandise optimization
- ◆ Grow eCommerce
 - Expand merchandise offerings
 - Increase CommerceHub
 - Enhance functionality of site
- ◆ Maintain strong vendor relationships

Financial Information

First Quarter 2009: Financial Discussion Points

(Unaudited)

- ◆ Comparable store sales decreased 8.6%
- ◆ Gross margin rate increased 80 bps to 34.8%
- ◆ SG&A expenses decreased \$18.9 million
- ◆ Operating loss was \$23.6 million, an improvement from \$25.5 million loss reported in the first quarter of 2008
- ◆ EBITDA₍₁₎ increased \$1.0 million to \$5.7 million
- ◆ Net loss: \$45.4 million, or \$2.67 per diluted share
- ◆ Disciplined management of:
 - SG&A expenses
 - Capital expenditures
 - Inventories
- ◆ Excess borrowing capacity under credit facility of \$165 million

(1) EBITDA is not a measure recognized under generally accepted accounting principles - See Note 1 on page 12 in presentation

Summary Financial Results - Q1 F2009

(\$ in millions, except per share amounts)

(Unaudited)

	Thirteen Weeks Ended	
	May 2, 2009	May 3, 2008
Sales	\$644.5	\$700.2
Gross profit	\$224.2	\$237.7
% to sales	34.8%	34.0%
SG&A	\$236.8	\$255.8
% to sales	36.7%	36.5%
Income tax benefit	(\$1.1)	(\$15.8)
% to sales	-0.2%	-2.3%
Net loss	(\$45.4)	(\$34.1)
% to sales	-7.1%	-4.9%
Diluted EPS	(\$2.67)	(\$2.03)
EBITDA (1)	\$5.7	\$4.7
% to sales	0.9%	0.7%

(1) EBITDA is not a measure recognized under generally accepted accounting principles - See Note 1 on page 12 in presentation.

Summary Balance Sheet - Q1 F2009

(\$ in millions)

(Unaudited)

	May 2, 2009	January 31, 2009
Inventory	\$691.4	\$666.1
Other current assets	126.4	133.1
Long-term assets	993.2	1,022.1
Total assets	\$1,811.0	\$1,821.3
Current liabilities, w/o debt	\$366.3	\$365.9
Total debt, including cap leases	1,191.8	1,157.6
Other long-term liabilities	162.7	163.6
Shareholders' equity	90.2	134.2
Total liabilities & shareholders' equity	\$1,811.0	\$1,821.3
Excess borrowing capacity	\$165	\$269
Debt /EBITDA ⁽¹⁾	7.5	7.4

(1) EBITDA is not a measure recognized under generally accepted accounting principles - See Note 1 on page 12 in presentation.

Guidance & Assumptions - Fiscal 2009

◆ 2009 Guidance:

- EBITDA⁽¹⁾ in the range of \$140 million to \$155 million
- Loss per diluted share in the range of \$3.40 to \$4.30
- Cash flow⁽²⁾ in the range of \$5 million to \$20 million

◆ 2009 Assumptions:

- Comparable stores sales decrease in the range of 6.5% to 9.0%
- Gross Margin rate of 35.5% to 36.0%
- SG&A decrease of a minimum of \$70 million
- Effective tax rate of 0%
- Capital expenditures of \$40 million, net of contributions from landlords
- 17 million estimated weighted average shares outstanding

(1) EBITDA is not a measure recognized under generally accepted accounting principles - See Note 1 on page 12 in presentation.

(2) As used in this presentation, cash flow reflects the forecasted loss, plus depreciation and amortization and minus capital expenditures.

Leverage- Fiscal 2008 and Fiscal 2009 Guidance

(\$ in millions)

	Actual Fiscal 2008		Low End of Guidance Range Fiscal 2009	
	Amount	EBITDA ⁽¹⁾ Multiple	Amount	EBITDA ⁽¹⁾ Multiple
Long-term debt				
Senior secured credit facility	\$320		\$257	
Mortgage loan facility	248		242	
Mortgage notes & other	12		11	
Capital leases	68		70	
Subtotal	\$648		\$580	
Senior notes	510		510	
Total debt	\$1,158	7.4	\$1,090	7.8

EBITDA⁽¹⁾ Reconciliation to Net Loss

(\$ in millions)

(Unaudited)

	Thirteen Weeks Ended	
	May 2, 2009	May 3, 2008
Net loss	\$ (45.4)	\$ (34.1)
Adjustments:		
Income tax benefit	(1.1)	(15.8)
Interest expense, net	22.9	24.4
Depreciation and amortization	28.1	29.0
Amortization of lease-related interests	1.2	1.2
EBITDA	\$ 5.7	\$ 4.7

Note 1: As used in this presentation, EBITDA is defined as earnings before interest, income taxes, depreciation and amortization, including amortization of lease-related interests. EBITDA is not a measure of financial performance under generally accepted accounting principles ("GAAP"). However, we present EBITDA in this presentation because we consider it to be an important supplemental measure of our performance and believe that it is frequently used by securities analysts, investors and other interested parties to evaluate the performance of companies in our industry and by some investors to determine a company's ability to service or incur debt. In addition, our management uses EBITDA internally to compare the profitability of our stores. EBITDA is not calculated in the same manner by all companies and accordingly is not necessarily comparable to similarly entitled measures of other companies and may not be an appropriate measure for performance relative to other companies. EBITDA should not be assessed in isolation from or construed as a substitute for net income or cash flows from operations, which are prepared in accordance with GAAP. EBITDA is not intended to represent, and should not be considered to be a more meaningful measure than, or an alternative to, measures of operating performance as determined in accordance with GAAP.