

#### Charming Shoppes, Inc. Annual Shareholders Meeting



LANE BRYANT

FASHION BUG.

CATHERINES"

PETITE

Crosstown\Traders, Inc.



June 21, 2007

#### CHARMING SHOPPES, INC.





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#### Forward-Looking Statements

This presentation contains certain forward-looking statements concerning the Company's operations, performance, and financial condition. Such forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those indicated. Such risks and uncertainties may include, but are not limited to: the failure to implement the Company's business plan for increased profitability and growth in the Company's retail stores and direct-to-consumer segments, the failure to successfully implement the Company's expansion of Cacique through new store formats, the failure to successfully implement the Company's integration of operations of, and the business plan for, Crosstown Traders, Inc., adverse changes in costs vital to catalog operations, such as postage, paper and acquisition of prospects, declining response rates to catalog offerings, failure to maintain efficient and uninterrupted order-taking and fulfillment in our direct-to-consumer business, changes in or miscalculation of fashion trends, extreme or unseasonable weather conditions, economic downturns, escalation of energy costs, a weakness in overall consumer demand, failure to find suitable store locations, the ability to hire and train associates, trade and security restrictions and political or financial instability in countries where goods are manufactured, the interruption of merchandise flow from its centralized distribution facilities, competitive pressures, and the adverse effects of natural disasters, war, acts of terrorism or threats of either, or other armed conflict, on the United States and international economies. These, and other risks and uncertainties, are detailed in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2007 and other Company filings with the Securities and Exchange Commission. Charming Shoppes assumes no duty to update or revise its forwardlooking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.



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#### CHARMING SHOPPES, INC.

#### A Multi-Brand, Multi-Channel Retailer Focused On Special Sizes With \$3 Billion+ In Annual Sales



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### Our Differentiated Retail Store Brands



















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#### Selected Catalog Titles













#### Our Leading Position In Our Market

- Charming Shoppes Holds The #1 Market Position In Women's Specialty Plus Apparel, With Over 40% Share\*
- Charming Shoppes Holds The #2 Market Position In All Women's Plus Apparel, With Over 10% Share\*
- Lane Bryant<sup>®</sup> Is The Leading Brand In Women's Plus Apparel
- Lane Bryant Is Our Most Profitable Brand,
   And Is Our Primary Brand Growth Vehicle



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#### CHARMING SHOPPES, INC. A Multi-Brand, Multi-Channel Retailer

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Retail	E-	Catalog	Outlet
Stores	Commerce	3 33331 3	2 31 31 3
310163	Commerce		



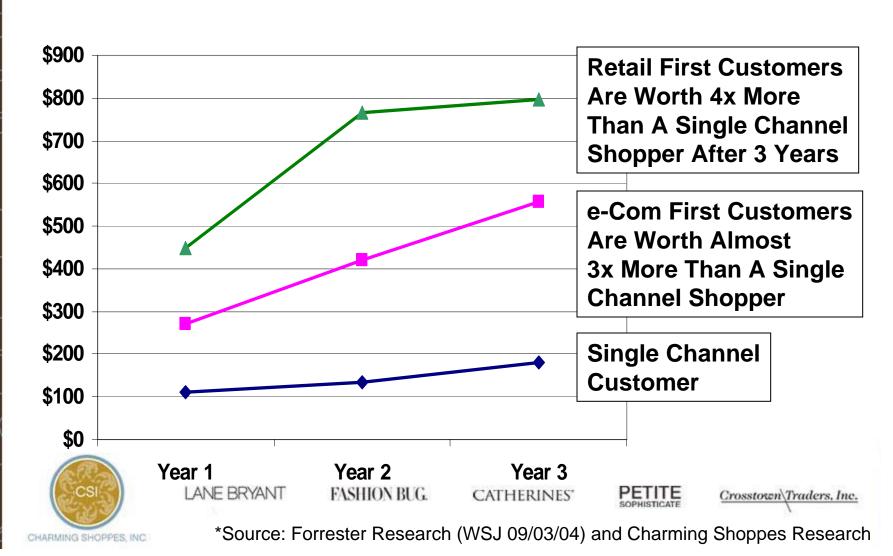
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### Multi-channel Customers Have A Higher Annual Spend Than Single-channel Customers



#### CHARMING SHOPPES, INC.

#### 2006 Review





#### CHARMING SHOPPES, INC.

# Earnings And Sales Growth Continued During 2006



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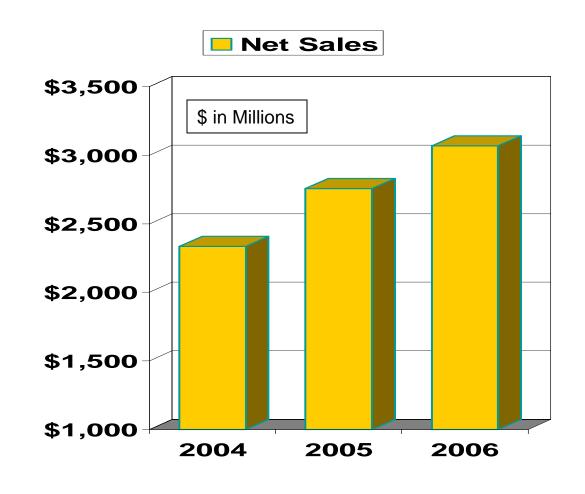
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#### Sales Growth To \$3.1 Billion

(Fiscal Year Ended February 3, 2007)

11% Increase In Net Sales, From \$2.8 Billion To \$3.1 Billion





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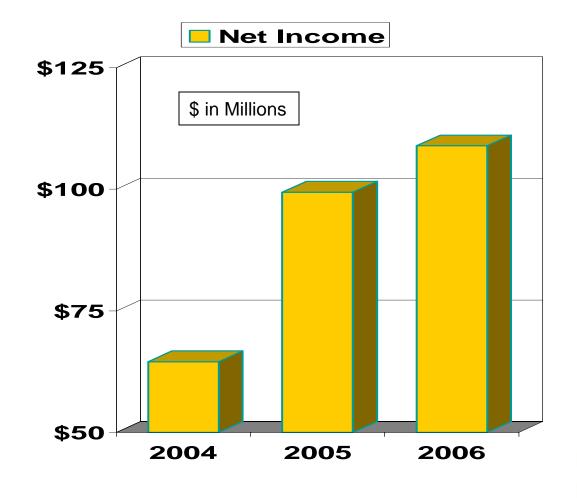
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#### Net Income Increase To \$109 Million

(Fiscal Year Ended February 3, 2007)

10% Increase In Net Income, From \$99 Million To \$109 Million





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#### Earnings Per Share Of \$0.81

(Fiscal Year Ended February 3, 2007)

EPS Growth From \$0.76 To \$0.81 Per Share





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### Our Lane Bryant Store Growth Strategy Continues

- During 2006, We Grew Lane Bryant To 777 Stores
- Our Goal: 1,000 Stores\*
- Our Bricks And Mortar Growth Is Focused On Strip And Lifestyle Centers And Lane Bryant Intimate Apparel Side By Side Stores
- Contributes To Both Top Line And Operating Margin Expansion



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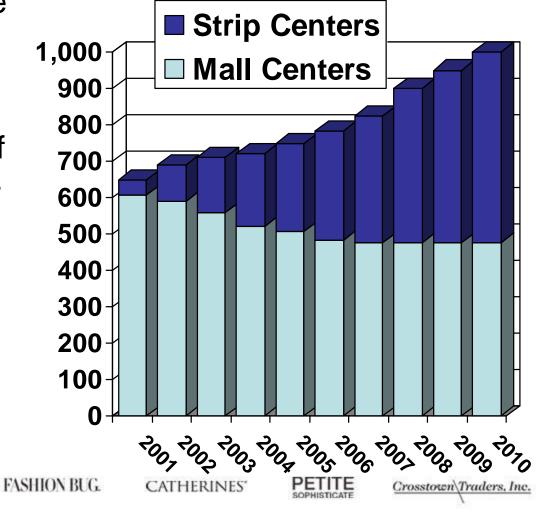
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#### Lane Bryant Store Growth

- Migrating Our Store Locations To Strip And Lifestyle Centers
- Ultimately, 50%\* Of Lane Bryant Stores Will Be Located In Strip And Lifestyle Centers
- Contributes To **Operating Margin** Expansion





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#### Lane Bryant Intimate Apparel Store

- Our New Lane Bryant Store Concept Is The Cacique<sup>®</sup> Intimate Apparel Store
- We Now Operate 80 Side By Side Stores
  - >2,000 Square Feet Dedicated To Intimates, With Its Own Front Entrance
  - > Growth To More Than 300 Stores\*
  - Contributes To Both Top Line And Operating Margin Expansion



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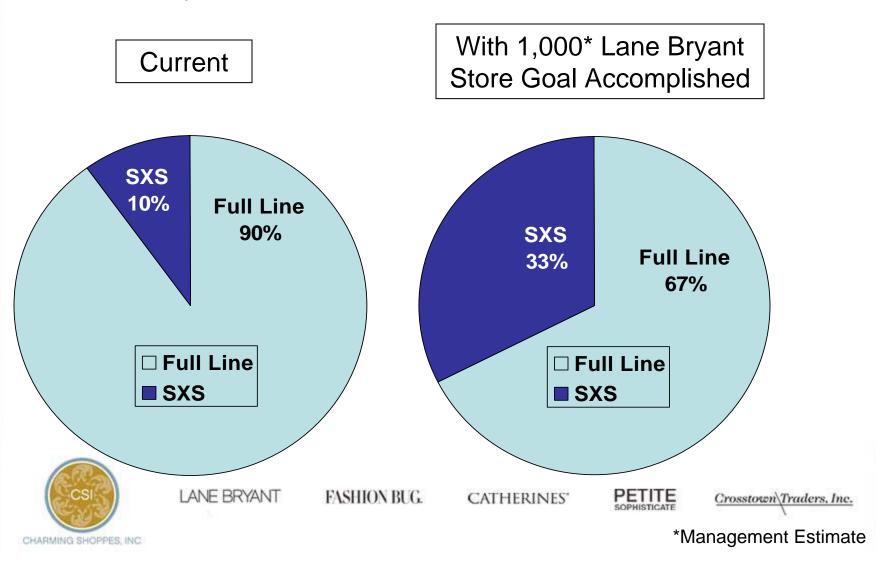
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### We Are Increasing The Number Of Intimate Apparel Stores To At Least 300 Stores, Primarily In Strip Centers



#### Lane Bryant Outlet<sup>™</sup> – A Huge Win

- An Unprecedented Execution
  - >76 Lane Bryant Outlet Stores Opened in 3 Weeks
  - Exceeding Our Sales And Profitability **Expectations**
  - Contributes To Both Top Line And **Operating Margin Expansion**





#### Petite Sophisticate *Is Back!*

- We Acquired The Petite Sophisticate® Trademark In Early 2006
- We Opened 45 Petite Sophisticate Outlet<sup>™</sup> Stores <u>IN</u>
   ONE DAY
- Tremendous Opportunity For Us To Leverage Our Expertise In Special Sizes
  - The Women's Petites Apparel Market Represents Approximately \$10 Billion\* In Annual Sales
- Leveraging Our Operational Infrastructure To Manage Both Lane Bryant Outlet And Petite Sophisticate Outlet
- Contributes To Both Top Line And Operating Margin Expansion



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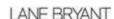
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### Charming Outlets - Today And Tomorrow

- Our Outlets Are The Only "Pure Play"
   Women's Plus Specialist And Women's Petite Specialist In The Outlet Channel
  - > 90 Lane Bryant Outlet Stores Are Now In Operation, Growing to 150 Stores\*
  - > 46 Petite Sophisticate Outlet Stores Are Now In Operation, Growing to Over 100 Stores\*











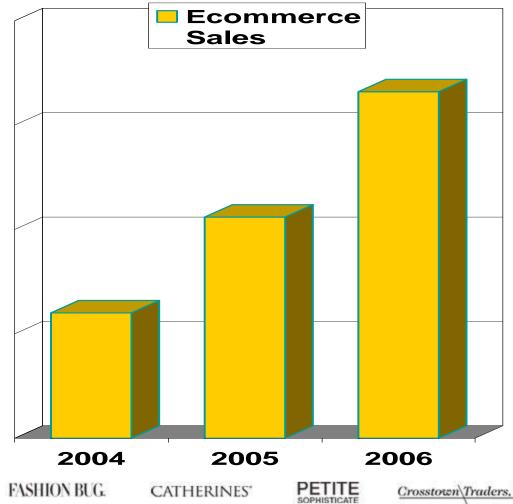


#### Our Rapid Growth In Ecommerce Sales Continues

(Fiscal Year Ended February 3, 2007)

**Ecommerce Sales** Have Compounded At An 83% Annual **Growth Rate Since** 2003

Contributes To Both Top Line And Operating Margin Expansion





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#### **Operational Achievements**

- Our Supply Chain Management Group Was Honored By Kurt Salomon Associates, Which Named Charming Shoppes #1 In Logistics Performance In A Peer Benchmarking Study Of Distribution Operations
- Credit Ranking
  - The Nation's 7th Largest In-house Proprietary Credit Program
- Continued Growth In Sourcing Volumes Across Each Of Our Businesses
  - > Contributes To Our Operating Margin Expansion



### We Were Added To Two Important Indices During the Year

- With Our Growing Track Record Of Improving Financial Performance, We Met The Appropriate Financial And Liquidity Criteria To Be Added To The NASDAQ Global Select Market<sup>SM</sup>
- We Were Added To The S&P MidCap 400 Index During The Year







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#### Our CGQ® Rating

 Charming Shoppes Inc.'s Corporate Governance Quotient (CGQ®), As Of June 5, 2007, Is Better Than 97.1% Of Russell 3000 Companies And 93.8% Of Retailing Companies











## figure

figure – 6 Issues A Year, And A Book!

500,000 In Annual Circulation

50,000 Subscriptions

figure Initiatives Enhance Our Branding Power





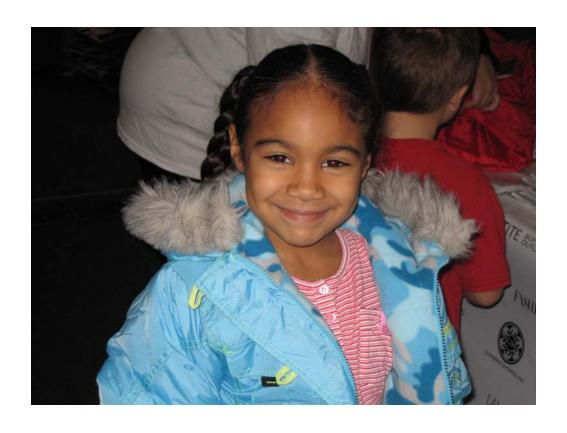
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In 2006, We Celebrated Our 11<sup>th</sup> Year, And We Crossed The <u>70,000</u> Coat Milestone In Our Keeping Kids Warm<sup>®</sup> Program



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Voices: Celebrated <u>Again</u> On The Montel Williams Show







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#### St. Therese's School





The New Roof Is On!

#### CHARMING SHOPPES, INC.

#### 2007 And Beyond

### Our Growth Plans Continue...



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#### Lane Bryant Catalog Today



The Lane Bryant
Catalog Today
Produces Annual
Revenues Of More
Than \$300 Million\*
And Is America's
Largest Plus
Apparel Catalog

Lane Bryant Catalog Owned And Operated by Redcats USA



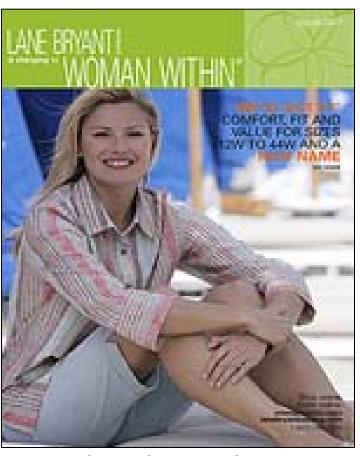
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#### Lane Bryant Catalog Today



The Reversion
Of The
Trademark For
The Lane Bryant
Catalog Occurs
In October 2007

Lane Bryant Catalog Owned And Operated by Redcats USA



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#### Our Lane Bryant Catalog

- We Plan To Launch Our Lane Bryant Catalog In November 2007
- Will Further Leverage The Operations And Infrastructure Of Crosstown Traders
- Expected To Contribute To Both Top Line And Operating Margin Expansion



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## FASHON BUG.

Introducing EXCLUSIVE brands for Fall 2007



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#### GITANO®

Represents A Lifestyle With Universal Appeal For Up-todate Women

Target Ranges Are Broad In Age (24-55) And Income Levels

Gitano Is About Fresh, Fun, Style

Chain Wide





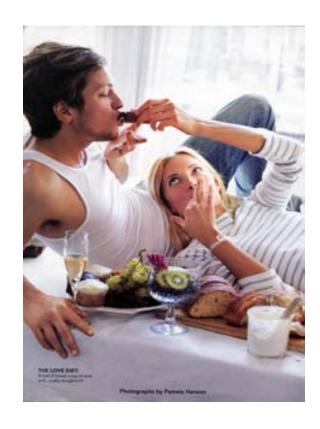






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## Exciting Brands In Fashion Bug Stores Today



- Provides Broad Appeal As A Nationally Recognized Brand While Also Being Proprietary
- Adds Credibility To The Intimates Area While Supporting New Customer Growth
- Will Be Expanded Into Other Categories: Sleepwear, Hosiery
- In 800 Stores



- Customer Has Active Lifestyle And Seeks A Sporty Look
- Full Chain, 36 "Skechers Shops"



Targets Younger/ Trendier
Customers While The Basic Styles
Target The Classic
Customer/Service Professionals



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## Our Efforts Have Led Us To Define Three Basic Fits









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3 DREAM PANT FITS CUSTOM MADE FOR YOUR BODY



**RIGHT YELLOW** 

Are you straight from your waist through your hips?



RIGHT RED

Are you slightly curved from your waist to your hips?



RIGHT BLUE

Are you fullest at your hips?

WHAT IS YOUR RIGHT FIT?









# Leveraging Our Expertise In Special Sizes





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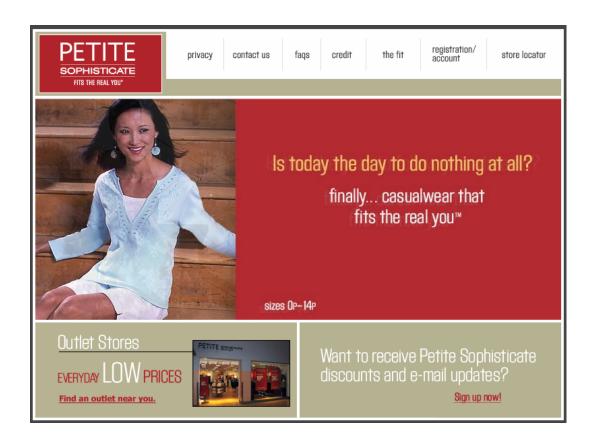
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## Our PetiteSophisticate.com Marketing Site



This Fall, She Can Purchase And Apply For Credit Online



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#### CHARMING SHOPPES, INC.

# Our Growth Plans Summary



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#### A Multi-Brand, Multi-Channel Retailer

Our Goal Is To Grow To \$4 Billion In Annual Sales Over The Next Several Years



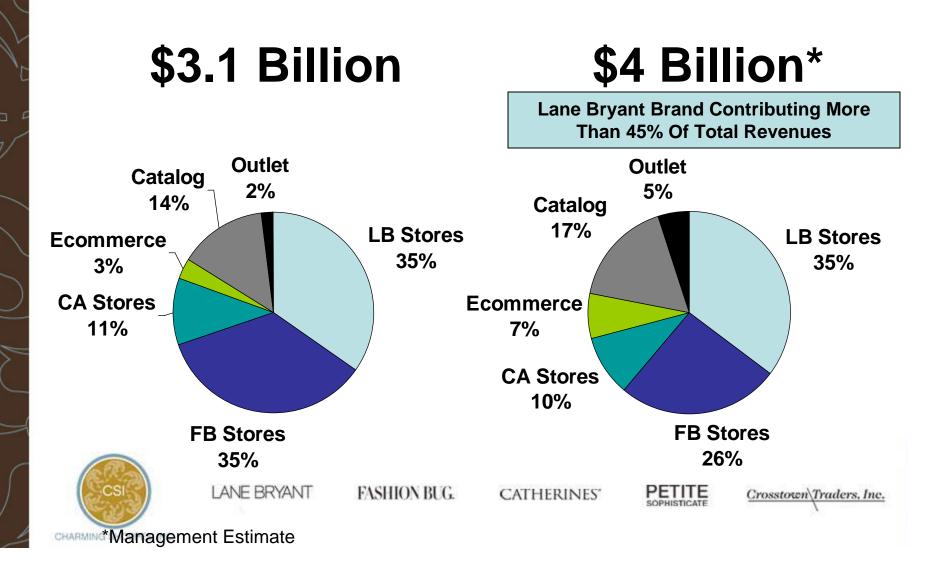
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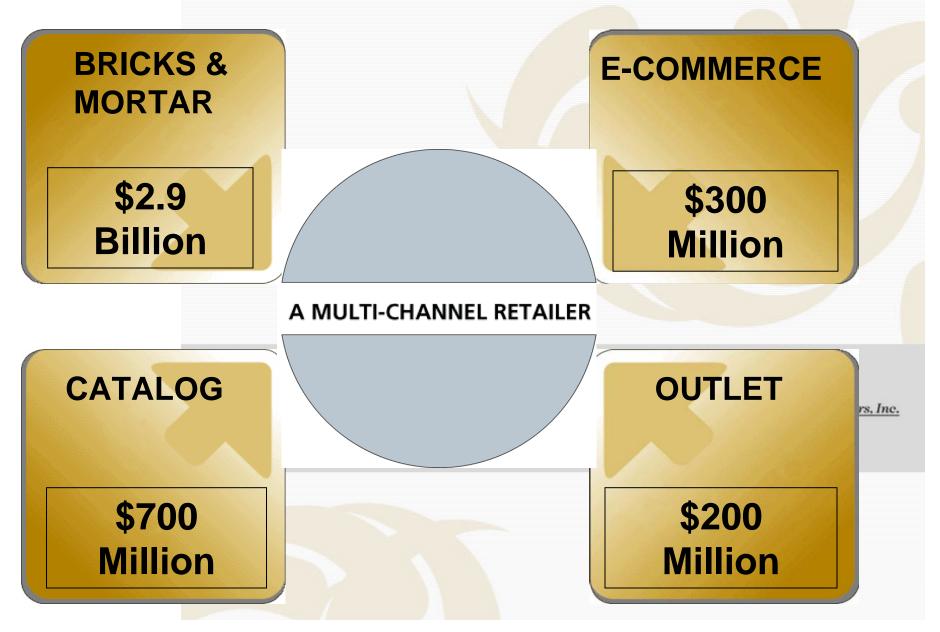
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# Shifting The Mix To Higher Operating Margin Businesses



#### Our Financial Plans\* Include:



#### CHARMING SHOPPES, INC. A Multi-Brand, Multi-Channel Retailer

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Retail	E-	Catalog	Outlet
Stores	Commerce	9	
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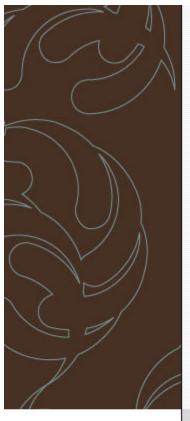


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