

STONEMOR

STONEMOR PARTNERS L.P.

NAPTP Presentation

May 2011

Today's Participants

Lawrence Miller

Chief Executive Officer, President and Chairman

Timothy Yost

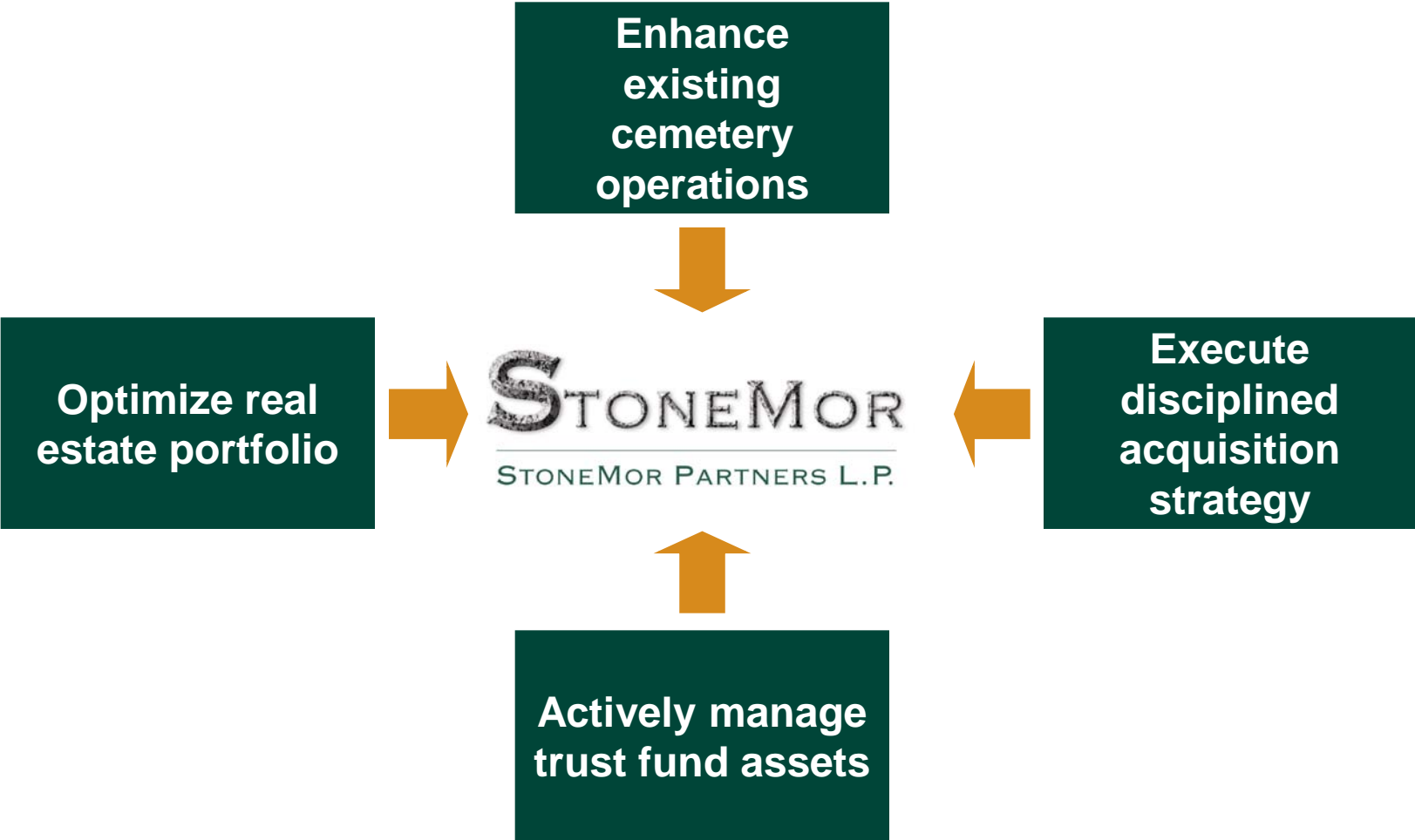
Vice President – Financial Reporting and Investor Relations

StoneMor Partners L.P.

- ◆ StoneMor is the second largest owner and operator of cemeteries in the US
 - The Company currently operates 260 cemeteries and 58 funeral homes, diversely located across 27 states and Puerto Rico
 - As of 12/31/2010, over 12,000 acres of land, equivalent to an aggregate weighted average sales life of 260 years
- ◆ StoneMor has demonstrated a consistent track record of growth and financial performance
 - 137 cemeteries and 54 funeral homes acquired since inception
 - Revenue has increased from \$145 million in 2007 to \$197 million in 2010
 - 12% '07-'10 CAGR
 - Adjusted operating profits have increased from \$26 million in 2007 to \$38 million in 2010
 - 15% '07-'10 CAGR

StoneMor's mission is to help families memorialize each life with dignity

Business Strategy

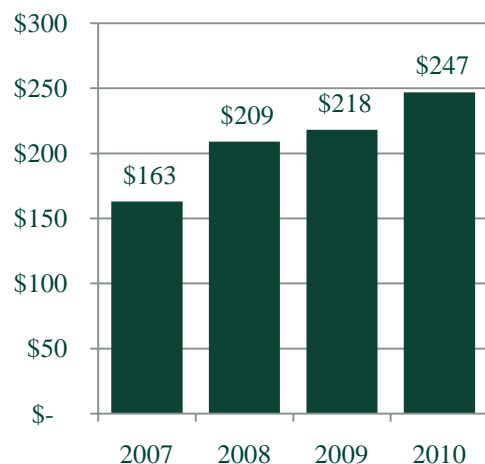


Value Enhancing Strategy in the Cemetery Business

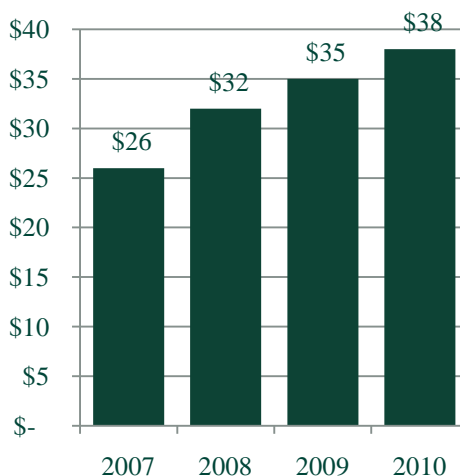
- ◆ We are experts at operating and growing a cemetery-focused deathcare business
 - Best practices in pre-need marketing
 - Extensive and highly driven commission-based sales force
 - Volume purchasing lowers costs for cemetery and funeral home merchandise
 - Centralized administrative functions lower operating expenses
- ◆ Our strategy leverages our existing asset base to drive revenues, adjusted operating profit and cash flow available for distributions to common unitholders

(\$ in millions)

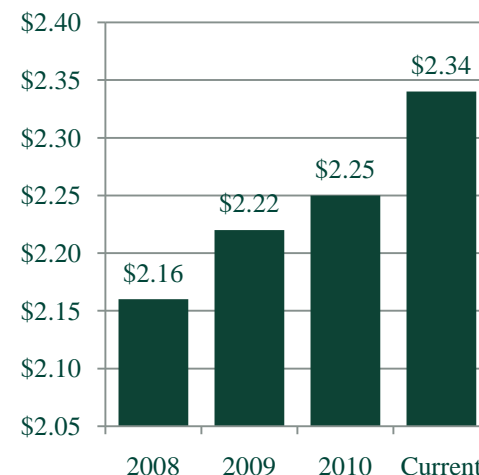
ACCRUAL REVENUES



ADJUSTED OPERATING PROFIT



DISTRIBUTION PER UNIT



LTM Growth Events

SCI Acquisition

- ◆ Completed end of Q1 2010
- ◆ 9 cemeteries in Michigan that conducted 2,400 burials in 2009
- ◆ Aggregate cash purchase price of \$14 million
- ◆ Received merchandise trusts of \$46 million and perpetual trusts of \$15 million, while assuming \$23 million in merchandise liabilities
- ◆ First Year Projected Accrual EBITDA - \$6.4 Million

Nelms Acquisition

- ◆ Completed end of Q2 2010
- ◆ 8 cemeteries
- ◆ 5 funeral homes
- ◆ Located in Indiana, Michigan and Ohio
- ◆ Purchased out of receiverships
- ◆ 2,500 burials and 900 funeral services in the previous 12 months
- ◆ Aggregate purchase price of \$19.8 million in cash and units
- ◆ First Year Projected Accrual EBITDA - \$6.7 Million

Catholic Archdiocese of Detroit

- ◆ Completed in July 2010
- ◆ StoneMor will manage and operate the 3 large cemeteries owned by the Archdiocese
- ◆ Properties conduct approximately 2,200 interments annually
- ◆ No “purchase price”; StoneMor steps into Archdiocese P&L
- ◆ First Year Projected Accrual EBITDA - \$1.1 Million

2010 Operational Performance Highlights

- ◆ Increased Distributable Free cash Flow by 19%
- ◆ Increase production-based revenue by 14%
- ◆ Increased the value of pre-need contracts written by 13%
- ◆ Increased investment income from trusts by 26%
- ◆ Increased Adjusted Operating Profit by 6%

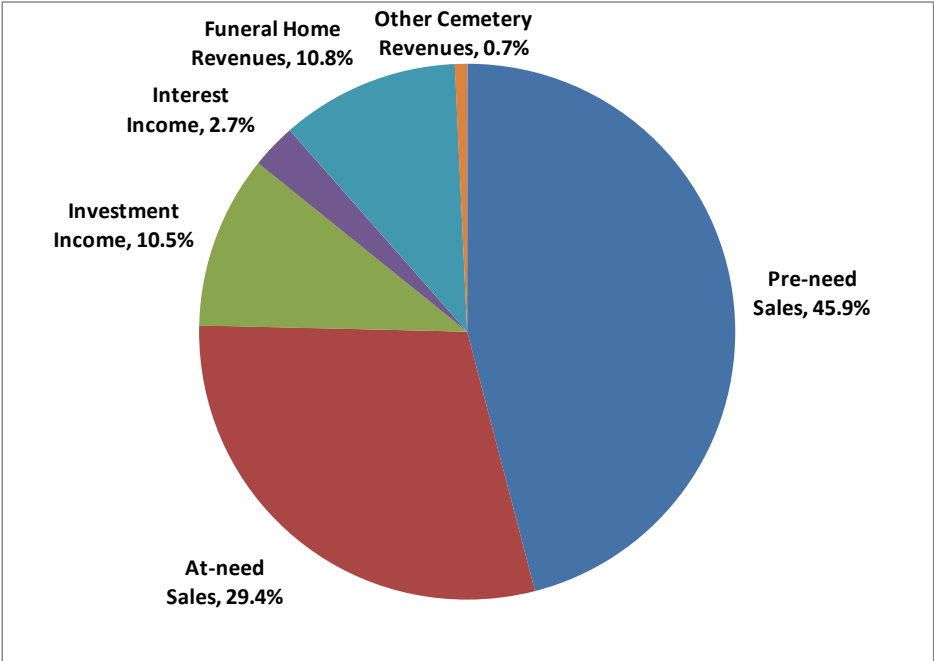
Financing Highlights

- ◆ Completed offering of 1,500,000 Common Units at \$24.00 per unit in September 2010
 - Proceeds used to pay down Acquisition and Revolving Credit Lines
- ◆ Completed offering of 3,025,000 Common Units at \$29.25 per unit in February 2011
 - Proceeds used to redeem Series B&C notes due 2012 and pay off acquisition and revolving lines of credit due in 2012.
 - Eliminated 2012 refinance risk
- ◆ Renegotiated syndicated bank credit lines
 - Reduce interest rate by 50 basis points
 - Extended maturity to 2017
 - Increased lines from \$100 million to \$120 million
- ◆ Only outstanding debt remaining is \$150 million senior notes due 2017

Diversified Revenue Streams

STONEMOR BUSINESS MIX BY REVENUE – TWELVE MONTHS ENDED DECEMBER 31, 2010

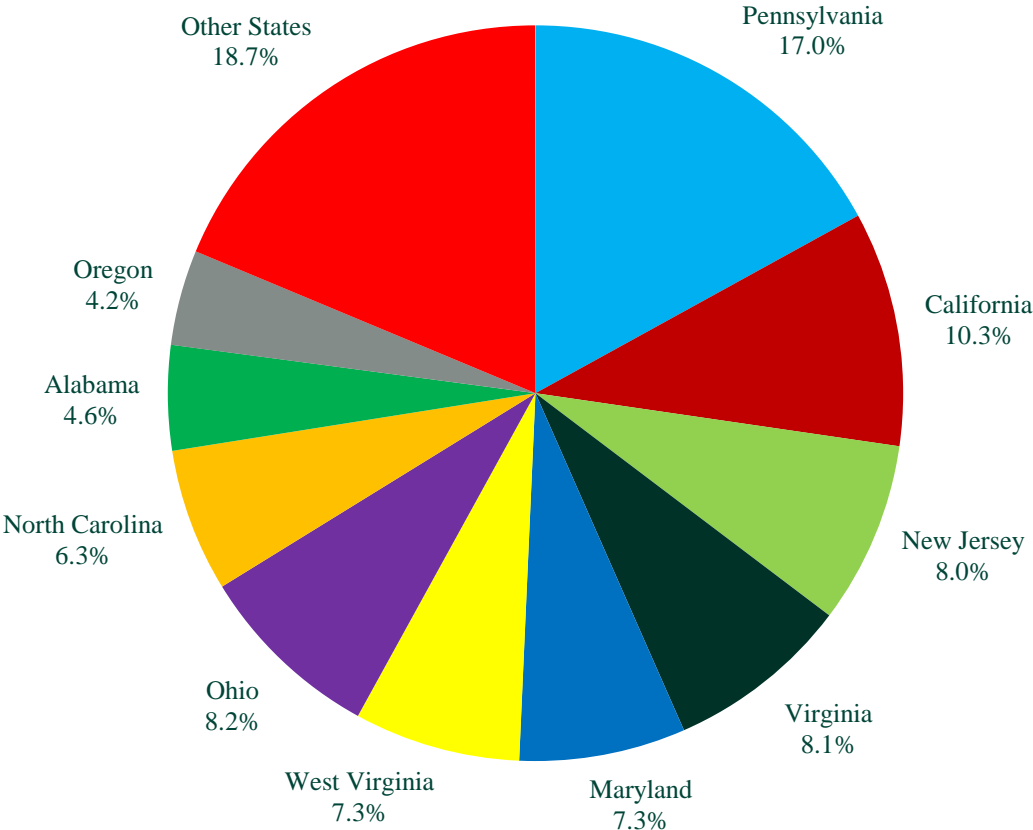
~54% of StoneMor's revenue is generated through highly predictable at-need business



StoneMor's +800 person sales team creates an unparalleled advantage in pre-need sales performance

Geographic Diversification

SALES BY STATE – YEAR ENDED DECEMBER 31, 2010



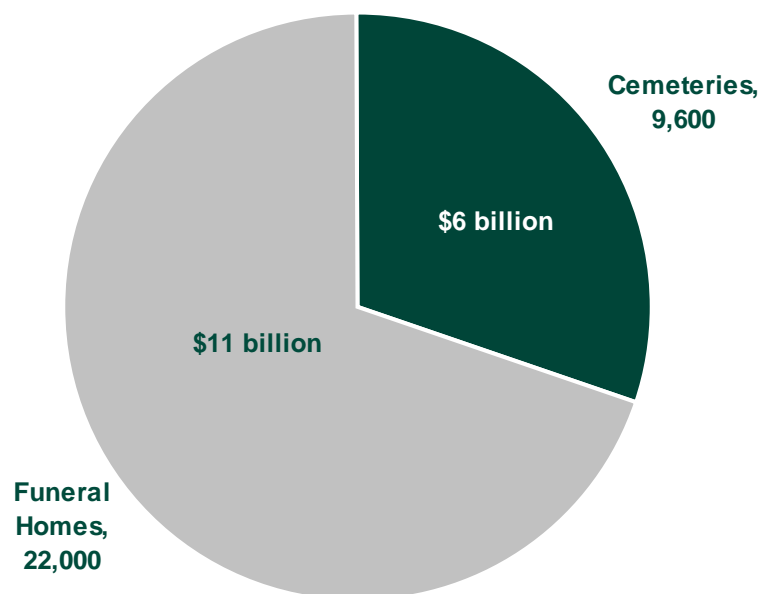
Cemetery Revenues – How Are Pre-Need Sales Generated?

- ◆ Leads are generated and appointments made
 - 40% of leads result in a presentation
- ◆ 20-25% of all presentations result in a sale
- ◆ Pre-need sale is usually financed on terms averaging 36 months
 - 22% of all sales are cash at the time of the sale
- ◆ Customers make monthly payments, including interest, on financed sales
 - Down payments average 12%
 - Finance charges range from 7% to 12%

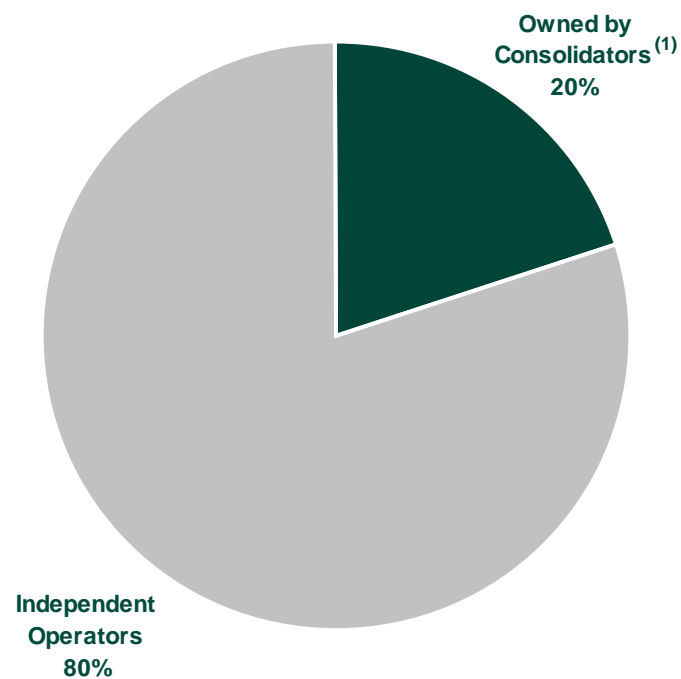
Highly Fragmented Industry...

LARGE DEATH CARE INDUSTRY

\$17 Billion Market



HIGHLY FRAGMENTED INDUSTRY REVENUE



Source: National Directory of Morticians; Public Filings.

Source: ABN Amro Research; Public Filings.

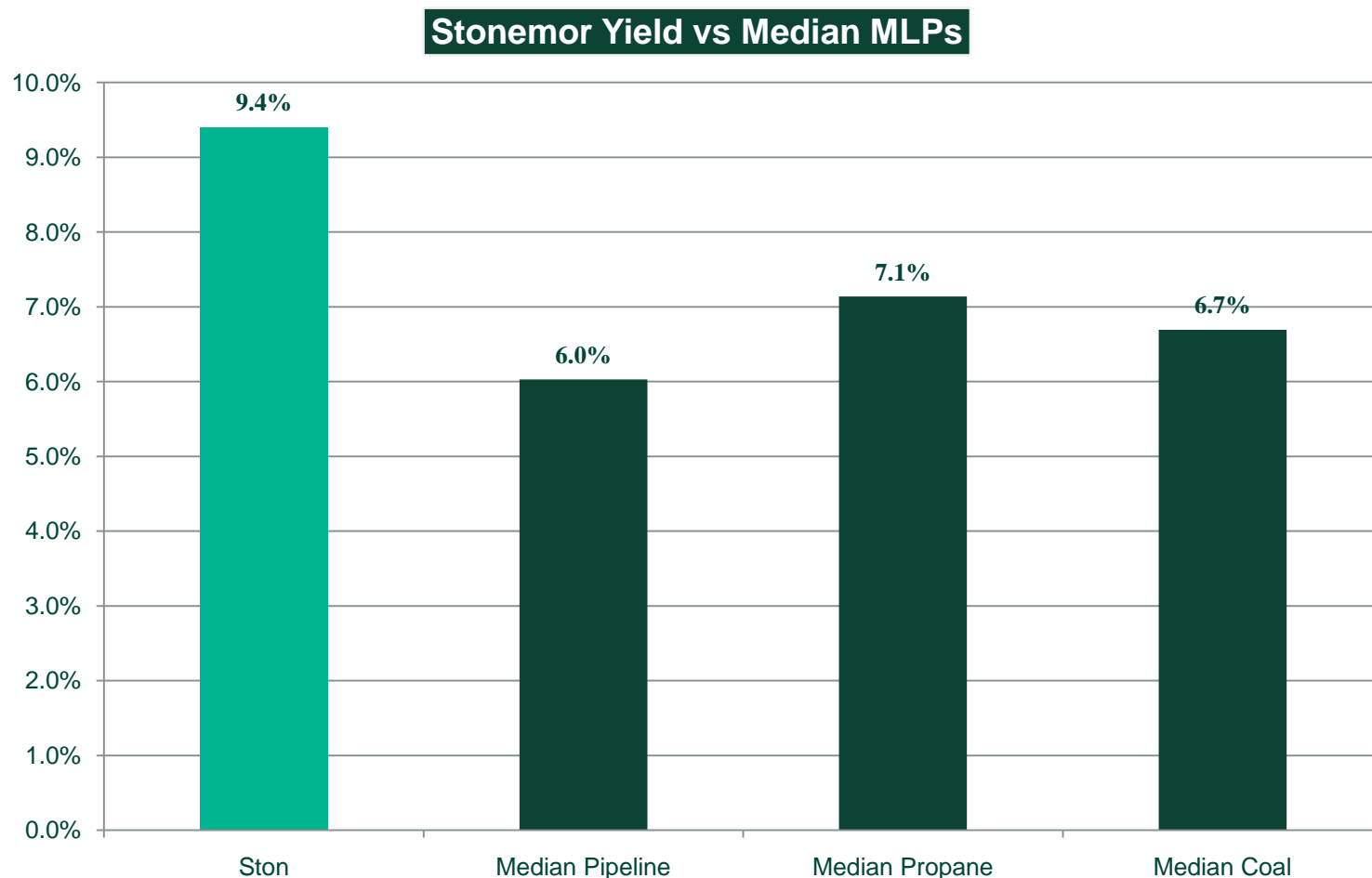
(1) Includes StoneMor, SCI, Stewart, Carriage and Loewen.

Investment Highlights

- ◆ 9.4% yield superior to most MLPs
- ◆ Proven acquisition track record
- ◆ High barriers to entry
- ◆ Expertise in Cemetery Operations generates significant value
- ◆ Favorable demographic trends
- ◆ Secure, stable asset profile
 - Diversely located properties
 - Merchandise Trust Assets exceed liabilities by approximately \$188 million
- ◆ Experienced management
 - Averages over 28 years of industry experience
- ◆ Conservative financial profile
 - No significant near-term debt maturities
 - Consistent growth in cash flows
 - Tax free structure and minimal capital expenditures

Attractive Yield

- ◆ 8.9% yield attractive relative to alternative MLPs

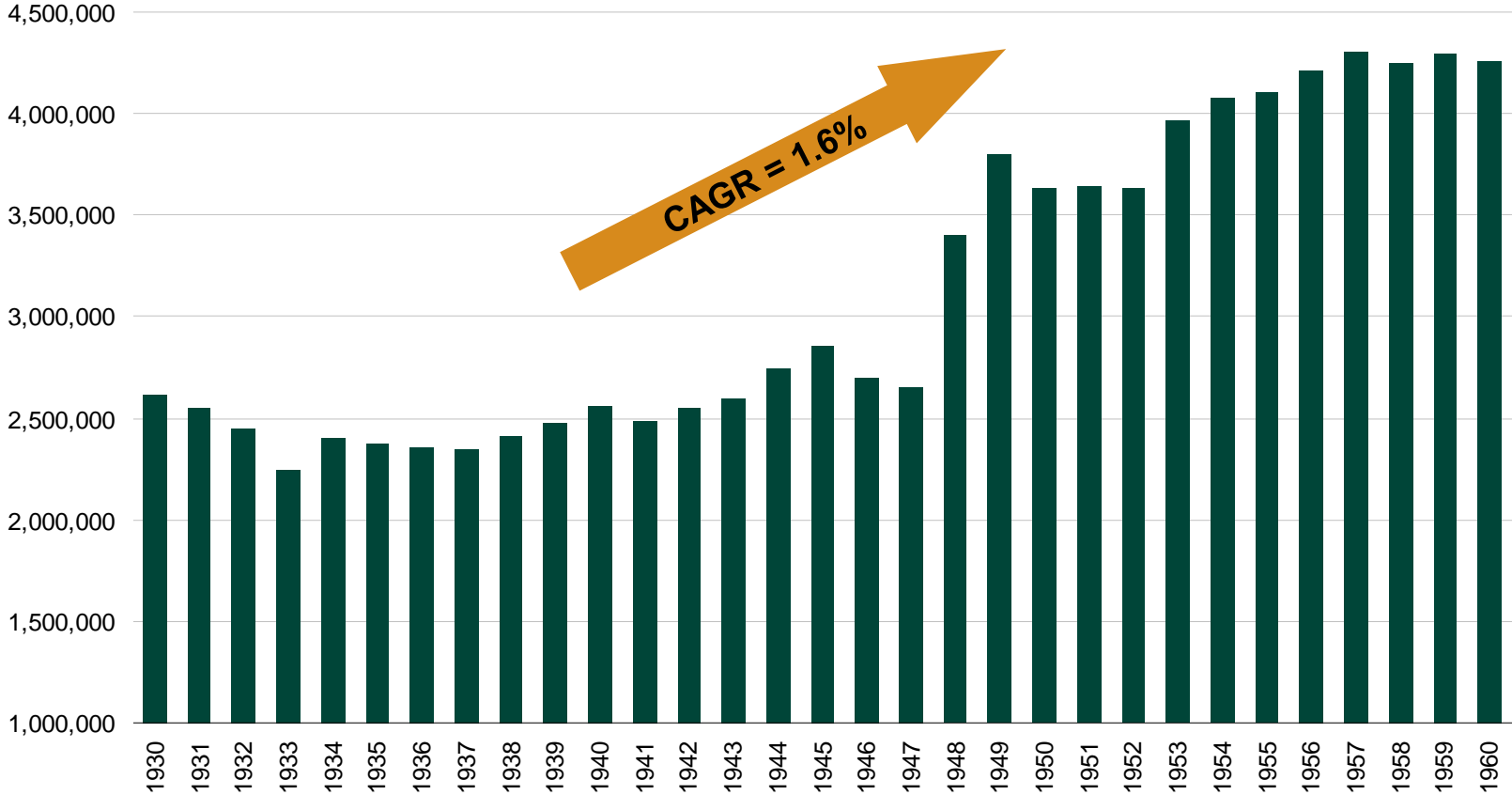


Note: As of May 18, 2011. Pipeline MLPs include BWP, DEP, EPB, ETP, EPD, HEP, KMP, MMP, NS, PAA, SEP, WPZ.. Propane MLPs include APU, FGP, NRGY, SPH. Coal MLPs include ARLP, NRP, PVR.

Favorable Demographics

Aging of the Baby Boom Generation will accelerate the death rate and expand our target pre-need market

ANNUAL BIRTHS IN THE UNITED STATES 1930-1960

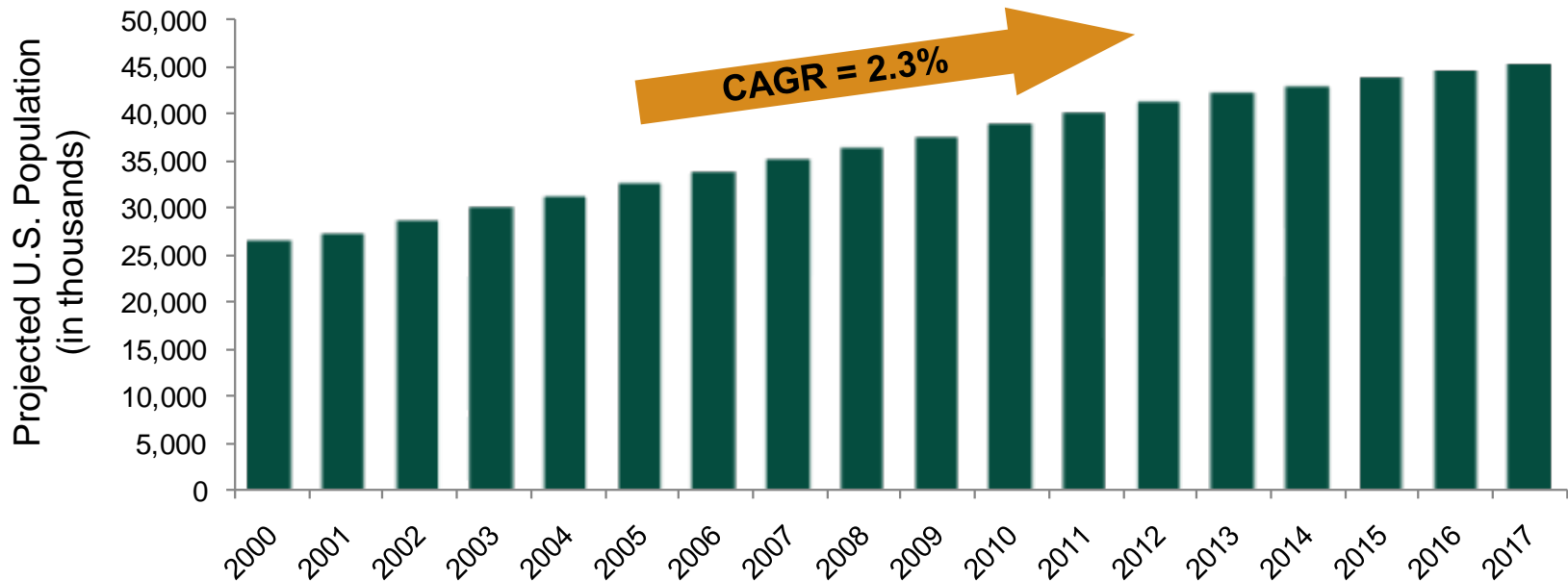


Source: Department of Health and Human Services.

Favorable Demographics

Sharply increasing population in our target pre-need market

PROJECTED U.S. POPULATION IN 55-65 YEAR OLD CATEGORY



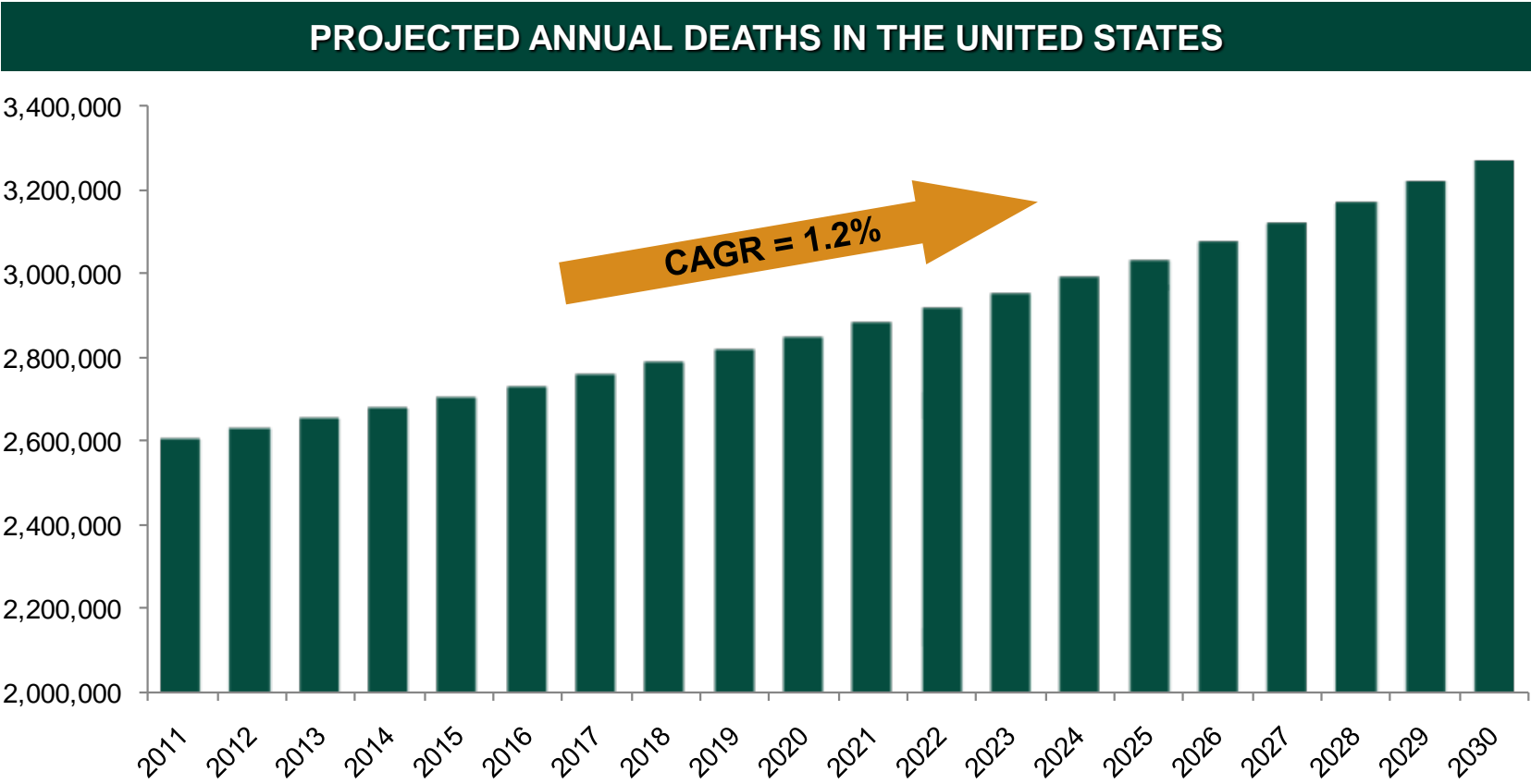
**Target Market
More Resilient to
Economic
Downturns**

- ◆ Target 55 to 65 age range
- ◆ Near retirement – low unemployment risk
- ◆ Mortgage paid-off (or almost) – minimal debt obligations
- ◆ Adult children – no tuition costs

Source: U.S. Department of Commerce Census Bureau.

Favorable Demographics

Steady increase in projected mortality rate in the U.S. over the next 20 years



Source: U.S. Department of Commerce Census Bureau.

Significant Underlying Assets

◆ Cemetery Land

- Approximately 12,000 Acres
- Weighed Average Estimated Sales life of over 260 years
- Book Value of approximately \$283.5 million as of December 31, 2010.

◆ Accounts Receivable

- Gross balance of approximately \$135.8 million, including approximately \$14.5 million in Unearned Interest as of December 31, 2010.

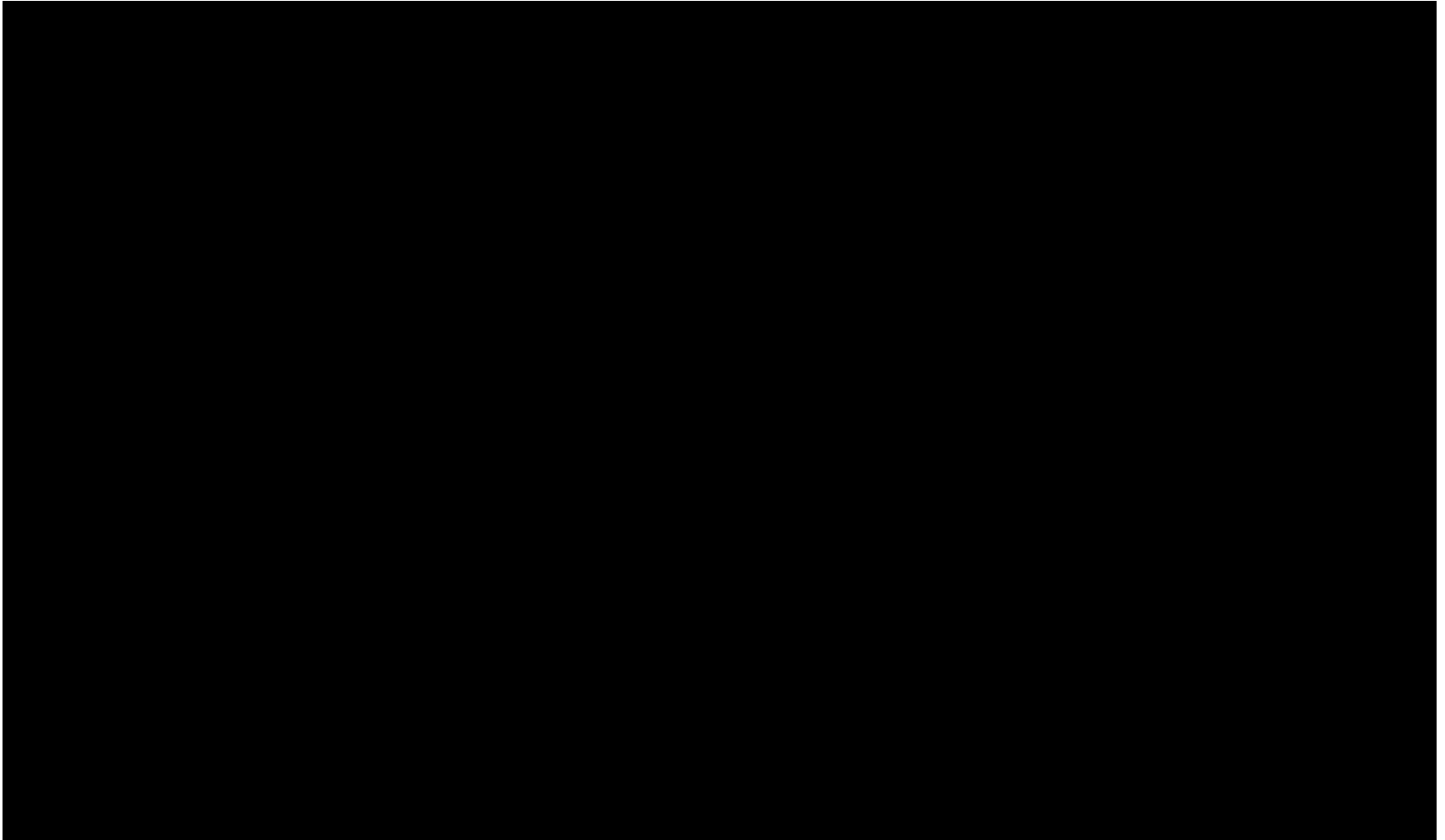
◆ Perpetual Care Trust

- Approximately \$249.7 MM as of December 31, 2010
- 10 to 15% of the lot selling price is deposited into a perpetual care fund
- Gains and losses stay in fund – no impact on earnings
- Income from Perpetual Care Trust used to offset cemetery maintenance costs

◆ Merchandise Trust

- Approximately \$318.3 MM as of December 31, 2010
- Various percentages of merchandise selling price deposited into trust as cash is received and redeemed once merchandise is delivered
- Gains and losses and income to Company
- ***Includes approximately \$205 MM in assets in excess of the amount required to fund all merchandise liabilities***

Historical Performance



Year-to-Date 2011 Performance

