

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: Gottschalks, Inc.

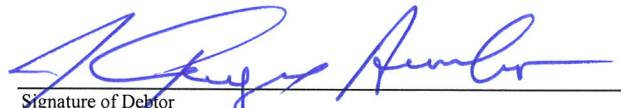
Case No. 09-10157 (KJC)
Reporting Period: April 5, 2009 - May 2, 2009

MONTHLY OPERATING REPORT
File with Court and submit copy to United States Trustee within 20 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Available Upon Request	Affidavit/Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	X		
Schedule of Professional Fees Paid	MOR-1b	X		
Copies of bank statements		X		
Cash disbursements journals		X		
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Postpetition Taxes	MOR-4	X		
Copies of IRS Form 6123 or payment receipt		N/A		
Copies of tax returns filed during reporting period		N/A		
Summary of Accounts Payables	MOR-4	X		
Accounts Receivable Aging		N/A		
Debtor Questionnaire	MOR-5	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.



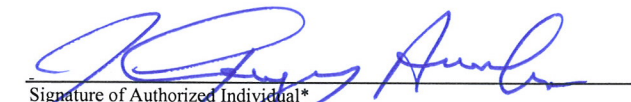
Signature of Debtor

6/25/09

Date

Signature of Joint Debtor

Date



Signature of Authorized Individual*

6/25/09

Date

J. Gregory Ambro

Printed Name of Authorized Individual

Executive Vice President and Chief Operating Officer

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS [1]

	BANK ACCOUNTS					CURRENT MONTH		FILING TO DATE
	GEN OPER.	STORE WORKING FUNDS	UTILITY DEP	SALES TAX	ALASKA	ACTUAL	PROJECTED [2]	ACTUAL
CASH (LOAN BALANCE) BEGINNING OF MONTH	(8,723)	845	280	3,226	3	(4,370)	(14,084)	(68,811)
RECEIPTS								
CASH SALES	-					-	-	83,387
CREDIT CARD RECEIVABLES	-					-	-	20,495
LOANS AND ADVANCES	-					-	-	-
SALE OF ASSETS	16,500					16,500	250	95,496
OTHER RECEIPTS	17,234	(14)	0	0		17,221	8,845	17,238
TRANSFERS (FROM DIP ACCTS)	(1,700)	(829)		2,503	26	(0)	-	0
TOTAL RECEIPTS	\$ 32,035	\$ (843)	\$ 0	\$ 2,503	\$ 26	\$ 33,721	\$ 9,095	\$ 216,617
DISBURSEMENTS								
ADVERTISING	-					-	-	3,223
MERCHANDISE (INCLUDING FREIGHT)	-					-	150	53,228
RENT	805					805	5,303	7,723
PAYROLL, PAYROLL TAXES, AND BENEFITS	7,057					7,057	5,204	30,959
UTILITIES	700					700	647	1,765
INSURANCE	39					39	112	327
SALES AND OTHER TAXES	1,812			238		2,051	2,169	14,251
GENERAL OPERATING	1,816					1,816	1,126	5,679
FINLAY LICENSE	-					-	-	3,611
FINANCING EXPENSES	-					-	-	3,524
PROFESSIONAL FEES	117					117	30	117
OTHER	5,027				2	5,028	6,871	6,969
TOTAL DISBURSEMENTS	\$ 17,373	\$ -	\$ -	\$ 238	\$ 2	\$ 17,613	\$ 21,612	\$ 131,376
DRAW ON LC	-					-	-	4,648
ADJUSTMENTS	1,178					1,178	10,264	1,220
NET CASH FLOW	\$ 13,484	\$ (843)	\$ 0	\$ 2,265	\$ 24	\$ 14,930	\$ (22,781)	\$ 79,372
(RECEIPTS LESS DISBURSEMENTS)								
CASH (LOAN BALANCE)- END OF MONTH	\$ 4,760	\$ 2	\$ 280	\$ 5,490	\$ 27	\$ 10,560	\$ (36,865)	\$ 10,560

[1] The cash balances and activity on this schedule represents the following balance sheet items: Unrestricted Cash and Cash Equivalents, Restricted Cash and Cash Equivalents, and Revolver Line of Credit. The balance of the revolver line of credit as of May 2, 2009 was \$0.

[2] 'Projected' amounts reflect projections per the DIP budget (based on weeks ending each Monday) and reflect projected activity for the period April 7 - May 4, 2009. The projection does not include activity in the other general operating, Alaska, and sales tax accounts.

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

This schedule is to include all retained professional payments from case inception to current month.

PAYEE	PERIOD COVERED	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID		TOTAL PAID TO DATE		AMOUNT ACCRUED	TOTAL INCURRED AND UNPAID
				FEES	EXPENSES	FEES	EXPENSES		
O'Melveny & Meyers	1/14 to 5/2/09							3,000,000	3,000,000
FTI Consulting	1/14 to 5/2/09							2,650,000	2,650,000
Richards, Layton & Finger	1/14 to 5/2/09							290,000	290,000
Kurtzman Carson Consultants	1/14 to 5/2/09			126,685		126,685		377,000	250,315
Cooley Godward Kronish	1/14 to 5/2/09							580,000	580,000
Loughlin Meghji & Company	1/14 to 5/2/09							260,000	260,000
Benesch	1/14 to 5/2/09							90,000	90,000
GE Capital Third Party Legal [1]	1/14 to 5/2/09			95,430		95,430		500,000	404,570
Financial Dynamics	1/14 to 5/2/09			11,665		11,665		25,000	13,335
Other	1/14 to 5/2/09							310,000	310,000
TOTAL PAYMENTS TO PROFESSIONALS			\$ -	\$ 233,780	\$ -	\$ 233,780	\$ -	\$ 8,082,000	\$ 7,848,220

[1] Amounts paid to GE Capital's legal advisors represent disbursements related to advisory work on the Credit Agreement performed prepetition.

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STATEMENT OF OPERATIONS - Income Statement

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	Month (\$ in 000's)	Cumulative Filing to Date (\$ in 000's)
Net Sales	0	92,623
Net Leased Department Revenue	120	1,044
Net Credit Revenue	332	1,630
Total Revenues	452	95,297
COST OF GOODS SOLD		
Cost of Goods Sold	(90)	74,106
Gross Profit	542	21,191
OPERATING EXPENSES		
Advertising	(56)	2,201
Bad Debts	1	65
Contributions	-	9
Employee Benefits Programs	16	3,403
Insider Compensation	88	613
Insurance	60	701
Repairs and Maintenance	117	923
Rent and Lease Expense	110	6,753
Salaries/Commissions/Fees	(370)	17,426
Supplies	27	1,890
Taxes	462	1,612
Travel and Entertainment	10	120
Utilities	(345)	1,034
Other (attach schedule)	2,608	49,993
Total Operating Expenses Before Depreciation	2,728	86,743
Depreciation/Depletion/Amortization	547	4,083
Net Profit (Loss) Before Other Income & Expenses	(2,733)	(69,635)
OTHER INCOME AND EXPENSES		
Other Income (attach schedule)	(343)	(381)
Interest Expense	187	1,478
Net Profit (Loss) Before Reorganization Items	(2,577)	(70,732)
REORGANIZATION ITEMS		
Professional Fees	1,790	8,082
U. S. Trustee Quarterly Fees	10	40
Other Reorganization Expenses (attach schedule)	468	1,705
Total Reorganization Expenses	2,268	9,827
Income Taxes	-	76
Net Profit (Loss)	\$ (4,845)	\$ (80,635)

Notes:

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STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF "OTHER" CATEGORY	Month (\$ in 000s)	Cumulative Filing to Date (\$ in 000s)
Other Operational Expenses		
Services Purchased	504	3,822
Unclassified	(304)	(247)
Communications	88	326
Postage	16	193
Professional Fees	36	71
Costs capitalized under Uniform Capitalization Rules [1]	0	(1,099)
(Gain)Loss on Assets	2,268	46,921
Store Closure Costs	0	6
Total Other Operational Expenses	2,608	49,993
Other Income		
Rental income	(9)	(40)
Miscellaneous income	(334)	(341)
Total Other Income	(343)	(381)
Other Reorganization Expenses		
Amortization of DIP loan fees	468	1,705
Total Other Reorganization Expenses	468	1,705

[1] Uniform Capitalization Rules require capitalization of certain indirect buying, handling and distribution costs to align these costs with the related sales.

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BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH (\$ in 000's)	BOOK VALUE PETITION DATE (\$ in 000's)
CURRENT ASSETS		
Unrestricted Cash and Equivalents	\$ 7,434	\$ 7,408
Restricted Cash and Cash Equivalents [1]	5,771	-
Credit Card Receivables	1,050	-
Accounts Receivable (Net)	3,623	2,944
Inventories	-	126,552
Prepaid Expenses (attach schedule)	7,159	3,849
Professional Retainers	493	493
Other Current Assets (attach schedule)	23,421	8,216
TOTAL CURRENT ASSETS	\$ 48,951	\$ 149,462
PROPERTY AND EQUIPMENT		
Real Property and Improvements	60,652	60,652
Machinery and Equipment	12,348	61,313
Furniture, Fixtures and Office Equipment	1,148	89,942
Leasehold Improvements	65,469	65,463
Vehicles	420	420
Construction in progress	-	2,187
Less Accumulated Depreciation	(65,230)	(151,228)
TOTAL PROPERTY & EQUIPMENT	\$ 74,807	\$ 128,749
OTHER ASSETS		
Loans to Insiders	-	-
Other Assets (attach schedule)	7,376	5,166
TOTAL OTHER ASSETS	\$ 7,376	\$ 5,166
TOTAL ASSETS	\$ 131,134	\$ 283,377
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)		
Accounts Payable	4,647	
Taxes Payable (refer to FORM MOR-4)	8,357	
Wages Payable	384	
Rent / Leases - Building/Equipment	1,289	
Secured Debt / Adequate Protection Payments	-	
Professional Fees	7,858	
Amounts Due to Insiders	19	
Other Postpetition Liabilities (attach schedule)	39,844	
TOTAL POSTPETITION LIABILITIES	\$ 62,398	-
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Secured Debt	3,249	76,069
Priority Debt	471	37
Unsecured Debt	54,272	54,533
Other Pre-petition Liabilities (attach schedule)	2,735	64,099
TOTAL PRE-PETITION LIABILITIES	\$ 60,727	194,738
TOTAL LIABILITIES	\$ 123,125	194,738
OWNER EQUITY		
Capital Stock	137	137
Additional Paid-In Capital	78,007	78,002
Retained Earnings - Pre-Petition	11,987	11,987
Retained Earnings - Postpetition	(80,635)	
Adjustments to Owner Equity (attach schedule)	(1,487)	(1,487)
NET OWNER EQUITY	8,009	88,639
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ 131,134	\$ 283,377

[1] Restricted Cash and Cash Equivalents represents cash held in separate accounts for utility adequate assurance sand tax payments.

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BALANCE SHEET - continuation sheet

ASSETS		BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE PETITION DATE
Prepaid Expenses			
	Prepaid insurance	787	1,167
	Workers compensation prepaid	889	889
	Prepaid advertising	-	219
	Prepaid health and other	269	122
	Prepaid rent	2,377	-
	Prepaid expenses	427	1,094
	Prepaid property taxes	502	358
	Prepaid merchandise	1,908	
	Total Prepaid Expenses	7,159	3,849
Other Current Assets			
	Supplies	-	1,534
	Workers compensation reserves	6,118	6,118
	Deferred loan fees	1,107	4
	Joint Venture receivable	15,585	
	Other receivables	120	373
	Salary support receivable	490	184
	Other	1	3
	Total Other Current Assets	23,421	8,216
Other Assets			
	Intangibles - lease rights	792	813
	Investment in partnership	1,782	1,810
	Credit card and other deposits	1,524	-
	Straightline lease	2,475	2,543
	Prepaid rent	804	
	Total Other Assets	7,377	5,166
LIABILITIES AND OWNER EQUITY		BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE PETITION DATE
Other Postpetition Prepetition Liabilities			
Other Postpetition Liabilities			
	Accrued expenses	374	
	Cash management liability (bank overdraft)	2,903	
	Gift and merchandise cards	4,119	
	Vacation payable	628	
	Payroll deductions payable	544	
	Sales return reserve	-	
	Workers compensation insurance reserves	6,118	
	Other insurance reserves	348	
	Deferred revenue	5,997	
	Deferred rent	5,251	
	Intangibles - lease rights	198	
	Fin 48 liability	1,008	
	Deferred taxes	3,512	
	Capital leases	8,844	
	Total Other Postpetition Liabilities	39,844	
Other Prepetition Liabilities			
	Accrued expenses		5,162
	Gift and merchandise cards		7,738
	Sales and payroll taxes payable		10,495
	Wages payable		2,030
	Vacation payable	1,906	2,990
	Payroll deductions payable		304
	Accrued accounting fees	481	520
	Pension liability	97	97
	Other accruals prepetition	223	599
	Store party fund	28	63
	Vendor supported events	-	220
	Sales return reserve		1,663
	Workers compensation insurance reserves		6,118
	Other insurance reserves		259
	Deferred revenue		6,699
	Deferred rent		5,466
	Intangibles - lease rights		208
	Fin 48 liability		1,008
	Deferred taxes		3,512
	Capital leases		8,948
	Total Other Prepetition Liabilities	2,735	64,099
Adjustments to Owner Equity			
	Treasury stock	(1,487)	(1,487)
	[1] Represents reserves that are reevaluated on a quarterly basis.		
	[2] Represents employee programs that were continued postpetition per Court order.		

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STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.
Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.
Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	276,526	236,404	(363,168)	149,762
FICA	757,531	874,325	(979,924)	651,932
Unemployment	119,906	22,737	(95,073)	47,570
Total Federal Taxes	\$ 1,153,963	\$ 1,133,466	\$ (1,438,166)	\$ 849,264
State and Local				
Withholding	126,771	105,842	(162,837)	69,775
Sales & Excise ^[1]	4,183,435	3,659,639	(401,027)	7,442,047
Unemployment	378,685	77,301	(298,764)	157,222
Real Property	598,153	290,263	(1,081,584)	(193,169)
Personal Property ^[2]	37,330	14,466	(25,718)	26,078
Workers Compensation	10,187	2,683	(7,556)	5,313
Other: Local	1,808	445	(1,363)	891
Total State and Local	5,336,369	4,150,639	(1,978,850)	7,508,158
Total Taxes	\$ 6,490,332	\$ 5,284,105	\$ (3,417,015)	\$ 8,357,421

^[1] Sales and Excise taxes are paid one month in arrears.

^[2] Personal Property Taxes are paid on an annual basis.

* Copies of tax returns are available upon request.

SUMMARY OF ACCOUNTS PAYABLE

Attach aged listing of accounts payable.

Note: The Company does not analyze or prepare the aging of its accounts payable.

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ACCOUNTS RECEIVABLE AGING

Accounts Receivable Aging	Amount
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Note: The Company does not analyze or prepare the aging of its accounts receivable.

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below. ^[1]		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	N/A	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3. ^[2]		X