

## Gottschalks reports increase in January sales

Thursday, Feb. 05, 2009

By Tim Sheehan / The Fresno Bee

Gottschalks Inc. today reported that sales in January increased from a year ago, bucking a trend of declining sales for the Fresno-based department-store chain.

The company, which filed for bankruptcy last month, reported its total sales among its 58 department stores and three specialty stores were \$33.3 million, an increase of 10.6% over the \$30.1 million reported in January 2008. The last time Gottschalks experienced an increase in sales for a month compared to the prior year was nearly two years ago, in March 2007.

Same-store sales -- a benchmark figure for retailers reflecting stores that have been open at least a year -- were up 13.3% from January 2008. Gottschalks operated one less store in January 2009 than it did in the first month of 2008. The company did not provide dollar amounts for the same-store figures.

"We are very pleased with our positive sales results for the month," Gottschalks Chairman and CEO James Famalette said in a written statement. "We believe the closure of other retailers in many of our core California markets benefited our top line performance."

Famalette said Gottschalks stores in communities that lost other retailers such as Mervyns saw sales gains of 15% or more.

For Gottschalks' 2008 fiscal year, which ended Jan. 31, total sales amounted to \$563.2 million, a decrease of 10.4% from 2007. Same-store sales were down 8.8%.

Gottschalks filed for Chapter 11 bankruptcy protection from its creditors on Jan. 14. The company is exploring options to restructure or sell the company. Famalette's statement said Gottschalks is in "active discussions with potential buyers" as the bankruptcy process moves ahead in a federal court in Delaware.

According to its bankruptcy court filing, Gottschalks has until March 24 to find a buyer for the company or face liquidation of its assets.