IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION

In re:	)	**Chapter 11**
	)	
DAN RIVER FACTORY STORES, INC.	)	**Case No. 04-10993**
	)	
Debtor.	)	
	)	**Judge Drake**
	)	

DEBTOR'S MONTHLY FINANCIAL REPORTS (BUSINESS)
FOR THE PERIOD FROM MARCH 31, 2004 (PETITION DATE) TO MAY 8, 2004

Comes now the above-named debtor and files its Periodic Financial Reports in accordance with the Guidelines established by the United States Trustee and FRBP 2015.

/s/ Felton E. Parrish
Attorney for Debtor

Dated: Atlanta, GA
June 7, 2004

Debtor's Address and Phone Number:

2291 Memorial Drive
Danville, VA 24541
(434) 799-7000

KING & SPALDING LLP

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ATTORNEYS FOR THE DEBTOR

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NOTES TO THE MONTHLY OPERATING REPORT

Total Cash Disbursements During The Reporting Period: $214,000

The above amount is provided for the purpose of calculating the US Trustee fee. This amount consists of the total of the Debtor's cost of goods sold, selling, general and administrative expenses, and capital expenditures for the Debtor's for the reporting period ended May 8, 2004.

As previously disclosed in the Dan River Factory Stores, Inc. Statement of Financial Affairs, the Debtor owns no assets and does not maintain a bank account. All disbursements for the Debtor's business are made by the Debtor's parent, Dan River Inc.

For additional information on the nature of the Debtor's operations and assets and liabilities, please refer to the Debtor's previously filed Statement of Financial Affairs.

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 7th day of June 2004.

/s/ Barry F. Shea
Barry F. Shea
Executive Vice President – Chief Financial Officer

In re: DAN RIVER FACTORY STORES, INC.

Case No. 04-10993

CONDENSED BALANCE SHEET
(UNAUDITED)

May 8, 2004
(in thousands)

Assets	
Due from Parent	$ 2,325
Liabilities and Shareholder's Equity	
Liabilities	$ 0
Common stock	0
Paid-in capital	1,739
Retained earnings	586
	$ 2,325

CONDENSED STATEMENT OF OPERATIONS
(UNAUDITED)

For the Period March 31, 2004 to May 8, 2004
(in thousands)

Net sales	$ 175
Cost of sales	114
Gross profit	61
Selling, general and administrative expenses	100
Net loss	$ (39)