



Low Price Leader

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FRED'S MARCH COMPARABLE STORE SALES INCREASE 1.9%

MEMPHIS, Tenn. (April 9, 2009) – Fred's Inc. (NASDAQ:FRED) today reported sales for the five-week fiscal month of March, which ended April 4, 2009.

Fred's total sales for the month declined 1% to \$175.4 million from \$177.7 million in March 2008, reflecting the closing of 74 underperforming stores and 22 underperforming pharmacies last year. However, excluding stores closed during 2008, total sales from ongoing stores increased 4% in March versus the same month last year. Comparable store sales for the month rose 1.9% versus an increase of 1.2% in the same period last year.

Fred's total sales for the first two months of fiscal 2009 declined 2% to \$321.9 million compared with \$326.8 million for the same period last year. Excluding stores closed in 2008, total sales from ongoing stores increased 4% in the first two months of 2009 versus the year-earlier period. On a comparable store basis, year-to-date sales increased 1.9% compared with 1.1% in the same period last year.

Commenting on the announcement, Bruce A. Efird, Chief Executive Officer, said, "Our progress in building both traffic and average ticket continued during March, as indicated by comparable store sales growth at the high end of our plan. This performance, which also reflected higher pharmacy department prescription counts, is gratifying considering the tough retail environment we face. Those same challenges, however, continue to drive growing consumer interest in discount retailers, and Fred's remains well positioned to deliver great value to its customers. We continue to manage the key fundamentals of our business and implement various initiatives designed to improve our customers' shopping experience and gain market share."

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Fred's Inc. operates 666 discount general merchandise stores, including 24 franchised Fred's stores in the southeastern United States. For more information about the Company, visit Fred's Website at www.fredsinc.com.

Comments in this news release that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. These risks and uncertainties include, but are not limited to, general economic trends, changes in consumer demand or purchase patterns, delays or interruptions in the flow of merchandise between the Company's distribution centers and its stores or between the Company's suppliers and same, a disruption in the Company's data processing services, costs and delays in acquiring or developing new store sites, and other contingencies discussed in the Company's Securities and Exchange Commission filings. Fred's undertakes no obligation to release revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unforeseen events, except as required to be reported under the rules and regulations of the Securities and Exchange Commission.

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