



FOR IMMEDIATE RELEASE:

**Frederick's of Hollywood Group Inc. Reports
Fiscal 2008 Fourth Quarter and Year End Financial Results**

New York, New York (October 24, 2008)—Frederick's of Hollywood Group Inc. (formerly, Movie Star, Inc.) (NYSE Alternext US: FOH) ("Company") today announced financial results for its fourth quarter and fiscal year ended July 26, 2008. On January 28, 2008, the Company completed its merger with FOH Holdings, Inc. ("FOH Holdings"), the parent company of Frederick's of Hollywood, Inc. The merger was accounted for as a reverse acquisition in which the Company was treated as the acquired company and FOH Holdings was treated as the acquiring company. The historical financial information presented for the periods and dates prior to January 28, 2008, the closing date of the merger, is that of FOH Holdings and its subsidiaries, and for periods subsequent to January 28, 2008 is that of the merged company.

Net sales for the fiscal 2008 fourth quarter increased 28.2% to \$42,093,000 from \$32,829,000 for the fiscal 2007 fourth quarter. Gross margin, as a percentage of sales, decreased 4.8 percentage points to 31.0% for the fiscal 2008 fourth quarter from 35.8% for the fiscal 2007 fourth quarter. Selling, general and administrative expenses were \$19,585,000 for the fiscal 2008 fourth quarter, compared to \$14,462,000 for the fiscal 2007 fourth quarter. For the fiscal 2008 fourth quarter, the Company recorded a net loss of \$7,191,000 available to common shareholders, or \$(0.28) per diluted share, compared to a net loss of \$2,571,000, available to common shareholders, or \$(0.22) per diluted share, for the fiscal 2007 fourth quarter.

Net sales for the fiscal 2008 full year increased 17.4% to \$182,233,000 from \$155,238,000 in fiscal 2007. Gross margin for fiscal 2008 decreased 5.2 percentage points to 36.7% from 41.9% in fiscal 2007. Selling, general and administrative expenses were \$80,108,000 for fiscal 2008 compared to \$61,996,000 for fiscal 2007. The Company recorded a net loss of \$15,664,000 available to common shareholders, or \$(0.83) per diluted share, for fiscal 2008 compared to net income of \$441,000 available to common shareholders, or \$0.04 per diluted share, for fiscal 2007.

Although net sales for the year ended July 26, 2008 increased due to the addition of \$28,485,000 of net sales generated by the wholesale division, we experienced decreased retail sales primarily as a result of the challenging retail environment and economic conditions and an unsuccessful transition to a new web platform during fiscal 2008. Gross margin for the year ended July 26, 2008 also decreased due to the addition of the wholesale division, which operates on a lower gross margin than the retail division. The gross margin for the wholesale division for the period was 25.1%. In addition, included in selling, general and administrative expenses for the year ended July 26, 2008 were one-time non-recurring merger related expenses that totaled \$2,241,000. These consisted of stock compensation expense, audit fees in excess of normal audit costs, bonuses related to the completion of the merger and insurance policies purchased as a requirement of the merger.

Peter Cole, Executive Chairman of the Company, stated, "As the macroeconomic environment continues to present challenges to both our retail and wholesale divisions, our efforts are focused on reducing operating expenses. Some cost saving initiatives that we have taken and are continuing to take include a reduction in personnel through the elimination of executive and support functions, the decreased use of outside consulting services, the consolidation of insurance and employee benefits, and the continued transition of manufacturing support functions to our facility in the Philippines."

Mr. Cole continued, "We are also making changes that we believe will improve our overall business and operating results. We have been working to consolidate both companies' merchandising and design, distribution, information technology and finance functions. As a result of rising costs, we also have continued to reduce catalog circulation and are endeavoring to expand our Internet customer base through various methods, including partnering with Internet search engines and participating in affiliate programs. Following an unsuccessful transition to a new web platform during fiscal 2008, we also have focused our efforts on replacing our website with a state-of-the-art e-commerce system, which we expect will be operational in early calendar year 2009. In addition, due to uncertain economic conditions and our poor operating performance in fiscal 2008, we have revised our retail store expansion plans for fiscal 2009 to include only three store openings and one store remodeling."

Mr. Cole concluded, "Some of these initiatives will have an immediate impact on our operating results while others may take more time. Although we believe that we are taking the steps necessary to build this company to be a prominent player in the intimate apparel business, in view of the current state of the economy and its anticipated impact on consumer spending, we cannot be certain that these initiatives will produce positive operating results in fiscal 2009."

Forward Looking Statement

Certain of the matters set forth in this press release are forward-looking and involve a number of risks and uncertainties. These statements are based on management's current expectations or beliefs. Actual results may vary materially from those expressed or implied by the statements herein. Among the factors that could cause actual results to differ materially are the following: competition; business conditions and industry growth; rapidly changing consumer preferences and trends; general economic conditions; large variations in sales volume with significant customers; addition or loss of significant customers; continued compliance with government regulations; loss of key personnel; labor practices; product development; management of growth, increases in costs of operations or inability to meet efficiency or cost reduction objectives; timing of orders and deliveries of products; foreign government regulations and risks of doing business abroad; and the other risks that are described from time to time in Frederick's of Hollywood Group Inc.'s SEC reports. Frederick's of Hollywood Group Inc. is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.

About Frederick's of Hollywood Group Inc.

Frederick's of Hollywood Group Inc. conducts its business through two operating divisions: the multi-channel retail division and the wholesale division.

About the Retail Division

Through our multi-channel retail division, we primarily sell women's intimate apparel and related products under our proprietary Frederick's of Hollywood® brand through more than 130 specialty retail stores nationwide, our world-famous catalog and an online shop at www.fredericks.com. By keeping an eye toward modern Hollywood as well as its own legendary history, Frederick's of Hollywood creates innovative, alluring lingerie that is coveted by its customers. With its exclusive product offerings including Seduction by Frederick's of Hollywood and the Hollywood Exxtreme Cleavage® bra, Frederick's of Hollywood is the Original Sex Symbol®.

About the Wholesale Division

Through our wholesale division, we design, manufacture, source, distribute and sell women's intimate apparel, including sleepwear, robes, leisurewear and daywear, to mass merchandisers, specialty and department stores, discount retailers, national and regional chains and direct mail catalog marketers throughout the United States and Canada. Current collections include the Cinema Etoile® premium line of intimate apparel and our wholesale line of apparel sold as private label programs.

CONTACT:

Frederick's of Hollywood Group Inc.
Thomas Rende, CFO
(212) 798-4700

Corporate information about Frederick's of Hollywood Group Inc., including our press releases, is available on our corporate website, www.fohgroup.com.

FREDERICK'S OF HOLLYWOOD GROUP INC.
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share Data)

	July 26, 2008 *	July 28, 2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,988	\$ 1,898
Accounts receivable	5,788	739
Income tax receivable	112	119
Merchandise inventories	24,572	16,683
Prepaid expenses and other current assets	3,515	6,458
Deferred income tax assets	2,766	1,133
Total current assets	38,741	27,030
PROPERTY AND EQUIPMENT, Net	22,576	17,365
GOODWILL	19,100	6,678
INTANGIBLE AND OTHER ASSETS	27,265	19,452
TOTAL ASSETS	\$ 107,682	\$ 70,525
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Revolving credit facility and term loan	\$ 11,093	\$ 6,740
Current portion of long-term and related party debt	50	4,343
Accounts payable and other accrued expenses	20,709	20,585
Total current liabilities	31,852	31,668
DEFERRED RENT	3,846	2,744
LONG TERM DEBT-related party	12,561	15,086
OTHER	55	17
DEFERRED INCOME TAX LIABILITIES	11,802	8,369
TOTAL LIABILITIES	60,116	57,884
PREFERRED STOCK, \$.01 par value – authorized 10,000,000 shares at July 26, 2008; issued and outstanding 3,629,325 shares of Series A preferred stock at July 26, 2008	7,500	-
COMMITMENTS AND CONTINGENCIES	-	-
SHAREHOLDERS' EQUITY:		
Preferred stock, par value \$.01 per share – 250,000 shares authorized at July 28, 2007; none issued and outstanding	-	-
Common stock, \$.01 par value – authorized 200,000,000 shares at July 26, 2008 and 20,037,840 shares at July 28, 2007; issued and outstanding 26,141,194 shares at July 26, 2008 and 11,844,591 shares at July 28, 2007	261	118
Additional paid-in capital	59,558	16,603
Accumulated deficit	(19,744)	(4,080)
Accumulated other comprehensive loss	(9)	-
TOTAL SHAREHOLDERS' EQUITY	40,066	12,641
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 107,682	\$ 70,525

* Reflects the merged entity.

FREDERICK'S OF HOLLYWOOD GROUP INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Amounts)

	Quarter Ended		Year Ended	
	July 26, 2008*	July 28, 2007	July 26, 2008*	July 28, 2007
Net sales	\$ 42,093	\$32,829	\$ 182,233	\$ 155,238
Cost of goods sold, buying and occupancy	29,060	21,078	115,306	90,201
Gross profit	13,033	11,751	66,927	65,037
Selling, general and administrative expenses	19,585	14,462	80,108	61,996
Operating income (loss)	(6,552)	(2,711)	(13,181)	3,041
Interest expense, net	345	535	2,048	2,093
Income (loss) from continuing operations before income tax provision	(6,897)	(3,246)	(15,229)	948
Income tax provision	154	(710)	154	548
Income (loss) from continuing operations	(7,051)	(2,536)	(15,383)	400
Income from discontinued operations, net of tax provision of \$58 in 2007	-	(35)	-	41
Net income (loss)	(7,051)	(2,571)	(15,383)	441
Less: Preferred stock dividends	140	-	281	-
Net income (loss) available to common shareholders	\$ (7,191)	\$ (2,571)	\$(15,664)	\$ 441
Basic net income (loss) per share from continuing operations	\$ (.28)	\$ (.22)	\$ (.83)	\$.04
Basic net income per share from discontinued operations	-	-	-	-
Basic net income (loss) per share	\$ (.28)	\$ (.22)	\$ (.83)	\$.04
Diluted net income (loss) per share from continuing operations	\$ (.28)	\$ (.22)	\$ (.83)	\$.04
Diluted net income per share from discontinued operations	-	-	-	-
Diluted net income (loss) per share	\$ (.28)	\$ (.22)	\$ (.83)	\$.04
Weighted average shares outstanding – basic	26,140	11,845	18,973	11,845
Weighted average shares outstanding – diluted	26,140	11,845	18,973	12,093

* Reflects the merged entity.