



FOR IMMEDIATE RELEASE:

**Frederick's of Hollywood Group Inc. Reports
Fiscal 2009 First Quarter Results**

New York, New York (December 9, 2008)—Frederick's of Hollywood Group Inc. (formerly, Movie Star, Inc.) (NYSE Alternext US: FOH) ("Company") today announced financial results for its first quarter ended October 25, 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 2009 first quarter increased 14.5% to \$42,565,000 from \$37,187,000 for the fiscal 2008 first quarter. The increase in net sales resulted from the addition of \$9,436,000 of net sales from the wholesale division following the consummation of the merger. This increase was partially offset by a decrease in retail net sales of \$4,058,000 to \$33,129,000 for the three months ended October 25, 2008 from \$37,187,000 for the three months ended October 27, 2007.

Gross margin, as a percentage of sales, decreased 6.7 percentage points to 34.5% for the fiscal 2009 first quarter from 41.2% for the fiscal 2008 first quarter. The decrease was partially due to the lower gross margin for the wholesale division, which was approximately 27.9% for the three months ended October 25, 2008. The gross margin for the retail division also decreased to 36.4% for three months ended October 25, 2008 from 41.2% for the three months ended October 27, 2007.

For the fiscal 2009 first quarter, selling, general and administrative expenses were \$19,375,000, representing \$14,192,000 of expenses from the retail division and the addition of \$5,183,000 of expenses from the wholesale division and our corporate executive office following the consummation of the merger. For the fiscal 2008 first quarter, selling, general and administrative expenses were \$18,639,000, representing only the expenses of the retail division. Although total selling, general and administrative expenses for the fiscal 2009 first quarter increased by \$736,000 compared to the prior year, the retail division's selling, general and administrative expenses decreased by \$4,447,000 for the fiscal 2009 first quarter compared to the prior year.

For the fiscal 2009 first quarter, the Company recorded a net loss available to common shareholders of \$5,286,000, or \$(0.20) per diluted share, compared to a net loss available to common shareholders of \$3,927,000, or \$(0.33) per diluted share, for the fiscal 2008 first quarter.

Peter Cole, the Company's Executive Chairman, stated, "As we anticipated, our first quarter results were significantly impacted by an unprecedented negative macroeconomic environment. In response, we are continuing to reduce operating expenses, primarily through reductions in personnel. Since the consummation of the merger, other than store personnel, we have terminated approximately 15% of our domestic employees and have transitioned certain manufacturing support functions previously performed by some of these employees to our facility in the Philippines. This net reduction in workforce has resulted in an annualized net salary savings of approximately \$3.8 million."

Mr. Cole continued, “We are also continuing our efforts to consolidate our retail and wholesale merchandising and design, distribution, information technology and finance functions. We also are focused on improving online sales and anticipate that our new, state-of-the-art e-commerce system will be operational in early calendar year 2009.”

Mr. Cole concluded, “In view of the current state of the economy and its anticipated continued impact on consumer spending through the holiday season and beyond, we will continue to operate our business prudently. At the same time, we will strive to execute successful merchandising and marketing strategies in an effort to maintain our current customer base and attract new customers.”

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:

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

	October 25, 2008	July 26, 2008
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,199	\$ 1,988
Accounts receivable	6,659	5,788
Income tax receivable	142	112
Merchandise inventories	30,734	24,572
Prepaid expenses and other current assets	3,618	3,515
Deferred income tax assets	<u>2,511</u>	<u>2,766</u>
Total current assets	45,863	38,741
PROPERTY AND EQUIPMENT, Net	23,404	22,576
GOODWILL	19,100	19,100
INTANGIBLE AND OTHER ASSETS	<u>26,907</u>	<u>27,265</u>
TOTAL ASSETS	<u>\$115,274</u>	<u>\$107,682</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Revolving credit facility and term loans	\$20,327	\$11,093
Current portion of long-term debt	35	50
Accounts payable and other accrued expenses	<u>23,993</u>	<u>20,709</u>
Total current liabilities	44,355	31,852
DEFERRED RENT	4,131	3,846
LONG TERM DEBT-related party	12,752	12,561
OTHER	38	55
DEFERRED INCOME TAX LIABILITIES	<u>11,547</u>	<u>11,802</u>
TOTAL LIABILITIES	72,823	60,116
PREFERRED STOCK, \$.01 par value – authorized, 10,000,000 shares at October 25, 2008 and July 26, 2008; issued and outstanding 3,629,325 shares of Series A preferred stock at October 25, 2008 and July 26, 2008	7,500	7,500
COMMITMENTS AND CONTINGENCIES	-	-
SHAREHOLDERS EQUITY:		
Common stock, \$.01 par value – authorized, 200,000,000 shares at October 25, 2008 and July 26, 2008; issued and outstanding 26,172,094 shares at October 25, 2008 and 26,141,194 shares at July 26, 2008	262	261
Additional paid-in capital	59,811	59,558
Accumulated deficit	(25,030)	(19,744)
Accumulated other comprehensive loss	<u>(92)</u>	<u>(9)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>34,951</u>	<u>40,066</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$115,274</u>	<u>\$107,682</u>

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

	Three Months Ended	
	October 25, 2008	October 27, 2007
Net sales	\$42,565	\$37,187
Cost of goods sold, buying and occupancy	27,887	21,849
Gross profit	14,678	15,338
Selling, general and administrative expenses	19,375	18,639
Operating loss	(4,697)	(3,301)
Interest expense, net	428	626
Loss before income tax provision	(5,125)	(3,927)
Income tax provision	20	-
Net loss	(5,145)	(3,927)
Less: Preferred stock dividends	141	-
Net loss available to common shareholders	<u>\$ (5,286)</u>	<u>\$ (3,927)</u>
Basic net loss per share	\$(0.20)	\$ (0.33)
Diluted net loss per share	\$(0.20)	\$ (0.33)
Weighted average shares outstanding – basic	26,171	11,845
Weighted average shares outstanding – diluted	26,171	11,845