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RCS Real Estate Advisors Retained by Fred's to Provide Real Estate Advisory Services

NEW YORK, NY, May 15, 2008 — New York, NY-based RCS Real Estate Advisors, the pre-eminent real estate advisory firm to the retail industry, has been retained by Fred's to provide real estate advisory and disposition services. RCS Real Estate Advisors President and CEO Ivan L. Friedman made the announcement.

Consistent with their strategic plan to improve profitability as announced on February 6, 2008, Fred's has retained RCS Real Estate Advisors to create and implement a marketing plan to efficiently dispose of almost 60 underperforming store leases located throughout Alabama, Florida, Georgia, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas, and ranging in size from 15,000 to 24,000 square feet.

RCS Real Estate Advisors (formerly Retail Consulting Services) provides innovative solutions that unlock the potential of retail real estate assets for clients across the United States. Founded in 1981, the firm operates through a unique mix of three practice areas—Growth and Development, Restructuring and Portfolio Optimization, and Investment Advisory and Participation—offering services that include expansions, rent renegotiations, dispositions and equity investments. For more information about the firm and its track record of working as a partner to deliver results for top-name retailers, please visit www.rcsrealestate.com.

Headquartered in Memphis, Tenn., Fred's Inc. (NASDAQ: FRED) is the best discount store in its arena based on two basic principles: Good values and great customer service. Fred's offers more than 11,000 items under one roof including clothing, home furnishings, electronics and sporting goods. Today, Fred's operates more than 700 Fred's stores and more than 300 Fred's pharmacies.

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