

FREDERICK'S OF HOLLYWOOD GROUP INC /NY/  
Form 10-Q  
June 14, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended April 30, 2011

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-05893

FREDERICK'S OF HOLLYWOOD GROUP INC.  
(Exact name of Registrant as specified in its charter)

New York  
(State or other jurisdiction of  
incorporation or organization)

13-5651322  
(I.R.S. Employer  
Identification Number)

6255 Sunset Boulevard, Hollywood, CA  
(Address of principal executive offices)

90028  
(Zip Code)

(323) 466-5151

\_\_\_\_\_  
(Registrant's telephone number, including area code)

N/A

\_\_\_\_\_  
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
(do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes  No

The number of common shares outstanding on June 10, 2011 was 38,645,363.

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FREDERICK'S OF HOLLYWOOD GROUP INC.  
 QUARTERLY REPORT ON FORM 10-Q  
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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

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

	April 30, 2011 (Unaudited)	July 31, 2010 (Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 321	\$ 536
Restricted cash	-	4,660
Accounts receivable	1,031	1,127
Income tax receivable	85	127
Merchandise inventories	13,121	10,951
Prepaid expenses and other current assets	1,588	2,298
Deferred income tax assets	333	875
Current assets of discontinued operations	-	4,185
Total current assets	16,479	24,759
PROPERTY AND EQUIPMENT, Net	11,571	13,861
INTANGIBLE AND OTHER ASSETS	18,779	19,392
LONG-TERM ASSETS OF DISCONTINUED OPERATIONS	-	960
<b>TOTAL ASSETS</b>	<b>\$ 46,829</b>	<b>\$ 58,972</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Revolving credit facility	\$ 3,711	\$ 3,269
Accounts payable and other accrued expenses	13,934	20,198
Deferred revenue from gift cards	1,958	1,781
Current liabilities of discontinued operations	283	2,041
Total current liabilities	19,886	27,289
DEFERRED RENT AND TENANT ALLOWANCES	4,836	4,926
TERM LOAN	7,321	7,002
OTHER	20	70
DEFERRED INCOME TAX LIABILITIES	7,569	8,377
<b>TOTAL LIABILITIES</b>	<b>39,632</b>	<b>47,664</b>
COMMITMENTS AND CONTINGENCIES (Notes 5 and 6)	-	-
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred stock, \$.01 par value – authorized, 10,000,000 shares at April 30, 2011 and July 31, 2010; issued and outstanding, none at April 30, 2011 and July 31, 2010	-	-
Common stock, \$.01 par value – authorized, 200,000,000 shares at April 30, 2011 and July 31, 2010; issued and outstanding, 38,630,972 shares at April 30, 2011 and 38,343,199 shares at July 31, 2010	386	383
Additional paid-in capital	87,651	86,977

Accumulated deficit	(80,840 )	(75,969 )
Accumulated other comprehensive loss	-	(83 )
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,197</b>	<b>11,308</b>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$46,829	\$58,972

See notes to consolidated unaudited financial statements.

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

	Three Months Ended		Nine Months Ended	
	April 30, 2011	April 24, 2010	April 30, 2011	April 24, 2010
Net sales	\$32,599	\$36,883	\$93,798	\$104,740
Cost of goods sold, buying and occupancy	20,100	21,585	58,415	65,007
Gross profit	12,499	15,298	35,383	39,733
Selling, general and administrative expenses	12,485	13,874	37,677	