

January 16, 2007

**Mail Stop 3561**

By Facsimile and U.S. Mail

Mr. Michael J. Hayes  
Chairman and Chief Executive Officer  
Fred's, Inc.  
4300 New Getwell Road  
Memphis, Tennessee 38118

**Re: Form 10-K for the Fiscal Year Ended January 28, 2006  
Filed March 31, 2006**

**Form 10-Q for the Fiscal Quarter Ended October 28, 2006  
Filed December 7, 2006**

**File No. 1-14565**

Dear Mr. Hayes:

We have completed our review of the above filings and have no further comment at this time.

Sincerely,

Michael Moran  
Accounting Branch Chief