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January 26, 2004

**TO: THE CREDITORS OF LES BOUTIQUES SAN FRANCISCO INCORPORÉES,
LES AILES DE LA MODE INCORPORÉES AND
LES ÉDITIONS SAN FRANCISCO INCORPORÉES (“Debtors”)**

We refer to our previous notice advising you that, on December 17, 2003, the Quebec Superior Court (“Court”), sitting as Tribunal designated under the *Companies’ Creditors Arrangement Act* (“CCAA”), issued an Order (“Initial Order”) granting the Debtors protection under the CCAA and that RICHTER & ASSOCIÉS INC. is the Court-Appointed Monitor.

Be advised that the Debtors filed a Motion for the extension of time for the filing of the Plan of Arrangement and that, on January 15, 2004, the Court issued an order extending the Initial Order until March 16, 2004. Said order contains conclusions which were not included in the Initial Order. During this period, the Monitor will continue to fulfill its duties and obligations pursuant to the CCAA and the Initial Order, as extended and modified. We enclose for your information the order dated January 15, 2004.

We also enclose a copy of a letter addressed to you by the Debtors.

We wish to confirm that, at the present time, creditors are not required to file a Proof of Claim and that, in due course, we will be forwarding to the creditors the Plan of Arrangement filed by the Debtors as well as convening a creditors’ meeting to vote on same.

RICHTER & ASSOCIÉS INC.
Court-Appointed Monitor



Per: Benoit Gingues, CA

Encls.



Boucherville
January 23, 2004

To: All suppliers and creditors

Pursuant to the court order of the Superior Court of Quebec to allow Les Boutiques San Francisco Incorporées and Les Ailes de la Mode Incorporées (the Group) to restructure their activities under the auspices of the Companies' Creditors Arrangement Act (CCAA), the Group has drawn up a restructuring plan, which it presented to the Court on January 15, 2004.

This business plan is the first step in the Group's restructuring activities, which aim to ensure its continuity and implement a plan of arrangement with its creditors. This restructuring will involve selling the San Francisco and Victoire Delage/Moments Intimes banners and the head office building, and reducing the surface area at the downtown Montreal Les Ailes de la Mode store. The Group's resources will from now on benefit the Bikini Village and San Francisco Maillots banners, as well as Les Ailes stores, whose concept will be redefined.

At the January 15, 2004, hearing, the Honourable Judge Clément Gascon granted the Group an extension of time for filing the plan of arrangement until March 16, 2004.

During this grace period granted by the Court, the Group will make every effort necessary to execute the proposed business plan.

We thank you for your continued support during this time. Your many expressions of encouragement give us the confidence we need to rectify the Group's situation.

We are committed to doing everything in our power to find mutually acceptable solutions for our suppliers and creditors, and we are convinced that the proposed business plan provides all the actions needed to put the Group on the road to success.

Thank you for your support and understanding,

A handwritten signature in black ink, appearing to read "Gaétan Frigon".

Gaétan Frigon
Chief Restructuring Officer