

News release for immediate distribution

Source: Les Boutiques San Francisco Incorporées

TSX symbol: SF.A, SF.B

**LES BOUTIQUES SAN FRANCISCO INCORPORÉES:
A RENEWED COMPANY**

MONTREAL, July 30, 2004—“Now that our restructuring is complete, we have a well-capitalized company that has virtually no debts and the liquidities needed to support its operations. We now have all the elements needed to make the Company successful again,” said Paul Delage Roberge, Chairman of the Board of Les Boutiques San Francisco Incorporées, at the annual shareholders’ meeting held today.

Once the bankruptcy protection provided under the Companies’ Creditors Arrangement Act is lifted, the Company plans to conclude, on Monday, August 2, a \$19.2-million private placement for recapitalization. As announced at the shareholders’ meeting, it will also form a Board of Directors with four new members; only Mr. Roberge and Richard Soly will continue to sit on the Board. The four new directors are Jean-Guy Lambert, President and CEO of Dacha Capital, Normand Legault, President of Grand Prix F1 du Canada, Réal Mimeault, Company Director, and Placide Poulin, founder of Maax. Mr. Roberge will continue to serve as Chairman.

The Company also plans to hire a new President and CEO, whose mandate will be to generate profits and oversee the optimal development of the company’s two divisions: Les Ailes de la Mode stores and Bikini Village swimwear shops. A recruitment firm has already been hired for this purpose. The new President will be supported by the new Chief Financial Officer, Gilles Morneau, a chartered accountant with extensive experience in finance, operations management and human resources.

“After the turbulent times the Company went through recently, the next few months will be devoted to stabilizing our administration and getting back to a more regular operating context. This return to normal will be reflected in the consolidation of our operating systems,” said Mr. Roberge.

Gaétan Frigon, Chief Restructuring Officer, said “the Company can now turn the page on its past troubles and look forward to renewed profitability in 2005. It will be able to focus on its strengths: the four Les Ailes de la Mode stores and Bikini Village swimwear shops.”

Mr. Frigon’s mandate as Chief Restructuring Officer will come to an end when bankruptcy protection has been lifted. He will also step down from the Board of Directors, as planned.

“I’m proud to be able to say ‘Mission accomplished,’ since this restructuring exercise has ensured the future of a Quebec company whose vitality and innovation has been recognized for 25 years. I believe the Company justly deserves to continue its activities,” concluded Mr. Frigon.

As a result of the restructuring, the Company’s name will be changed to reflect its new situation. Boutiques San Francisco Incorporées will become Groupe Les Ailes de la Mode Inc. and its stock market symbol will be changed to MOD. The name change will take effect at the beginning of next week, immediately before the closing of the private placement. The Company’s TSX symbol will change shortly thereafter.

The Court’s rulings under the Companies’ Creditors Arrangement Act and management reports by RSM Richter Inc., the Court-appointed monitor, may be consulted at www.rsmrichter.com. Additional information on the company, including annual and quarterly financial statements, is available on the SEDAR Web site at www.sedar.com.

INFORMATION: Laurent Pepin
(514) 843-2312