

Sender: Les Boutiques San Francisco Incorporées

TSX Symbol: SF.A, SF.B

**LES BOUTIQUES SAN FRANCISCO INCORPORÉES
AMENDS ITS PLAN OF COMPROMISE AND ARRANGEMENT**

LONGUEUIL, QUÉBEC, July 5, 2004 — Les Boutiques San Francisco Incorporées (the “Corporation”) announced that they have filed an amended plan of compromise and arrangement (the “Amended Plan”) with the Superior Court of Québec today pursuant to the *Companies’ Creditors Arrangement Act* that sets out the terms of the restructuring of its debts and obligations.

The Amended Plan provides for the creation of a distinct category of creditors of the Corporation comprised of the holders of the 8% convertible unsecured subordinated debentures due 2008 (the “8% Debentures”) and the reorganization of the share capital of the Corporation, among other things.

The share capital reorganization specifically includes the conversion of all the Class A Multiple Voting Shares into Class B Subordinate Voting Shares and the cancellation of 9,322,895 issued and outstanding shares. As a result, the shareholders will, after the reorganization, hold only 2,903,310 shares instead of the 12,226,205 shares that they actually hold.

Pursuant to the Amended Plan, the Corporation will from now offer the holders of the 8% Debentures a dividend comprised of an aggregate amount of \$1.5 million as well as 9,322,895 shares in the share capital of the Corporation, the whole payable within 30 days following the coming into force of the Amended Plan. The issuance of the shares to the holders of the 8% Debentures is conditional on all required regulatory approvals being obtained. The number of shares that will be issued to the holders of the 8% Debentures corresponds to the number of shares currently owned by the shareholders that will be cancelled pursuant to the share capital reorganization of the Corporation.

The Corporation also announced that it has agreed today to amend the offer of recapitalization and business recovery dated May 10, 2004 made by the group of investors in order notably to increase the annual interest rate of the debentures to be issued under the private placement from 10% to 12%. The group of investors also informed the Corporation that the aggregate amount of the private placement under the offer of recapitalization and business recovery will be increased from \$15.4 million to \$17.2 million, conditional on all required regulatory approvals being obtained.

The Corporation is proud to announce that during the creditors’ meeting held today, the chirographic creditors of the Corporation, Les Ailes de la Mode Incorporées and Les Éditions San Francisco Incorporées have approved the Amended Plan. Moreover, the Corporation postponed the meeting of the holders of 8% Debentures to Wednesday, July 7, 2004 in order to give these holders enough time to study the Amended Plan filed today.

The Amended Plan, the court orders issued under the *Companies' Creditors Arrangement Act* as well as the reports of RSM Richter Inc., the court-appointed monitor, are available at www.rsmrichter.com. Additional information regarding the Corporation, including its annual and interim financial statements, is available through SEDAR at www.sedar.com.

INFORMATION: Roch Landriault
(514) 843-2345