

Press release – for immediate distribution

Sender: Les Boutiques San Francisco Incorporées

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**LES BOUTIQUES SAN FRANCISCO INCORPORÉES  
ENTERS INTO AN AGREEMENT IN PRINCIPLE  
WITH IVANHOECAMBRIDGE**

LONGUEUIL, QUÉBEC, June 4 2004 --- Les Boutiques San Francisco Incorporées (the Corporation) announces that an agreement in principle regarding the Complexe Les Ailes in downtown Montreal has been entered into today between Ivanhoe Cambridge, Les Ailes de la Mode Incorporées (Les Ailes) and the Corporation. The recapitalization offer accepted by the Corporation on May 10, 2004 was conditional among others upon conclusion of such agreement. Consequently, the parties have met this condition.

“This agreement in principle with Ivanhoe Cambridge represents an important step in the Corporation’s restructuring process, which began earlier this year,” said Gaétan Frigon, Chief Restructuring Officer. “The exercise is proceeding as expected, and I’m confident that it will be concluded in the interests of all parties concerned, in particular, the Corporation’s creditors, employees and shareholders. We are definitely on the right path.”

Furthermore, the Corporation announces that the Toronto Stock Exchange has conditionally approved on May 28, 2004 the listing of the Class B Subordinate Shares to be issued to the group of investors pursuant to the private placement provided under the recapitalization offer.

The Court orders issued pursuant to the Companies' Creditors Arrangement Act as well as the reports of RSM Richter Inc., the monitor designated by the Court, are available at [www.rsmrichter.com](http://www.rsmrichter.com). Additional information regarding the Corporation, including its annual and interim financial statements, is available through SEDAR at [www.sedar.com](http://www.sedar.com).

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