

TSX symbol: GBV

**GROUPE BIKINI VILLAGE INC. DELIVERS STEADY SALES  
AND IMPROVED MARGINS IN ITS FIRST QUARTER OF 2010**

**SAINTE-JULIE, June 9, 2010** – Groupe Bikini Village inc. (TSX: GBV) (“Groupe Bikini Village” or the “Company”) today released financial results for its first quarter, ended May 1<sup>st</sup>, 2010, which reflect steady sales volumes, an overall increase in gross margins, continued tight control over direct and indirect expenses, and the Company’s disciplined approach to inventory management.

“The first quarter of each year, which falls between our two strongest quarters, is traditionally a transitional quarter for Groupe Bikini Village, marked by a loss,” said President and CEO Yves Simard. “Recognizing this pattern, we kept tight control over direct and indirect expenses and maintained our focus on inventory management – together, the foundations of our strategy to adapt operations to match market realities – and as a result, entered our second quarter of 2010 on stable ground, ready to immediately take advantage of improved market conditions when they arise.”

***First quarter 2010 results***

Net sales for the first quarter of 2010 increased slightly to \$10 million, compared to \$9.9 million in the first quarter of 2009. Comparable sales, which compare the sales of the same number of stores from year to year, decreased by 1.2% over the same period.

Groupe Bikini Village delivered EBITDA<sup>1</sup> of \$289,000, or 2.9%, in the first quarter of 2010, compared to EBITDA<sup>1</sup> of \$248,000, or 2.5%, for the first quarter of 2009. The \$41,000 increase in operating income in the first quarter of 2010 was primarily the result of the Company’s strategy to focus on full-price selling and to tightly manage inventories – all of which led to a stronger overall gross margin by \$244,000. However, this success was mitigated somewhat by higher operating costs of \$203,000, which resulted from having had a greater number of stores open, increased rental expenses on existing stores, and increased salary expenses due to the increase in the minimum wage in both Quebec and Ontario.

For the first quarter of 2010, the Company’s net loss was \$238,000 (nil per basic and diluted share), as compared to net loss of \$258,000 (nil per basic and diluted share) for the same quarter in the previous year.

**Outlook <sup>2)</sup>**

The Company’s outlook contemplates a number of factors which suggest brighter prospects for Groupe Bikini Village in fiscal 2010. “Market conditions have been showing signs of recovery, consumer confidence appears to be on the rise, and our strategy to fine-tune our operations to suit a changing market has allowed us to improve our position with respect to both inventory and cash flow,” says Simard.

“Whatever the environment, we will maintain our characteristic discipline, continuing to operate as we have throughout the economic downturn – with an eye firmly on our bottom line.”

Simard says that Groupe Bikini Village’s results over the course of the current market downturn have demonstrated that the Company’s efforts to adapt its operations to changing external realities are effective, and position it well for success when economic conditions improve. Going forward, the Company will keep a clear focus on managing working capital, inventories, supply risk, capital expenditures and debt level, as well as direct and indirect costs.

Recognizing that market fluctuations are natural and temporary, and that long-term success is historically accorded to those who are prepared to take advantage the moment conditions improve, Groupe Bikini Village has worked over the last two years to improve its retail network: having renovated stores that are likely to deliver improved results, closed others whose performance didn’t meet standards, and exited expiring leases where management identified opportunities to achieve stronger sales in better locations.

Concurrent with its retail renovations, Groupe Bikini Village also upgraded its systems and supply chain to make its operations more effective and efficient. “Together, we believe these strategies have made us more competitive, and we are confident and enthusiastic as we look ahead,” said Simard. “Given the positive results they have generated to date, we will remain faithful to these strategies in the coming months, as we continue to focus on sales and profitability, and await the retail sector turnaround that will give us the opportunity to demonstrate their full benefit to our shareholders.”

Groupe Bikini Village has also taken steps to improve its capital situation in the coming months, with an application to conduct a rights offering and consolidation of shares within a range of one new share for every 100 currently outstanding shares to one new share for every 150 currently outstanding shares. This proposal, which was announced on May 3, 2010 and, if approved and conducted, would give Groupe Bikini Village a stronger cash position and capital structure. “We firmly believe that such an offering and consolidation would provide Groupe Bikini Village increased latitude to build shareholder value by creating our own opportunities or taking advantage of other strategic alternatives,” said Simard.

Groupe Bikini Village inc.’s full first quarter 2010 report, as well as previous shareholder reports and other information of interest to investors, is available on SEDAR at [www.sedar.com](http://www.sedar.com), and on the Company’s website at [www.bikinivillage.com](http://www.bikinivillage.com).

### **About Groupe Bikini Village**

Groupe Bikini Village inc., serving Canadians for almost a quarter-century, is a leading swimwear retailer with a network of new and renovated boutiques across Eastern Canada. In its bright and inviting stores with comfortable change rooms and knowledgeable staff, Groupe Bikini Village helps its customers choose from among Canada’s widest selection of swimsuits, beach accessories, and cruisewear, in the most popular brands the industry has to offer and in styles to suit every figure. The newest addition to its retail network, Lanai, offers the most popular clothing brands for young girls in Brossard, Quebec. Headquartered in Sainte-Julie, Quebec, Groupe Bikini Village inc. operates 63 stores and employs approximately 500 people; its securities trade on the Toronto Stock Exchange under the stock symbol GBV. For more information about Groupe Bikini Village inc., please visit our website at [www.bikinivillage.com](http://www.bikinivillage.com).

Notes

<sup>1</sup> The term EBITDA (earnings before interest, taxes, depreciation, amortization and reorganization fees and unusual items) does not have any standardized meaning prescribed by Canadian Generally Accepted Accounting Principles (“GAAP”) and may not be comparable to similar measures presented by other companies. Please refer to the section of Groupe Bikini Village inc.’s MD&A for the three-month period ended May 1, 2010, dated June 9, 2010, entitled “Non-GAAP Financial Measures”. It is available on SEDAR at [www.sedar.com](http://www.sedar.com).

<sup>2</sup> To be read in conjunction with “Forward-looking Statements” below.

**Forward-looking statements**

This news release contains certain forward-looking statements concerning Groupe Bikini Village inc.’s future operations, economic performance, financial conditions and financing plans. These statements are based on certain assumptions and analyses made by management in light of their experience and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate under the circumstances. However, whether actual results and developments will conform to management’s expectations and predictions is subject to a number of risks, uncertainties and assumptions. Consequently, all of the forward-looking statements made in this news release are qualified by these cautionary statements, and there can be no assurance that the results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected consequences or effects on the Company. Management undertakes no obligation and does not intend to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable law.

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**GROUPE BIKINI VILLAGE INC.**  
**STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in thousands of dollars except per share amounts)

	Three months ended	
	May 1, 2010 (unaudited)	May 2, 2009 (unaudited) Restated <sup>3</sup>
Operating revenue	\$ 10,028	\$ 9,914
Cost of goods sold, operating and administrative expenses	9,739	9,666
Operating earnings - EBITDA <sup>1</sup>	289	248
Interest	179	193
Amortization	393	385
Loss before income taxes	(283)	(330)
Income taxes recovery	(45)	(72)
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ (238)</b>	<b>\$ (258)</b>
LOSS PER SHARE, basic and diluted	-	-
Weighted average number of shares outstanding, basic and diluted	167,678,115	167,678,115

(3) Certain figures for the quarter and year ended May 2, 2009 were restated as a result of the Company' adoption of CICA Section 3064 - Goodwill and Intangible Assets effective February 1, 2009.