

TSX symbol: GBV

**GROUPE BIKINI VILLAGE INC. REPORTS THIRD QUARTER RESULTS**  
***28.9% increase in sales drives quarterly performance improvements over 2008***

**SAINTE-JULIE, QUEBEC, December 11<sup>th</sup>, 2009** – Groupe Bikini Village inc. (TSX: GBV) (“Groupe Bikini Village” or the “Company”) today released the results of its third quarter, ended October 31, 2009, which reflected improved performance over the third quarter of 2008 despite ongoing economic challenges in its industry.

The Company posted net sales for the third quarter and the nine-month period ended October 31, 2009 of \$6.7 million and \$28 million, respectively, compared to \$5.2 million and \$27.9 million in the corresponding periods of the previous year. Comparable sales, which compare sales from the same number of stores during the same period, increased by 18.6% for the third quarter, while they decreased by 5.3% for the nine-month period ended on the same date.

“While Groupe Bikini Village, like many other North American businesses, faced a number of outside challenges since fall 2008, and experienced reduced gross margins due to additional discounts required to spur sales in June and July, the steamy August we enjoyed in many of our markets made up for the early summer sales lag,” said Yves Simard, President and CEO of Groupe Bikini Village. “The result is a strong sales performance for the third quarter – and, with it, an improvement in the profitability of what is traditionally, due to the seasonal nature of our business, a less successful quarter.”

Operating loss (EBITDA<sup>1</sup>) for the third quarter totalled \$1.9 million, \$0.7 million less than the \$2.6 million operating loss in the same period in 2008. This significant reduction in operating loss, in a quarter which is historically marked by operating losses due to the seasonal nature of our business, was the direct result of increased business volume and our strategy to tightly manage inventories, focus on full-price selling and control costs – all of which led to stronger overall gross margin and store contribution.

Operating loss (EBITDA<sup>1</sup>) for the nine-month period ended October 31, 2009 totalled \$1.3 million compared to operating loss of \$137,000 in the same period in 2008. This \$1.2 million increase in operating loss was essentially due to a margin decrease in the first two quarters of 2009, and higher store operating costs.

The decrease in our margins in the first half of 2009 resulted from: additional markdowns required in the face of the challenging retail conditions and unfavourable weather conditions; higher store operating costs resulting from the greater number of stores in operation and increased rental expenses on existing stores; and increased salary expenses, mostly in the third quarter. Salary expenses in the third quarter of 2008 were lower due to an overall lower number of stores in operation and the reduction in salaries that came with the temporary closure of some stores for renovations during that quarter.

For the quarter ended October 31, 2009, Groupe Bikini Village's net loss was \$1.8 million ((\$0.01) per basic and diluted share), as compared to a net loss of \$2.1 million ((\$0.01) per basic and diluted share) for the same quarter in the previous year. For the nine-month period ended on that date, net loss totalled \$2.3 million ((\$0.01) per share, basic and diluted), as compared to a net loss totalling \$1.1 million ((\$0.01) per share, basic and diluted) in the same period in 2008.

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

In its quarterly report, Groupe Bikini Village indicated that it will remain focused on its bridge plan strategy, which management firmly believes will best-position the Company to take advantage of market opportunities when economic conditions improve. This includes monitoring market realities and adjusting its operational approach and financial plans accordingly, with particular attention to managing working capital, inventories, supply risk, capital expenditures and debt level, as well as direct and indirect costs. In the next quarter, we expect our cash situation to benefit from the seasonal higher level of sales and continued inventory management optimisation.

“Now that we have made significant progress on our network rejuvenation, systems upgrade and supply chain, we will turn our retail operational focus to store-level execution and performance at all levels, as a means of unlocking our full business potential,” said Mr. Simard. “At the corporate level, we will continue to make smart strategic investments in our retail network in the quarters ahead, while carefully controlling working capital and doing everything we can to deliver efficiencies in our work.”

Groupe Bikini Village inc.'s full 2009 third quarter 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 475 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 nine-month period ended October 31, 2009, dated December 10, 2009, 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		Nine months ended	
	October 31, 2009	November 1, 2008	October 31, 2009	November 1, 2008
Operating revenue	\$ 6,658	\$ 5,167	\$ 27,980	\$ 27,856
Cost of goods sold, operating and administrative expenses	8,543	7,815	29,285	27,993
Operating loss - EBITDA <sup>1</sup>	(1,885)	(2,648)	(1,305)	(137)
Interest	192	107	581	268
Amortization	392	336	1,177	1,041
Loss before income taxes	(2,469)	(3,091)	(3,063)	(1,446)
Income taxes (recovery)	(675)	(957)	(790)	(391)
NET LOSS AND COMPREHENSIVE LOSS	\$ (1,794)	\$ (2,134)	\$ (2,273)	\$ (1,055)
LOSS PER SHARE, basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of shares outstanding, basic and diluted	167,678,115	172,501,691	167,678,115	172,633,559