

TSX symbol: GBV

**GROUPE BIKINI VILLAGE INC. REPORTS THIRD QUARTER RESULTS**

*Flexible strategies to suit the realities of our marketplace*

**SAINTE-JULIE, December 11, 2008** – Groupe Bikini Village inc. (TSX: GBV) (the “Company”) today released the results of its third quarter, which ended November 1, 2008. The results, which were characterized by moderate decreases in sales and profitability given the combination of the current economic downturn and the costs of the Company’s forward-looking renovation and expansion strategy, also reflected the positive impacts of Groupe Bikini Village inc.’s recently-expanded retail presence.

“While the combined impact of market realities and increased operating expenses in this traditionally challenging quarter is an overall decrease in profits, we look beyond the results of this quarter – beyond the economic uncertainty that is currently taking a toll on Canadian businesses in a range of industries including ours, and beyond the temporary growing pains of our expanding retail network,” said Yves Simard, President and CEO of Groupe Bikini Village inc. “Rather, we look to months ahead, when our re-focused strategies position us to take best advantage of the holiday shopping season and the opportunity to serve warm-weather vacation travellers, with the support of our attractive network of new and renovated stores.”

Net sales for the third quarter and the nine-month period ended November 1, 2008 were \$5.2 million and \$27.9 million, respectively, compared to \$5.4 million and \$26.9 million in the corresponding periods of the previous year. Comparable sales, which is the comparison of the sales in the same number of stores from year to year, decreased by 8.5% for the quarter and 2.6% for the nine-month period ended the same date.

Operating income (loss) (EBITDA<sup>1</sup>) for the third quarter and nine-month period totalled (\$2.6 million) and (\$223,000), compared to operating income (loss) of (\$1.7 million) and \$586,000 in the same periods in 2007. The \$809,000 decrease in operating income in the first nine months of 2008 reflects higher store operating expenses of \$1.2 million due to the net growth in the number of stores and the overall increase in rental expenses, mitigated by an increased sales volume for the period.

Effective the beginning of fiscal 2008, the Company adopted the Canadian Institute of Chartered Accountants’ new standard relating to accounting for inventory costs (Section 3031 – Inventories) retrospectively, without restatement of prior periods. The adoption of this new standard resulted in an increase in operating loss (EBITDA<sup>1</sup>) of \$562,000 for the quarter ended November 1, 2008, and a decrease in cumulative operating loss (EBITDA<sup>1</sup>) of \$207,000 for the nine-month period ended on the same date. On a yearly basis, the adoption of this new accounting standard will not have a material effect.

For the quarter ended November 1, 2008, Groupe Bikini Village’s net loss on continuing operations was \$2.1 million (\$0.01 per basic and diluted share), as compared to a net loss of \$1.3 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, the Company's net loss on continuing operations totalled \$1.1 million (\$0.01 per share, basic and diluted), as compared to \$130,000 (nil per share, basic and diluted) in the same period in 2007.

## **Outlook**

While Groupe Bikini Village inc. recognizes the likelihood of an approaching recession and its potential impacts on business across Canada, Management believes its strategies for the coming quarters will allow it to manage the effects of the economic downturn on its business, and keep it on track toward its objective to enhance shareholder value. "We are flexible, and able to act quickly and decisively to alter the course of our strategy both to manage through challenging economic times, and to take advantage of opportunities that present themselves," said Mr. Simard.

As it pursues these strategies in the balance of fiscal 2008 and beyond, Groupe Bikini Village will continue to focus on a number of growth and value-creation strategies. Between its improved cash position due to favourable re-financings and the anticipated financial benefits of Groupe Bikini Village's new marketing strategy, the Company will have sufficient resources to continue increasing its penetration of the swimwear market, to improve marketshare and accelerate an increase in shareholder value.

Recognizing that current economic conditions may decrease the likelihood of existing stores delivering increased sales following renovations, the Company adjusted its renovation strategy as well, to optimize its use of cash for investment purposes in the next year. Accordingly, we are adapting our renovations plan to maximize our sales growth in the short term, and are capitalizing on opportunities to leave expiring leases in favour of smaller locations in high-traffic areas of malls where we can achieve the equivalent business volumes in smaller locations – thereby reducing our occupancy costs.

"Our company continues to manage through challenges like the current economic downturn by adjusting its strategies to suit the realities of the marketplace," said Mr. Simard. "With that said, however, Groupe Bikini Village remains committed to enhancing shareholder value. Our strategies for the fourth quarter of 2008 and into 2009 have been tailored to Canada's current economic outlook, and endeavour to capitalize on the opportunities our markets present – while creating opportunities where possible, as well. Together, we believe these strategies will yield returns for our shareholders."

Groupe Bikini Village inc.'s full Third Quarter 2008 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. Headquartered in Ste-Julie, Quebec, Groupe Bikini Village inc. operates 59 stores and employs approximately 450 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 period ended November 1, 2008, dated December 11, 2008, entitled “Non-GAAP Financial Measures”. It is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## 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.

- 30 -

### *For more information, please contact:*

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# GRUPE BIKINI VILLAGE INC.

## STATEMENT OF OPERATIONS

(in thousands of dollars except per share amounts)

	Three months ended		Nine months ended	
	November 1, 2008 (unaudited)	November 3, 2007 (unaudited)	November 1, 2008 (unaudited)	November 3, 2007 (unaudited)
Operating revenue	\$ 5,167	\$ 5,398	\$ 27,856	\$ 26,898
Cost of goods sold, operating and administrative expenses	7,791	7,049	28,079	26,312
Operating income (loss) - EBITDA <sup>1</sup>	(2,624)	(1,651)	(223)	586
Interest	107	54	268	52
Amortization	336	263	1,041	687
Loss before income taxes from continuing operations	(3,067)	(1,968)	(1,532)	(153)
Income taxes	(949)	(641)	(420)	(23)
Net loss from continuing operations	(2,118)	(1,327)	(1,112)	(130)
Discontinued operations, net of related income taxes	-	161	-	478
<b>NET EARNINGS AND COMPREHENSIVE EARNINGS</b>	<b>\$ (2,118)</b>	<b>\$ (1,166)</b>	<b>\$ (1,112)</b>	<b>\$ 348</b>
LOSS PER SHARE, basic and diluted				
Continuing operations	(0.01)	(0.01)	(0.01)	-
Discontinued operations	-	-	-	-
LOSS PER SHARE, basic and diluted	(0.01)	(0.01)	(0.01)	-
Weighted average number of shares outstanding - in thousands	172,502	172,678	172,634	172,678