



NEWS RELEASE

TSX symbol: GBV

GROUPE BIKINI VILLAGE INC ANNOUNCES A RIGHTS OFFERING AND A SHARE CONSOLIDATION

SAINTE-JULIE, May 3, 2010 – Groupe Bikini Village inc. (TSX: GBV) (“Groupe Bikini Village” or the “Company”) today announced its intention to file a rights offering circular (the “Rights Offering Circular”) with the Toronto Stock Exchange (the “TSX”) and the securities regulators in respect of a rights offering to raise net proceeds of approximately \$2.0 million (the “Offering”). Following the Offering and subject to the approval of the holders of its common shares (“Shares”), the Company intends to consolidate the outstanding Shares within a range of one new Share for every 100 currently outstanding Shares to one new Share for every 150 currently outstanding Shares (the “Consolidation”). The Company intends to proceed with the Offering and the Consolidation to address its capital requirements and capital structure in order to create its own opportunities.

“The achievement of these two objectives will complete our restructuring efforts initiated three years ago and insure a sustained focus on operational execution and performance” said President and CEO, Yves Simard. “The improved cash situation and capital structure resulting for these actions, in addition to our renewed and expanded retail network, modern merchant systems and efficient distribution centre, will put us in a position to capitalize on rebounding consumer markets down the line.”

Rights Offering

Under the Offering, each registered holder of Shares as of a record date to be determined in conjunction with the TSX will receive one right (a “Right”) for each Share held. Four Rights plus the sum of \$0.05 (the “Subscription Price”) are required to subscribe for one pre-consolidation Share (the “Basic Subscription Privilege”). The Rights will expire on a date to be announced (the “Expiry Date”), after which unexercised Rights will be void and without value. The Rights will be listed on the TSX. Shareholders who fully exercise their Rights may subscribe pro-rata for any additional Shares not otherwise subscribed for before the Expiry Date (the “Additional Subscription Privilege”).

To subscribe for Shares, a completed Rights certificate, together with payment in full of the Subscription Price for the Shares subscribed for, must be received by the subscription agent for the Offering, Computershare Trust Company of Canada (the “Subscription Agent”), before the Expiry Date.

No Rights will be issued to shareholders who are residents of any jurisdiction other than each of the provinces and territories of Canada. Rights issuable to those shareholders (the “Ineligible Shareholders”) will be issued to and held by the Subscription Agent as agent for the benefit of Ineligible Shareholders. The Subscription Agent will, for the account of Ineligible Shareholders and before the Expiry Date, attempt to sell the Rights allocable to Ineligible Shareholders on the date or dates and at the price or prices as the Subscription Agent determines in its sole discretion.

Elmag Investments Inc. (the “Guarantor”) has agreed to subscribe for, at the Subscription Price, those Shares not otherwise subscribed for on the exercise of Rights under the Offering. The Guarantor will not, however, subscribe for a number of Shares that would result in the Guarantor’s holding 20% or more of the outstanding Shares following the Offering. Therefore, there is no guarantee that the Guarantor will subscribe for all of the Shares not otherwise subscribed for under the Offering. As of the date of this news release, the Guarantor holds 14,561,080 Shares, representing 8.67% of the outstanding Shares, intends to subscribe for an additional 3,640,270 additional Shares following the exercise of the Basic Subscription Privilege and may therefore subscribe for a maximum of 23,718,278 Shares under the Offering as Guarantor or under its Additional Subscription Privilege.

In addition, the Guarantor will be granted 27,000,000 non assignable warrants, each entitling the holder to subscribe for one Common Share upon payment of \$0.05 until the six-month anniversary of their issuance (a “Warrant”). Each Warrant and underlying Share will be subject to a 4-month hold period under applicable securities laws and may not be exercised if, as a result, the Guarantor holds 20% or more of the outstanding Shares following its exercise.

The Offering is subject to regulatory approval, including that of the TSX. More details concerning the Offering and the procedures to be followed by holders of Shares will be contained in the Rights Offering Circular to be mailed to holders of Shares.

Consolidation

The Company will be mailing to its shareholders an information circular (the “Information Circular”) in connection with the Company’s annual and special meeting of shareholders to be held on Friday, June 11, 2010 (the “Meeting”). At the Meeting, shareholders will be asked to approve the Consolidation. This approval must be granted by at least two-thirds of the votes cast by the Company’s shareholders, present in person or represented by proxy and entitled to vote at the Meeting.

No fractions of shares will be issued as a result of the Consolidation, with all such fractions being rounded down. For each pre-Consolidation Share that does not form part of a post-Consolidation Share, the shareholders will receive a cash payment of the greater of (i) \$0.05 and (ii) the market price (as defined in the TSX’s rules) on the date that the Consolidation takes effect. The Consolidation is subject to the approval of the TSX. More details concerning the Consolidation and the procedures to be followed by holders of Shares will be contained in the Information Circular.

This press release should be read together with, and is qualified in its entirety by the more detailed information contained in the Rights Offering Circular and the Information Circular, which will be available on SEDAR at www.sedar.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, Lanaï, 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.

Forward-looking statements

Forward-looking statements included or incorporated by reference in this news release include statements with respect to the use of the Offering's proceeds and the results that the Company thereby expects to achieve. Such uses include rejuvenation work in Eastern Canada, expansion and general working capital requirements. For more information, see "Use of Proceeds" in the Rights Offering Circular. Although the Company believes the expectations reflected in those forward-looking statements are based on reasonable assumptions, they can give no assurances that these expectations will be achieved. Such assumptions, which may prove incorrect, include the following: (i) the Guarantor will fulfill its undertaking to subscribe for all Shares not otherwise subscribed for on the exercise of Rights, (ii) the Company will be successful in executing its rejuvenation plan for its stores in Eastern Canada, (iii) the Company will be successful in securing appropriate premises, qualified staff and other assets required to open stores, and (iv) the Rights Offering Circular and the Offering will receive all required regulatory approvals to proceed. Factors that could cause actual results to differ materially from expectations include (i) the Guarantor's inability or unwillingness to fulfill its contractual obligations, in whole or in part, (ii) the Company's failure to make effective use of the proceeds of the Offering, (iii) the failure of demand to materialize for the Company's product mix, (iv) the failure of the regulatory authorities to approve the Rights Offering Circular and the Offering, or their refusal to grant that approval on conditions that the Company's directors deem acceptable and (v) generally, the failure of the Company's stores in Eastern Canada and its anticipated stores in new markets to operate profitably for any reason. These factors and others are more fully discussed in the Company's filings with the Canadian securities regulatory authorities, including its annual information form for the financial year ended January 31, 2010 and available at www.sedar.com.

- 30 -

For more information, please contact:

Yves Simard
President and Chief Executive Officer
(450) 449-1310 ext 4797
ysimard@bikinivillage.com