

FLY FURNITURE AMÉRICA INC. TO RESTRUCTURE

Its five stores remain open to serve customers

Montreal, October 12, 2005 --- Fly Furniture America Inc. (the Company) announces that it will submit a notice of intent to make a proposal to its creditors. The objective is to allow the Company to proceed with an operational, commercial and financial restructuring while maintaining its business activities. The Company's five stores, located in Laval, Saint-Hubert, Saint-Laurent, Lachenaie and Quebec City will remain open for business and will continue to serve customers as usual.

Despite rapid growth in sales over the past five years, the Company has not been able to generate sufficient funds to support its current cost structure. Moreover, its operating results have been adversely affected by supply problems. The planned reorganization aims to allow the Company to proceed with the necessary changes to ensure its long-term viability, in the best interests of all parties, including its 225 employees.

RSM Richter Inc. will act as trustee for the notice of intent to make a proposal. The Company intends to keep all interested parties informed throughout the restructuring process.

Regularly updated documents will be available on RSM Richter's web site at www.rsmrichter.com. Creditors can also obtain information by communicating with RSM Richter by phone at (514) 934-8625 or by email at fly@rsmrichter.com.

Fly Furniture America Inc. is a privately-held Canadian corporation in the home furnishings and decoration retail sector. Its Fly stores sell furniture and decorating accessories that reflect the latest trends. Fly offers high-quality decorating solutions at affordable prices.

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INFORMATION: Roch Landriault
 (514) 843-2345