

PRESS RELEASE

For Immediate Release

Source: LE CHÂTEAU INC.
Contact: Emilia Di Raddo, CA
President
(514) 738-7000

Maison Brison
Brian Quick
(514) 731-0000

LE CHÂTEAU REPORTS HIGHER THIRD QUARTER PROFITS

Montreal, November 27, 2003 – Le Château Inc. (TSX: CTU.A) today reported that sales decreased 4.4% to \$57,763,000 for the third quarter ended October 25, 2003, compared with sales of \$60,434,000 for the same period last year. Comparable store sales decreased by 6.6% in the third quarter of 2003 compared with the same period a year ago.

The Company recorded net earnings for the third quarter of \$3,810,000 or \$0.74 per share, compared to \$3,009,000 or \$0.60 per share for the same period the previous year, an increase of 26.6%.

Nine-month results

Sales rose 1.4% to \$157,213,000 for the first nine months of the year, compared to \$154,991,000 last year. Net earnings for the nine-month period totalled \$6,734,000 or \$1.32 per share, compared to \$5,774,000 or \$1.16 per share the previous year. Comparable store sales decreased 0.6% over the same period a year ago.

Fourth Quarter to date

For the first four weeks of the fourth quarter, total retail sales increased 4.0% and same store sales increased 1.2% compared to the same period last year.

Profile

Le Château is a leading Canadian specialty retailer offering fashion-forward apparel, accessories and footwear at value prices to style-conscious women and men aged 15 to 35+, while our *JUNIOR GIRL* division serves the tween market aged 8 to 14.

Le Château brand name clothing is sold exclusively through our 154 retail locations, which average 3,500 square feet in size. In addition, the Company operates eleven Le Château Fashion Outlet Stores. All stores are located in Canada, except for four locations in the New York City area.

Forward-Looking Statements

This news release may contain forward-looking statements relating to the Company and/or the environment in which it operates that are based on the Company's expectations, estimates and forecasts. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict and/or are beyond the Company's control. A number of factors may cause actual outcomes and results to differ materially from those expressed. These factors include those set forth in other public filings of the Company. Therefore, readers should not place undue reliance on these forward-looking statements. In addition, these forward-looking statements speak only as of the date made and the Company disavows any intention or obligation to update or revise any such statements as a result of any event, circumstance or otherwise.

CONSOLIDATED BALANCE SHEETS

	(Unaudited) As at October 25, 2003	(Unaudited) As at October 26, 2002	(Audited) As at January 25, 2003
<i>(In thousands of dollars)</i>			
ASSETS			
Current			
Cash and cash equivalents	\$ 6,540	\$ 1,471	\$ 15,040
Accounts receivable and prepaid expenses	1,222	1,505	1,169
Inventories	34,646	37,263	25,482
Loan to director	566	-	-
Total current assets	42,974	40,239	41,691
Loan to director	-	566	566
Fixed assets	41,538	37,494	38,262
	\$ 84,512	\$ 78,299	\$ 80,519
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	\$ 15,785	\$ 16,471	\$ 17,609
Dividend payable	519	499	503
Income taxes payable	1,061	2,424	2,877
Current portion of capital lease obligations	1,137	1,137	776
Current portion of long-term debt	1,037	1,545	1,483
Total current liabilities	19,539	22,076	23,248
Capital lease obligations	2,813	264	212
Long-term debt	1,040	2,081	1,766
Future income taxes	1,888	1,772	1,888
Deferred lease inducements	1,883	1,994	1,913
Total liabilities	27,163	28,187	29,027
Shareholders' Equity			
Capital stock	14,351	13,585	13,680
Retained earnings	42,998	36,527	37,812
Total shareholders' equity	57,349	50,112	51,492
	\$ 84,512	\$ 78,299	\$ 80,519

CONSOLIDATED STATEMENTS OF EARNINGS

<i>(Unaudited)</i>	For the three months ended		For the nine months ended	
<i>(In thousands of dollars, except per share data)</i>	October 25, 2003	October 26, 2002	October 25, 2003	October 26, 2002
Sales	\$ 57,763	\$ 60,434	\$ 157,213	\$ 154,991
Cost of sales and expenses				
Cost of sales, buying and occupancy	34,672	38,297	96,901	98,905
Selling, general and administrative	14,776	15,325	42,889	41,246
Interest	105	104	235	264
Depreciation and amortization	1,995	1,762	5,981	5,050
Write-off of fixed assets	95	-	108	25
	51,643	55,488	146,114	145,490
Earnings before income taxes	6,120	4,946	11,099	9,501
Provision for income taxes	2,310	1,937	4,365	3,727
Net earnings	\$ 3,810	\$ 3,009	\$ 6,734	\$ 5,774
Net earnings per share				
Basic	\$ 0.74	\$ 0.60	\$ 1.32	\$ 1.16
Diluted	0.71	0.57	1.27	1.11
Weighted average number of shares outstanding ('000)	5,169	4,991	5,107	4,973

SEGMENTED INFORMATION

<i>(Unaudited)</i>	For the three months ended		For the nine months ended	
<i>(In thousands of dollars)</i>	October 25, 2003	October 26, 2002	October 25, 2003	October 26, 2002
Sales				
Canada	\$ 55,915	\$ 58,043	\$ 151,784	\$ 148,007
United States	1,848	2,391	5,429	6,984
	\$ 57,763	\$ 60,434	\$ 157,213	\$ 154,991
Net earnings (loss)				
Canada	\$ 4,022	\$ 3,213	\$ 7,736	\$ 6,177
United States	(212)	(204)	(1,002)	(403)
	\$ 3,810	\$ 3,009	\$ 6,734	\$ 5,774
Identifiable assets				
Canada	\$ 80,288	\$ 73,084	\$ 80,288	\$ 73,084
United States	4,224	5,215	4,224	5,215
	\$ 84,512	\$ 78,299	\$ 84,512	\$ 78,299