

PRESS RELEASE

For Immediate Release

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LE CHÂTEAU REPORTS IMPROVED FIRST QUARTER RESULTS

Montreal, June 19, 2003 – Le Château Inc. (TSX: CTU.A) today reported that sales increased 5.4% to \$45,270,000 for the first quarter ended April 26, 2003, compared with sales of \$42,960,000 for the same period last year. Comparable store sales increased by 4.3% in the first quarter of 2003 compared with the same period a year ago.

The Company recorded net earnings for the quarter of \$381,000 or \$0.08 per share compared to \$343,000 or \$0.07 per share for the same period the previous year. Net earnings attributable to Canadian operations amounted to \$886,000 or \$0.18 per share, whereas a net loss of \$505,000 Cdn or \$(0.10) Cdn per share was recorded for the U.S. operations.

Second Quarter to date

For the first seven weeks of the second quarter, total retail sales increased 8.3% and same store sales increased 5.5% compared to the same period last year. While Canadian comparable store sales increased 6.8% during this period, the comparable store sales from our four U.S. stores decreased 10.9% (in US dollars) for the same period.

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+. Our *JUNIOR GIRL* division attracts the rapidly increasing market of “tweens” 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 nine 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 which 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 April 26, 2003	(Unaudited) As at April 27, 2002	(Audited) As at January 25, 2003
<i>(In thousands of dollars)</i>			
ASSETS			
Current			
Cash and cash equivalents	\$ 1,619	\$ 1,696	\$ 15,040
Accounts receivable and prepaid expenses	1,700	1,978	1,169
Income taxes refundable	514	-	-
Inventories	31,698	27,825	25,482
Loan to director	566	120	-
Total current assets	36,097	31,619	41,691
Loan to director	-	566	566
Fixed assets	40,903	36,900	38,262
	\$ 77,000	\$ 69,085	\$ 80,519
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	\$ 17,773	\$ 14,977	\$ 17,609
Dividend payable	513	498	503
Income taxes payable	-	277	2,877
Current portion of capital lease obligations	463	1,534	776
Current portion of long-term debt	1,414	921	1,483
Total current liabilities	20,163	18,207	23,248
Capital lease obligations	159	623	212
Long-term debt	1,495	755	1,766
Future income taxes	1,888	1,772	1,888
Deferred lease inducements	1,922	2,127	1,913
Total liabilities	25,627	23,484	29,027
Shareholders' Equity			
Capital stock	13,693	13,507	13,680
Retained earnings	37,680	32,094	37,812
Total shareholders' equity	51,373	45,601	51,492
	\$ 77,000	\$ 69,085	\$ 80,519

CONSOLIDATED STATEMENTS OF EARNINGS*(Unaudited)**(In thousands of dollars, except per share data)*

	For the three months ended	
	April 26, 2003	April 27, 2002
Sales	\$ 45,270	\$ 42,960
Cost of sales and expenses		
Cost of sales, buying and occupancy	28,670	28,111
Selling, general and administrative	13,749	12,483
Interest	67	83
Depreciation and amortization	1,958	1,616
	44,444	42,293
Earnings before income taxes	826	667
Provision for income taxes	445	324
Net earnings	\$ 381	\$ 343
Net earnings per share		
Basic	0.08	0.07
Diluted	0.07	0.07
Weighted average number of shares outstanding ('000)	5,025	4,944

SEGMENTED INFORMATION*(Unaudited)**(In thousands of dollars)*

	For the three months ended	
	April 26, 2003	April 27, 2002
Sales		
Canada	\$ 43,592	\$ 40,852
United States	1,678	2,108
	\$ 45,270	\$ 42,960
Net earnings (loss)		
Canada	\$ 886	\$ 600
United States	(505)	(257)
	\$ 381	\$ 343
Identifiable assets		
Canada	\$ 72,664	\$ 64,174
United States	4,336	4,911
	\$ 77,000	\$ 69,085