

PRESS RELEASE

For Immediate Release

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LE CHÂTEAU INCREASES QUARTERLY DIVIDEND BY 50% AND PROVIDES FIRST QUARTER UPDATE

Montreal, May 3, 2004 - Le Château Inc. (TSX: CTU.A) declared on April 30, 2004 a 50% increase in its quarterly dividend from \$0.10 to \$0.15 per Class A Subordinate Voting Share and Class B Voting Share.

This dividend is the 42nd consecutive one declared by Le Château, and is payable on June 7, 2004 to the shareholders of record at the close of business on May 21, 2004.

First Quarter of Fiscal 2005

For the first quarter ended May 1, 2004, total retail sales increased 11.9% and same store sales increased 5.3% compared to the same period last year.

Profile

Le Château is a leading Canadian specialty retailer offering fashion-forward apparel, accessories and footwear to style-conscious women and men.

Le Château brand name clothing is largely designed and developed within our vertically integrated operations. Our brand name merchandise is sold exclusively through our 155 retail locations, which average 3,500 square feet in size and, 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.