

PRESS RELEASE

For Immediate Release

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LE CHÂTEAU REPORTS INCREASED HOLIDAY SALES

Montreal, January 6, 2004 – Le Château Inc. (TSX: CTU.A) today reported an increase in sales during the holiday period. Sales for the five weeks ended January 3, 2004 increased 6.7% and comparable store sales increased 4.1%.

For the fourth quarter to date, being the ten weeks ended January 3, 2004, sales increased 5.3% and comparable store sales increased 2.7%.

For the year to date, being the forty-nine weeks ended January 3, 2004, sales increased 2.6% and comparable store sales increased 0.3%.

Le Château will release full year results in April.

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 55, while our *JUNIOR GIRL* division serves the tween market aged 8 to 14.

Le Château brand name clothing is largely designed and developed within our vertically integrated operations. Our brand name merchandise is sold exclusively through our 154 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.