

PRESS RELEASE

For Immediate Release

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LE CHÂTEAU REPORTS RECORD FOURTH QUARTER AND YEAR-END RESULTS

Montreal, April 8, 2005 – Le Château Inc. (TSX: CTU.SV.A) reported today that net earnings increased 49% to \$15,886,000 or \$2.96 per share for the 52 week period ended January 29, 2005, as compared to \$10,648,000 or \$2.07 per share for the 53 week period ended January 31, 2004.

Net earnings attributable to Canadian operations amounted to \$16,432,000 or \$3.06 per share, compared to \$11,929,000 or \$2.32 per share the previous year. The U.S. reported a net loss \$546,000 Cdn or \$(0.10) Cdn per share for the year, compared to a net loss of \$1,281,000 Cdn or \$(0.25) Cdn per share for the same period a year ago, an improvement of \$735,000.

Sales rose 6.3% to \$241,131,000 for the 52 week period ended January 29, 2005, compared to \$226,766,000 for the 53 week period ended last year. On a comparable week basis (52 week period ended January 29, 2005 versus the 52 week period ended January 31, 2004), total sales increased 7.6% while comparable store sales increased by 4.9%.

“We are continually enhancing the customer experience making our stores accessible, exciting and different. Results continue to indicate that customers are responding well,” said Emilia Di Raddo, President of Le Château. “Our focus on a broader customer base, including an extended size range continues to draw in new market share. Customers find unique and quality product in our stores, every day.”

Fourth quarter results

Net earning increased 28% to \$5,013,000 or \$0.91 per share for the fourth quarter, being the 13 week period ended January 29, 2005, as compared to \$3,914,000 or \$0.75 per share for the 14 week period ended last year.

Net earnings attributable to Canadian operations amounted to \$5,267,000 or \$0.95 per share for the fourth quarter, compared to \$4,193,000 or \$0.80 per share the previous year. The U.S. reported a net loss \$254,000 Cdn or \$(0.04) Cdn per share for the period, compared to a net loss of \$279,000 Cdn or \$(0.05) Cdn per share for the same period a year ago.

Sales increased 3.7% to \$72,150,000 for the 13 week period ended January 29, 2005, compared with sales of \$69,553,000 for the 14 week period ended last year. On a comparable week basis (13 week period ended January 29, 2005 versus the 13 week period ended January 31, 2004), total sales increased 10.5% while comparable store sales increased by 6.8%.

First Quarter of Fiscal 2006

For the first nine weeks ended April 2, 2005, total retail sales increased 18.2% and same store sales increased 17.0% compared to the same period last year.

Dividend declaration

The Board of Directors has declared, for the 46th consecutive quarter, a dividend of \$0.175 per Class A Subordinate Voting Share and Class B Voting Share payable on June 6, 2005 to shareholders of record on May 20, 2005.

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 175 retail locations. 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.

Factors which could cause actual results or events to differ materially from current expectations include, among other things: the ability of the Company to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; competitive conditions in the businesses in which the Company participates; changes in consumer spending; general economic conditions and normal business uncertainty; customer preferences towards product offerings; seasonal weather patterns; fluctuations in foreign currency exchange rates; changes in the Company's relationship with its suppliers; interest rate fluctuations and other changes in borrowing costs; and changes in laws, rules and regulations applicable to the Company.

CONSOLIDATED BALANCE SHEETS

<i>(Audited)</i>	As at	As at
<i>(In thousands of dollars)</i>	January 29, 2005	January 31, 2004
ASSETS		
Current		
Cash and cash equivalents	\$ 45,985	\$ 22,067
Accounts receivable and prepaid expenses	2,089	1,394
Inventories	29,393	26,075
Loan to director	—	566
Total current assets	77,467	50,102
Fixed assets	50,731	44,444
	\$ 128,198	\$ 94,546
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 22,397	\$ 20,148
Dividend payable	1,027	525
Income taxes payable	1,923	2,003
Current portion of capital lease obligations	1,399	1,525
Current portion of long-term debt	2,940	914
Total current liabilities	29,686	25,115
Capital lease obligations	2,329	3,728
Long-term debt	6,757	852
Future income taxes	1,695	1,758
Deferred lease inducements	2,487	1,931
Total liabilities	42,954	33,384
Shareholders' Equity		
Capital stock	26,393	14,774
Retained earnings	58,851	46,388
Total shareholders' equity	85,244	61,162
	\$ 128,198	\$ 94,546

CONSOLIDATED STATEMENTS OF EARNINGS

<i>(Audited)</i>	For the three months ended		For the year ended	
<i>(In thousands of dollars, except per share data)</i>	January 29, 2005	January 31, 2004	January 29, 2005	January 31, 2004
Sales	\$ 72,150	\$ 69,553	\$ 241,131	\$ 226,766
Cost of sales and expenses				
Cost of sales and selling, general and administrative	61,405	61,258	205,917	201,048
Interest	209	104	674	339
Depreciation and amortization	2,371	1,764	9,062	7,745
Write-off of fixed assets	782	403	1,142	511
	64,767	63,529	216,795	209,643
Earnings before income taxes	7,383	6,024	24,336	17,123
Provision for income taxes	2,370	2,110	8,450	6,475
Net earnings	\$ 5,013	\$ 3,914	\$ 15,886	\$ 10,648
Net earnings per share				
Basic	\$ 0.91	\$ 0.75	\$ 2.96	\$ 2.07
Diluted	0.88	0.72	2.84	1.98
Weighted average number of shares outstanding ('000)	5,557	5,210	5,362	5,134

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(Audited)</i>	For the three months ended		For the year ended	
<i>(In thousands of dollars)</i>	January 29, 2005	January 31, 2004	January 29, 2005	January 31, 2004
OPERATING ACTIVITIES				
Net earnings	\$ 5,013	\$ 3,914	\$ 15,886	\$ 10,648
Adjustments to determine net cash from operating activities				
Depreciation and amortization	2,371	1,764	9,062	7,745
Write-off of fixed assets	782	403	1,142	511
Amortization of deferred lease inducements	(338)	(135)	(736)	(463)
Deferred lease inducements	564	183	1,292	481
Future income taxes	(63)	(130)	(63)	(130)
	8,329	5,999	26,583	18,792
Net change in non-cash working capital items related to operations	15,490	13,704	(1,844)	847
Cash flows from operating activities	23,819	19,703	24,739	19,639
FINANCING ACTIVITIES				
Repayment of loan to director	—	—	566	—
Proceeds of capital leases	—	1,650	—	5,620
Repayment of capital lease obligations	(386)	(347)	(1,525)	(1,355)
Proceeds of long-term debt	—	—	9,991	—
Repayment of long-term debt	(708)	(311)	(2,060)	(1,483)
Issue of capital stock	11,091	423	11,619	1,094
Dividends paid	(802)	(518)	(2,921)	(2,050)
Cash flows from financing activities	9,195	897	15,670	1,826
INVESTING ACTIVITIES				
Additions to fixed assets	(4,549)	(5,073)	(16,491)	(14,438)
Cash flows from investing activities	(4,549)	(5,073)	(16,491)	(14,438)
Increase in cash and cash equivalents	28,465	15,527	23,918	7,027
Cash and cash equivalents, beginning of year	17,520	6,540	22,067	15,040
Cash and cash equivalents, end of year	\$ 45,985	\$ 22,067	\$ 45,985	\$ 22,067
Supplementary information:				
Interest paid during the year	\$ 209	\$ 104	\$ 674	\$ 339
Income taxes paid during the year, net	1,724	1,304	8,312	7,473

SEGMENTED INFORMATION

<i>(Audited)</i>	For the three months ended		For the year ended	
<i>(In thousands of dollars)</i>	January 29, 2005	January 31, 2004	January 29, 2005	January 31, 2004
Sales				
Canada	\$ 70,152	\$ 67,391	\$ 233,408	\$ 219,175
United States	1,998	2,162	7,723	7,591
	\$ 72,150	\$ 69,553	\$ 241,131	\$ 226,766
Net earnings (loss)				
Canada	\$ 5,267	\$ 4,193	\$ 16,432	\$ 11,929
United States	(254)	(279)	(546)	(1,281)
	\$ 5,013	\$ 3,914	\$ 15,886	\$ 10,648
Identifiable assets				
Canada	\$ 124,009	\$ 90,590	\$ 124,009	\$ 90,590
United States	4,189	3,956	4,189	3,956
	\$ 128,198	\$ 94,546	\$ 128,198	\$ 94,546