

PRESS RELEASE

LE CHÂTEAU ANNOUNCES APPROVAL OF 4 FOR 1 STOCK SPLIT

Montreal, June 27, 2007 – Le Château Inc. (TSX: CTU.A) announced that at its annual shareholders meeting held earlier today, the shareholders approved the split of the Class A subordinate voting shares and Class B voting shares on a four-for-one basis. The record date for the split will be July 18, 2007 and, despite the statement in the management information circular to the effect that shareholders will have to return their share certificates for replacement certificates, additional shares will be issued to give effect to the split. In accordance with the rules of the Toronto Stock Exchange, the Class A subordinate voting shares and Class B voting shares will begin to trade on an “as split” basis at the opening of business on July 16, 2007.

In her comments to shareholders at the annual meeting, Le Château Vice-Chairman and Chief Executive Officer, Jane Silverstone Segal stated that 2007 is off to a strong start. “All our divisions are performing well. For the first 8 weeks of the second quarter, total retail sales have increased 18.2% and same store sales have increased 13.1% over last year.”

Profile

Le Château is a leading Canadian brand in specialty retailing offering a broad array of contemporary fashion apparel, accessories and footwear for style-conscious women and men. The Le Château brand is synonymous with ageless fashion at accessible prices and is sold exclusively through the Company's 204 retail locations, of which 199 are located in Canada and 5 in the New York City area. The Company's outlets are primarily found in major urban shopping malls, complemented with high pedestrian-traffic, street-front locations.

The Company's 48-year tradition of vertical integration, a design and manufacturing approach to retailing, makes it unique among Canadian fashion merchants.

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 business initiatives and whether such business 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.

For further information

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