

PRESS RELEASE

LE CHÂTEAU REPORTS HOLIDAY SALES

Montreal, January 8, 2008 – Le Château Inc. (TSX: CTU.A) today reported that sales for the holiday period November 25, 2007 to January 7, 2008 increased 6.6% compared to the same period last year. Comparable store sales increased 1.4% compared with the same period a year ago.

For the fourth quarter to date, being the period October 28, 2007 to January 7, 2008, total sales increased 8.2% and comparable store sales increased 3.0%. Le Château expects to release its 2008 fiscal year's audited financial results in April.

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 212 retail locations, of which 207 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. In addition, the Company has 8 stores under license in the Middle East.

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

Emilia Di Raddo, CA, President (514) 738-7000
Johnny Del Ciancio, CA, Vice-President, Finance, (514) 738-7000
Maison Brison: Rick Leckner, (514) 731-0000
Source: Le Château Inc.