

PRESS RELEASE

LE CHÂTEAU HOLDS ANNUAL GENERAL MEETING

- Second quarter off to solid start
- New Chairman appointed

Montreal, June 19, 2008 – At today's annual general meeting, Le Château Inc.(TSX: CTU.A) reported that for the first seven weeks of the second quarter of fiscal 2009, total retail sales have increased 6.4% and comparable store sales are up 2.0% compared to the same period last year. On a year-to-date basis, total retail sales increased 2.1% and same store sales decreased 1.8% compared to the same period last year.

To date, the Company has opened nine new stores and expanded six existing locations, resulting in the addition of 57,000 square feet or 5.9% to the Le Château network, bringing the total floor space at end of period to 1,022,000 square feet.

First quarter of fiscal 2009

Net earnings for the first quarter ended April 26, 2008 increased 33.3% to \$5.6 million from \$4.2 million. Earnings per share (basic) for the first quarter increased to \$0.23 per share from \$0.17 per share the previous year. Sales for the first quarter increased 0.3% to \$70.6 million from \$70.4 million for the same period last year. Comparable store sales decreased by 4.6% versus the same period a year ago.

On June 5, 2008, the Board of Directors increased the regular quarterly dividend by 20% from \$0.125 to \$0.15 per Class A subordinate voting share and Class B voting share and declared a special dividend of \$0.25 per share. Both dividends (constituting eligible dividends for income tax purposes) are payable on August 19, 2008 to the shareholders of record at the close of business on July 25, 2008.

Appointment of Chairman

The Board of Directors is pleased to announce the appointment of Ms. Jane Silverstone Segal as Chairman of the Company. Ms. Silverstone Segal, currently Chief Executive Officer, replaces Mr. Richard Cherney. Ms. Silverstone Segal became CEO of Le Château in September 2006. Mr. Cherney was appointed non-executive Chairman of the Company in February 2007 after Company Founder, Mr. Herschel Segal, stepped down. Both Mr. Cherney and Mr. Segal remain as Directors of the Company.

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 218 retail locations, of which 214 are located in Canada and 4 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.

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Source: Le Château Inc.