

Le Château Inc. and 125387 Canada Inc.  
Press Release  
For Immediate Distribution

**LE CHÂTEAU ANNOUNCES \$18.9 MILLION BOUGHT DEAL SECONDARY OFFERING BY  
PRINCIPAL SHAREHOLDER**

Montreal, Québec, May 4, 2007 – Le Château Inc. (TSX: CTU.A) and 125387 Canada Inc.(the “Selling Shareholder”), a corporation indirectly controlled by Mr. Herschel H. Segal, the principal shareholder of Le Château, announce that the Selling Shareholder has entered into an agreement with GMP Securities L.P. for a bought deal secondary offering of 300,000 Class A Subordinate Voting Shares of Le Château, following the conversion of the requisite number of Class B Multiple Voting Shares of Le Château by the Selling Shareholder, at a price of \$63.00 per share, for gross proceeds to the Selling Shareholder of \$18.9 million. Le Château will not receive any proceeds from the offering.

The secondary offering will be offered publicly in the provinces of Québec, Ontario, British Columbia, Alberta, Saskatchewan and Manitoba by way of a short form prospectus and on a private placement basis in the U.S. pursuant to Rule 144A and Regulation D, and internationally as permitted. The offering is expected to close on May 18, 2007. Closing is conditional upon the signing of a definitive underwriting agreement and the satisfaction of certain other conditions.

There are currently 4,187,941 Class A Subordinate Voting Shares and 2,040,000 Class B Multiple Voting Shares of Le Château issued and outstanding. Following this offering, there will be 4,487,941 Class A Subordinate Voting Shares and 1,740,000 Class B Multiple Voting Shares issued and outstanding. Of the 2,040,000 Class B Multiple Voting Shares currently outstanding, 2,000,000 shares, representing approximately 81.3% of the votes attached to all the shares of Le Château, are indirectly owned by Herschel H. Segal and the other 40,000 shares are owned by Jane Silverstone Segal, the Chief Executive Officer of Le Château. Following this transaction, Herschel H. Segal will indirectly own 1,700,000 Class B Multiple Voting Shares, representing approximately 77.7% of the votes attached to all the shares of Le Château.

**About Le Château**

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 195 retail locations, of which 190 are located in Canada and 5 in the New York City area. The Company’s outlets are primarily found in major shopping malls and complemented with high pedestrian-traffic, street-front locations.

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered or sold within the United States or to United States Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

*This news release is not for distribution to United States newswire services or for dissemination in the United States.*

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