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**CACHE UPDATES FOURTH QUARTER 2011 GUIDANCE**  
**Expects Fourth Quarter Comparable Store Sales to Increase 12%**  
**Expects Q4 Diluted EPS in a Range of \$0.16 - \$0.17, up significantly from Q4 2010**  
**Company Introduces First Quarter 2012 Guidance**

New York, New York – January 12, 2012 – Cache Inc., (NASDAQ: CACH), a specialty chain of women’s apparel stores today updated its outlook for the fourth quarter and fiscal 2011 year and introduced first quarter fiscal 2012 guidance. Cache expects to report full results for the fourth quarter and fiscal 2011 year the week of March 19, 2012.

Thomas Reinckens, Chairman and Chief Executive Officer, commented: “For the fourth quarter, we achieved 12% comparable sales growth and expect a significant improvement in earnings as compared to the fourth quarter last year, representing a solid finish to a profitable year of growth for Cache. Our performance however, was held back versus our original expectations due to the heightened promotional environment for cold weather assortments, such as sweaters and outerwear, in the month of December. This led to increased markdowns and mitigated the strength of our dress and sportswear categories.”

“We are beginning 2012 in a strong position,” Mr.Reinckens continued. “For the first 10 days of our fiscal first quarter sales are exceeding our plan. We expect the enhancements we have

made to our design, merchandising and sourcing processes and infrastructure to allow us to continue our positive sales momentum and increase merchandise margin. We are equally excited by the opportunities to further expand our Cache brand. Fiscal 2012 will mark our initial foray into international markets and we expect strong growth in our e-commerce channel, as we capitalize on our elevated platform.”

### **Updated Fourth Quarter and Fiscal 2011 Guidance**

Based on preliminary results, the Company expects fourth quarter fiscal 2011 comparable store sales to increase 12%, which is consistent with the Company’s original outlook for a comparable store sales increase in the low double-digit range. Diluted earnings per share for the fourth quarter of fiscal 2011 are currently expected in the range of \$0.16 to \$0.18, exclusive of any potential asset impairment costs. This compares to adjusted fourth quarter 2010 loss per share of \$0.16. The actual reported fourth quarter 2010 net loss per share totaled \$1.11 and included the following costs: (i) \$5.7 million or \$0.44 per diluted share, related to the valuation allowance against net deferred tax assets as required under GAAP; and (ii) \$6.5million or \$0.51 per diluted share for non-cash impairment charges and other legal expenses. Fourth quarter fiscal 2011 diluted earnings per share continues to be predicated on a 20% tax rate, as initially guided.

For the full year fiscal 2011, the Company currently expects comparable store sales to increase 8%. Diluted earnings per share for the full year fiscal 2011 are currently expected in the range of \$0.17 to \$0.19, exclusive of any potential asset impairment costs. This compares to adjusted fiscal 2010 loss per share of \$0.72. The actual reported fiscal 2010 net loss per share totaled \$1.76 and included the following costs: (i) \$5.7 million or \$0.44 per diluted share related to the valuation allowance against net deferred tax assets as required under GAAP, (ii) \$7.5million or \$0.59 per diluted share for non-cash impairment charges and other legal expenses.

## **First Quarter Fiscal 2012 Guidance**

For the first quarter of fiscal 2012, the Company currently expects comparable store sales to increase in the mid to high single-digit range. This follows a 7.7% increase in comparable store sales in the first quarter of fiscal 2011. The Company currently expects first quarter fiscal 2012 net earnings per diluted share in the range of \$0.00 to \$0.03, as compared to a net loss per share of \$0.06 in the first quarter of fiscal 2011.

## **About Cache, Inc.**

Cache is a nationwide, mall-based specialty retailer of sophisticated sportswear and social occasion dresses targeting style-conscious women who have a youthful attitude and are self-confident. As of December 31, 2011, the Company operated 279 stores, primarily situated in central locations in high traffic, upscale malls in 43 states, the Virgin Islands and Puerto Rico.

Certain matters discussed within this press release may constitute forward-looking statements within the meaning of the federal securities laws. Although Cache, Inc. believes the statements are based on reasonable assumptions, there can be no assurance that these expectations will be attained. Actual results and timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including, without limitation, industry trends, merchandise and fashion trends, competition, seasonality and changes in general economic conditions and consumer spending patterns, the ability to successfully open new stores, reliance on foreign manufacturers, dependence on management, dependence on vendors and distributors, material weakness in our internal controls, as well as other risks outlined from time to time in the filings of Cache, Inc. with the Securities and Exchange Commission.