

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 29, 2007
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
COMMISSION FILE NUMBER: 0-10345

CACHE, INC.

(Exact name of registrant as specified in its Charter)

FLORIDA

59-1588181

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

1440 BROADWAY, NEW YORK, NEW YORK 10018

(Address of principal executive offices) (zip code)

weeks ended September 29, 2007 and September 30, 2006

6			
	Notes to the Condensed Consolidated Financial Statements		7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	12	
Item 3.	Quantitative and Qualitative Disclosures About Market Risk		17
Item 4.	Controls and Procedures	18	

PART II. OTHER INFORMATION

Item 6.	Exhibits	18
SIGNATURES		19

</TABLE>

-2-

<PAGE>

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

CACHE, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>

<CAPTION>

	September 29,	December 30,	Sep-
tember 30,	2007	2006	2006
ASSETS			
	(Unaudited)	(Unaudited)	
Current assets:			
<S>	<C>	<C>	<C>
Cash and equivalents	\$ 8,975,000	\$ 19,363,000	
\$ 33,214,000			
Marketable securities	40,245,000	42,094,000	
20,315,000			
Receivables, net	4,571,000	4,794,000	
4,399,000			

Inventories, net		36,329,000		34,829,000
37,074,000				
Prepaid expenses and other current assets			5,439,000	
7,217,000	5,572,000			
	Total current assets		95,559,000	108,297,000
100,574,000				
Equipment and leasehold improvements, net			49,768,000	
50,450,000	50,788,000			
Goodwill and intangible assets		11,173,000	---	---
Other assets		664,000	439,000	
440,000				
	Total assets	\$ 157,164,000	\$ 159,186,000	\$
151,802,000				

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable		\$ 12,623,000	\$ 11,702,000	\$
15,648,000				
Note payable		1,695,000	---	

Accrued compensation		2,589,000	1,689,000	
2,522,000				
Accrued liabilities		10,489,000	11,515,000	
12,132,000				
	Total current liabilities		27,396,000	24,906,000
30,302,000				
Note payable		4,640,000	---	

Other liabilities		15,983,000	15,749,000	
15,161,000				
Deferred income taxes, net		198,000	2,068,000	
2,197,000				

Commitments and contingencies

STOCKHOLDERS' EQUITY

Common stock, par value \$.01; authorized, 20,000,000 shares; issued 16,309,358, 16,275,708 and 15,791,003	163,000	163,000	
158,000			
Additional paid-in capital	45,800,000	44,646,000	
36,525,000			
Retained earnings	73,243,000	71,654,000	
67,459,000			
Treasury stock, 637,029 shares, at cost	(10,259,000)	---	

	-----	-----	-----
Total stockholders' equity	108,947,000	116,463,000	
104,142,000	-----	-----	-----
Total liabilities and stockholders' equity	\$ 157,164,000	\$ 159,186,000	
\$ 151,802,000			

</TABLE>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

<PAGE>

CACHE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THIRTY-NINE WEEKS ENDED
(UNAUDITED)

<TABLE>
<CAPTION>

September 29, 2007	September 30, 2006
-----	-----

<S>	<C>	<C>	
Net sales	\$	195,953,000	\$ 195,438,000
Cost of sales, including buying and occupancy			105,361,000
102,693,000			
		-----	-----
Gross profit		90,592,000	92,745,000
		-----	-----
Expenses			
Store operating expenses		72,703,000	
67,055,000			
General and administrative expenses		17,399,000	
15,340,000			
Lillie Rubin exit costs		(78,000)	5,518,000
		-----	-----
Total expenses		90,024,000	87,913,000
		-----	-----
Operating income		568,000	4,832,000
Other income:			
Interest expense		(78,000)	---
Interest income		2,007,000	1,850,000
		-----	-----
Income before income taxes		2,497,000	
6,682,000			
Income tax provision		908,000	2,606,000
		-----	-----
Net income	\$	1,589,000	\$ 4,076,000
		=====	=====
=====			
Basic earnings per share		\$0.10	\$0.26
		=====	=====
=====			

Diluted earnings per share	\$0.10	\$0.25
=====	=====	
=====		

Basic weighted average shares outstanding	16,189,000
15,784,000	
=====	=====
=====	

Diluted weighted average shares outstanding	16,454,000
16,160,000	
=====	=====
=====	

</TABLE>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

<PAGE>

CACHE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THIRTEEN WEEKS ENDED
(Unaudited)

<TABLE>
<CAPTION>

September 29, 2007	September 30, 2006
-----	-----

<S>	<C>	<C>	
Net sales	\$	60,572,000	\$ 59,935,000
Cost of sales, including buying and occupancy			32,905,000
31,669,000			
		-----	-----
Gross profit		27,667,000	28,266,000
		-----	-----
Costs and expenses			
Store operating expenses		23,072,000	
22,330,000			
General and administrative expenses		4,906,000	
5,606,000			
Lillie Rubin exit costs		(78,000)	(144,000)
		-----	-----
Total expenses		27,900,000	27,792,000
		-----	-----
Operating income (loss)		(233,000)	474,000
Other income:			
Interest expense		(78,000)	---
Interest income		523,000	657,000
		-----	-----
Income before income taxes		212,000	1,131,000
Income tax provision		51,000	441,000
		-----	-----
Net income	\$	161,000	\$ 690,000
		=====	
=====			
Basic earnings per share		\$0.01	\$0.04
		=====	
=====			
Diluted earnings per share		\$0.01	\$0.04

=====	=====
Basic weighted average shares outstanding	15,988,000
15,791,000	
=====	=====
Diluted weighted average shares outstanding	16,187,000
16,165,000	
=====	=====

</TABLE>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

<PAGE>

CACHE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRTY-NINE WEEKS ENDED
(Unaudited)

<TABLE>
<CAPTION>

September 30,	September 29, 2007	Septem- ber 30, 2006
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		

<S>	<C>	<C>
Net income	\$	1,589,000
4,076,000		\$
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		8,719,000
7,914,000		
Non-cash compensation expense		718,000
849,000		

Non-cash interest expense on note payable		78,000

Increase (decrease) in deferred income tax liabilities		
(1,870,000)	65,000	
Gift card breakage		(222,000)
(2,425,000)		
Amortization of deferred rent		(1,160,000)
(1,002,000)		
Non-cash Lillie Rubin exit costs		(78,000)
3,827,000		
Excess tax benefit from stock based compensation		---
(29,000)		
Other, net		(18,000)
(30,000)		

Change in assets and liabilities, net of assets purchased from Adrienne Victoria Designs:

Decrease in receivables		223,000
1,335,000		
Increase in inventories		(487,000)
(4,564,000)		
Decrease (increase) in prepaid expenses and other current assets		
1,778,000	(77,000)	
Increase (decrease) in accounts payable		419,000
(2,756,000)		
Increase in accrued liabilities and accrued compensation		
2,872,000	1,883,000	

Net cash provided by operating activities		12,561,000
9,066,000		

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of marketable securities		(69,257,000)
(44,531,000)		
Maturities of marketable securities, net		71,106,000
60,736,000		
Purchase of assets from Adrienne Victoria Designs		
(5,701,000)	---	
Purchase of equipment and leasehold improvements		
(9,274,000)	(9,060,000)	

Net cash provided by (used in) investing activities	(13,126,000)
7,145,000	

CASH FLOWS FROM FINANCING ACTIVITIES:

Repurchase of common stock	(10,259,000)
----------------------------	--------------

Proceeds from the issuance of common stock	436,000
221,000	

Excess tax benefit from stock-based compensation	---
29,000	

Net cash provided by (used in) financing activities	(9,823,000)
250,000	

Net increase (decrease) in cash and equivalents	
(10,388,000) 16,461,000	
Cash and equivalents, at beginning of period	19,363,000
16,753,000	

Cash and equivalents, at end of period	\$ 8,975,000
\$ 33,214,000	

Supplemental disclosure of cash flow information:

Income taxes paid	\$ 1,880,000	\$
5,175,000		
Accrued equipment and leasehold improvements	\$	
696,000 \$ 2,416,000		
Issuance of note payable in connection with acquisition of assets of Adrienne Victoria Designs	\$ 6,257,000	\$

</TABLE>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

<PAGE>

CACHE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

References to the "Company," "we," "us," or "our" means Cache, Inc., together with its wholly-owned subsidiaries, except as expressly indicated or unless the context otherwise requires. We currently operate two chains of women's apparel specialty stores, of which 281 stores are operated under the trade name "Cache" and 15 stores are operated under the trade name "Cache Luxe".

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Rule 10-01 of Regulation S-X and do not include all of the information and footnotes required by accounting principles generally accepted in the United States. However, in the opinion of our management, all known adjustments necessary for a fair presentation of the results of the interim periods have been made. These adjustments consist primarily of normal recurring accruals and estimates that impact the carrying value of assets and liabilities. Actual results may materially differ from these estimates.

These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 30, 2006, which are included in the Company's Annual Report on Form 10-K with respect to such period filed with the Securities and Exchange Commission. All significant intercompany accounts and transactions have been eliminated. The December 30, 2006 condensed consolidated balance sheet amounts are derived from the Company's audited consolidated financial statements.

The Company's Fiscal Year ("Fiscal Year" or "Fiscal") refers to the 52 or 53 weeks, as applicable, ending the Saturday nearest to December 31. The years ended December 29, 2007 ("Fiscal 2007"), December 30, 2006 ("Fiscal 2006") and December 31, 2005 ("Fiscal 2005") are each 52-week years.

2. STOCK BASED COMPENSATION

Effective January 1, 2006, the Company began recording compensation expense associated with stock options in accordance with Statement of Financial Accounting Standards ("SFAS") No. 123R, Share-Based Payment, as interpreted by SEC Staff Accounting Bulletin No. 107. During the 39-week and 13-week periods ended September 29, 2007, the Company recognized share-based compensation expense of approximately \$718,000 (\$456,000 after tax or \$0.03 per diluted share) and \$117,000 (\$89,000 after tax or \$0.01 per diluted share),

respectively. During the 39-week and 13-week periods ended September 30, 2006, the Company recognized \$849,000 (\$681,000 after tax or \$0.04 per diluted share) and \$247,000 (\$131,000 after tax or \$0.01 per diluted share) share-based compensation expense. There were 155,000 options and 100,000 options granted during the 39-week and 13-week periods ended September 29, 2007, and no options granted during the 13-week and 39-week periods ended September 30, 2006. For the 39-week and 13-week periods ended September 29, 2007, there were no excess tax benefits realized, from the exercise of stock options. For the 39-week and 13-week periods ended September 30, 2006, there was \$29,000 of excess tax benefits realized from the exercise of stock options.

The weighted-average fair value of options granted during the 39-week and 13-week periods ended September 29, 2007 was \$5.71 and \$5.62, respectively. The grant date fair value is calculated using the Black-Scholes option valuation model. The following assumptions were used during fiscal 2007:

Expected dividend rate	\$0.00
Expected volatility	41.5-45.0%
Risk free interest rate	4.7-5.0%
Expected lives (years)	4.00

-7-

<PAGE>

3. BASIC AND DILUTED EARNINGS PER SHARE

In accordance with SFAS No. 128, "Earnings Per Share", basic earnings per share has been computed based upon the weighted average number of common shares outstanding. Diluted earnings per share gives effect to outstanding stock options.

Earnings per common share has been computed as follows:

<TABLE>
<CAPTION>

	39 Weeks Ended		13 Weeks Ended	
	-----	-----	-----	-----
30,	Sept. 29,	Sept. 30,	Sept. 29,	Sept.
	2007	2006	2007	2006

<u><S></u>	<u><C></u>	<u><C></u>	<u><C></u>	<u><C></u>
Net income	\$1,589,000		\$4,076,000	\$161,000
\$690,000				
Basic weighted number of average shares outstanding	16,189,000		15,784,000	15,988,000
15,791,000				
Incremental shares from assumed issuances of stock options		265,000	376,000	
199,000	374,000			
Diluted weighted average number of shares outstanding	16,454,000		16,160,000	16,187,000
16,165,000				
Net income per share - Basic		\$0.10	\$0.26	\$0.01
\$0.04				
- Diluted	\$0.10	\$0.25	\$0.01	
\$0.04				

</TABLE>

Options to purchase 10,000 common shares with an exercise price of \$18.30 per share were excluded from the computation of diluted earnings per share for the 13-week and 39-week periods ended September 30, 2006, because the exercise price was greater than the market price.

4. RECENT DEVELOPMENTS

ADRIENNE VICTORIA

- - - - -

On July 3, 2007, the Company, through a wholly-owned subsidiary which was created in connection with the acquisition, acquired certain assets of Adrienne Victoria Designs, Inc. ("AVD"), our largest supplier. Under the terms of the agreement, the Company made cash payments totaling \$5.7 million, including transaction costs. The agreement also calls for the payment of \$7.0 million in guaranteed installment payments to be paid over 5 years, as well as contingent payments, not to exceed \$5.5 million, based upon earn-out provisions to be paid also over 5 years, if certain conditions are met. The Company acquired certain assets of AVD, a design, sourcing and manufacturing company, to increase operating efficiencies and increase shareholder value. The acquisition was accounted for in the third quarter of fiscal 2007, using the purchase method in accordance with SFAS No. 141, "BUSINESS COMBINATIONS". Accordingly, the assets acquired were recorded at their estimated fair values and operating results were included in our financial statements from the date of acquisition. The purchase price was allocated on a preliminary basis, using information currently

available.

The acquisition consideration and allocation of that consideration are as follows (in thousands):

ACQUISITION CONSIDERATION:

Cash consideration paid	\$ 4,821,000
Note issued	6,257,000
Transaction related fees	880,000

	\$ 11,958,000
	=====

-8-

<PAGE>

ALLOCATION OF ACQUISITION CONSIDERATION:

Inventory	\$ 1,013,000	
Equipment and leasehold improvements		67,000
Other assets	207,000	
Goodwill and intangible assets	11,173,000	
Accounts Payable	(502,000)	

	\$ 11,958,000	
	=====	

The Company has made a preliminary valuation of assets and has estimated the value of goodwill and intangible assets to be approximately \$11.2 million. The Company will complete its valuation of these assets in the fourth quarter of fiscal 2007. The Company determined that this is not a significant subsidiary in accordance with Regulation S-X and as such, pro-forma financial information is not required. The Company also has entered into employment agreements with Adrienne Kantor and Robert Kantor, the principal officers of AVD. These agreements will cover a period of 5 years, providing compensation and employee benefits.

During the period ended September 29, 2007, the Company recorded a note payable to Robert Kantor and Adrienne Kantor, related to the acquisition of Adrienne Victoria Designs. The \$6.3 million note, which will be paid over five years, has an imputed five percent interest rate. At September 29, 2007, \$1.7 million of the note is recorded in current liabilities and \$4.6 million is included in long-term liabilities.

REPURCHASE PROGRAM

On July 30, 2007, the Company's Board of Directors authorized a share repurchase program pursuant to which the Company may repurchase up to 1,000,000 shares of Company common stock, either through the open market or in privately negotiated transactions in accordance with SEC requirements, in either case, at the prevailing market rate. The program began in August 2007. There is no expiration date governing the period over which the Company can repurchase shares. During the 13-week period ended September 29, 2007, the Company repurchased, in the open market, 637,029 shares at a cost of \$10.3 million or \$16.10 per share.

As of October 31, 2007, the Company repurchased, in the open market, an additional 146,216 shares at a cost of \$2.4 million or \$16.46 per share.

CO-BRANDED CREDIT CARD PROGRAM

During the second quarter of fiscal 2007, Cache introduced a co-branded customer credit card program. Under this program, the Company will receive from the issuing bank a non-refundable credit card activation fee for each new account that is opened and activated. These fees are initially deferred and recognized in consolidated net sales as revenue over the life of the contract. For the 39-week and 13-week periods ended September 29, 2007, the Company received approximately \$220,000 and \$177,000, respectively in connection with activated cards. The amount of fee income recorded in connection with activated credit cards was insignificant in fiscal 2007.

The Company also offers its credit card holders a program whereby points can be earned on net purchases made with the co-branded credit card. Five reward points are awarded for each dollar spent at Cache and one reward point is awarded for each dollar spent at non-Cache businesses. Cardholders whose credit card account is not delinquent, in default or closed will be automatically eligible to receive a \$25 Cache gift card upon accrual of 2,500 reward points. The issuing bank bears the cost of the reward program and will be responsible for the administration and management of the program.

The Company also receives from the issuing bank and Visa U.S.A Inc. a sales royalty, which is based on a percentage of net purchases made by the cardholder at Cache or other businesses. Cache has determined that since it has not incurred any significant or recurring costs in relation to the co-branded credit card program the sales royalties earned in connection to the agreement will be recorded under net sales. The fees that are incurred by the Company are cardholder incentives, which are funded from the fees paid by the issuing bank and Visa U.S.A Inc.

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5. RECENT ACCOUNTING PRONOUNCEMENTS

On July 13, 2006, FASB issued Interpretation No. 48 ("FIN 48"), "ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES," which clarifies the accounting for uncertainty in income taxes recognized in the financial statements in accordance with FASB No. 109, "ACCOUNTING FOR INCOME TAXES." FIN 48 provides guidance on the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. The Company adopted the provisions of FIN 48, effective December 31, 2006. The adoption of FIN 48 did not have a material impact on the consolidated financial statements. The Company classifies any interest and penalty payments or accruals within operating expenses on our financial statements. There were no accruals of interest and penalties, nor were there any unrecognized tax benefits at the date of adoption of FIN 48. The Internal Revenue Service has reviewed the Company's income tax returns through the period ended January 1, 2005 and proposed no changes to the tax returns filed by the Company.

Effective December 31, 2006, the Company adopted EITF No. 06-03 "HOW TAXES COLLECTED FROM CUSTOMERS AND REMITTED TO GOVERNMENTAL AUTHORITIES SHOULD BE PRESENTED IN THE INCOME STATEMENT." The Company records revenues net of applicable sales tax in our consolidated statements of income.

In February, 2007, FASB issued SFAS No. 159, "THE FAIR VALUE OPTION FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES," ("SFAS No. 159"), which amends the accounting for assets and liabilities in financial statements in accordance with SFAS No. 115, "ACCOUNTING FOR CERTAIN INVESTMENTS IN DEBT AND EQUITY SECURITIES". SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. This statement does not affect any existing accounting literature that requires certain assets and liabilities to be carried at fair value. SFAS No. 159 is effective for the first fiscal year beginning after November 15, 2007. The Company does not expect this statement to have a material impact on the consolidated financial statements.

6. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

<TABLE>

<CAPTION>

September 30,	September 29, 2007	December 30, 2006	Sep- 2006
<S>	<C>	<C>	<C>
Leasehold improvements \$ 50,558,000	\$	55,112,000	\$ 51,320,000
Furniture, fixtures and equipment 54,302,000		48,805,000	45,687,000
	103,917,000	97,007,000	
104,860,000			
Less: accumulated depreciation and amortization (54,072,000)	(54,149,000)	(46,557,000)	
	\$ 49,768,000	\$ 50,450,000	\$
50,788,000			

7. ACCRUED LIABILITIES

September 30,	September 29, 2007	December 30, 2006	Sep- 2006
Operating expenses 4,379,000	\$ 4,363,000	\$ 2,978,000	\$
Accrued income and other taxes 2,125,000		1,687,000	2,190,000
Group insurance 711,000	683,000	737,000	
Sales return reserve 657,000	659,000	845,000	
Leasehold additions 2,416,000	696,000	2,000,000	
Other customer deposits and credits 1,844,000		2,401,000	2,765,000
	\$ 10,489,000	\$ 11,515,000	\$
12,132,000			

</TABLE>

-10-

<PAGE>

Leasehold additions generally represent a liability to general contractors for a final 10% payable on construction contracts for store construction or renovations.

8. BANK DEBT

During November 2005, the Company reached an agreement with its bank to amend the amount available under the Amended Revolving Credit Facility. Pursuant to the Amended Revolving Credit Facility, \$17,500,000 is available until expiration at November 30, 2008. The amounts outstanding under the credit facility bear interest at a maximum per annum rate equal to the bank's prime rate, currently 7.75% at September 29, 2007, less 0.25%. The agreement contains selected financial and other covenants. Effective upon the occurrence of an Event of Default under the Amended Revolving Credit Facility, the Company grants to the bank a security interest in the Company's inventory and certain receivables. The Company has at all times been in compliance with all loan covenants.

There have been no borrowings against the line of credit during fiscal 2007 and fiscal 2006. There were outstanding letters of credit of \$0.6 million, \$1.1 million and \$2.7 million, pursuant to the Amended Revolving Credit Facility, at September 29, 2007, December 30, 2006 and September 30, 2006, respectively.

9. LILLIE RUBIN EXIT COSTS

During fiscal 2006, the Company recorded a pre-tax charge of \$5.7 million for asset impairment and store closing costs for the exit of the Lillie Rubin business. The Company closed the last three Lillie Rubin stores during the first fiscal quarter of fiscal 2007. The Company did not incur significant additional exit costs upon the closing of these remaining properties.

The following is a summary of the activity in the reserve for exit costs for fiscal 2007:

BALANCE			
BEGINNING OF	CASH		BALANCE END
YEAR	PAYMENTS	REVERSALS	OF PERIOD

	-----	-----	-----	-----	
Contractual termination costs	\$385,000	\$307,000	\$78,000	\$0	
Severance	\$43,000	\$43,000	\$0	\$0	

The reversal in fiscal 2007 was due to the Company converting the Lillie Rubin store into a Cache store.

10. CONTINGENCIES

The Company is exposed to a number of asserted and unasserted potential claims. Management does not believe that the resolution of these matters will result in a material loss. We have not provided any third party financial guarantees as of and for the 39 and 13-week periods ended September 29, 2007 and September 30, 2006.

-11-

<PAGE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Except for the historical information and current statements contained in this Form 10-Q, certain matters discussed herein, including, without limitation, "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward-looking statements that involve risks and uncertainties, including, without limitation, the effect of economic and market conditions and competition, the ability to open new stores and expand into new markets, and risks relating to foreign importing operations, which could cause actual results to differ materially.

RESULTS OF OPERATIONS

The following table sets forth our results of operations for the 39-week and 13-week periods ended September 29, 2007 and September 30, 2006, expressed as a percentage of net sales. Amounts include the combined results of our Cache and Cache Luxe stores.

<TABLE>

<CAPTION>

	13 Weeks Ended		39 Weeks Ended	
	Sept 29, 2007	Sept 30, 2006	Sept 29, 2007	Sept 2006
<S>	<C>	<C>	<C>	<C>
Sales	100.0%	100.0%	100.0%	
100.0%				
Cost of sales	54.3	52.8	53.8	52.5
Gross profit	45.7	47.2	46.2	47.5
Store operating expenses	38.1	37.3	37.1	
34.3				
General and administrative expenses	8.1	9.4	8.9	
7.8				
Lillie Rubin exit costs	(0.1)	(0.2)	(0.0)	2.8
Operating income (loss)	(0.4)	0.8	0.3	
2.5				
Interest income, net	0.8	1.1	1.0	0.9
Income before income taxes	0.3	1.9	1.3	
3.4				
Income taxes	0.1	0.7	0.5	1.3
Net income	0.3%	1.2%	0.8%	
2.1%				

We use a number of key indicators of financial condition and operating performance to evaluate the performance of our business, some of which are set forth in the following table:

<TABLE>
<CAPTION>

	13 Weeks Ended		39 Weeks Ended	
	Sept 29, 2007	Sept 30, 2006	Sept 29, 2007	Sept 30, 2006
<S>	<C>	<C>	<C>	<C>
Total store count at end of period	296	294	296	
294				
Net sales growth	1%	5%	0%	
5%				
Comparable store sales growth	4%	1%	2%	
3%				

Average sales per transaction growth (decrease)	(7%)	4%	(8%)	4%
Average number of transactions growth (decrease)	11%	(3%)	10%	
(1%)				
Net sales per average square foot \$319	\$ 98	\$ 99	\$319	
Total square footage (in thousands) 589	604	589	604	

</TABLE>

-12-

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NET SALES

Net sales remained substantially unchanged, as compared to the same 39-week period last year, increasing to \$196.0 million from \$195.4 million. Comparable store sales at Cache stores (sales for stores open at least one year or more) increased \$3.9 million or 2% during the 39-week period. Non-comparable sales decreased \$3.4 million during the current period, as a result of the reduction of \$12.5 million in net sales for Lillie Rubin stores open in the 39-week period of fiscal 2006, which was partially offset by sales at new store locations of approximately \$9.1 million, during the current 39-week period. Net sales in the fiscal 2007 period at Cache stores reflected an 10% increase in sales transactions, which was partially offset by a 8% decrease in average dollars per transaction, primarily due to the increase in markdown sales.

Net sales increased to \$60.6 million from \$59.9 million, an increase of \$637,000, or 1.1%, as compared to the same 13-week period last year. This reflects \$2.1 million of additional net sales as a result of a 4% increase in comparable store sales at Cache stores. Non-comparable sales decreased \$1.5 million during the current period, as a result of the reduction of \$2.9 million in net sales for Lillie Rubin stores open in the 13-week period of fiscal 2006, as well as \$2.4 million of breakage income recorded last year, as a result of the formation of a new subsidiary to handle all Gift Card sales, which was partially offset by sales at new store locations of approximately \$3.8 million, during the current 13-week period. Net sales in the fiscal 2007 period at Cache stores reflected a 11% increase in sales transactions, which was partially offset by an 7% decrease in average dollars per transaction, primarily due to the increase in markdown sales.

GROSS PROFIT

Gross profit decreased to \$90.6 million from \$92.7 million, a decrease of \$2.1 million, or 2.3%, as compared to the same 39-week period last year. This decrease was primarily due to greater markdowns taken, due to reduced sales in our sportswear assortment in the current period, which was partially offset by higher initial gross margins from increased direct sourcing of merchandise, as compared to last year. In addition, buying and occupancy expenses increased as a percent of sales in the current period, partially due to the acquisition of the Adrienne Victoria Designs, our manufacturing and sourcing division, in the third quarter of fiscal 2007. As a percentage of net sales, gross profit decreased to 46.2% from 47.5%, last year.

Gross profit decreased to \$27.7 million from \$28.3 million, a decrease of \$599,000, or 2.1%, as compared to the same 13-week period last year. This decrease was primarily due to greater markdowns taken, due to reduced sales in our sportswear assortment in the current period, which was partially offset by higher initial gross margins from increased direct sourcing of merchandise, as compared to last year. In addition, buying and occupancy expenses increased as a percent of sales in the current period, primarily due to the reasons mentioned above. As a percentage of net sales, gross profit decreased to 45.7% from 47.2% last year.

STORE OPERATING EXPENSES

Store operating expenses increased to \$72.7 million from \$67.1 million, an increase of \$5.6 million, or 8.4%, over the prior year 39-week period. As a percentage of net sales, store operating expenses increased to 37.1% from 34.3%, for the 39-week period last year. This increase reflects the impact of newer stores, which have not achieved a mature sales volume level as compared to the existing store base. The increase in store operating expenses was principally due to higher marketing expenses (\$4.0 million), depreciation expense (\$758,000), outside services (\$354,000) and payroll expense (\$536,000), which were partially offset by lower charges in other expense categories.

Store operating expenses increased to \$23.1 million from \$22.3 million, an increase of \$742,000, or 3.3%, over the prior year 13-week period. As a percentage of net sales, store operating expenses increased to 38.1% from 37.3% for the 13-week period last year. This increase reflects the impact of newer stores, which have not achieved a mature sales volume level as compared to the existing store base. The increase in store operating expenses was

(\$220,000) and outside services (\$121,000), which were partially offset by lower charges in other expense categories.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased to \$17.4 million from \$15.3 million, an increase of \$2.1 million, or 13.4%, over the same 39-week period last year. As a percentage of net sales, general and administrative expenses increased to 8.9% from 7.8%, principally due to higher professional fees (\$1.0 million) and a legal settlement related to exempt employees in California (\$1.0 million), as compared to last year.

General and administrative expenses decreased to \$4.9 million from \$5.6 million, a decrease of \$700,000, or 12.5%, as compared to the same 13-week period last year. As a percentage of net sales, general and administrative expenses decreased to 8.1% from 9.4%, principally due to lower professional fees (\$436,000), as well as reductions in several other expense categories, as compared to last year.

LILLIE RUBIN EXIT COSTS

During the 39-week period ended September 29, 2007 the Company reversed a pre-tax charge of \$78,000 for the exit of the Lillie Rubin business as compared to the pre-tax charge of \$5.5 million in fiscal 2006. The reversal was due to the Company converting the Lillie Rubin store into a Cache store. The charge for \$5.5 million in fiscal 2006 was comprised of leasehold improvements, furniture and fixtures write down (\$4.4 million), a write-down of intangibles (\$455,000), a write-down of supplies (\$275,000), severance charges (\$253,000), as well as an accrual (\$1.4 million) for contractual termination costs negotiated prior to July 1, 2006. These costs were partially offset by the reversal of \$1.3 million of deferred rent accruals. As a percent of sales, Lillie Rubin exit costs were (0.2%) and 2.8%, for the 13-week and 39-week periods in fiscal 2006.

OTHER INCOME

Interest income increased to \$2.0 million from \$1.9 million, as compared to the same 39-week period last year, primarily due to higher average cash and marketable securities balances earlier in the year. Interest income decreased to \$523,000 from \$657,000 in the same 13-week period last year, primarily due to lower average cash and marketable securities balances and a reduction in interest rates, as compared to last year. Interest expense of \$78,000 in the current 13-week period was accrued, related to the note payable issued for the Adrienne Victoria acquisition.

INCOME TAXES

Income taxes decreased to \$908,000 from \$2.6 million, as compared to the 39-week period last year. The decrease was primarily attributable to lower taxable income in fiscal 2007. Income taxes decreased to \$51,000 from \$441,000, as compared to the 13-week period last year. The decrease was primarily attributable to lower taxable income in fiscal 2007. The estimated effective tax rate for the 39-week and 13-week periods in fiscal 2007 were 36.5% and 24.1%, respectively. The estimated effective tax rate for both 39-week and 13-week periods in fiscal 2006 were 39.0%, respectively.

NET INCOME

As a result of the factors discussed above, net income decreased to \$1.6 million from \$4.1 million as compared to the same 39-week period last year. As a result of the factors discussed above, net income decreased to \$161,000 from \$690,000, as compared to the same 13-week period last year.

-14-

<PAGE>

LIQUIDITY AND CAPITAL RESOURCES

Our cash requirements are primarily for working capital, the construction of new stores, the remodeling of existing stores and to improve and enhance our information technology systems. During the 39-week period ended September 29, 2007, we generated \$12.6 million of cash flow from operations as compared to \$9.1 million generated in the same period in fiscal 2006. We expect to continue to meet our operating cash requirements primarily through cash flows from operating activities, existing cash and cash equivalents, and short-term investments. In addition, we have available a \$17.5 million revolving credit facility (the "credit facility") with Bank of America Retail Finance, under which we have not had outstanding borrowings for several years. At September 29, 2007, we had working capital of \$68.2 million, cash and marketable securities of \$49.2 million and no third party debt outstanding.

The following table sets forth our cash flows for the period indicated:

<TABLE>

<CAPTION>

39 Weeks ended	
Sept 29, 2007	Sept 30, 2006
<C>	<C>

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Net cash provided by operating activities.....	\$12,561,000
\$9,066,000	
Net cash provided by (used in) investing activities.....	(13,126,000)
7,145,000	
Net cash provided by (used in) financing activities.....	(9,823,000)
250,000	

Net increase (decrease) in cash and equivalents.....	
\$(10,388,000) \$16,461,000	

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</TABLE>

During the 39-week period ended September 29, 2007, cash and cash equivalents decreased by \$10.4 million, primarily due to repurchase of common stock (\$10.3 million), purchase of assets from Adrienne Victoria Designs (\$5.7 million), decrease in deferred tax liabilities (\$1.9 million), partially offset by operating cash flows from depreciation expense (\$8.7 million), net maturities of marketable securities (\$1.8 million), a seasonal decrease in prepaid expenses (\$1.8 million) and a seasonal increase in accrued liabilities (\$2.9 million). Decreases in cash flows for the current period, also included capital expenditures for our new store expansion and remodeling program totaling \$9.3 million. Non-cash items included \$1.2 million of deferred rent amortization.

We plan to open approximately 10 new stores during fiscal 2007, of which the Company has opened 8 new stores to date. We renovated 14 existing stores to date. We spent approximately \$9.3 million through September 29, 2007 and expect to spend an additional \$1-2 million during the balance of fiscal 2007, for both new store and existing store construction and remodeling.

On July 30, 2007, the Company's Board of Directors authorized a share repurchase program pursuant to which the Company may repurchase up to 1,000,000 shares of Company common stock, either through the open market or in privately negotiated transactions in accordance with SEC requirements, in either case, at the prevailing market rate. The program began in August 2007. There is no expiration date governing the period over which the Company can repurchase shares. During the 13-week period ended September 29, 2007, the Company repurchased, in the open market, 637,029 shares at a cost of \$10.3 million or \$16.10 per share.

As of October 31, 2007, the Company repurchased, in the open market, an additional 146,216 shares at a cost of \$2.4 million or \$16.46 per share.

There have been no borrowings against the line of credit during fiscal 2007 and fiscal 2006. There were outstanding letters of credit of \$0.6 million, \$1.1 million and \$2.7 million, pursuant to the credit facility, at September 29, 2007, December 30, 2006 and September 30, 2006, respectively.

INFLATION

We do not believe that our sales revenue or operating results have been materially impacted by inflation during the past two fiscal years. There can be no assurance, however, that our sales revenue or operating results will not be impacted by inflation in the future.

-15-

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OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements or transactions with unconsolidated, limited purpose entities. In the normal course of our business, we enter into operating leases for store locations and utilize letters of credit principally for the importation of merchandise. We do not have any undisclosed material transactions or commitments involving related persons or entities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our accounting policies are more fully described in Note 1 of Notes to Consolidated Financial Statements in our fiscal 2006 10-K. As disclosed in Note 1 of Notes to Consolidated Financial Statements, the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and accompanying notes. Since future events and their effects cannot be determined with absolute certainty, actual results will differ from those estimates. We evaluate our estimates and judgments on an ongoing basis and predicate those estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results will differ from these under different assumptions or conditions.

Our management believes the following critical accounting policies, among others, affect its more significant judgments and estimates used in preparation of the Consolidated Financial Statements.

INVENTORIES. Our inventories are valued at lower of cost or market using the retail inventory method. Under the retail inventory method ("RIM"), the valuation of inventories at cost and the resulting gross margins are calculated by applying a calculated cost to retail ratio to the retail value of inventories. RIM is an averaging method that has been widely used in the retail industry due to its practicality. Additionally, it is recognized that the use of RIM will result in valuing inventories at the lower of cost or market if

markdowns are currently taken as a reduction of the retail value of inventories. Inherent in the RIM calculation are certain significant management judgments including, among others, merchandise mark-on, mark-ups, and markdowns, which significantly impact the ending inventory valuation at cost as well as the resulting gross margins. We take markdowns due to changes in fashion and style, based on the following factors: (i) supply on hand, (ii) historical experience and (iii) our expectations as to future sales. We do not anticipate any significant change in our markdown strategy that would cause a change in our earnings. We believe that our RIM provides an inventory valuation, which results in a carrying value at the lower of cost or market.

FINITE-LONG LIVED ASSETS. The Company's judgment regarding the existence of impairment indicators is based on market and operational performance. We assess the impairment of long-lived assets, primarily fixed assets, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important which could trigger an impairment review include the following:

- o significant changes in the manner of our use of assets or the strategy for our overall business;
- o significant negative industry or economic trends;
- o store closings; or
- o underperforming business trends.

In the evaluation of the fair value and future benefits of finite long-lived assets, we perform an analysis by store of the anticipated undiscounted future net cash flows of the related finite long-lived assets. If the carrying value of the related asset exceeds the undiscounted cash flows, the carrying value is reduced to its fair value. Various factors including future sales growth and profit margins are included in this analysis. To the extent these future projections or strategies change, the conclusion regarding impairment may differ from the current estimates. No impairment charges were incurred in fiscal 2004 and 2005, respectively. In fiscal 2007, the Company recorded an impairment charge of \$73,000 as compared to \$101,000 in fiscal 2006. The impairment charge in the current year was for one store that the Company planned on closing at the end of fiscal 2007 and the impairment charge in fiscal 2006, related to one store, which the Company closed in early 2007.

-16-

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SELF INSURANCE. We are self-insured for losses and liabilities related primarily to employee health and welfare claims. Losses are accrued based upon our estimates of the aggregate liability for claims incurred using certain actuarial assumptions followed in the insurance industry and based on Company experience. Adjustments to earnings resulting from changes in historical loss trends have been insignificant for fiscal 2004, 2005 and 2006. Further, we do not anticipate

any significant change in loss trends, settlements or other costs that would cause a significant change in our earnings. We maintain stop-loss insurance coverage, which covers us for benefits paid in excess of limits as defined in the plan.

GIFT CARDS, GIFT CERTIFICATES AND CREDITS. The Company sells gift cards and gift

certificates ("Gift Cards") and issues credits to its customers when merchandise is returned. The Company recognizes sales from Gift Cards when they are redeemed by the customer and income when the likelihood of the Gift Card being redeemed by the customer is remote (Gift Card breakage) since the Company has determined that it does not have a legal obligation to remit the value of unredeemed Gift Cards to the relevant jurisdiction as abandoned property. The Company determines Gift Card breakage income based upon historical redemption patterns. Breakage income represents the balance of Gift Cards, for which the Company believes the likelihood of redemption by the customer is remote. At that time, the Company will recognize breakage income for those Gift Cards. During the third quarter of fiscal 2006, the Company formed a new subsidiary to handle all Gift Card sales and maintain the liability related to Gift Cards. As a result of transferring all existing obligations to the newly formed subsidiary, the Company recognized \$2.4 million of breakage income, within net sales, in the third quarter of fiscal 2006 related to Gift Cards sold/issued since the inception of the Gift Card program. The Company recognized \$222,000 of breakage income during the 39-week period ended September 29, 2007.

REVENUE RECOGNITION. Sales are recognized at the "point of sale," which occurs when merchandise is sold in an "over-the-counter" transaction or upon receipt by a customer. Sales of merchandise via our website are recognized at the expected time of delivery to the customer. Our customers have the right to return merchandise. Sales are reported net of actual and estimated returns. We maintain a reserve for potential product returns and record, as a reduction to sales, a provision for estimated product returns, which is determined based on historical experience. Charges or credits to earnings resulting from revisions to estimates on our sales return provision for fiscal 2004, 2005 and 2006, have not been material. Amounts billed to customers for shipping and handling fees are included in net sales at the time of shipment. Costs incurred for shipping and handling are included in cost of sales.

INCOME TAXES. The Company accounts for income taxes in accordance with SFAS No.

109, "ACCOUNTING FOR INCOME TAXES." This statement requires the Company to recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement carrying amounts and tax bases of assets and liabilities, using applicable tax

rates for the years in which the differences are expected to reverse. When tax contingencies become probable, a liability for the contingent amount is estimated based upon the Company's best estimation of the potential exposures associated with the timing and amount of deductions, as well as various tax filing positions. As of September 29, 2007, the Company did not have any tax contingencies. The Company adopted the provisions of FIN 48, effective December 31, 2006. The adoption did not have a material impact on the consolidated financial statements.

SEASONALITY. We experience seasonal and quarterly fluctuations in net sales and operating income. Quarterly results of operations may fluctuate significantly as a result of a variety of factors, including the timing of new store openings, fashion trends and shifts in timing of certain holidays. Our business is subject to seasonal influences, characterized by highest sales during the fourth quarter (October, November and December) and lowest sales during the third quarter (July, August and September).

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to the following types of market risk-fluctuations in the purchase price of merchandise, as well as other goods and services: the value of foreign currencies in relation to the U.S. dollar; and changes in interest rates. Due to our inventory turn rate and our historical ability to pass through the impact of any generalized

-17-

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changes in our cost of goods sold to our customers through pricing adjustments, commodity and other product risks are not expected to be material. We purchase substantially all merchandise in U.S. dollars.

Our exposure to market risk for changes in interest rates relates to cash, cash equivalents and marketable securities. As of September 29, 2007, our cash, cash equivalents and marketable securities consisted primarily of funds invested in money market accounts, which bear interest at a variable rate and U.S. treasury instruments, as well as municipal bonds which bear interest at a fixed rate. Due to the average maturity and the conservative nature of our investment portfolio, we believe a sudden change in interest rates would not have a material effect on the value of our investment portfolio. As the interest rates on a material portion of our cash, cash equivalents and marketable securities are variable, a change in interest rates earned on our investment portfolio would impact interest income along with cash flows, but would not materially impact the fair market value of the related underlying instruments.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities and Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

As of September 29, 2007, we carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to the Securities and Exchange Act Rule 13(a)-15(b). Our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of September 29, 2007 due to the material weakness in our internal control over financial reporting, identified during the Company's assessment of internal control over financial reporting as of December 30, 2006 and reported in our fiscal 2006 Annual Report on Form 10-K. We continue our efforts to remediate this material weakness through ongoing process improvements, the implementation of enhanced policies and hiring additional personnel, engaging third-party tax, financial and financial systems consultants, improving quality control standards, and providing additional training and education to our financial reporting and accounting personnel. Accordingly, this material weakness is not yet fully remediated. No material weaknesses will be considered remediated until the remedial procedures have operated for an appropriate period, have been tested, and management has concluded that they are operating effectively.

To compensate for this material weakness, the Company performed additional analysis and other procedures in order to prepare the unaudited quarterly consolidated financial statements in accordance with generally accepted accounting principles in the United States of America. Accordingly, management believes that the consolidated financial statements included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

There were no changes during the quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS

- 31.1 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

-18-

<PAGE>

Signatures

Pursuant to the requirement of Section 13 or 15 (d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: November 8, 2007

CACHE, INC.

BY: /s/ Brian Woolf

Brian Woolf
Chairman and Chief
Executive Officer
(Principal Executive
Officer)

BY: /s/ Margaret Feeney

Margaret Feeney
Executive Vice President and
Chief Financial Officer
(Principal Financial and
Accounting Officer)

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EXHIBIT 31.1
CERTIFICATION

I, Brian Woolf, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cache, Inc. (Cache);
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of Cache as of, and for, the periods presented in this quarterly report;
4. Cache's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Cache, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the

reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

- c) evaluated the effectiveness of Cache's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation;
 - d) disclosed in this report any changes in Cache's internal control over financial reporting that occurred during Cache's third quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. Cache's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Cache's auditors and the audit committee of Cache's Board of Directors;
- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Cache's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in Cache's internal controls over financial reporting.

November 8, 2007

By: /s/ Brian Woolf

Brian Woolf
Chairman and Chief
Executive Officer
(Principal Executive
Officer)

-20-

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EXHIBIT 31.2
CERTIFICATION

I, Margaret Feeney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cache, Inc. (Cache);
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of Cache as of, and for, the periods presented in this quarterly report;
4. Cache's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Cache, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of Cache's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation;

- d) disclosed in this report any changes in Cache's internal control over financial reporting that occurred during Cache's third quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. Cache's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Cache's auditors and the audit committee of Cache's Board of Directors;
- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Cache's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in Cache's internal controls over financial reporting.

November 8, 2007

By: /s/ Margaret Feeney

Margaret Feeney
Executive Vice President and
Chief Financial Officer
(Principal Financial and
Accounting Officer)

-21-

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EXHIBIT 32.1
CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to, and solely for the purposes of, 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002), each of the undersigned hereby certifies in the capacity and on the date indicated below that:

1. The Quarterly Report of Cache, Inc. on Form 10-Q for the period ending

September 29, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Cache, Inc.

November 8, 2007

BY: /s/ Brian Woolf

Brian Woolf
Chairman and Chief
Executive Officer
(Principal Executive
Officer)

November 8, 2007

By: /s/ Margaret Feeney

Margaret Feeney
Executive Vice President and
Chief Financial Officer
(Principal Financial and
Accounting Officer)

-22-

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-----END PRIVACY-ENHANCED MESSAGE-----