

January 6, 2005
FOR IMMEDIATE RELEASE
CACHE, INC.
NASDAQ COMMON STOCK SYMBOL CACH

CACHE REPORTS DECEMBER 2004 COMPARABLE STORE SALES INCREASE 7%
Company Reiterates Comfort With Fourth Quarter And Full Year
Guidance

New York, New York - January 6, 2005 - Cache Inc., (NASDAQ: CACH), a specialty chain of women's apparel stores with 291 stores open, reported December 2004 sales figures. The Company noted that this fiscal year period includes 53-weeks versus 52-weeks in last year's fiscal period. Therefore, for comparison purposes, the Company adjusted its prior year comparable store sales results to present equivalent periods to this year.

Comparable Store Sales: (sales for stores open at least one year or more)

- Increased 7% during the five week December 2004 period, as compared to the same period last year;
- Increased 4% during the 14 week period ended January 1, 2005, as compared to the same period last year; and
- Increased 5% during the 53 week period ended January 1, 2005, as compared to 3% in the same period last year.

Total Sales:

- Increased \$4.9 million or 15.9% to \$35.9 million for the five week period ended January 1, 2005, as compared to \$31.0 million for the five week period ended December 27, 2003;
- Increased \$14.4 million or 22.3% to \$79.0 million for the 14 week period ended January 1, 2005, as compared to \$64.6 million for the 13 week period ended December 27, 2003; and
- Increased \$31.5 million or 14.6% to \$247.8 million for the 53 week fiscal year period ended January 1, 2005, as compared to \$216.3 million for the 52 week period fiscal year period last year.

Mr. Brian Woolf, Cache's Chairman commented: "We enjoyed a successful holiday season. Our comparable store sales increase of 7% included robust sales of sportswear and accessories with total company merchandise margins ahead of last year. We are pleased to enter fiscal 2005 with inventory that is positioned to capitalize on the upcoming resort season and expect the excitement for our Cache and Lillie Rubin chains to heighten, as we continue to execute our merchandise, marketing and store expansion plans."

The Company also noted that it remains comfortable with the earnings guidance it provided on October 19, 2004 for its fourth quarter and fiscal 2004 year. Specifically, for the fourth quarter, diluted earnings per share continue to be estimated in the range of \$0.37 to \$0.39, as compared to actual fourth quarter fiscal 2003 diluted earnings per share of \$0.34. For fiscal 2004, the Company continues to estimate diluted earnings per share in the range of \$0.80 to \$0.83, as compared to actual fiscal 2003 diluted earnings per share of \$0.75. The Company indicated further that all actual and estimated per share figures are reflective of the 3-for-2 stock split completed on June 18, 2004.

During fiscal 2004, the Company opened 31 new Cache stores and 9 new Lillie Rubin stores. In total, the Company currently operates 291 stores, including 254 Cache and 37 Lillie Rubin locations.

Certain matters discussed within this press release may constitute forward looking statements within the meaning of the federal securities law. 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 trends, competition and consumer spending patterns, as well as other risks outlined from time to time in the filings of Cache, Inc. with the Securities and Exchange Commission.

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