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**CACHE REPORTS 10 PERCENT COMPARABLE STORE SALES DECREASE IN DECEMBER 2007  
Revises Fourth Quarter Fiscal 2007 Guidance**

New York, New York – January 10, 2008 – Cache Inc., (NASDAQ: CACH), a specialty chain of women’s apparel stores with 296 stores open, reported December 2007 sales figures.

For the 5-week period ended December 29, 2007, comparable store sales (sales for stores open at least one year or more) decreased 10%, as compared to an increase of 4% in the prior-year period ending December 30, 2006. Total net sales for the 5-week period decreased \$2.1 million or 5% to \$37.1 million, as compared to last year. Net sales for the 5-week fiscal 2006 period included \$0.2 million in sales from the former Lillie Rubin chain.

For the 13-week period ended December 29, 2007, comparable store sales decreased 7%, as compared to an increase of 7% in the prior-year period ending December 30, 2006. Total net sales for the 13-week period decreased \$3.6 million, or 4% to \$79.9 million, as compared to last year. Net sales for the 13-week fiscal 2006 period included \$0.6 million in sales from the former Lillie Rubin chain.

For the 52-week period ended December 29, 2007, comparable store sales decreased 1%, as compared to an increase of 5% in the same period in 2006. Total net sales for the 52-week period decreased \$3.1 million, or 1% to \$275.9 million, as compared to \$279.0 million last year. Revenue for the 52-week fiscal 2006 period included \$13.1 million in sales from the former Lillie Rubin chain.

Mr. Brian Woolf, Cache’s Chairman and CEO commented: “We were disappointed with our December sales results. Despite this, we continue to expect fourth quarter earnings in 2007 to be above the fourth quarter earnings last year. As we begin January, our sales trends are solidly positive over the first ten days of the month. We continue to believe we have identified initiatives that will lead to increased earnings in the near and long term.”

During the quarter, the Company opened one new store and closed one store. The Company closed an additional store in early January and currently operates 296 locations.

**Outlook**

Based on the Company’s December sales results, it is revising its fourth quarter and fiscal 2007 guidance. The Company currently expects fourth quarter diluted earnings per share in a range of \$0.30 to \$0.32, as compared to its previous expectations for diluted earnings per share in the range of \$0.47 to \$0.49 and actual fourth quarter fiscal 2007 diluted earnings per share of \$0.28. For the full fiscal 2007 year, the Company currently estimates diluted earnings per share in the range of \$0.40 to \$0.42, as compared to its

previous guidance range of \$0.57 to \$0.59 and actual fiscal 2006 diluted earnings per share of \$0.51. The Company expects to report full results for the fourth quarter and fiscal 2007 year on February 6, 2008.

#### About Cache, Inc.

Cache is a nationwide, mall-based specialty retailer of sophisticated, social occasion sportswear and dresses targeting style-conscious women. Cache targets women between the ages of 25 and 45 who have a youthful attitude, are self-confident and fashion-conscious, and require a missy fit. We operate 296 Cache and Cache Luxe 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, ability to successfully open new stores, introduction of the Cache Luxe concept, dependence on management, dependence on vendors and distributors, reliance on foreign manufacturers, material weakness in our internal controls, industry trends, merchandise and fashion trends, competition, seasonality and changes in general economic conditions 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.