

FEBRUARY 5, 2003

FOR IMMEDIATE RELEASE

CACHE, INC.

NASDAQ COMMON STOCK SYMBOL CACH

CACHE REPORTS RECORD EARNINGS FOR THE FULL YEAR AND FISCAL FOURTH QUARTER

New York, New York – February 5, 2003 – Cache Inc., (NASDAQ: CACH), a specialty chain of women's apparel stores with 234 stores open, reported results for the 13 and 52 week periods ended December 28, 2002.

Cache reported the highest net income in the Company's history for both the fourth quarter and 52 week period ended December 28, 2002. For the fourth quarter, net income increased 62% to \$4.0 million or \$0.42 per share in 2002 from \$2.5 million or \$0.27 per share in fiscal 2001. For the 52 week fiscal year ended December 28, 2002, net income increased 171% to \$8.9 million or \$0.93 per share from \$3.3 million or \$0.36 per share in fiscal 2001.

Net sales for fourth quarter increased \$6.3 million or 12% and same store sales increased 8%, as compared to last year. Net sales for the fiscal year increased \$19.5 million or 11% to \$199.4 million and same store sales increased 7%, as compared to last year. The improved results for the year were primarily attributable to improved gross margins, as well as higher sales volume.

Mr. Brian Woolf, Cache's Chairman commented, "We were pleased with the improvement in profitability for the fourth quarter and full year periods. The strategic initiatives we instituted in 2001 and throughout 2002 have generated improved sales and higher gross margins."

A table summarizing financial results follows:

	<u>Fifty-Two Weeks Ended</u>		<u>Thirteen Weeks Ended</u>	
	Dec. 28, <u>2002</u>	Dec. 28, <u>2001</u>	Dec. 29, <u>2002</u>	Dec. 29, <u>2001</u>
	(\$ Thousands, except for per share data)			
Sales	\$ 199,423	\$ 179,899	\$ 58,497	\$ 52,236
Net income	\$ 8,941	\$ 3,298	\$ 4,022	\$ 2,480
Basic earnings per share	\$ 0.98	\$ 0.36	\$ 0.44	\$ 0.27

Diluted earnings per share	\$ 0.93	\$ 0.36	\$ 0.42	\$ 0.27
Basic weighted average shares outstanding	9,100	9,091	9,100	9,091
Diluted weighted average shares outstanding	9,623	9,091	9,100	9,091

The Company also announced that it had opened 10 new Cache stores and three new Lillie Rubin stores in Fiscal 2002. The Company closed one Lillie Rubin store in fiscal 2002. This increased the Company's total store count to 234 stores. The Company plans to open approximately 13 new stores in the Spring of Fiscal 2003.

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 the ability to obtain financing, as well as other risks outlined from time to time in the filings of Cache, Inc. with the Securities and Exchange Commission.

Financial Tables Follow:

CACHE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(AUDITED)

A S S E T S	December 28, 2002	December 29, 2001
	_____	_____
CURRENT ASSETS		
Cash and equivalents	\$ 10,287,000	\$ 12,101,000
Marketable Securities	14,392,000	---
Receivables, net	2,677,000	4,318,000
Notes receivable from related parties	321,000	371,000
Inventories	22,065,000	21,761,000
Deferred income taxes and other tax assets	271,000	599,000

Prepaid expenses	1,020,000	712,000
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Total Current Assets	51,033,000	39,862,000
EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET	18,553,000	15,906,000
OTHER ASSETS	817,000	825,000
DEFERRED INCOME TAXES, NET	349,000	542,000
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Total Assets	\$ 70,752,000	\$ 57,135,000
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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 11,988,000	\$ 11,089,000
Accrued compensation	3,629,000	2,135,000
Accrued liabilities	8,762,000	6,441,000
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Total Current Liabilities	24,379,000	19,665,000

OTHER LIABILITIES	1,081,000	1,164,000
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STOCKHOLDERS' EQUITY

Common stock	91,000	91,000
Additional paid-in capital	19,609,000	19,564,000
Retained earnings	25,592,000	16,651,000
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Total Stockholders' Equity	45,292,000	36,306,000
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Total Liabilities and Stockholders' Equity	\$ 70,752,000	\$ 57,135,000
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CACHE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE FIFTY-TWO WEEKS ENDED

(AUDITED)

	December 28, 2002	December 29, 2001
NET SALES	\$ 199,423,000	\$ 179,899,000
COST OF SALES, including occupancy and buying costs	115,700,000	116,346,000
GROSS PROFIT	83,723,000	63,553,000
EXPENSES		
Store operating expenses	57,220,000	51,289,000
General and administrative expenses	12,190,000	8,929,000
TOTAL EXPENSES	69,410,000	60,218,000
OPERATING INCOME	14,313,000	3,335,000
OTHER INCOME		
Litigation settlement (net)	---	1,518,000
Interest income	260,000	300,000
Miscellaneous income (net)	---	40,000
TOTAL OTHER INCOME	260,000	1,858,000
INCOME BEFORE INCOME TAXES	14,573,000	5,193,000
INCOME TAX PROVISION	5,632,000	1,895,000
NET INCOME	\$ 8,941,000	\$ 3,298,000
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BASIC AND DILUTED EARNINGS PER SHARE:		
BASIC EARNINGS PER SHARE	\$0.98	\$0.36
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DILUTED EARNINGS PER SHARE	\$0.93	\$0.36

BASIC WAIGHTED AVERAGE SHARES OUTSTANDING	9,100,000	9,091,000
DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	9,632,000	9,229,000
NUMBER OF STORES OPEN AT END OF PERIOD	234	222

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

	December 28, 2002	December 29, 2001
Net sales	\$ 58,497,000	\$ 52,236,000
COST OF SALES, including occupancy and buying costs	33,040,000	32,861,000
GROSS PROFIT	25,457,000	19,375,000
EXPENSES		
Store operating expenses	15,751,000	13,589,000
General and administrative expenses	2,945,000	1,957,000
TOTAL EXPENSES	18,696,000	15,546,000
OPERATING INCOME	6,761,000	3,829,000
OTHER INCOME		
Interest income	65,000	88,000
Miscellaneous income	---	(10,000)
TOTAL OTHER INCOME	65,000	78,000
INCOME BEFORE	6,826,000	3,907,000)

INCOME TAXES		
INCOME TAX PROVISION	2,804,000	1,427,000
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NET INCOME	\$ 4,022,000	\$ 2,480,000
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BASIC AND DILUTED EARNINGS PER SHARE:		
BASIC EARNINGS PER SHARE	\$0.44	\$0.27
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DILUTED EARNINGS PER SHARE	\$0.42	\$0.27
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BASIC WIGHTED AVERAGE SHARES OUTSTANDING	9,100,000	9,091,000
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DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	9,632,000	9,198,000
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NUMBER OF STORES OPEN AT END OF PERIOD	234	222
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