

FEBRUARY 8, 2002

FOR IMMEDIATE RELEASE

CACHE, INC.

NASDAQ COMMON STOCK SYMBOL CACH

CACHE REPORTS SIGNIFICANT IMPROVEMENT IN FOURTH QUARTER 2001
OPERATING RESULTS

New York, New York - February 8, 2002- Cache Inc., (NASDAQ: CACH), a specialty chain of women's apparel stores with 222 stores open, reported results for the thirteen and fifty-two week periods ended December 29, 2001.

The Company reported net income for the 13 week period ended December 29, 2001 of \$2,480,000 or \$0.27 per share which increased from \$1,038,000 or \$0.11 per share in Fiscal 2000. Net sales for the period decreased \$1,508,000 or 2.8% and same store sales decreased 5.1% for the period.

The Company reported net income for the 52 week period of \$3,298,000 or \$0.36 which increased from \$1,103,000 or \$0.12 per share in Fiscal 2000. Net sales increased \$3,429,000 or 1.9% and same store sales were flat for the period. The improved results for the 52 week period were attributable to improved gross margins, as well as a favorable litigation settlement, which had the effect of increasing results in the first quarter of Fiscal 2001 by approximately \$964,000 or \$0.10 per share.

Mr. Brian Woolf, Cache's Chairman commented, "We were pleased with the improvement in profitability for the thirteen week and fifty-two week periods despite softer sales. Higher gross margins as well as reductions in several operating expense categories were the primary factors for the improvement in results for the 13 and 52 week periods. During 2001 we re-engineered our merchandise business process. These changes included narrowing our merchandise assortments, increasing exclusive offerings and building base fabric strategies. We believe these efforts which significantly improved gross margins in the second half of Fiscal 2001, will continue to benefit gross margins and profits during the upcoming Fiscal year. Our balance sheet also significantly improved during 2001. We ended the year with a strong increase in cash. Our merchandise inventories which were 13% below the prior year, on a per store basis reflect a high percentage of fashion forward Spring merchandise."

A table summarizing financial results follows:

Fifty-Two Weeks Ended Thirteen Weeks Ended

Dec. 29, Dec. 30, Dec. 29, Dec. 30,

	2001	2000	2001	2000
	(\$ Thousands, except for per share data)			
Sales	\$179,899	\$176,470	\$ 52,236	\$ 53,744
Net Income	\$ 3,298	\$ 1,103	\$ 2,480	\$ 1,038
Basic and diluted earnings per share	\$ 0.36	\$ 0.12	\$ 0.27	\$ 0.11

The Company also announced that it had opened nine new Cache stores and one new Lillie Rubin store in Fiscal 2001. This increased the Company's total store count to 222 stores. Cache plans to open approximately 10 new stores in Fiscal 2002.

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)

	December 29, 2001	December 30, 2000
A S S E T S		
CURRENT ASSETS		
Cash and equivalents	\$ 12,101,000	\$ 6,748,000
Receivables, net	4,318,000	3,258,000
Notes receivable from related parties	371,000	721,000
Inventories	21,761,000	24,123,000
Deferred income taxes and other assets	599,000	1,072,000
Prepaid expenses	712,000	906,000

Total Current Assets	39,862,000	36,828,000
PROPERTY AND EQUIPMENT, NET	15,906,000	16,597,000
OTHER ASSETS	825,000	869,000
DEFERRED INCOME TAXES	542,000	757,000
Total Assets	<u>\$ 57,135,000</u>	<u>\$ 55,051,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 11,089,000	\$ 12,316,000
Accrued compensation	2,135,000	1,979,000
Accrued liabilities	6,441,000	6,368,000
Total Current Liabilities	<u>19,665,000</u>	<u>20,663,000</u>
OTHER LIABILITIES	1,164,000	1,380,000
STOCKHOLDERS' EQUITY		
Common stock	91,000	91,000
Additional paid-in capital	19,564,000	19,564,000
Retained earnings	16,651,000	13,353,000
Total Stockholders' Equity	36,306,000	33,008,000
Total Liabilities and Stockholders' Equity	<u>\$ 57,135,000</u>	<u>\$ 55,051,000</u>

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

Fifty-Two	Fifty-Two
Weeks Ended	Weeks Ended
December 29,	December 30,
2001	2000

NET SALES	\$	\$
	179,899,000	176,470,000
COST OF SALES, including occupancy and buying costs	116,346,000	117,448,000
GROSS INCOME	63,553,000	59,022,000
EXPENSES		
Store operating	51,289,000	47,375,000
General and administrative	8,929,000	9,934,000
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TOTAL EXPENSES	60,218,000	57,309,000
OPERATING INCOME	3,335,000	1,713,000
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OTHER INCOME<		
Litigation settlement (net)	1,518,000	---
Interest income	300,000	150,000
Miscellaneous income	40,000	-86,000
Interest expense	---	-40,000
TOTAL OTHER INCOME	1,858,000	24,000
INCOME BEFORE INCOME TAXES	5,193,000	1,737,000
INCOME TAX PROVISION	1,895,000	634,000
NET INCOME	\$ 3,298,000	\$ 1,103,000
BASIC AND DILUTED EARNINGS PER SHARE:		
BASIC EARNINGS PER SHARE	\$0.36	\$0.12
DILUTED EARNINGS PER SHARE	\$0.36	\$0.12
BASIC WEIGHTED AVERAGE SHARES OUTSTANDING	9,091,000	9,091,000
DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	9,226,000	9,224,000
NUMBER OF STORES OPEN AT END OF PERIOD	222	215

CACHE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED
(UNAUDITED)

	Thirteen Weeks Ended December 29, 2001	Thirteen Weeks Ended December 30, 2000
NET SALES	\$ 52,236,000	\$ 53,744,000
COST OF SALES, including occupancy and buying costs	32,861,000	36,012,000
GROSS INCOME	19,375,000	17,732,000
EXPENSES		
Store operating	13,589,000	13,127,000
General and administrative	1,957,000	2,896,000
TOTAL EXPENSES	15,546,000	16,023,000
OPERATING INCOME	3,829,000	1,709,000
	OTHER INCOME	
Interest income	88,000	24,000
Miscellaneous income	-10,000	-86,000
Interest expense	---	-13,000
TOTAL OTHER INCOME	78,000	-75,000
INCOME BEFORE INCOME TAXES	3,907,000	1,634,000
INCOME TAX PROVISION	1,427,000	596,000
NET INCOME	\$ 2,480,000	\$ 1,038,000
BASIC AND DILUTED EARNINGS PER SHARE:		
BASIC EARNINGS PER SHARE	\$0.27	\$0.11
DILUTED EARNINGS PER SHARE	\$0.27	\$0.11
	9,091,000	9,091,000
DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	9,200,000	9,091,000
NUMBER OF STORES OPEN AT END OF PERIOD	222	215

For further information contact Thomas E. Reinckens, President, Chief Operating Officer, Cache, Inc., 1460 Broadway, New York, New York 10036, (212) 575-3246.