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**CACHE REPORTS FIRST QUARTER FISCAL 2009 RESULTS**  
**First Quarter Loss per Share of \$0.12**  
**Cash and Marketable Securities Totals \$30.5 million at Quarter End**  
**Maintains Second Quarter Fiscal 2009 Diluted EPS Guidance of \$0.04 to \$0.07**

New York, New York – April 30, 2009 – Cache Inc., (NASDAQ: CACH), a specialty chain of women’s apparel stores, reported results for the thirteen week period (“first quarter”) ended March 28, 2009.

**For the 13-week period ended March 28, 2009:**

- Net sales decreased 21.7% to \$53.0 million from \$67.7 million in the first quarter of fiscal 2008. Comparable store sales decreased 20.7%, as compared to an increase of 3.3% in the first quarter of fiscal 2008;
- Net loss totaled \$1.6 million or (\$0.12) per share, as compared to a net loss of \$2.1 million or (\$0.15) per share in the first quarter of fiscal 2008. First quarter fiscal 2008 results included \$1.8 million, or \$0.14 per diluted share, in costs, net of taxes, for store closures and the management change in January 2008; and
- Adjusted net loss for first quarter fiscal 2008 was \$210,000, or (\$0.02) per share, which excludes store closure and management change costs.

Thomas Reinckens, Chairman and Chief Executive Officer, commented: “Our first quarter results were at the better end of our expectations, reflecting the success of our strategies aimed at reducing costs and preserving cash flow. To this point, cash and marketable securities totaled \$30.5 million and inventories were 20% below the prior year at quarter end. We also achieved \$4.7 million in savings during the quarter and now expect to deliver \$18 million in total cost reductions this year, up \$3 million from our year-end goal. While the weak consumer spending environment and the shift in the Easter holiday negatively impacted our first quarter performance, there were several positive categories in our business.”

“As we begin the second quarter, we expect to continue to benefit from our cost reduction plans and lower product costs through our initiatives in sourcing,” Mr. Reinckens continued. “At the same time, we will drive for market share growth and believe our upcoming offerings that include expanded casual and day time dress assortments, at competitive price points, along with higher impact marketing have us poised to achieve this goal. We continue to expect our efforts to enable us to generate earnings per share in the range of \$0.04 to \$0.07 in the second quarter.”

## First Quarter Highlights

Gross profit for the first quarter of fiscal 2009 was \$21.8 million, or 41.1% of net sales, compared to \$28.4 million, or 42.0% of net sales, in the first quarter of fiscal 2008. The 90 basis point decline in gross profit margin was driven by the deleveraging of store occupancy costs resulting from lower sales. This was partially offset by lower markdowns and higher initial mark up due to improved sourcing, as compared to the prior-year.

In total, operating expenses were \$24.3 million, or 45.9% of net sales, as compared to \$31.9 million, or 47.1% of net sales, in the first quarter of fiscal 2008. Operating expenses for the 13-week fiscal 2008 period included \$2.9 million in costs related to store closures and the management change in January 2008. The decrease in operating expenses was primarily due to a decrease in store payroll and other store operating costs, lower advertising costs, lower general and administrative costs and the effect of the above-mentioned one-time charges incurred during the first quarter of fiscal 2008.

At March 28, 2009, cash and marketable securities totaled \$30.5 million, after utilizing \$586,000 to fund the repurchase of 310,000 shares during the quarter and compares to \$30.7 million in cash and marketable securities at March 29, 2008. Total inventory at cost decreased 20% at quarter end from the prior-year period. Working capital decreased by \$4.3 million to \$43.0 million from \$47.3 million at March 29, 2008, primarily due to the repurchase of a total of 682,000 shares, at a cost of approximately \$3.0 million during the 12-month period ending March 28, 2009.

A table summarizing financial results follows:

	<u>Thirteen Weeks Ended</u>	
	<u>March 28,</u> <u>2009</u>	<u>March 29,</u> <u>2008</u>
	(\$ thousands, except for per share data)	
Net sales	\$ 53,006	\$ 67,708
Operating loss	\$ (2,529)	\$ (3,480)
Store closure and other one-time costs	\$ --	\$ 2,924
Operating loss before one-time costs	\$ (2,529)	\$ (556)
Net loss	\$ (1,595)	\$ (2,053)
Net loss before one-time costs	\$ (1,595)	\$ (210)
Diluted loss per share	\$ (0.12)	\$ (0.15)
Net loss per share excluding one-time costs, as adjusted	\$ (0.12)	\$ (0.02)
Basic and diluted weighted average shares outstanding	12,954,000	13,566,000
Number of stores open at end of period	294	294

## **Second Quarter Fiscal 2009 Guidance**

The Company is maintaining its guidance for the second quarter of fiscal 2009. The Company continues to expect net sales for the second quarter of fiscal 2009 in the range of \$57.0 million to \$59.0 million, which compares to actual second quarter fiscal 2008 net sales of \$74.0 million. This guidance assumes a similar comparable store sales trend as reported in the first quarter and follows a comparable store sales increase of 3% in the second quarter of fiscal 2008.

Earnings per diluted share for the second quarter of fiscal 2009 continues to be estimated in the range of \$0.04 to \$0.07, which compares to actual second quarter fiscal 2008 earnings per diluted share of \$0.16.

## **Store Opening Plans**

During the first quarter, the Company opened two new stores, closed four locations and operated 294 stores, at quarter end. The Company closed two stores after quarter end. For fiscal 2009, the Company plans to close approximately five additional stores, ending the year with approximately 287 locations and approximately 590,000 square feet in operation. The Company does not plan to open any additional new stores in fiscal 2009.

## **Conference call information**

The Company announced that it will conduct a conference call to discuss its first quarter fiscal 2009 results today, April 30, 2009 at 9:00 a.m. Eastern Time. Investors and analysts interested in participating in the call are invited to dial (877) 407-9039 approximately ten minutes prior to the start of the call. The conference call will also be web-cast live at [www.cache.com](http://www.cache.com). A replay of this call will be available until May 7, 2009 and can be accessed by dialing (877) 660-6853 and entering account number 3055 and conference code 320296.

## **About Cache, Inc.**

Cache is a nationwide, mall-based specialty retailer of sophisticated sportswear and social occasion dresses targeting style-conscious women who have a youthful attitude and are self-confident. We currently operate 292 stores, primarily situated in central locations in high traffic, upscale malls in 43 states, the Virgin Islands and Puerto Rico.

CACHE, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

30-Apr-09

ASSETS	March 28, 2009	December 27, 2008	March 29, 2008
Current assets:			
Cash and equivalents	\$ 1,146,000	\$ 4,835,000	\$ 3,250,000
Marketable securities	29,379,000	25,153,000	27,414,000
Receivables, net	3,784,000	3,898,000	6,204,000
Income tax receivable	3,709,000	5,883,000	0
Inventories, net	26,036,000	22,321,000	32,524,000
Prepaid expenses and other current assets	3,116,000	1,795,000	4,924,000
Total current assets	<u>67,170,000</u>	<u>63,885,000</u>	<u>74,316,000</u>
Equipment and leasehold improvements, net	41,180,000	43,320,000	46,561,000
Goodwill	9,092,000	9,092,000	10,089,000
Intangible assets, net	1,275,000	1,304,000	1,393,000
Other assets	2,113,000	1,924,000	383,000
Total assets	<u>\$ 120,830,000</u>	<u>\$ 119,525,000</u>	<u>\$ 132,742,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 10,659,000	\$ 6,375,000	11,751,000
Note payable	1,271,000	1,259,000	1,474,000
Accrued compensation	2,330,000	1,713,000	2,926,000
Accrued liabilities	9,897,000	11,077,000	10,875,000
Total current liabilities	<u>24,157,000</u>	<u>20,424,000</u>	<u>27,026,000</u>
Note payable	2,832,000	3,143,000	4,052,000
Other liabilities	16,801,000	16,795,000	15,491,000
Deferred income taxes, net	0	0	50,000
Commitments and contingencies			
STOCKHOLDERS' EQUITY			
Common stock	164,000	164,000	164,000
Additional paid-in capital	47,213,000	47,155,000	46,678,000
Retained earnings	69,458,000	71,053,000	76,122,000
Treasury stock	(39,795,000)	(39,209,000)	(36,841,000)
Total stockholders' equity	<u>77,040,000</u>	<u>79,163,000</u>	<u>86,123,000</u>
Total liabilities and stockholders' equity	<u>\$ 120,830,000</u>	<u>\$ 119,525,000</u>	<u>\$ 132,742,000</u>

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

30-Apr-09

	March 28, 2009	March 29, 2008
Net sales	\$ 53,006,000	\$ 67,708,000
Cost of sales, including occupancy and buying costs	31,211,000	39,293,000
Gross profit	21,795,000	28,415,000
Costs and expenses		
Store operating expenses	19,588,000	23,918,000
General and administrative expenses	4,736,000	5,669,000
Store exit costs	0	2,308,000
 Total expenses	24,324,000	31,895,000
Operating loss	(2,529,000)	(3,480,000)
Other income:		
Interest expense	(51,000)	(68,000)
Interest income	67,000	290,000
	(2,513,000)	(3,258,000)
Loss before income taxes	(2,513,000)	(3,258,000)
Income tax benefit	(918,000)	(1,205,000)
Net loss	\$ (1,595,000)	\$ (2,053,000)
 Basic loss per share	(\$0.12)	(\$0.15)
Diluted loss per share	(\$0.12)	(\$0.15)
 Basic weighted average shares outstanding	12,954,000	13,566,000
Diluted weighted average shares outstanding	12,954,000	13,566,000