

July 6, 2006
FOR IMMEDIATE RELEASE
CACHE, INC.
NASDAQ COMMON STOCK SYMBOL CACH

CACHE REPORTS 4 PERCENT COMPARABLE STORE SALES INCREASE IN JUNE 2006
Confirms Second Quarter GAAP Guidance at \$0.08 to \$0.10 per diluted share,
including \$0.21 to \$0.22 per diluted share in Restructuring Charges
Pro Forma Second Quarter Results to Exceed Expectations

New York, New York - July 6, 2006 - Cache Inc., (NASDAQ: CACH), a specialty chain of women's apparel stores with 309 stores open, reported June 2006 sales figures. As previously announced, the Company plans to exit its Lillie Rubin business by September 2006. Therefore, the Company's comparable store sales results only include its 272 Cache stores.

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

- Increased 4% during the five week June 2006 period compared to an increase of 10% in the prior year period;
- Increased 8% during the 13 week period ended July 1, 2006, as compared to the same period in 2005; and
- Increased 6% during the 26 week period ended July 1, 2006, as compared to the same period in 2005.

Mr. Brian Woolf, Cache's Chairman commented: "Cache continued its favorable momentum in June. Comparable store sales increased 4% with particular strength in dresses and accessories. Based on better-than-expected performance for our Cache chain during the quarter, we have increased our estimates and now expect second quarter pro forma results, excluding restructuring charges and Lillie Rubin losses to be in the range of \$0.34 to \$0.37 per diluted share, as compared to \$0.31 to 0.33 per diluted share, previously. We are even more confident that our strategy to exit Lillie Rubin and capitalize on the potential of Cache and Cache Luxe is the right move for our Company, as we benefit from increasing rates of growth and profitability."

Total Sales:

- Increased \$600,000 or 3% to \$22.0 million for the five week period ended July 1, 2006;
- Increased \$4.7 million or 7% to \$71.7 million for the 13 week period ended July 1, 2006; and
- Increased \$5.7 million or 4% to \$135.5 million for the 26 week period ended July 1, 2006.

The Company also noted that it opened 6 new Cache stores and closed 2 Lillie Rubin stores and 1 Cache store in June. The Company currently operates 272 Cache and 37 Lillie Rubin locations.

Guidance

The Company indicated that it currently expects second quarter diluted earnings per share in the range of \$0.08 to \$0.10, consistent with previous guidance and versus actual second quarter diluted earnings per share of \$0.19 in fiscal 2005. This includes an additional \$0.04 to \$0.05 in costs to exit Lillie Rubin leases, as information for these costs was not available when the Company provided its previous guidance on May 15, 2006. Pro forma results for the second quarter of fiscal 2006 are currently estimated in the range of \$0.34 to \$0.37 per diluted share. Pro forma results exclude restructuring costs and losses attributed to Lillie Rubin, which the Company plans to exit by the end of the third quarter.

Table 1

(\$ in million, except per share amounts)	Second Quarter 2006E		
	Guidance	Previous Guidance	2005 Actual
Total Sales	\$71.7	\$70-\$73	\$67.0
Lillie Rubin Sales	\$4.2	\$4.8-\$5.4	\$5.4
Sales Excluding Lillie Rubin	\$67.5	\$65.2-\$67.6	\$61.6
Diluted EPS*	\$0.08 - \$0.10	\$0.08-\$0.10	\$0.19
Losses Related to Lillie Rubin	\$(0.05)	\$(0.06)	\$(0.04)
Restructuring Charge	\$(0.21) - \$(0.22)	\$(0.17)	
Pro Forma Diluted EPS* Before Restructuring Charge and Lillie Rubin Losses	\$0.34 - \$0.37	\$0.31 - \$0.33	\$0.23

*2006 second quarter diluted earnings per share include \$0.02 for stock option expense, which was not incurred in 2005.

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.

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