

JULY 7, 2003

FOR IMMEDIATE RELEASE

CACHE, INC.

NASDAQ COMMON STOCK SYMBOL CACH

CACHE REPORTS SECOND QUARTER 2003 OPERATING RESULTS

New York, New York – October 16, 2002 – Cache Inc., (NASDAQ: CACH), a specialty chain of women's apparel stores reported results for the thirteen and twenty-six week periods ended June 28, 2003.

For the 13 week period ended June 28, 2003, net income increased to \$3.5 million, or \$0.37 per diluted share, from \$3.0 million, or \$0.31 per diluted share, for the same period last year. Net sales for the period increased to \$56.0 million from \$51.3 million for the same period last year. Same store sales increased 4% for the period.

For the 26 week period ended June 28, 2003, net income increased to \$5.2 million, or \$0.54 per diluted share, from \$4.8 million, or \$0.50 per diluted share, for the same period last year. Net sales for the period increased to \$103.8 million from \$98.9 million for the same period last year. Same store sales increased 1% for the period.

A table summarizing financial results follows:

	<u>Twenty-six Weeks Ended</u>		<u>Thirteen Weeks Ended</u>	
	June 28,	June 29,	June 28,	June 29,
	2003	2002	2003	2002
	(In Thousands, except for per share data)			
Sales	\$103,842	\$ 98,937	\$ 55,958	\$ 51,294
Operating Income	\$ 8,248	\$ 7,458	\$ 5,665	\$ 4,568
Net income	\$ 5,182	\$ 4,816	\$ 3,541	\$ 2,960
Basic Earnings Per Share	\$ 0.57	\$ 0.53	\$ 0.39	\$ 0.33
Diluted Earnings Per Share	\$ 0.54	\$ 0.50	\$ 0.37	\$ 0.31
Basic weighted average				
Shares outstanding	9,125	9,100	9,131	9,100
Diluted weighted average				
Shares outstanding	9,628	9,660	9,633	9,660

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  
(UNAUDITED)**

<b>A S S E T S</b>	June 28, 2003 (Unaudited)	December 28, 2002	June 29, 2002 (Unaudited)
<b>CURRENT ASSETS</b>			
Cash and equivalents	\$ 16,015,000	\$ 10,287,000	\$ 20,169,000
Marketable securities	4,878,000	14,392,000	---
Receivables, net	2,675,000	2,677,000	1,210,000
Notes receivable from related parties	321,000	321,000	321,000
Inventories	24,724,000	22,065,000	22,103,000
Deferred income taxes and other tax assets	791,000	271,000	325,000
Prepaid expenses	<u>721,000</u>	<u>1,020,000</u>	<u>651,000</u>
<b>Total Current Assets</b>	50,125,000	51,033,000	44,779,000
<b>EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET</b>			
	20,922,000	18,553,000	15,690,000
<b>OTHER ASSETS</b>			
	827,000	817,000	829,000
<b>DEFERRED INCOME TAXES, NET</b>	<u>525,000</u>	<u>542,000</u>	<u>745,000</u>
<b>Total Assets</b>	\$ 66,092,000	\$ 57,135,000	\$ 56,777,000
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## LIABILITIES AND STOCKHOLDERS' EQUITY

### CURRENT LIABILITIES

Accounts payable	\$ 10,038,000	\$ 11,988,000	\$ 9,614,000
Income taxes payable	442,000	---	1,238,000
Accrued compensation	2,180,000	3,629,000	2,421,000
Accrued liabilities	<u>7,685,000</u>	<u>8,762,000</u>	<u>6,315,000</u>
<b>Total Current Liabilities</b>	<b>23,746,000</b>	<b>19,665,000</b>	<b>21,656,000</b>

<b>OTHER LIABILITIES</b>	1,074,000	1,081,000	1,115,000
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### STOCKHOLDERS' EQUITY

Common stock	91,000	91,000	91,000
Additional paid-in capital	19,839,000	19,609,000	19,609,000
Retained earnings	<u>30,774,000</u>	<u>25,592,000</u>	<u>21,467,000</u>
<b>Total Stockholders' Equity</b>	<b><u>41,270,000</u></b>	<b><u>36,306,000</u></b>	<b><u>33,826,000</u></b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 66,092,000</b>	<b>\$ 57,135,000</b>	<b>\$ 56,777,000</b>
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## CACHE, INC. AND SUBSIDIARIES CONSOLIDATED INCOME STATEMENTS FOR THE TWENTY-SIX WEEKS ENDED (UNAUDITED)

	June 28, 2003	June 29, 2002
Net sales	\$ 103,842,000	\$ 98,937,000
Cost of sales, including occupancy and buying costs	<u>59,027,000</u>	<u>57,458,000</u>
Gross profit	<u>44,815,000</u>	<u>41,479,000</u>

Store operating expenses	30,365,000	27,426,000
General and administrative expenses	<u>6,202,000</u>	<u>6,595,000</u>
	<u>36,567,000</u>	<u>34,021,000</u>
Operating income	<u>8,248,000</u>	<u>7,458,000</u>
Other income :		
Interest income (net)	<u>144,000</u>	<u>127,000</u>
	<u>144,000</u>	<u>127,000</u>
Income before income taxes	8,392,000	7,585,000
Income tax provision	<u>3,210,000</u>	<u>2,769,000</u>
Net income	\$ 5,182,000	\$ 4,816,000
	=====	=====
Basic earnings per share	\$0.57	\$0.53
	=====	=====
Diluted earnings per share	\$0.54	\$0.50
	=====	=====
Basic weighted average shares outstanding	9,125,000	9,100,000
	=====	=====
Diluted weighted average shares outstanding	9,628,000	9,660,000
	=====	=====
NUMBER OF STORES	240	224
OPEN AT END OF PERIOD	=====	=====

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

	June 28, 2003	June 29, 2002
Net sales	\$ 55,958,000	\$ 51,294,000
Cost of sales, including occupancy and buying costs	<u>31,081,000</u>	<u>29,392,000</u>
Gross profit	<u>24,877,000</u>	<u>21,902,000</u>
Store operating expenses	15,860,000	13,963,000
General and administrative expenses	<u>3,352,000</u>	<u>3,353,000</u>
	<u>19,212,000</u>	<u>17,316,000</u>
Operating income	<u>5,665,000</u>	<u>4,586,000</u>
Other income :		
Interest income (net)	<u>70,000</u>	<u>76,000</u>
	<u>70,000</u>	<u>76,000</u>
Income before income taxes	5,735,000	4,662,000
Income tax provision	<u>2,194,000</u>	<u>1,702,000</u>
Net income	\$ 3,541,000	\$ 2,960,000
	=====	=====
Basic earnings per share	\$0.39	\$0.33
	=====	=====
Diluted earnings per share	\$0.37	\$0.31
	=====	=====
Basic weighted average outstanding average shares	9,131,000	9,100,000
	=====	=====
Diluted weighted average shares outstanding	9,633,000	9,660,000
	=====	=====
NUMBER OF STORES OPEN AT END OF PERIOD	240	224
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For further information contact Thomas E. Reinckens, President, Chief Operating Officer, Cache, Inc., 1460 Broadway, New York, New York 10036, (212) 575-3246.