

August 31, 2006
FINAL
CACHE, INC.
NASDAQ COMMON STOCK SYMBOL CACH

CACHE REPORTS 3 PERCENT COMPARABLE STORE SALES DECREASE IN AUGUST 2006

New York, New York - August 31, 2006 - Cache Inc., (NASDAQ: CACH), a specialty chain of women's apparel stores with 301 stores open, reported August 2006 sales figures. As previously announced, the Company plans to exit its Lillie Rubin business by the end of September 2006. Therefore, the Company's comparable store sales results only include its 273 Cache stores.

Comparable store sales for Cache stores decreased 3% during the four week August 2006 period compared to an increase of 13% in the prior year period. Total sales for the four week period ended August 26, 2006 decreased \$0.5 million or 3% to \$16.5 million.

Comparable store sales increased 4% during the 34 week period ended August 26, 2006, as compared to the same period in 2005. Total sales for the 34 week period ended August 26, 2006 increased \$5.7 million or 4% to \$168.0 million.

Mr. Brian Woolf, Cache's Chairman commented: "As expected, our sales this year in August were negatively impacted by our decision not to anniversary an August 2005 direct mail promotional campaign. The campaign was moved to September of this year to better coincide with our fall selling season. Our sales in the last week of August, which were not effected by the 2005 promotional campaign, rebounded to a positive mid-single digit increase. In addition, our customers have reacted favorably to our fall sportswear and dress assortments."

The Company also noted that it opened 1 Cache store and closed 1 Lillie Rubin store in August. The Company currently operates 273 Cache and 28 Lillie Rubin locations.

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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