



For Immediate Release

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**CACHE INC. ANNOUNCES THE OPENING OF ITS NEW CONCEPT CACHE LUXE
Cache Luxe Opens with 19 Locations in 10 States
Exit of Lillie Rubin is Substantially Complete**

New York – September 25, 2006 – Cache Inc. (NASDAQ: CACH), a specialty chain of women’s apparel stores with 293 stores today announced the successful opening of its first 19 Cache Luxe locations, including 16 standalone stores and 3 locations that are adjacent to existing Cache stores. All locations opened during the week of September 11, 2006 and received a strong reception by consumers. The Company also indicated that its planned exit of its Lillie Rubin chain is substantially complete.

Cache Luxe stores feature a complimentary assortment to Cache, while extending the brand by catering to higher-end fashion-conscious consumers. The stores offer day-time apparel, dresses, sportswear and accessories utilizing top-quality fabrics and more intricate detail versus Cache. Cache Luxe stores also feature special items, such as fur coats and leather trim jackets. Price points average 30% above the offerings in the Company’s Cache locations.

Commenting on the announcement, Brian Woolf, Cache’s Chairman and Chief Executive Officer, stated: “We are very pleased to announce the successful opening of our Cache Luxe concept. Consumer reception was terrific during our first week in operation, which we attribute to the differentiation we provide through our unique and stylish assortments and our boutique store format. With this move, and the exit of Lillie Rubin, we expect to increase operating profits, as we realize higher productivity in both our Cache and Cache Luxe stores. Our Cache stores will now be able to more fully represent assortments, while our Cache Luxe stores are expected to generate sales volumes well above the levels reported by the Lillie Rubin locations opened previously in these locations. Finally, we believe that both concepts are poised to benefit from our expanded marketing efforts, which include television advertising, for the first time.”

Safe Harbor

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.

About Cache, Inc.

Cache is a nationwide, mall-based specialty retailer of sophisticated, social occasion sportswear and dresses targeting style-conscious women. Cache targets women between the ages of 25 and 45 who have a youthful attitude, are self-confident and fashion-conscious, and require a missy fit. We operate 293 Cache and Cache Luxe stores primarily situated in central locations in high traffic, upscale malls in 43 states, the Virgin Islands and Puerto Rico.