



Company Contact: Tom Reinckens
Cache Inc.
(212) 575-3246

Final: For Immediate Release

Investor Relations: Allison Malkin/Jane Thorn Leeson
Integrated Corporate Relations
(203) 682-8225/8276

CACHE REPORTS 3 PERCENT COMPARABLE STORE SALES INCREASE IN SEPTEMBER 2007 Increases Third Quarter Guidance

New York, New York – October 11, 2007 – Cache Inc., (NASDAQ: CACH), a specialty chain of women's apparel stores with 296 stores open, reported September 2007 sales figures.

Comparable store sales (sales for stores open at least one year or more) increased 3% during the 5-week September 2007 period compared to an increase of 4% in the prior-year period. Total net sales for the 5-week period ended September 29, 2007 decreased \$0.5 million or 2% to \$26.9 million. Revenue for the 5-week fiscal 2006 period included \$0.7 million in sales from the former Lillie Rubin chain, as well as \$2.4 million of breakage income for previously issued gift cards and merchandise credits.

For the 13-week period ended September 29, 2007, comparable store sales increased 4% as compared to an increase of 1% in the prior-year period. Total net sales for the 13-week fiscal 2007 period increased \$0.7 million or 1% to \$60.6 million, as compared to last year. Revenue for the 13-week fiscal 2006 period included \$2.9 million in sales from the former Lillie Rubin chain, as well as \$2.4 million of breakage income for previously issued gift cards and merchandise credits.

For the 39-week period ended September 29, 2007, comparable store sales increased 2% as compared to an increase of 3% in the same period in 2006. Total sales for the 39-week fiscal 2007 period were \$196.0 million or flat as compared to last year. Revenue for the 39-week fiscal 2006 period included \$12.5 million in sales from the former Lillie Rubin chain, as well as \$2.4 million of breakage income for previously issued gift cards and merchandise credits.

During September, the Company opened 3 new stores. For the quarter, the Company opened 3 new stores and closed 1 store.

Mr. Brian Woolf, Cache's Chairman and CEO commented: "We were pleased with our September comparable store sales increase of 3%. Our sales were driven by continued strength in dresses and a favorable response to our Contour lifestyle collection, which was launched fully during the month. We are excited by the potential of Contour, as it extends our appeal to include offerings suitable for work settings. Based on our better-than-expected sales results, we have increased our third quarter earnings guidance and we believe we are well positioned from both an inventory and merchandising standpoint, as we begin the fourth quarter."

Outlook

The Company currently expects third quarter diluted earnings per share in the range of \$0.00 to \$0.01, which compares to its previous expectation for net loss in the range of (\$0.06) to (\$0.08) and versus actual third quarter fiscal 2006 diluted earnings per share of \$0.04. Last year's third quarter results included \$0.04 per diluted share related to certain costs, offset by a \$0.09 per diluted share gain from gift card and merchandise credit breakage and \$0.07 per diluted share in Lillie Rubin losses partially offset by a \$0.01 per diluted share reversal of Lillie Rubin exit costs. The

Company currently expects third quarter net sales to approximate \$60.6 million, which compares to its previous guidance for third quarter net sales in the range of \$55 million to \$57 million and actual third quarter fiscal 2006 net sales of \$59.9 million.

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 296 Cache and Cache Luxe stores, primarily situated in central locations in high traffic, upscale malls in 44 states, the Virgin Islands and Puerto Rico.

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.