

OCTOBER 16, 2002

FOR IMMEDIATE RELEASE

CACHE, INC.

NASDAQ COMMON STOCK SYMBOL CACH

CACHE REPORTS THIRD QUARTER 2002 PROFIT VERSUS FY 2001 NET LOSS

New York, New York – October 16, 2002 – Cache Inc., (NASDAQ: CACH), a specialty chain of women’s apparel stores with 227 stores open, reported results for the thirteen and thirty-nine week periods ended September 28, 2002.

Net income for the 13 week period ended September 28, 2002 increased to \$103,000 or \$0.01 per diluted share in Fiscal 2002, as compared to a net loss of \$1,009,000 or \$0.11 per diluted share in Fiscal 2001. Net sales for the thirteen week period increased \$4.1 million or 11% and same store sales increased 7% for the period, primarily due to an increase in September 2002 same store sales of 14%.

Net income for the 39-week period increased to \$4.9 million or \$0.51 per diluted share in Fiscal 2002 from \$818,000 or \$0.09 per diluted share in Fiscal 2001. Net sales increased \$13.3 million or 10% and same store sales increased 7% for the period. The improved results for the 39-week period were primarily attributable to improved gross margins. Last year’s 39 week results contained a favorable litigation settlement, which had the effect of increasing net income by approximately \$1.0 million, or \$0.10 per diluted share.

Mr. Brian Woolf, Cache’s Chairman commented, “We were pleased with the improvement in our third quarter and year-to-date results. Both our current year operating income and net income have increased significantly over our prior year results. This was driven by our 7% increase in same store sales, as well as increases in year-to-date gross margins. The merchandise strategies we began to implement in 2001 and throughout this year have provided positive results.”

A table summarizing financial results follows:

	Thirty-Nine Weeks Ended		Thirteen Weeks Ended	
	Sept. 29, 2002	Sept. 29, 2001	Sept. 28, 2002	Sept. 29, 2001
	(\$ Thousands, except for per share data)			
Sales	\$140,926	\$127,663	\$ 41,989	\$ 37,859
Gross profit	\$ 58,266	\$ 44,178	\$ 16,787	\$ 12,859
Operating Income (loss)	\$ 7,552	(\$ 495)	\$ 94	(\$ 1,638)

Net income	\$ 4,919	\$ 818	\$ 103	(\$ 1,009)
(loss)				
Basic earnings	\$ 0.54	\$ 0.09	\$ 0.01	(\$ 0.11)
(loss) per share				
Diluted earnings	\$ 0.51	\$ 0.09	\$ 0.01	(\$ 0.11)
(loss) per share				

The Company also announced that it had opened 5 new Cache stores in the first nine months of Fiscal 2002. The Company plans to open 3 new Lillie Rubin stores and 5 new Cache stores in the fourth quarter. This will increase the Company's total store count to 235 stores.

A listing of the stores to be opened follows;

Cache stores:

East Chase	Montgomery, AL
The Mall at Millenia	Orlando, FL
The Village of Merrick Park	Coral Gables, FL
Pheasant Lane Mall	Nashua, NH
The Mall of New Hampshire	Manchester, NH
The Mall at Rockingham Park	Salem, NH

Lillie Rubin stores:

The Mall at Millenia	Orlando, FL
The Shops at Willow Bend	Plano, TX
Bellevue Square	Bellevue, WA

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)

	September 28, 2002	December 29, 2001	September 29, 2001
A S S E T S			
CURRENT ASSETS			
Cash and equivalents	\$ 17,184,000	\$ 12,101,000	\$ 6,126,000
Receivables, net	2,857,000	4,318,000	3,467,000
Notes receivable from related parties	321,000	371,000	371,000
Inventories, net	24,653,000	21,761,000	27,149,000
Deferred income taxes and other tax assets	593,000	599,000	1,307,000
Prepaid expenses	510,000	712,000	949,000
Total Current Assets	46,118,000	39,862,000	39,369,000
EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET			
OTHER ASSETS	819,000	825,000	862,000
DEFERRED INCOME TAXES, NET	525,000	542,000	745,000
Total Assets	\$ 66,092,000	\$ 57,135,000	\$ 56,777,000
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 12,989,000	\$ 11,089,000	\$ 15,077,000
Accrued compensation	1,707,000	2,135,000	976,000
Accrued liabilities	9,050,000	6,441,000	5,603,000
Total Current Liabilities	23,746,000	19,665,000	21,656,000
OTHER LIABILITIES	1,076,000	1,164,000	1,295,000
STOCKHOLDERS' EQUITY			
Common stock	91,000	91,000	91,000
Additional paid-in capital	19,609,000	19,564,000	19,564,000

Retained earnings	21,570,000	16,651,000	14,171,000
Total Stockholders' Equity	41,270,000	36,306,000	33,826,000
Total Liabilities and Stockholders' Equity	\$ 66,092,000	\$ 57,135,000	\$ 56,777,000

CACHE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THIRTY-NINE WEEKS ENDED
(UNAUDITED)

	September 28, September 29, 2002 2001	
Net sales	\$ 140,926,000	\$ 127,663,000
Cost of sales, including occupancy and buying costs	82,660,000	83,485,000
Gross profit	58,266,000	44,178,000
Expenses		
Store operating expenses	41,469,000	37,700,000
General and administrative expenses	9,245,000	6,973,000
Total expenses	50,714,000	44,673,000
Operating income (loss)	7,552,000	(495,000)
Other income :		
Interest income (net)	195,000	212,000
Miscellaneous income (net)	---	51,000
Litigation settlement (net)	---	1,518,000
Income before income taxes	7,747,000	1,286,000
Income tax provision	2,828,000	468,000
Net income	\$ 4,919,000	\$ 818,000
Basic earnings per share	\$0.54	\$0.09
Diluted earnings per share	\$0.51	\$0.09
Basic weighted average shares outstanding	9,100,000	9,091,000
NUMBER OF STORES OPEN AT END OF PERIOD	227	217

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

	September 28, 2002	September 28, 2001
Net sales	\$ 41,989,000	\$ 37,859,000
Cost of sales, including occupancy and buying costs	25,202,000	25,000,000
Gross profit	16,787,000	12,859,000
Expenses		
Store operating expenses	14,043,000	12,174,000
General and administrative expenses	2,650,000	2,323,000
Total expenses	16,693,000	14,497,000
Operating income (loss)	94,000	(1,638,000)
Other income :		
Interest income (net)	68,000	55,000
Miscellaneous income (net)	---	(7,000)
Income (loss) before income taxes	162,000	(1,590,000)
Income tax provision (benefit)	59,000	(581,000)
Net income (loss)	\$ 103,000	\$ (1,009,000)
Basic earnings (loss) per share	\$0.01	(\$0.11)
Diluted earnings (loss) per share	\$0.01	\$(0.11)
Basic weighted average shares outstanding	9,100,000	9,091,000
Diluted weighted average shares outstanding	9,623,000	9,091,000
NUMBER OF STORES OPEN AT END OF PERIOD	227	217

For further information contact Thomas E. Reinckens, President, Chief Operating Officer, Cache, Inc., 1460 Broadway, New York, New York 10036, (212) 575-3246.