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**CACHE REPORTS 19 PERCENT COMPARABLE STORE SALES DECREASE IN DECEMBER 2008  
Revises Fourth Quarter and Fiscal 2008 Guidance**

New York, New York – January 8, 2009 – Cache Inc., (NASDAQ: CACH), a specialty chain of women’s apparel stores with 294 stores open, reported December 2008 sales figures. The Company’s December fiscal month represents the five-week period ended December 27, 2008 and therefore does not include the final week of December.

For the 5-week period ended December 27, 2008, comparable store sales (sales for stores open at least one year or more) decreased 19%, as compared to a decrease of 10% in the prior-year period ending December 29, 2007. Total net sales for the 5-week period decreased \$6.6 million or 18% to \$29.1 million, as compared to last year.

For the 13-week period ended December 27, 2008, comparable store sales decreased 17%, as compared to a decrease of 7% in the prior-year period ending December 29, 2007. Total net sales for the 13-week period decreased \$12.6 million, or 16% to \$65.9 million, as compared to last year.

For the 52-week period ended December 27, 2008, comparable store sales decreased 4%, as compared to a decrease of 1% in the same period in 2007. Total net sales for the 52-week period decreased \$8.7 million, or 3% to \$265.8 million, as compared to \$275.9 million last year.

Thomas Reinckens, Chairman and CEO of Cache, Inc. commented: “Holiday 2008 was quite challenging for our Company, as the soft consumer spending environment continued to weaken throughout this important time of year. During December, we moved aggressively to clear fall and holiday inventory. As a result, we accelerated markdowns typically taken in January, while initiating further expense reductions in expectation that the economy will continue to be difficult in 2009. While we are disappointed with our results, we believe the actions we are taking will allow us to begin 2009 with a strengthened balance sheet and positioned for maximum cash flow generation. To this end, we expect to end the year with average inventory per store down in the range of 30% to 35% from the prior year end and with approximately \$30 million in cash and marketable securities. In addition, we are maintaining our strong commitment to provide fashion conscious consumers great assortments. Our emphasis in the spring selling season will be merchandise newness, particularly in the casual arena.”

During the quarter, the Company opened two new stores and closed one store. The Company closed two additional stores in early January and currently operates 294 locations.

**Outlook**

Based on the Company's December sales results, it is revising its fourth quarter and fiscal 2008 guidance. The Company currently expects fourth quarter loss per share in a range of \$(0.36) to \$(0.38), which includes approximately \$0.03 per share in store impairment costs, as compared to actual fourth quarter fiscal 2007 diluted earnings per share of \$0.32.

For the full fiscal 2008 year, the Company currently estimates loss per share in the range of \$(0.48) to \$(0.50). This guidance includes costs related to store closures, store impairment and a management change totaling \$0.21 per share. On an adjusted basis, excluding store closing and management change costs, the Company currently expects fiscal 2008 loss per share in the range of \$(0.27) to \$(0.29), as compared to actual fiscal 2007 diluted earnings per share of \$0.40, inclusive of \$0.04 per diluted share in legal settlement costs. Adjusted diluted earnings per share for fiscal 2007 were \$0.44.

**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 294 Cache and Cache Luxe stores primarily situated in central locations in high traffic, upscale malls in 43 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.