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CACHE REPORTS FIRST QUARTER FISCAL 2010 RESULTS
First Quarter Loss per Share of \$0.32
Cash and Marketable Securities Totals \$27.6 million at Quarter End
Comparable Store Sales Are Positive for First Five Weeks of the Second Quarter

New York, New York – May 12, 2010 – Cache Inc., (NASDAQ: CACH), a specialty chain of women’s apparel stores, reported results for the thirteen week period (“first quarter”) ended April 3, 2010.

For the 13-week period ended April 3, 2010:

- Net sales decreased 8.4% to \$48.6 million from \$53.0 million in the first quarter of fiscal 2009. Comparable store sales decreased 6.8%, as compared to a decline of 20.7% in the first quarter of fiscal 2009;
- Net loss totaled \$4.1 million or (\$0.32) per share, as compared to a net loss of \$1.6 million or (\$0.12) per share in the first quarter of fiscal 2009.

Thomas Reinckens, Chairman and Chief Executive Officer, commented: “Our first quarter results included significant progress toward achieving our merchandising, design and planning goals. Our first quarter results can be attributed to our decision to reduce inventory during January and February, through increased markdowns to expedite the new merchandising initiatives, which caused a significant decline in our merchandise margin for the quarter. However, our new deliveries which were introduced in March and are reflective of our ongoing direction, were received favorably by our customers, driving positive comparable store sales for the month. In addition, we continued to maintain our strong balance sheet position, with cash and marketable securities totaling \$27.6 million and inventories down 26% from the prior-year at quarter end.

We believe we are in a great position, as we begin the second quarter,” Mr. Reinckens continued. “Our product is more fully reflective of our new merchandising and design leadership. We have strengthened the quality of our offerings and are introducing cohesive collections to allow our customers to purchase more of their lifestyle apparel needs at Cache. We also expect our higher impact marketing to drive store traffic, as we improve store visuals, marketing mailers and introduce strategic promotions. In addition, we will continue to maintain our conservative stance toward expense and balance sheet management. Demonstrating the initial success of our strategies is our comparable store sales performance, which has continued positively in the second quarter despite the shift of Easter. To this end, comparable store sales are up in the low

single-digit percent range for the first five weeks of the second quarter, with particular strength in our sportswear collection. Sales over the past several weeks have increased in the mid-single-digit percent range. As a result of our actions, we believe we are well poised to drive market share gains in 2010 and expect to return to profitability in the second quarter.”

First Quarter Operating Results

Gross profit for the first quarter of fiscal 2010 was \$16.7 million, or 34.4% of net sales, compared to \$21.8 million, or 41.1% of net sales, in the first quarter of fiscal 2009. The 670 basis point decline in gross profit margin was primarily driven by increased markdowns and costs associated with the in-house design team, as well as deleverage on buying and occupancy costs from lower sales, as compared to the prior-year.

In total, operating expenses were \$23.3 million, or 48.1% of net sales, as compared to \$24.3 million, or 45.9% of net sales, in the first quarter of fiscal 2009. The decrease in operating expenses was primarily due to reductions in depreciation, payroll and other store operating costs, as well as lower general and administrative costs.

At April 3, 2010, cash and marketable securities totaled \$27.6 million, as compared to \$30.5 million in cash and marketable securities at March 28, 2009. Prepaid rent increased \$3.1 million at quarter end from the prior year period, due to the payment of April 2010 rents prior to the end of the quarter. In fiscal 2009, April rents were paid after quarter end. Total inventory at cost decreased 25.8% at quarter-end from the prior-year period. Working capital decreased by \$4.1 million to \$38.9 million from \$43.0 million at March 28, 2009, primarily due to operating losses.

A table summarizing financial results follows:

	<u>Thirteen Weeks Ended</u>	
	April 3, <u>2010</u>	March 28, <u>2009</u>
	(\$ thousands, except for per share data)	
Net sales	\$ 48,550	\$ 53,006
Operating loss	\$ (6,618)	\$ (2,529)
Operating loss before one-time costs	\$ (6,618)	\$ (2,529)
Net loss	\$ (4,081)	\$ (1,595)
Diluted loss per share	\$ (0.32)	\$ (0.12)
Basic and diluted weighted average shares outstanding	12,771,000	12,954,000
Number of stores open at end of period	285	294

Store Opening Plans

During the first quarter, the Company opened one new store and closed two locations, ending the quarter with 285 stores in operation. The Company opened one new store and closed one store after quarter end. For fiscal 2010, the Company plans to open one or two additional new stores and close approximately two additional stores, ending the year with approximately 285 locations and approximately 570,000 square feet in operation.

Conference Call Information

The Company announced that it will conduct a conference call to discuss its first quarter fiscal 2010 results today, May 12, 2010 at 9:00 a.m. Eastern Time. Investors and analysts interested in participating in the call are invited to dial (877) 407-4018 approximately ten minutes prior to the start of the call. The conference call will also be web-cast live at www.cache.com. A replay of this call will be available at 12:00 p.m. ET on May 12, 2010 and remain active until 11:59 p.m. ET on May 19, 2010. The replay can be accessed by dialing (877) 660-6853 and entering account number 3055 and conference code 350034.

About Cache, Inc.

Cache is a nationwide, mall-based specialty retailer of sophisticated sportswear and social occasion dresses targeting style-conscious women who have a youthful attitude and are self-confident. We currently operate 285 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, 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.