

CACHE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS	October 2, 2010	January 2, 2010	September 26, 2009
Current assets:			
Cash and equivalents	\$ 2,483,000	\$ 5,516,000	\$ 5,329,000
Marketable securities	21,865,000	29,999,000	27,376,000
Certificate of deposits - restricted	2,500,000	1,500,000	1,500,000
Receivables, net	2,020,000	3,411,000	2,713,000
Income tax receivable, net	81,000	3,438,000	2,225,000
Inventories, net	19,243,000	16,599,000	20,434,000
Prepaid expenses and other current assets	6,041,000	4,943,000	1,117,000
Total current assets	54,233,000	65,406,000	60,694,000
Equipment and leasehold improvements, net	26,836,000	31,713,000	35,724,000
Goodwill	9,092,000	9,092,000	9,092,000
Intangible assets, net	102,000	102,000	1,012,000
Other assets	7,965,000	4,684,000	4,274,000
Total assets	\$ 98,228,000	\$ 110,997,000	\$ 110,796,000
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 8,949,000	\$ 7,624,000	\$ 7,676,000
Note payable	1,751,000	1,408,000	1,294,000
Accrued compensation	1,222,000	2,668,000	2,862,000
Accrued liabilities	9,321,000	11,783,000	8,246,000
Total current liabilities	21,243,000	23,483,000	20,078,000
Note payable	476,000	1,425,000	2,199,000
Other liabilities	14,103,000	15,806,000	17,202,000
Commitments and contingencies			
STOCKHOLDERS' EQUITY			
Common stock	165,000	164,000	164,000
Additional paid-in capital	47,888,000	47,555,000	47,428,000
Retained earnings	54,148,000	62,359,000	63,520,000
Treasury stock, at cost	(39,795,000)	(39,795,000)	(39,795,000)
Total stockholders' equity	62,406,000	70,283,000	71,317,000
Total liabilities and stockholders' equity	\$ 98,228,000	\$ 110,997,000	\$ 110,796,000

CACHE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	39 Weeks Ended October 2, 2010	39 Weeks Ended September 26, 2009
Net sales	\$ 150,649,000	\$ 154,813,000
Cost of sales, including buying and occupancy	93,099,000	93,574,000
Gross profit	57,550,000	61,239,000
Expenses		
Store operating expenses	55,766,000	57,840,000
General and administrative expenses	15,048,000	13,341,000
Employee separation charge	-	2,121,000
Total expenses	70,814,000	73,302,000
Operating loss	(13,264,000)	(12,063,000)
Other income (expense):		
Interest expense	(94,000)	(146,000)
Interest income	117,000	178,000
Total other income, net	23,000	32,000
Loss before income taxes	(13,241,000)	(12,031,000)
Income tax benefit	(5,030,000)	(4,498,000)
Net loss	\$ (8,211,000)	\$ (7,533,000)
Basic loss per share	\$ (0.64)	\$ (0.59)
Diluted loss per share	\$ (0.64)	\$ (0.59)
Basic weighted average shares outstanding	12,774,000	12,810,000
Diluted weighted average shares outstanding	12,774,000	12,810,000

CACHE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	13 Weeks Ended October 2, 2010	13 Weeks Ended September 26, 2009
Net sales	\$ 45,524,000	\$ 44,941,000
Cost of sales, including buying and occupancy	<u>29,622,000</u>	<u>30,727,000</u>
Gross profit	<u>15,902,000</u>	<u>14,214,000</u>
Expenses		
Store operating expenses	17,959,000	18,590,000
General and administrative expenses	6,033,000	4,357,000
Employee separation charge	-	<u>2,121,000</u>
Total expenses	<u>23,992,000</u>	<u>25,068,000</u>
Operating loss	<u>(8,090,000)</u>	<u>(10,854,000)</u>
Other income (expense):		
Interest expense	(27,000)	(48,000)
Interest income	<u>32,000</u>	<u>52,000</u>
Total other income, net	<u>5,000</u>	<u>4,000</u>
Loss before income taxes	(8,085,000)	(10,850,000)
Income tax benefit	<u>(3,058,000)</u>	<u>(4,067,000)</u>
Net loss	<u>\$ (5,027,000)</u>	<u>\$ (6,783,000)</u>
Basic loss per share	\$ <u>(0.39)</u>	\$ <u>(0.53)</u>
Diluted loss per share	\$ <u>(0.39)</u>	\$ <u>(0.53)</u>
Basic weighted average shares outstanding	<u>12,780,000</u>	<u>12,748,000</u>
Diluted weighted average shares outstanding	<u>12,780,000</u>	<u>12,748,000</u>