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**CACHE ANNOUNCES PARTICIPATION IN THE 12TH ANNUAL ICR
XCHANGE CONFERENCE AND UPDATES FOURTH QUARTER 2009
GUIDANCE**

**December Comparable Store Sales Increase 3%
Expects Fourth Quarter 2009 Diluted EPS of \$0.01 to \$0.03**

New York, New York – January 11, 2010 – Cache Inc., (NASDAQ: CACH), a specialty chain of women’s apparel stores with 286 stores currently open, today announced that the Company will be participating in the 12th Annual ICR XChange Conference on Wednesday, January 13, 2010 at 1:00 p.m. Pacific Time. In conjunction with this announcement, the Company is updating its fourth quarter fiscal 2009 net sales and earnings guidance. The updated fourth quarter fiscal 2009 guidance reflects net sales at the high end to slightly above the Company’s previous expectations driven by a sequential improvement in comparable store sales. However, the acceleration of markdowns in the fourth quarter due to increased promotional activity and the soft retail environment is expected to result in fourth quarter diluted earnings per share below previous expectations. Cache expects to report full results for the fourth quarter and fiscal 2009 year the week of February 22, 2010.

Fourth Quarter Fiscal 2009 Guidance: (14-week period ended January 2, 2010 compared to the 13-week period ended December 27, 2008)

The Company currently expects fourth quarter fiscal 2009 net sales in the range of \$64 million to \$65 million, as compared to its original guidance range for net sales of \$62 million to \$64 million. Comparable stores sales for the fourth quarter of fiscal 2009 are expected to decline 7%.

Diluted earnings per share for the fourth quarter of fiscal 2009 are currently expected in the range of \$0.01 to \$0.03, prior to an expected non-cash impairment charge, primarily related to goodwill. This compares to the Company’s original fourth quarter fiscal 2009 diluted earnings per share range of \$0.12 to \$0.15.

Thomas Reinckens, Chairman and Chief Executive Officer, commented: “Our updated fourth quarter guidance reflects improving sales trends, including a 3% increase in December comparable store sales, marking our strongest monthly performance in 2009. We also maintained a strong balance sheet with year-end cash and marketable securities of approximately \$36.5

million, increasing 22% and inventory per average store down approximately 15% from year-end 2008. Our decision to increase promotional activity in the fourth quarter was necessitated by the soft retail environment and is expected to be detrimental to fourth quarter earnings. However, this allows us to begin fiscal 2010 in a strengthened position, which will enable us to more quickly adapt our assortments to reflect the new talent we have added in design and merchandising.”

“Separately, today we announced the addition of Lusia Moskvicheva, a seasoned design veteran, to our company as Senior Vice President and Head Designer,” continued Mr. Reinckens. “Together with Rabia Farhang, our General Merchandise Manager, we have strengthened our merchandising and design leadership team and believe we are very well positioned for improved operating performance, as we begin fiscal 2010.”

Participation in the 12th Annual ICR XChange Conference

The Company announced today that it will be presenting at the 12th Annual ICR XChange Conference held at The St. Regis Monarch Beach Resort & Spa in Dana Point, California on Wednesday, January 13, 2010 at 1:00 p.m. Pacific Time. Thomas Reinckens, Chairman and Chief Executive Officer, and Maggie Feeney, Executive Vice President and Chief Financial Officer, will host the presentation. The presentation will also be webcast live at www.cache.com.

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 286 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.