

**COLDWATER CREEK MAKES COMPANYWIDE CONVERSION
TO RENEWABLE 'GREEN' ENERGY**

100% of Company's energy usage in the U.S. to be replaced by wind power

SANDPOINT, Idaho, Aug. 23, 2006 – Coldwater Creek, one of the fastest-growing women's apparel retailers in the United States, today announced its commitment to purchase renewable "green" energy for its headquarters, distribution center, customer contact centers, and retail stores across the nation.

Recognizing the global importance of climate change, Coldwater Creek made the decision to offset 100% of its energy consumption with renewable energy certificates in order to dramatically decrease its impact on the environment.

Over the next three years, the company has committed to buy more than 217,000 megawatt-hours of wind-generated electricity. By supporting wind energy, Coldwater Creek is preventing more than 299 million pounds of CO₂ – a key greenhouse gas – from entering the Earth's atmosphere between now and 2009. This is the equivalent CO₂ savings of taking nearly 30,000 cars off the road for one year, or the same amount of CO₂ absorbed by protecting more than 113,000 acres of trees.

"We're extremely proud to join other industry leaders in taking this meaningful step forward by offsetting our total energy consumption with wind power," said Dennis Pence, Founder, Chairman and Chief Executive Officer of Coldwater Creek. "In addition to decreasing greenhouse gas emissions, companies that have chosen to make this important move are creating a viable market for renewable energy sources and raising global awareness about alternatives to fossil-fuel power production."

According to the Environmental Protection Agency, fossil-fuel-based power plants are responsible for 67 percent of the nation's sulfur dioxide, 40 percent of man-made carbon dioxide, and 23 percent of nitrogen dioxide emissions.

Beginning Aug. 1, 2006, Coldwater Creek entered into a three-year partnership with 3 Phases Energy Services, LLC, to offset the energy usage of its operation company-wide with 100% new wind energy. This is being accomplished through the purchase of an innovative product known as renewable energy certificates. Renewable energy certificates provide a means for consumers to purchase and support wind power that is "injected" into the power grid by renewable energy producers. To ensure that the certificates it purchases from 3 Phases Energy actually support new wind farms, the certificates are independently monitored and verified by the nonprofit Center for Resource Solutions, before receiving the "Green-e[®]" certification.

"From the time the company was formed on the shores of a pristine lake in a small town in North Idaho, we have had a tradition of environmental involvement and stewardship," Pence said. "We plan to continue that tradition as we move toward our goal of operating 450-500 retail stores and establishing Coldwater Creek as a premiere, national women's apparel brand."

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About Coldwater Creek

Coldwater Creek is an integrated triple-sales-channel retailer of women's apparel, jewelry, gifts and accessories through a growing number of premium retail stores located across the United States, an e-commerce web site at www.coldwatercreek.com and direct-mail catalogs.

About 3 Phases Energy Services

In operation since 1994, 3 Phases Energy is committed to promoting and implementing renewable energy options for businesses, utilities, governments, and institutions through Green Direct Access, green pricing support services for utilities, retail and wholesale sales of Green Certificates, and onsite efficiency and solar photovoltaic installation. For more information, visit www.3phases.com.

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For more information on social responsibility at Coldwater Creek, go to www.coldwatercreek.com and select the Social Responsibility link at the bottom of the home page.

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