

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 3, 2006

Carter's, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(States or other jurisdiction
of incorporation)

001-31829

(Commission
File Number)

13-3912933

(I.R.S. Employer
Identification No.)

The Proscenium,

1170 Peachtree Street NE, Suite 900

Atlanta, Georgia 30309

(Address of principal executive offices, including zip code)

(404) 745-2700

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events

On May 3, 2006, Berkshire Partners LLC ("Berkshire"), a private equity firm whose investment funds (the "Berkshire Funds") own approximately 12.5% of the common stock of Carter's, Inc. (the "Company"), issued a press release announcing a distribution of all of the approximately 3.6 million shares of Company stock held by the Berkshire Funds to both the general partner and limited partners of the Berkshire Funds. A copy of this press release is being furnished as Exhibit 99.1 to this Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit 99.1 Press Release issued by Berkshire on May 3, 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CARTER'S, INC.

May 3, 2006

By: /s/ MICHAEL D. CASEY

Name: Michael D. Casey
Title: Executive Vice President and
Chief Financial Officer

The following exhibit is furnished with this report:

99.1 Press Release issued by Berkshire on May 3, 2006.

Contact: Berkshire Partners LLC
Jeanine Neumann 617-227-0050

BERKSHIRE PARTNERS ANNOUNCES A DISTRIBUTION OF CARTER'S COMMON STOCK

Boston, MA — May 3, 2006 — Berkshire Partners LLC (“Berkshire”), a Boston-based private equity firm, announced today a distribution of approximately 3.6 million shares of Carter’s, Inc. (NYSE: CRI) (“Carter’s” or the “Company”) common stock by investment funds Berkshire manages (“Berkshire Funds”). The shares will be distributed to both the general partner and limited partners of the Berkshire Funds.

Berkshire partnered with Company management in August 2001 to acquire Carter’s. The Company completed its initial public offering in October 2003 and a secondary offering in September 2004. Prior to the IPO, the Berkshire Funds owned 20.3 million shares, representing approximately 85% of the Company. After the secondary offering in September 2004, the Berkshire Funds owned approximately 10.3 million shares representing approximately 36% of the Company. Berkshire subsequently completed distributions of 3.0 million shares in December 2004 and approximately 3.6 million shares in November 2005. Upon the completion of today’s distribution, the Berkshire Funds will have fully exited its investment in Carter’s and will have realized approximately seven times their original 2001 investment.

The distribution is consistent with Berkshire’s long-term strategy as a private equity firm to realize value for its investors. The distribution will also increase the market float for Carter’s stock. Bradley M. Bloom and Ross M. Jones, Managing Directors of Berkshire, serve on the Company’s Board of Directors. Mr. Jones has resigned from the Company’s Board of Directors effective as of the end of the Board of Directors meeting immediately following the Company’s May 11, 2006 annual meeting of stockholders.

About Berkshire Partners LLC

Berkshire Partners has invested in mid-sized private companies for the past twenty years through six investment funds with aggregate capital commitments of approximately \$3.5 billion. The firm’s investment strategy is to seek companies that have strong growth prospects and to partner with talented management teams who are interested in being owners of the companies they operate. Berkshire has developed specific industry experience in several areas including consumer products, industrial manufacturing, transportation, communications, business services, and retailing and related services. Berkshire has been an investor in over 85 operating companies with more than \$13.0 billion of acquisition value and combined revenues in excess of \$20 billion. Additional information may be found at www.berkshirepartners.com.

About Carter’s, Inc.

Carter’s, Inc. is the largest branded marketer in the United States of apparel exclusively for babies and young children. Carter’s, Inc. markets the *Carter’s* and *OshKosh B’Gosh* brands, two of the most recognized brands in the marketplace. These brands are sold in more than 4,000 department and national chain stores and through more than 350 Company-operated stores. The *OshKosh B’Gosh* brand is also sold in more than 50 countries worldwide. Carter’s *Child of Mine* and *Just One Year* brands are available at Wal-Mart and Target, respectively. OshKosh B’Gosh’s *Genuine Kid’s* brand is sold at Target. Carter’s is headquartered in Atlanta, Georgia. Additional information may be found at www.carters.com.
