carter's, inc.

First Quarter 2018 Business Update

April 26, 2018

First Quarter 2018 Results (GAAP Basis)

carter's

$ in millions, except EPS

	Q1 2018	% of Sales	Q1 2017	% of Sales	Increase / (Decrease)
Net sales	$756		$733		3%
Gross profit	332	44.0%	316	43.1%	5%
Royalty income	8	1.1%	11	1.4%	(24%)
SG&A	280	37.1%	248	33.8%	13%
Operating income	60	8.0%	78	10.7%	(23%)
Interest and other, net	7	1.0%	7	0.9%	10%
Income before taxes	53	7.0%	72	9.8%	(26%)
Income taxes	10		25		(59%)
Net income	$42	5.6%	$47	6.4%	(9%)
Diluted EPS	$0.89		$0.95		(6%)
Weighted average shares outstanding	47		49		(3%)
EBITDA[1]	$83	10.9%	$98	13.4%	(16%)

[1] Non-GAAP measure; see reconciliation to net income on page 27.
Note: Results may not be additive due to rounding.

First Quarter 2018 Highlights

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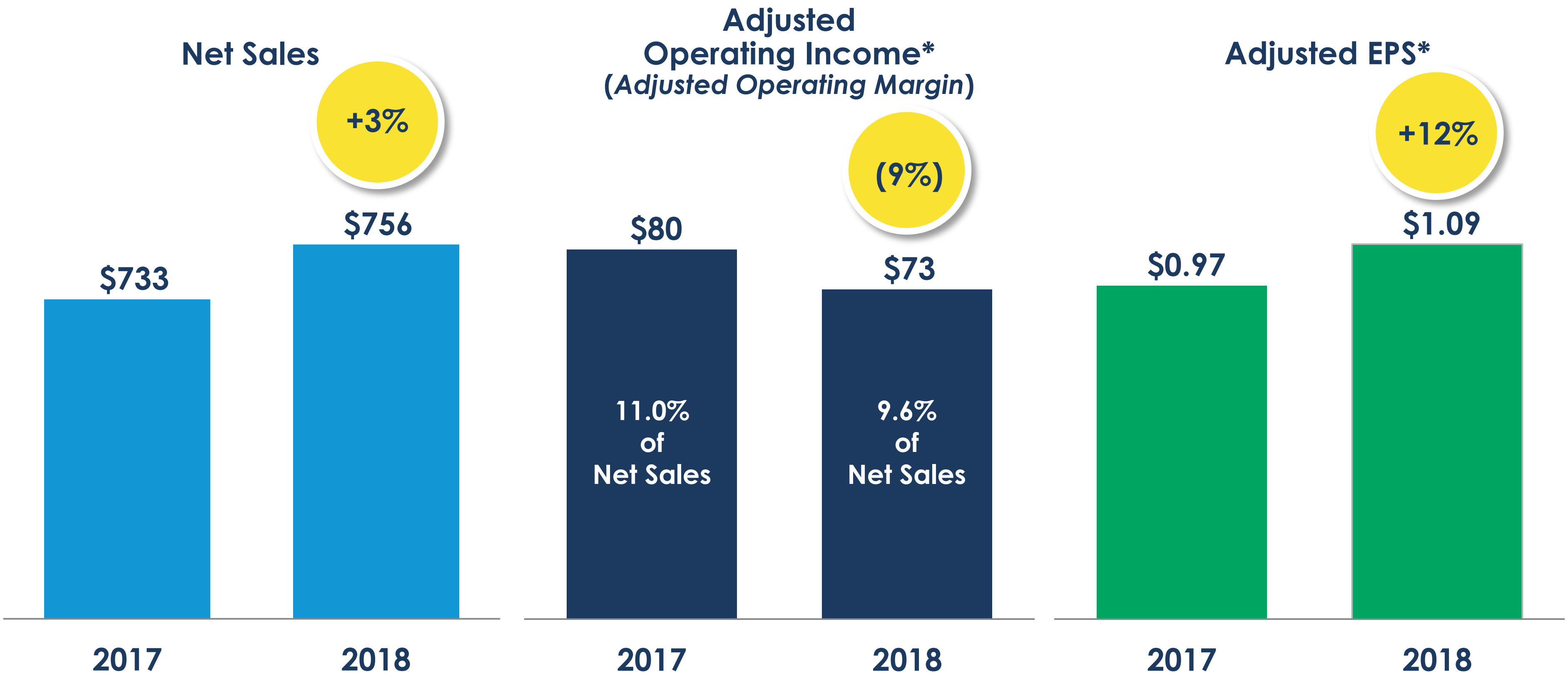
$ in millions, except EPS



- **Net sales +3%**
  - Growth led by U.S. Retail and International segments
  - Good contributions from *Skip Hop* and Mexico (both acquired in 2017)
- **Adjusted operating profit $73 million (vs. $80 million LY), reflecting lower U.S. Wholesale revenue and higher investment spending**
- **Adjusted EPS +12% to $1.09; reflects benefit from tax reform and lower share count**

** Results are stated on an adjusted basis; see reconciliation to GAAP on pages 25 and 26.*

First Quarter 2018 Net Sales

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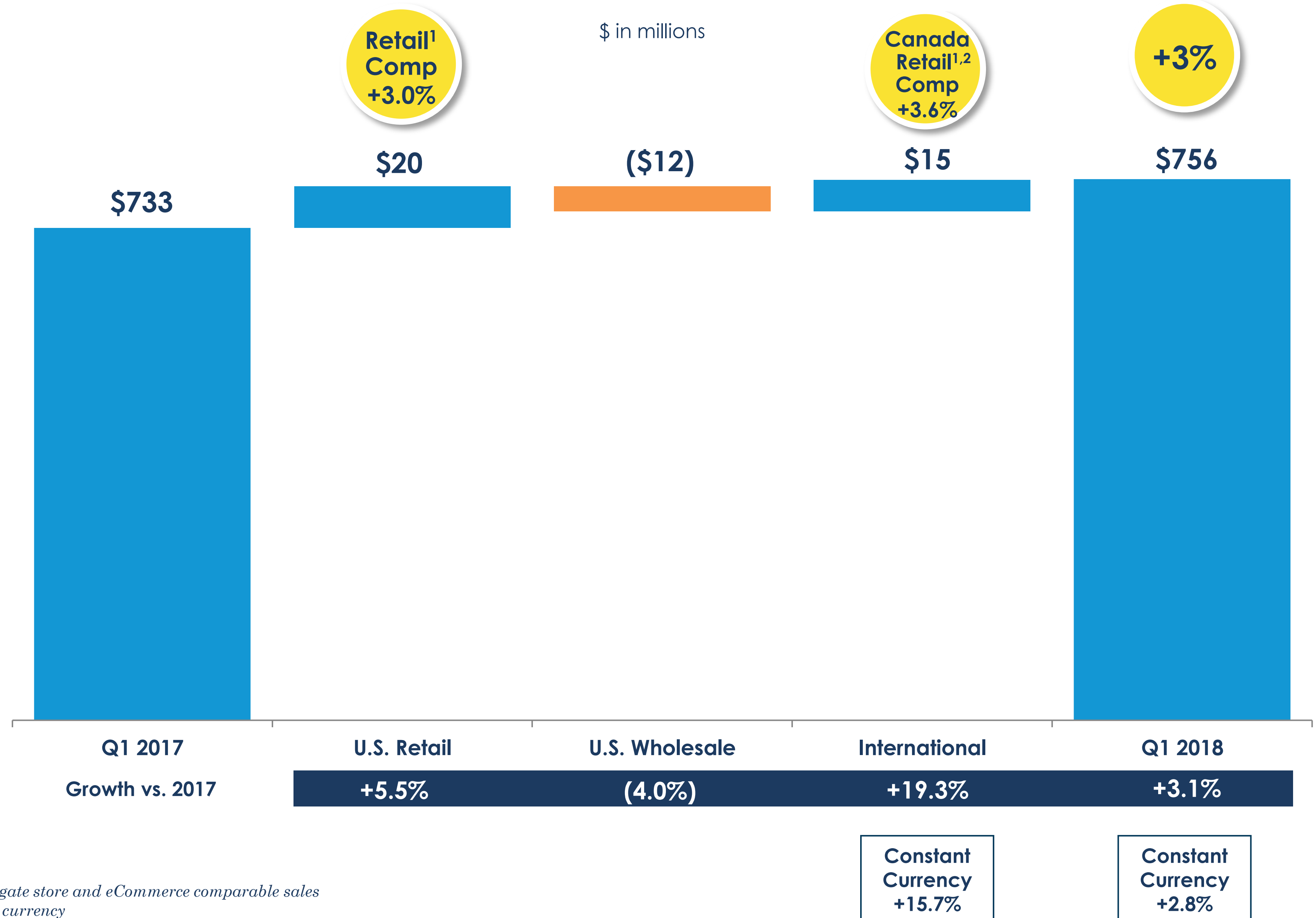

[1] Aggregate store and eCommerce comparable sales
[2] Local currency
Note: Results may not be additive due to rounding.

First Quarter 2018 Adjusted Results*

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$ in millions, except EPS

	Q1 2018	% of Sales	Q1 2017	% of Sales	Increase / (Decrease)
Net sales	$756		$733		3%
Gross profit	332	44.0%	316	43.1%	5%
Royalty income	8	1.1%	11	1.4%	(24%)
Adjusted SG&A*	268	35.4%	246	33.6%	9%
Adjusted operating income*	73	9.6%	80	11.0%	(9%)
Interest and other, net	7	1.0%	7	0.9%	10%
Income before taxes	65	8.6%	74	10.0%	(11%)
Income taxes	13		26		(48%)
Adjusted net income*	$52	6.9%	$48	6.5%	9%
Adjusted diluted EPS*	$1.09		$0.97		12%
Weighted average shares outstanding	47		49		(3%)
Adjusted EBITDA*	$95	12.6%	$100	13.7%	(5%)

** Results are stated on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP on pages 25 – 27.*
Note: Results may not be additive due to rounding.

Balance Sheet and Cash Flow

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$ in millions

Balance Sheet (at Q1 end)

	2018	2017
Cash	$180	$154
Accounts Receivable	221	207
Inventory	479	435
Accounts Payable	116	101
Long-Term Debt	618	582

Cash Flow (Q1)

	2018	2017
Operating Cash Flow	$64	$84
Capital Expenditures	(15)	(18)
Free Cash Flow[1]	$49	$66

Return of Capital (Q1)

	2018	2017
Share Repurchases	$25	$47
Dividends	21	18
Total	$46	$65

- Inventory +10% vs. LY, primarily driven by growth initiatives (Retail, Amazon, Skip Hop, and Mexico)
- Increase in short term borrowings to support working capital needs and return of capital initiatives
- Decline in operating cash flow reflects change in working capital
  - Forecasting full year operating cash flow of approximately $350 to $375 million
- Returned $46 million to shareholders through share repurchases and dividends in Q1 2018

[1] *Non-GAAP measure.*

Note: Results may not be additive due to rounding.

Business Segment Performance

First Quarter 2018
Adjusted Business Segment Performance*

carter's

$ in millions

	Net Sales			Adjusted Operating Income*			Adjusted Operating Margin*	
	2018	2017	$ Growth	2018	2017	$ Growth	2018	2017
U.S. Retail (a)	**$384**	**$364**	**$20**	**$29**	**$30**	**($1)**	**7.6%**	**8.2%**
U.S. Wholesale	**281**	**293**	**(12)**	**63**	**70**	**(7)**	**22.4%**	**23.8%**
International (b)	**91**	**76**	**15**	**4**	**4**	**–**	**4.1%**	**4.8%**
Total before corporate expenses	756	733	23	96	103	(7)	12.7%	14.1%
Corporate expenses				**(23)**	**(23)**	**–**	**(3.1%)**	**(3.1%)**
Total	**$756**	**$733**	**$23**	**$73**	**$80**	**($8)**	**9.6%**	**11.0%**

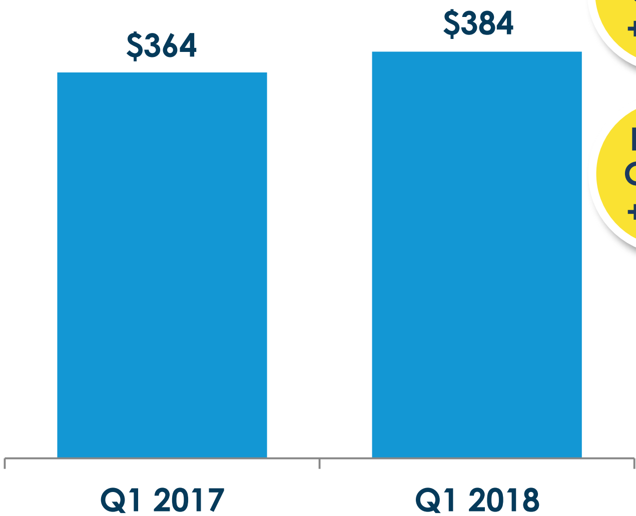
(a) Results include U.S. stores and eCommerce.
(b) Results include international stores, eCommerce, and wholesale.

** Results are stated on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP on page 26.*
Note: Results may not be additive due to rounding.

First Quarter Highlights – U.S. Retail

$ in millions

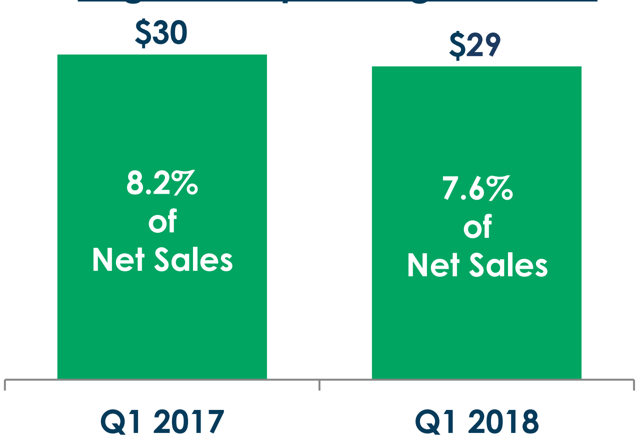
Segment Net Sales



Total Sales +5.5%

Retail Comp +3.0%

Segment Operating Income[1]



Q1 Highlights

- **Q1 Retail comp +3.0%**
  - Driven by double-digit eCommerce growth
  - Winter weather negatively affected comparable traffic and sales
- **Co-branded format remains best performing store model (comp +4%)**
- **Good progress with portfolio optimization initiative – encouraging initial sales transfer from closed doors**
  - Opened 9, closed 21 stores in Q1; Q1 store count 818*
  - 2018 outlook: ~50 openings, ~35 closings
- **Segment operating margin 7.6% vs. 8.2% LY**
  - Margin reflects planned investments in marketing, eCommerce fulfillment and technology, partially offset by lower product costs
- **Key initiatives for 2018**
  - Store productivity (portfolio optimization, technology enhancements)
  - eCommerce shipping speed
  - Carter's extended sizing (increase from NB-8 to NB-14)
  - Toys "R" Us / Bon-Ton sales recapture

[1] *Results are stated on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP on page 26.*
* *See store count reconciliation on page 30.*

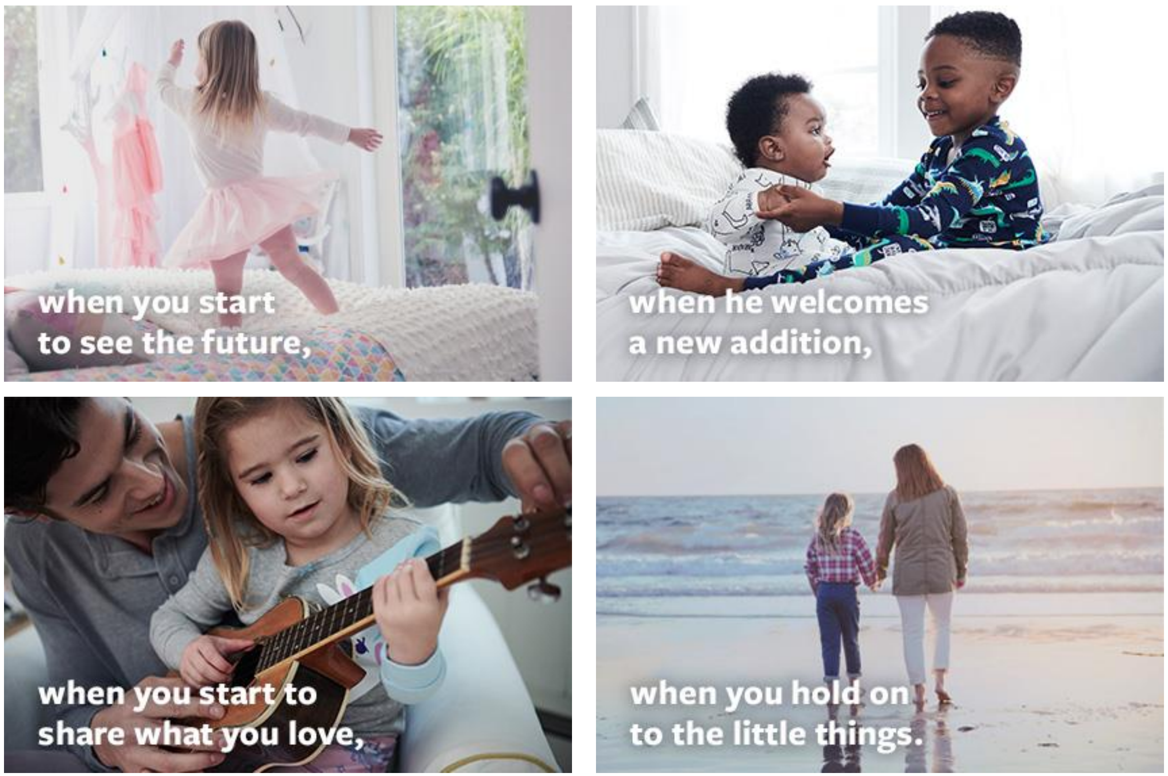
Co-branded Store – Santa Maria, CA
(Opened Q1 2018)

Co-branded Store – Tustin, CA
(Converted Q1 2018)

Carter's Brand Marketing Campaign

carter's

with you from the start™



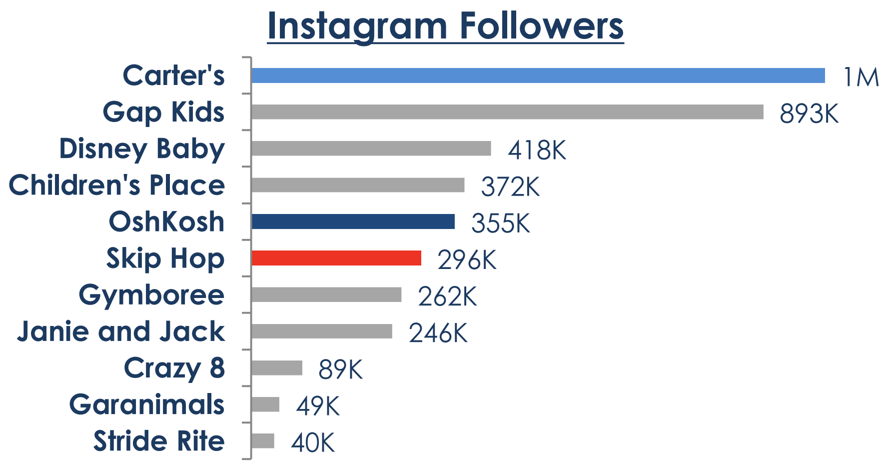
- **Launched mid-March**
- **Digital focus**
- **Meaningful initial consumer reach:**
  - Impressions: 263M
  - Video views: 49M

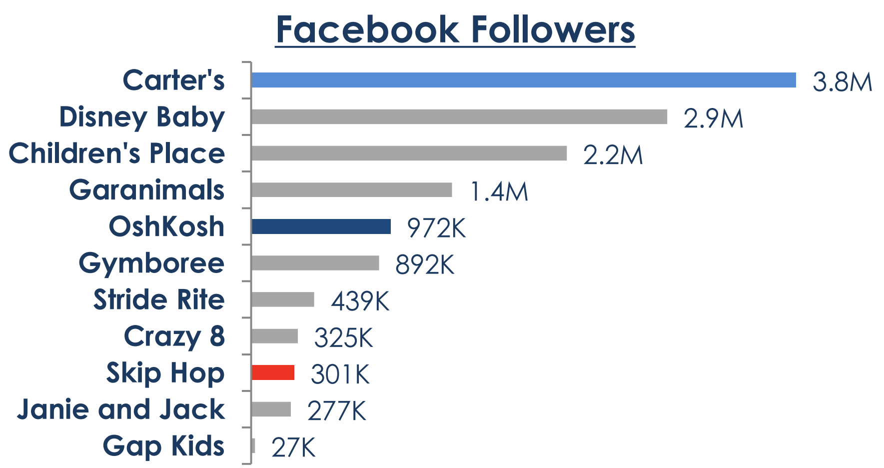
Click here to view video

Note: Consumer reach metrics through April 23, 2018

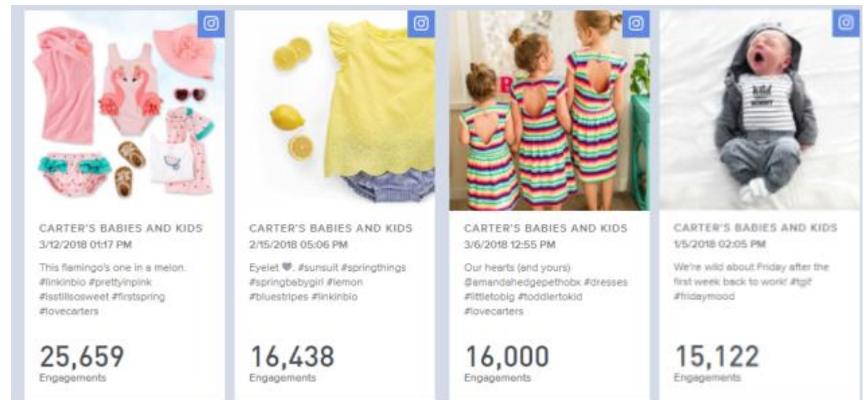
Carter's Continues to Lead in Consumer Following and Engagement in Social Media

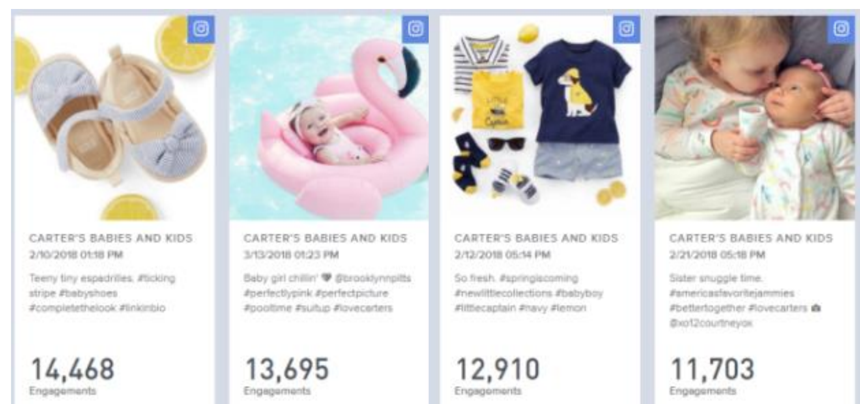
Carter's achieves milestone of 1 million followers on Instagram





Carter's earned 20 of the top 25 engagement scores among peers on Instagram





Source: Instagram and Facebook (followers as of 4/25/18). Third-party engagement scoring from 12/31/17 through 3/31/18.

First Quarter Highlights – U.S. Wholesale

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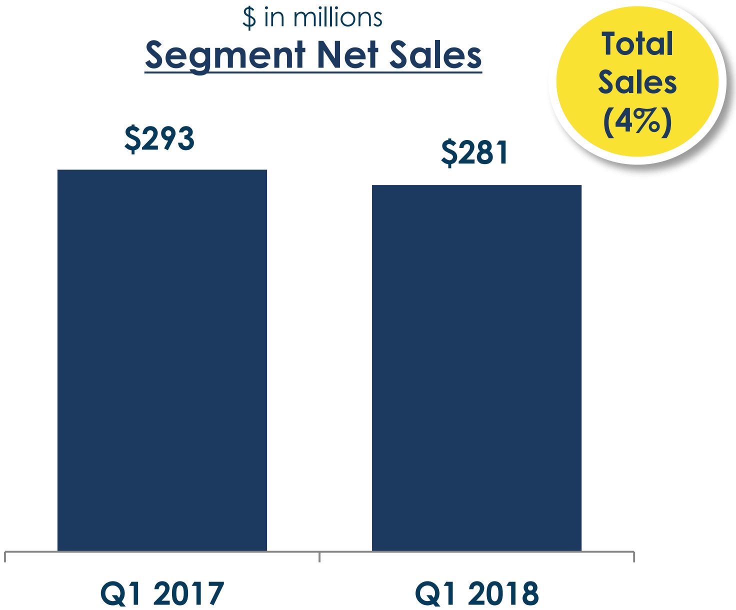
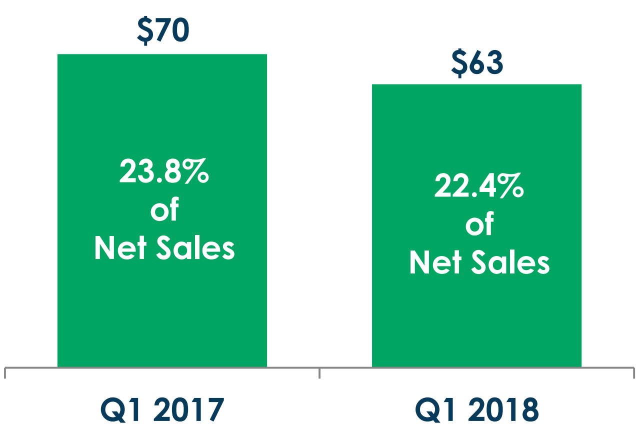
$ in millions

Segment Net Sales



Segment Operating Income*



Q1 Highlights

- **U.S. Wholesale segment net sales -4%**
  - Reflects timing of shipments, partially offset by contribution from *Skip Hop* and higher replenishment / *Little Baby Basics* demand
- **Segment operating margin 22.4% vs. 23.8% LY**
  - Principally reflects addition of *Skip Hop* (lower margin business in Q1)
  - Margin in core business relatively consistent vs. LY
- **Full year 2018 segment net sales outlook**
  - Down low-single digits (previously low-single digit growth) due to customer bankruptcies
  - Includes recapturing 50% of lost sales across wholesale and retail channels
  - Planning mid-single digit growth in *Little Baby Basics,* ex-Toys "R" Us

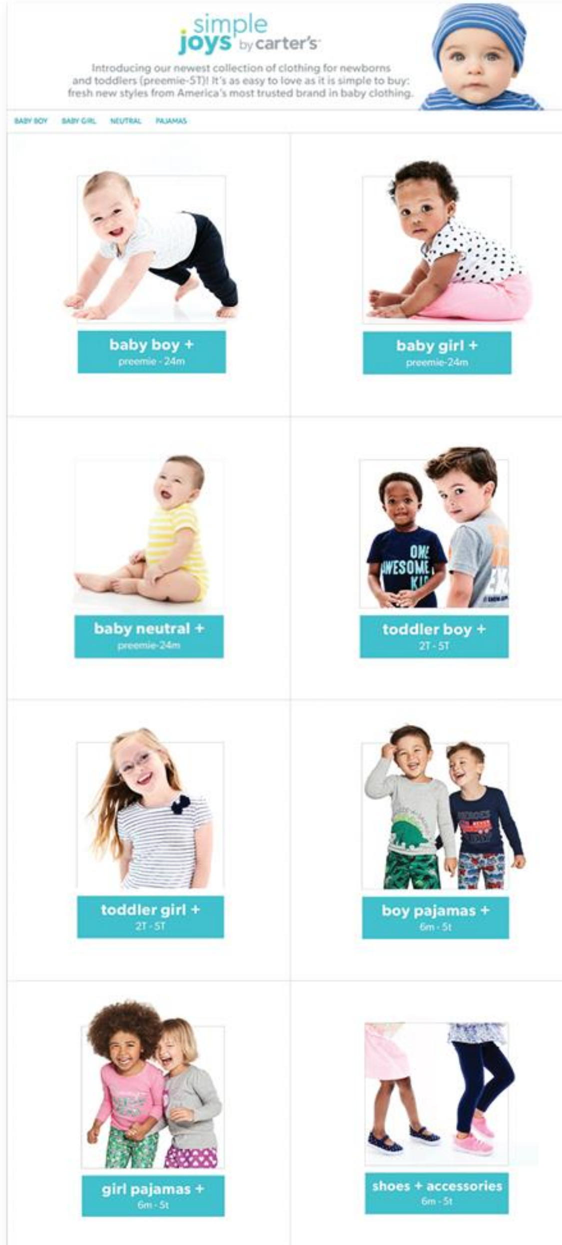
** Results are stated on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP on page 26.*

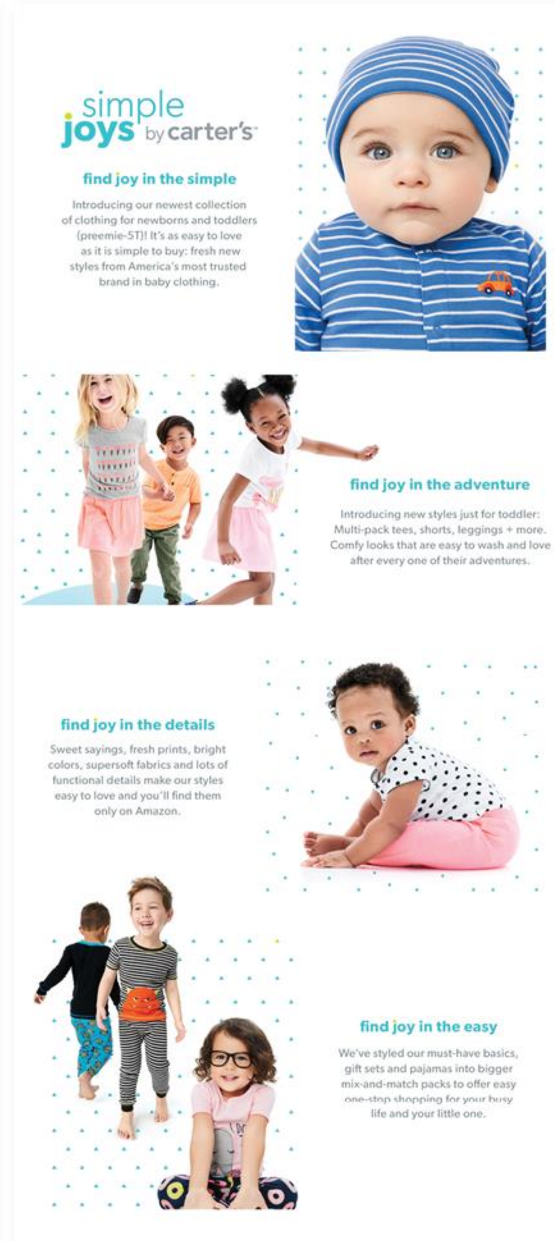

carter's
little baby basics™


LOVE


EAT
Play
SLEEP
REPEAT

simple joys by carter's™





simple joys by carter's™

Skidaddle by Skip Hop Developed For Walmart

carter's

skidaddle™
by SKIP*HOP®

First Quarter Highlights – International

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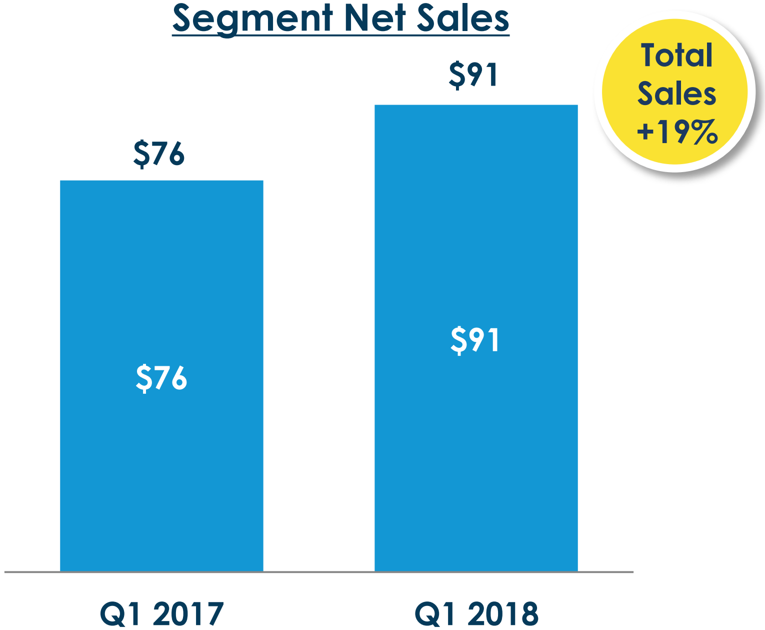
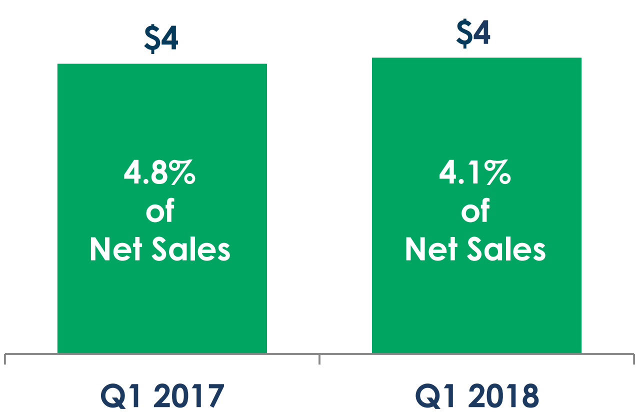
$ in millions

Segment Net Sales



Segment Operating Income*



Q1 Highlights

- **International segment net sales +19% (+16% constant currency)**
  - Meaningful contributions from *Skip Hop* and Mexico acquisitions
- **Canada**
  - Double-digit sales growth; retail comp sales +3.6%
  - Winter weather negatively affected comparable store traffic and sales
  - *Skip Hop* launched in stores in Q1; early results encouraging
- **Mexico**
  - Integration off to a good start
  - Performance in line with expectations
- **China net sales comparable to LY**
- **Segment operating margin**
  - Margin reflects channel mix and lower margin *Skip Hop* business, partially offset by net benefit of Mexico acquisition

* *Results are stated on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP on page 26. Results may not be additive due to rounding.*

International Store – Mexico City

Skip Hop – Canada Retail Presence

2018 Outlook
(Adjusted Basis)

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Fiscal Year 2018

- **Net sales growth of approximately 3%**
  - Growth assumes ~50% recapture of lost sales related to wholesale customer bankruptcies
  - Good second half growth planned in U.S. Retail and International segments
- **EPS growth of approximately 12% (vs. $5.77 in 2017[1])**
  - Reflects ~50% recapture of lost wholesale sales and reduction in discretionary spending
- **CapEx approximately $100 million**

Q2 2018

- **Net sales of approximately $680 million (vs. $692 million Q2 2017)**
  - Absence of planned wholesale volume from bankrupt customers
  - U.S. Retail sales affected by Easter shift and continued cold weather pattern
- **EPS of approximately $0.53 (vs. $0.79 Q2 2017[1])**
  - Adverse impact of customer bankruptcies
  - U.S. Retail expense deleverage

[1] *Results are stated on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP on pages 28 and 29.*


thank you.

appendix

First Quarter Reconciliation of Net Income Allocable to Common Shareholders

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	Fiscal Quarter Ended	
	March 31, 2018	April 1, 2017
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	46,772,737	48,322,692
Dilutive effect of equity awards	618,678	554,994
Diluted number of common and common equivalent shares outstanding	47,391,415	48,877,686

	Fiscal Quarter Ended			
	As reported on a GAAP Basis		As adjusted (a)	
$ in thousands, except EPS	March 31, 2018	April 1, 2017	March 31, 2018	April 1, 2017
Basic net income per common share:				
Net income	$ 42,469	$ 46,595	$ 51,956	$ 47,774
Income allocated to participating securities	(325)	(369)	(400)	(379)
Net income available to common shareholders	$ 42,144	$ 46,226	$ 51,556	$ 47,395
Basic net income per common share	$0.90	$0.96	$1.10	$0.98
Diluted net income per common share:				
Net income	$ 42,469	$ 46,595	$ 51,956	$ 47,774
Income allocated to participating securities	(323)	(367)	(397)	(376)
Net income available to common shareholders	$ 42,146	$ 46,228	$ 51,559	$ 47,398
Diluted net income per common share	$0.89	$0.95	$1.09	$0.97

(a) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present per share data excluding the adjustments discussed above. The Company has excluded $9.5 million and $1.2 million in after-tax expenses from these results for the fiscal quarters ended March 31, 2018, and April 1, 2017, respectively.

Note: Results may not be additive due to rounding.

First Quarter Reconciliation of Reported to Adjusted Earnings

carter's

$ in millions, except EPS

First Quarter of Fiscal 2018	Gross Margin	*% of net sales*	SG&A	*% of net sales*	Operating Income	*% of net sales*	Net Income	Diluted EPS	Segment Reporting: U.S. Retail Operating Income	*% of segment net sales*	U.S. Wholesale Operating Income	*% of segment net sales*	International Operating Income	*% of segment net sales*	Corporate Operating Expenses	*% of total net sales*
As reported (GAAP) *(a)*	**$332.5**	*44.0%*	**$280.2**	*37.1%*	**$60.3**	*8.0%*	**$42.5**	**0.89**	**$29.5**	*7.7%*	**$50.3**	*17.9%*	**$3.8**	*4.1%*	**($23.2)**	*(3.1%)*
Customer bankruptcy charges *(c) (d)*	-		(12.8)		12.8		9.8	0.20	-		12.8		-		-	
Store restructuring costs *(c) (e)*	-		0.4		(0.4)		(0.3)	(0.01)	(0.4)		-		-		-	
As adjusted *(b)*	**$332.5**	*44.0%*	**$267.8**	*35.4%*	**$72.7**	*9.6%*	**$52.0**	**1.09**	**$29.1**	*7.6%*	**$63.0**	*22.4%*	**$3.8**	*4.1%*	**($23.2)**	*(3.1%)*

First Quarter of Fiscal 2017	Gross Margin	*% of net sales*	SG&A	*% of net sales*	Operating Income	*% of net sales*	Net Income	Diluted EPS	Segment Reporting: Corporate Operating Expenses	*% of total net sales*
As reported (GAAP) *(a)*	**$315.7**	*43.1%*	**$247.8**	*33.8%*	**$78.5**	*10.7%*	**$46.6**	**0.95**	**($24.7)**	*(3.4%)*
Acquisition costs *(f)*	-		(1.6)		1.6		1.1	0.02	1.6	
Direct sourcing initiative *(c) (g)*	-		(0.2)		0.2		0.1	-	0.2	
As adjusted *(b)*	**$315.7**	*43.1%*	**$245.9**	*33.6%*	**$80.3**	*11.0%*	**$47.8**	**0.97**	**($22.8)**	*(3.1%)*

(a) Beginning in fiscal 2018, the Company adopted the Financial Accounting Standards Board's Accounting Standards Codification No. 606, Revenue from Contracts with Customers, and related amendments ("ASC 606") using the full retrospective adoption method. All periods in fiscal 2017 and fiscal 2016 were amended to reflect these provisions, and retained earnings at January 2, 2016 (beginning of fiscal 2016) were adjusted for the cumulative effect of periods prior to fiscal 2016. The adoption of ASC 606 had no material effect on the Company's consolidated financial position, results of operations, and cash flows.

(b) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present gross margin, SG&A, operating income, net income, and net income on a diluted share basis excluding the adjustments discussed above. The Company believes these adjustments provide a meaningful comparison of the Company's results and affords investors a view of what management considers to be the Company's core performance. The adjusted, non-GAAP financial measurements included in this earnings release should not be considered as an alternative to net income or as any other measurement of performance derived in accordance with GAAP. The adjusted, non-GAAP financial measurements are presented for informational purposes only and are not necessarily indicative of the Company's future condition or results of operations.

(c) The difference between the impacts on operating income and net income represents the income taxes related to the adjustment item (calculated using the applicable tax rate of the underlying jurisdiction).

(d) Related to the Toys "R" Us bankruptcy.

(e) Insurance recovery associated with unusual storm-related store closures.

(f) Non-recurring costs related to the *Skip Hop* and Mexico acquisitions. SG&A and operating income include approximately $0.4 million of costs incurred during the first quarter of fiscal 2017 that were not originally reported as acquisition-related costs.

(g) Costs associated with the Company's direct sourcing initiative, which include severance and relocation.

Note: Results may not be additive due to rounding.

Reconciliation of Net Income to Adjusted EBITDA

carter's

$ in millions

	Fiscal Quarter Ended		Four Fiscal Quarters Ended
	March 31, 2018	April 1, 2017	March 31, 2018
Net income	$ 42.5	$ 46.6	$ 298.6
Interest expense	8.0	7.1	30.9
Interest income	(0.2)	(0.1)	(0.4)
Tax expense	10.4	25.1	73.4
Depreciation and amortization	22.1	19.8	86.7
EBITDA	**$ 82.7**	**$ 98.4**	**$ 489.2**
Adjustments to EBITDA			
Special employee compensation provision *(a)*	$ -	$ -	$ 21.2
Customer bankruptcy charges *(b)*	12.8	-	12.8
Acquisition-related costs *(c)*	-	1.6	3.0
Store restructuring costs *(d)*	(0.4)	-	2.3
Direct sourcing initiative *(e)*	-	0.2	0.1
Acquisition contingency fair value adjustment *(f)*	-	-	(3.6)
Adjusted EBITDA	**$ 95.2**	**$ 100.3**	**$ 524.9**

(a) Special employee compensation provision related to significant benefit related to the enactment of the Tax Cuts and Jobs Act of 2017; includes $1.2 million in related payroll taxes.
(b) Related to the Toys "R" Us bankruptcy.
(c) Non-recurring costs incurred in connection with the *Skip Hop* and Mexico business acquisitions. SG&A and operating income include approximately $0.4 million of costs incurred during the first quarter of fiscal 2017 that were not originally reported as acquisition-related costs.
(d) Net costs arising from unusual storm damage and related store closures.
(e) Costs associated with the Company's direct sourcing initiative, which include severance and relocation.
(f) Revaluation of the contingent consideration liability associated with the Company's acquisition of *Skip Hop*.

Note: Results may not be additive due to rounding.

2017 Second Quarter Reconciliation of Reported to Adjusted Earnings

carter's

$ in millions, except EPS

Second Quarter of Fiscal 2017	Gross Margin	% of net sales	SG&A	% of net sales	Operating Income	% of net sales	Net Income	Diluted EPS	Segment Reporting: U.S. Retail Operating Income	% of segment net sales	U.S. Wholesale Operating Income	% of segment net sales	International Operating Income	% of segment net sales	Corporate Operating Expenses	% of total net sales
As reported (GAAP) *(a)*	**$303.2**	*43.8%*	**$250.1**	*36.2%*	**$64.3**	*9.3%*	**$37.8**	**$0.77**	**$42.1**	*10.8%*	**$35.8**	*16.4%*	**$7.6**	*9.2%*	**($21.2)**	*(3.1%)*
Acquisition related costs *(c)*	0.4		(0.8)		1.2		0.8	0.01	0.0		0.2		0.1		0.8	
Direct sourcing initiative *(c) (d)*	-		(0.1)		0.1		-	-	-		-		-		0.0	
As adjusted *(b)*	**$303.6**	*43.9%*	**$249.3**	*36.0%*	**$65.6**	*9.5%*	**$38.6**	**$0.79**	**$42.1**	*10.8%*	**$36.0**	*16.6%*	**$7.7**	*9.4%*	**($20.4)**	*(2.9%)*

(a) In addition to the results provided in this presentation in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present gross margin, SG&A expenses, operating income, net income, and diluted EPS excluding the adjustment items noted above and discussed above. The Company believes these non-GAAP measurements provide investors with a meaningful view of the Company's core operating results, and are the same measurements used by the Company's executive management to assess the Company's performance. The adjusted, non-GAAP financial measurements included in this presentation should not be considered as an alternative to net income or as any other measurement of performance derived in accordance with GAAP. The adjusted, non-GAAP financial measurements are presented for informational purposes only and are not necessarily indicative of the Company's future condition or results of operations.

(b) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present gross margin, SG&A, operating income, net income, and net income on a diluted share basis excluding the adjustments discussed above. The Company believes these adjustments provide a meaningful comparison of the Company's results and affords investors a view of what management considers to be the Company's core performance. The adjusted, non-GAAP financial measurements included in this earnings release should not be considered as an alternative to net income or as any other measurement of performance derived in accordance with GAAP. The adjusted, non-GAAP financial measurements are presented for informational purposes only and are not necessarily indicative of the Company's future condition or results of operations.

(c) The difference between the impacts on Operating Income and Net Income represents the income taxes related to the adjustment item (calculated using the applicable tax rate of the underlying jurisdiction).

(d) Costs associated with the Company's direct sourcing initiative, which include severance and relocation.

Note: Results may not be additive due to rounding.

2017 Full Year Reconciliation of Reported to Adjusted Earnings

carter's

$ in millions, except EPS

Fiscal 2017	Gross Margin	% of net sales	SG&A	% of net sales	Operating Income	% of net sales	Net Income	Diluted EPS	U.S. Retail Operating Income	% of segment net sales	U.S. Wholesale Operating Income	% of segment net sales	International Operating Income	% of segment net sales	Corporate Operating Expenses	% of total net sales
									Segment Reporting							
As reported (GAAP) ***(a)***	**$1,483.4**	*43.6%*	**$1,106.9**	*32.6%*	**$419.6**	*12.3%*	**$302.8**	**$6.24**	**$215.6**	*12.1%*	**$252.1**	*20.8%*	**$46.4**	*11.2%*	**($94.5)**	*(2.8%)*
Special employee compensation provision *(c) (d)*	-		(21.2)		21.2		15.1	0.31	12.7		3.3		2.3		2.9	
Store restructuring costs *(c)*	-		(2.7)		2.7		1.5	0.03	2.7		-		-		-	
Acquisition costs *(c)*	1.2		0.2		1.0		0.2	-	0.1		0.7		0.4		(0.2)	
Direct sourcing initiative (c) (e)	-		(0.3)		0.3		0.2	-	-		-		-		0.3	
Tax reform *(f)*	-		-		-		(40.0)	(0.83)	-		-		-		-	
As adjusted ***(b)***	**$1,484.6**	*43.7%*	**$1,082.9**	*31.8%*	**$444.8**	*13.1%*	**$279.8**	**$5.77**	**$231.2**	*13.0%*	**$256.0**	*21.2%*	**$49.1**	*11.8%*	**($91.5)**	*(2.7%)*

(a) Beginning in fiscal 2018, the Company adopted the Financial Accounting Standards Board's Accounting Standards Codification No. 606, Revenue from Contracts with Customers, and related amendments ("ASC 606") using the full retrospective adoption method. All periods in fiscal 2017 and fiscal 2016 were amended to reflect these provisions, and retained earnings at January 2, 2016 (beginning of fiscal 2016) were adjusted for the cumulative effect of periods prior to fiscal 2016. The adoption of ASC 606 had no material effect on the Company's consolidated financial position, results of operations, and cash flows.

(b) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present gross margin, SG&A, operating income, net income, and net income on a diluted share basis excluding the adjustments discussed above. The Company believes these adjustments provide a meaningful comparison of the Company's results and affords investors a view of what management considers to be the Company's core performance. The adjusted, non-GAAP financial measurements included in this earnings release should not be considered as an alternative to net income or as any other measurement of performance derived in accordance with GAAP. The adjusted, non-GAAP financial measurements are presented for informational purposes only and are not necessarily indicative of the Company's future condition or results of operations.

(c) The difference between the impacts on operating income and net income represents the income taxes related to the adjustment item (calculated using the applicable tax rate of the underlying jurisdiction).

(d) Special employee compensation provision related to significant benefit related to the enactment of the Tax Cuts and Jobs Act of 2017.

(e) Costs associated with the Company's direct sourcing initiative, which include severance and relocation.

(f) Reflects the $40 million net benefit of the Tax Cuts and Jobs Act of 2017.

Note: Results may not be additive due to rounding.

Store Count Data

	Single-brand	Dual-brand						
	U.S. Stand-alone Format	U.S. Side-by-Side Format	U.S. Co-branded Format	Total U.S. Retail	Dual-brand Canada Co-branded Format	Mexico [1]	Total International	Total Consolidated Retail Stores
Store count at April 1, 2017	**622**	**145**	**35**	**802**	**163**	**N/A**	**163**	**965**
Openings	9	12	30	51	17	3	17	68
Closings	(35)	-	-	(35)	(1)	-	(1)	(36)
Conversions to dual-brand formats	(43)	2	41	-	-	-	-	-
Acquired	-	-	-	-	-	39	39	39
Store count at March 31, 2018	**553**	**159**	**106**	**818**	**179**	**42**	**221**	**1,039**

[1] *Includes single brand and co-branded formats*

Forward-looking Statements and Other Information

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Results provided in this presentation are preliminary and unaudited. This presentation should be read in conjunction with the audio broadcast or transcript of the Company's earnings call, held on April 26, 2018 which is available at www.carters.com. This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 relating to the Company's future performance, including, without limitation, statements with respect to the Company's anticipated financial results for the second quarter of fiscal 2018 and fiscal year 2018, or any other future period, assessments of the Company's performance and financial position, and drivers of the Company's sales and earnings growth. Such statements are based on current expectations only, and are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize or not materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected. Certain of the risks and uncertainties that could cause actual results and performance to differ materially are described in the Company's most recently filed Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission from time to time under the headings "Risk Factors". Included among the risks and uncertainties that may impact future results are the risks of: losing one or more major customers, vendors, or licensees due to competition, inadequate quality of the Company's products, or otherwise; financial difficulties for one or more of the Company's major customers, vendors, or licensees, or an overall decrease in consumer spending; our products not being accepted in the marketplace due to quality concerns, changes in consumer preference and fashion trends, or otherwise; a failure to meet regulatory requirements, including those relating to product quality and safety; negative publicity, including as a result of product recalls or otherwise; a failure to protect the Company's intellectual property; various types of litigation, including class action litigation brought under various consumer protection, employment, and privacy and information security laws; a breach of the Company's consumer databases, systems, or processes; slow-downs, disruptions, or strikes in the Company's supply chain, including disruptions resulting from foreign supply sources, the Company's distribution centers, or in-sourcing capabilities; unsuccessful expansion into international markets or failure to successfully manage legal, regulatory, political and economic risks of the Company's existing international operations, including maintaining compliance with worldwide anti-bribery laws; failure to successfully integrate acquired businesses; fluctuations in foreign currency exchange rates; and an inability to obtain additional financing on favorable terms. The Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.