

carter's, inc.

Second Quarter 2016

Business Update

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JULY 27, 2016

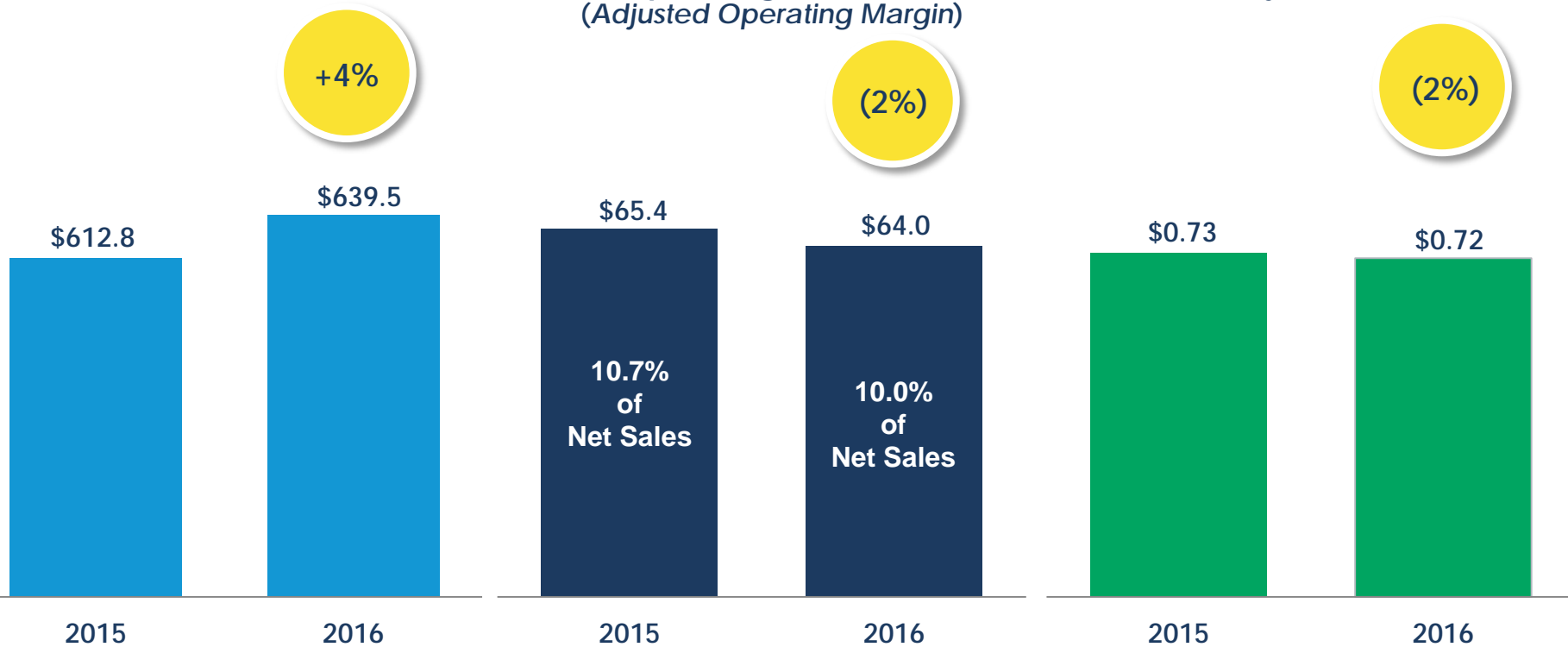


\$ in millions, except EPS

Net Sales

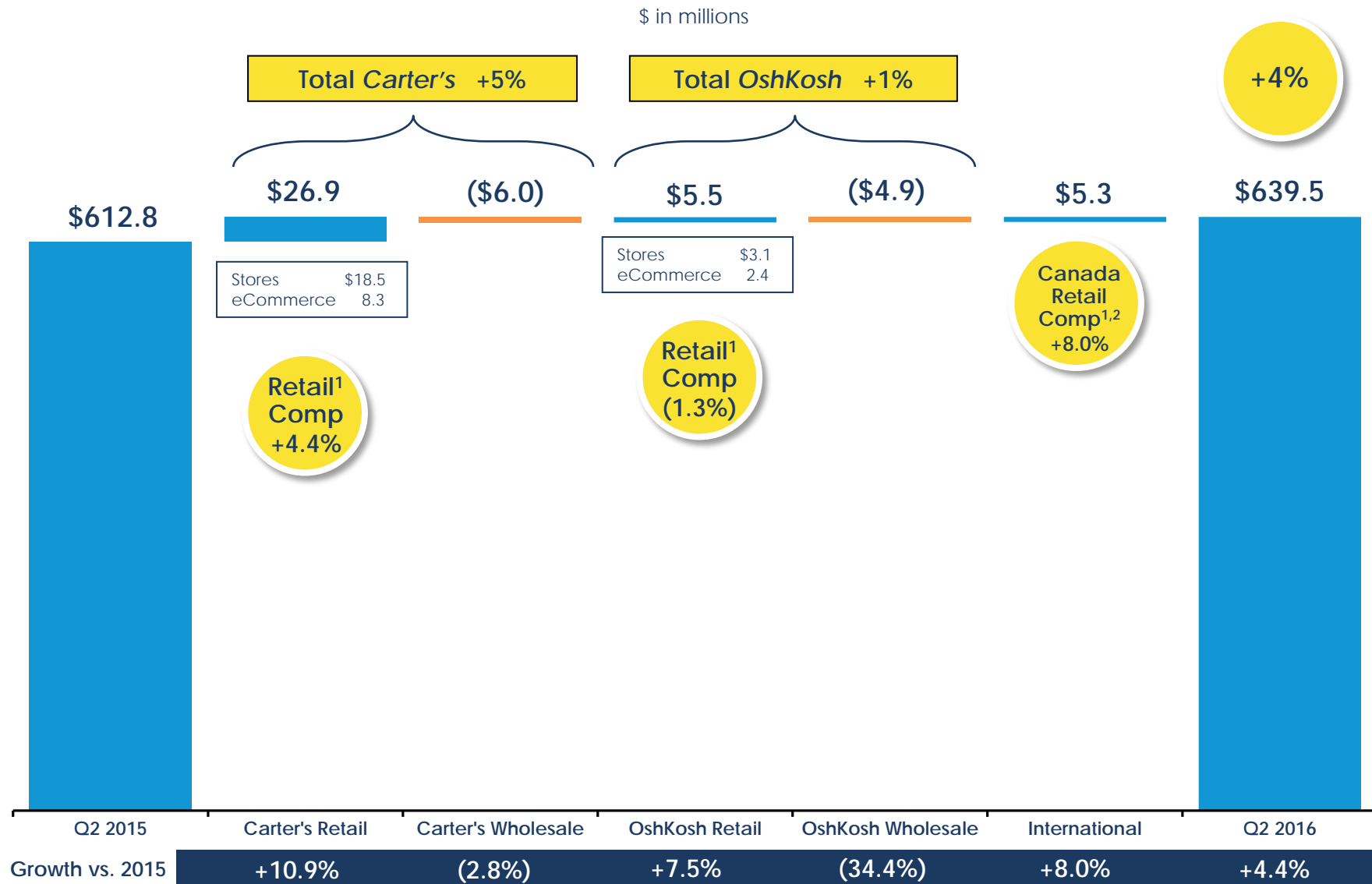
Adjusted Operating Income* (Adjusted Operating Margin)

Adjusted EPS*



- Q2 results exceeded prior guidance
- Net sales +4% driven by our U.S. Retail and International businesses
- Operating margin reflects gross margin improvement, offset by continued investments in growth initiatives

Second Quarter 2016 Net Sales



¹Retail Comp is defined as the combination of store and eCommerce comparable sales.

²Calculated in local currency.

Note: Results may not be additive due to rounding.

Constant Currency	+11.7%	+4.8%
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Second Quarter 2016 Adjusted Results*

\$ in millions, except EPS

	<u>Q2 2016</u>	<u>% of Sales</u>	<u>Q2 2015</u>	<u>% of Sales</u>	<u>Increase / (Decrease)</u>
Net sales	\$639.5		\$612.8		4%
Gross profit	282.2	44.1%	262.9	42.9%	7%
Adjusted SG&A*	227.7	35.6%	205.8	33.6%	11%
Royalty income	(9.5)	(1.5%)	(8.4)	(1.4%)	14%
Adjusted operating income*	64.0	10.0%	65.4	10.7%	(2%)
Interest and other, net	7.1	1.1%	4.9	0.8%	46%
Income taxes	20.2	3.2%	21.7	3.5%	(7%)
Adjusted net income*	<u>\$36.7</u>	5.7%	<u>\$38.8</u>	6.3%	(5%)
Adjusted diluted EPS*	\$0.72		\$0.73		(2%)
Weighted average shares outstanding	50.6		52.5		(4%)
Adjusted EBITDA*	\$81.3	12.7%	\$82.8	13.5%	(2%)

* Results are stated on an adjusted basis; see reconciliation to GAAP on pages 27, 28, and 31.
Note: Results may not be additive due to rounding.

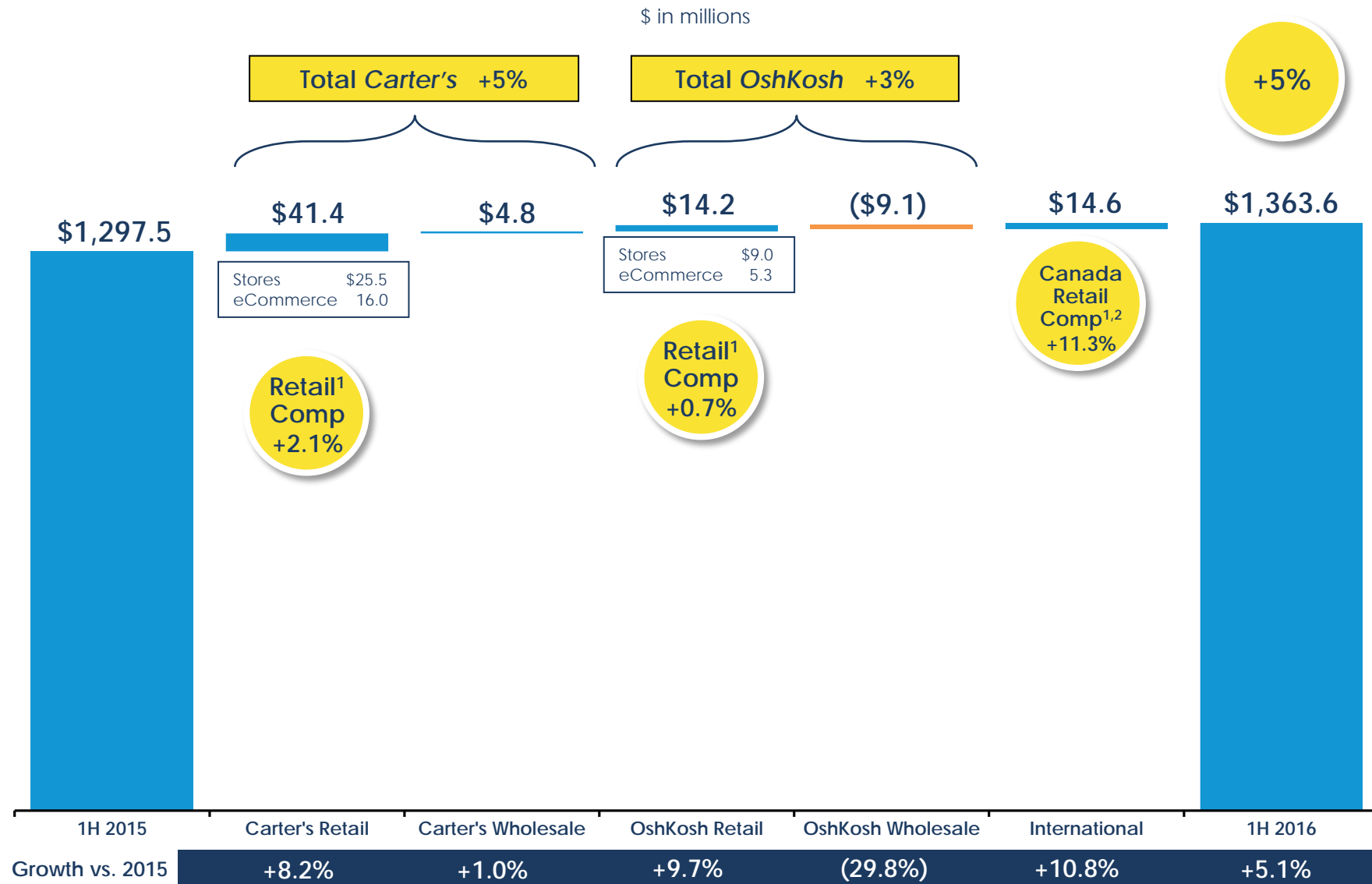
First Half 2016 Adjusted Results*

\$ in millions, except EPS

	<u>First Half 2016</u>	<u>% of Sales</u>	<u>First Half 2015</u>	<u>% of Sales</u>	<u>Increase / (Decrease)</u>
Net sales	\$1,363.6		\$1,297.5		5%
Gross profit	593.1	43.5%	546.9	42.2%	8%
Adjusted SG&A*	455.7	33.4%	414.3	31.9%	10%
Royalty income	(20.6)	(1.5%)	(20.0)	(1.5%)	3%
Adjusted operating income*	158.0	11.6%	152.7	11.8%	3%
Interest and other, net	16.9	1.2%	13.4	1.0%	26%
Income taxes	49.9	3.7%	48.8	3.8%	2%
Adjusted net income*	\$91.3	6.7%	\$90.5	7.0%	1%
Adjusted diluted EPS*	\$1.77		\$1.70		4%
Weighted average shares outstanding	51.1		52.6		(3%)
Adjusted EBITDA*	\$189.3	13.9%	\$183.0	14.1%	3%

* Results are stated on an adjusted basis; see reconciliation to GAAP on pages 29-31.
Note: Results may not be additive due to rounding.

First Half 2016 Net Sales



¹Retail Comp is defined as the combination of store and eCommerce comparable sales.

²Calculated in local currency.

Note: Results may not be additive due to rounding.

Constant Currency +16.0% +5.6%

First Half Adjusted Business Segment Performance*

\$ in millions

	Net Sales			Adjusted Operating Income (Loss)*			Adjusted Operating Margin*	
	2016	2015	\$ Growth	2016	2015	\$ Growth	2016	2015
Carter's Wholesale (a)	\$ 486	\$ 481	\$ 5	\$ 106	\$ 98	\$ 8	21.8%	20.4%
Carter's Retail (b)	546	505	41	80	83	(3)	14.6%	16.4%
Total Carter's	1,032	986	46	186	181	5	18.0%	18.4%
OshKosh Wholesale	21	30	(9)	4	5	(1)	17.9%	17.2%
OshKosh Retail (b)	161	146	14	(3)	(3)	-	(2.0%)	(1.9%)
Total OshKosh	182	177	5	1	2	(2)	0.3%	1.4%
International (c)(d)	150	135	15	18	15	3	11.7%	10.8%
Total before corporate expenses	1,364	1,298	66	204	198	6	15.0%	15.3%
Corporate expenses (d)				(46)	(45)	(1)	(3.4%)	(3.5%)
Total (d)	\$ 1,364	\$ 1,298	\$ 66	\$ 158	\$ 153	\$ 5	11.6%	11.8%

(a) Includes U.S. wholesale sales of *Carter's*, *Child of Mine*, *Just One You*, and *Precious Firsts*.

(b) Includes U.S. stores and eCommerce results.

(c) Includes international stores, eCommerce, and wholesale sales. Adjusted operating income includes international licensing income.

(d) See reconciliation of reported (GAAP) results to adjusted results.

* Results are stated on an adjusted basis; see reconciliation to GAAP on page 30.

Note: Results may not be additive due to rounding.

Balance Sheet and Cash Flow

\$ in millions

Balance Sheet (at Q2 end)

	2016	2015
Cash	\$205	\$244
Accounts Receivable	151	157
Inventory	587	544
Accounts Payable	190	146
Long-Term Debt	581	580

Cash Flow (Q2 YTD)

	2016	2015
Operating Cash Flow	\$86	\$27
Capital Expenditures	(50)	(50)
Free Cash Flow ¹	\$36	(\$23)

Return of Capital (Q2 YTD)

	2016	2015
Share Repurchases	\$180	\$49
Dividends	34	23
Total	\$214	\$72

- Solid liquidity
- Inventory +8% vs. LY principally due to business growth
- Free cash flow improvement reflects favorable changes in net working capital and higher earnings
- Returned \$214 million to shareholders in H1 (\$125 million in Q2)
- Additional \$15 million in share repurchases Q3 QTD
 - Total of \$195 million in share repurchases YTD (through 7/26/16)
 - Approximately \$380 million remaining on share repurchase authorizations

¹ Non-GAAP measure.

Business Segment Performance



Second Quarter Adjusted Business Segment Performance* **carter's** | **OSHKOSH** *Big boy*

\$ in millions

	Net Sales			Adjusted Operating Income (Loss)*			Adjusted Operating Margin*	
	2016	2015	\$ Growth	2016	2015	\$ Growth	2016	2015
Carter's Wholesale (a)	\$ 206	\$ 212	\$ (6)	\$ 40	\$ 40	\$ -	19.4%	19.0%
Carter's Retail (b)	274	247	27	38	38	-	14.0%	15.5%
Total Carter's	480	459	21	78	79	-	16.3%	17.1%
OshKosh Wholesale	9	14	(5)	2	2	(1)	17.2%	15.7%
OshKosh Retail (b)	79	73	5	(1)	(2)	-	(1.9%)	(2.5%)
Total OshKosh	88	88	1	-	-	-	0.1%	0.5%
International (c)(d)	72	66	5	9	8	1	12.7%	11.5%
Total before corporate expenses	639	613	27	88	87	1	13.7%	14.1%
Corporate expenses (d)				(24)	(21)	(2)	(3.7%)	(3.5%)
Total (d)	\$ 639	\$ 613	\$ 27	\$ 64	\$ 65	\$ (1)	10.0%	10.7%

(a) Includes U.S. wholesale sales of *Carter's*, *Child of Mine*, *Just One You*, and *Precious Firsts*.

(b) Includes U.S. stores and eCommerce results.

(c) Includes international stores, eCommerce, and wholesale sales. Adjusted operating income includes international licensing income.

(d) See reconciliation of reported (GAAP) results to adjusted results.

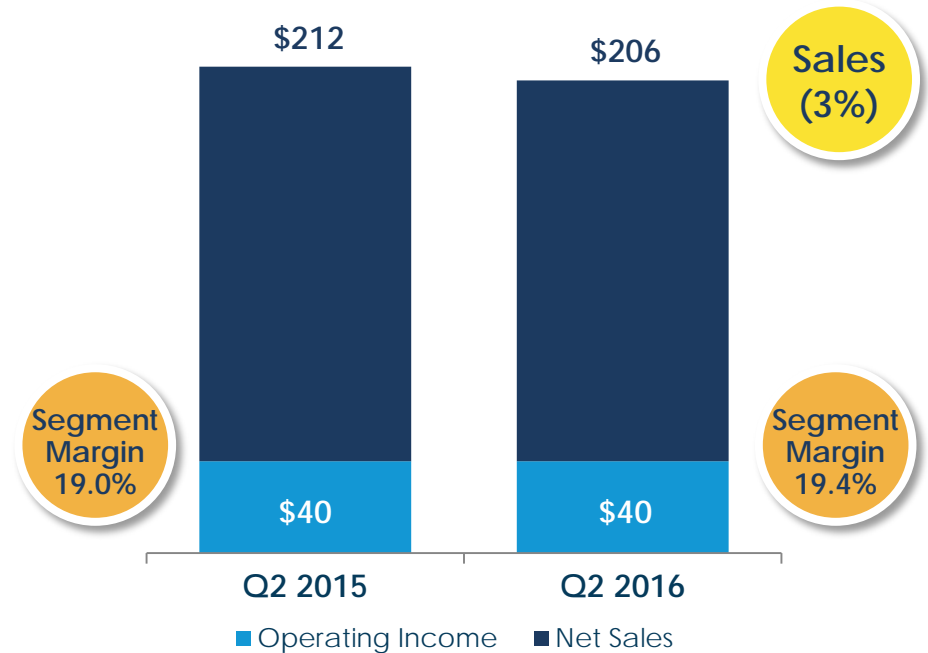
* Results are stated on an adjusted basis; see reconciliation to GAAP on page 28.

Note: Results may not be additive due to rounding.



\$ in millions

Segment Net Sales & Operating Income

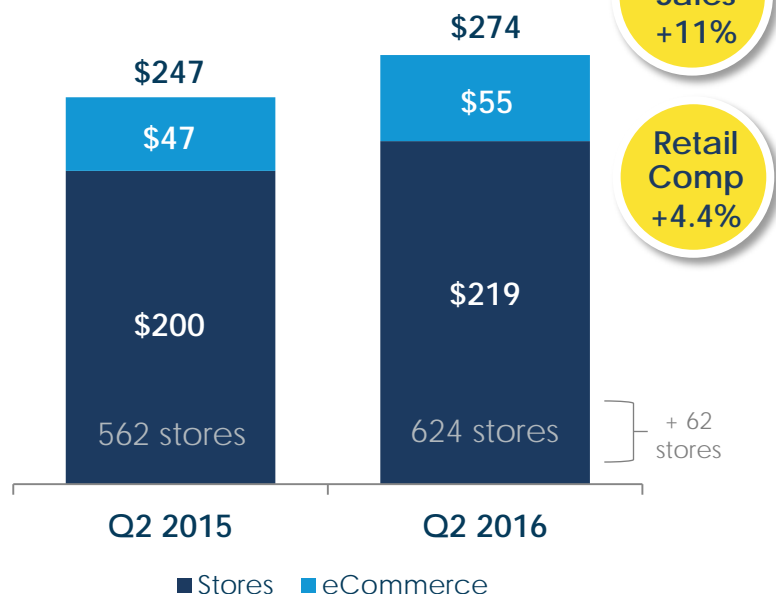


- Q2 net sales affected by timing of customer demand
 - Stronger than planned demand in Q1 and some customers taking Fall product later than a year ago
 - First half net sales +1%, in line with plan
- Segment operating margin improvement reflects favorable product mix and lower product costs
- 2016 full-year net sales outlook: comparable to LY

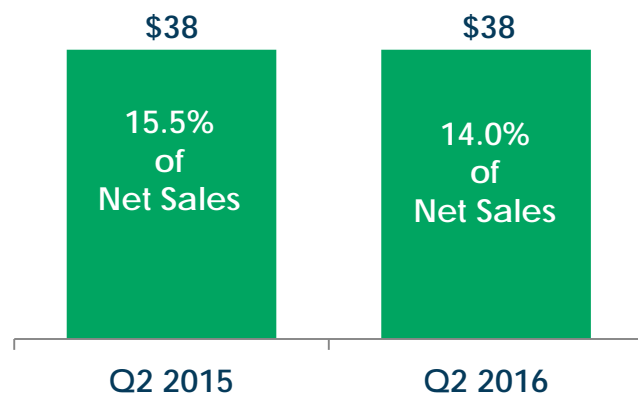


\$ in millions

Segment Net Sales



Segment Operating Income



Stores

- Net sales +9%
- Store Comp: +1.4%
 - Solid domestic consumer demand, partially offset by continued lower demand from international consumers
 - Brand stores strongest performing store type
- Opened 62 net new stores in last 12 months
- Q2 ending store count: 624
 - 428 Brand (83 Side-by-Side)
 - 196 Outlet (36 Side-by-Side)

eCommerce

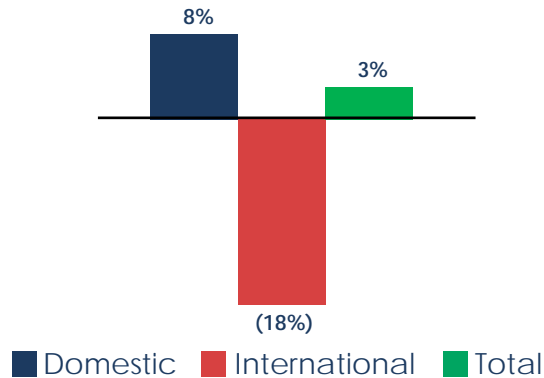
- Solid net sales growth, +18% (+17.4% comp)
- Q2 net sales 20% of retail segment sales (vs. 19% LY)

Segment Operating Margin

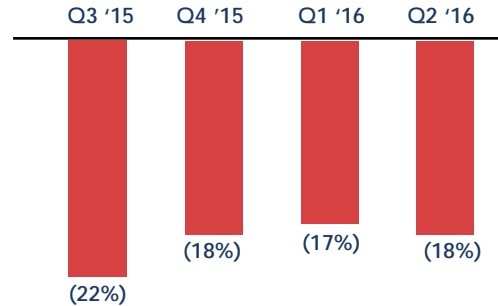
- Decrease in operating margin reflects store expense deleverage, higher promotions and marketing spend, and IT-related investments

Declines in Traffic/Sales From International Consumers Continue to Negatively Affect U.S. Retail Sales

Estimated Q2 U.S. Retail (Carter's + OshKosh)
Comp Sales By Customer Type



International Customer U.S.
Retail Comp Sales Trends



Most significant sources of international comp sales decline in Q2 2016:

Stores

- Brazil
- Mexico
- Venezuela
- Canada

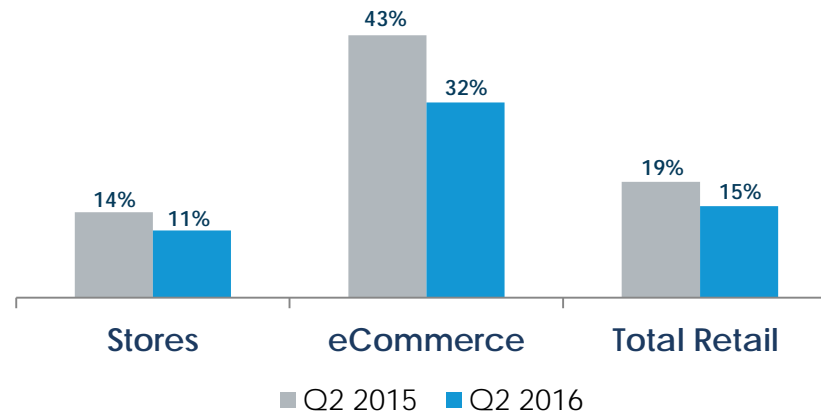
eCommerce

- China
- Brazil
- South Korea

- International and domestic customer comp sales estimates derived from credit card transaction and other data
- Notable year-over-year decline in international customer sales mix:

International Sales Mix

(% of Channel and Segment Total)





\$7
bodysuits

big ideas
New polo bodysuits for
pint-size preppy style.

GRAPHIC, PRINT + POLO BODYSUITS (nb-24m)
SALE \$7 MSRP \$12
Long sleeve available online and in select stores.

collectible BODYSUITS

Expandable shoulders + reinforced snaps + too cute for words!



the SETS SHOP

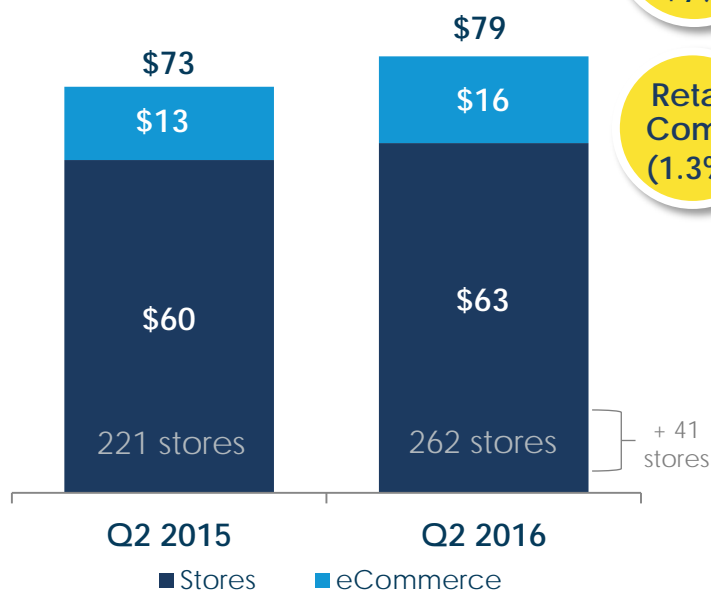
Always be pre-paired: Two bodysuits + pull-on pants.



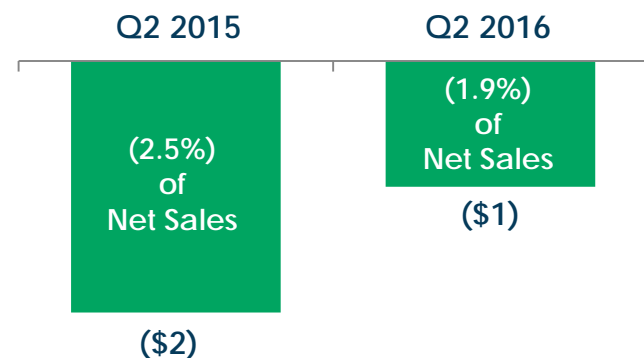
BODYSUIT PANT SETS (nb-24m)
SALE \$10 MSRP: \$20
Sleeve length varies online and in store.

\$ in millions

Segment Net Sales



Segment Operating Loss



Stores

- Net sales: +5%
- Comp sales declined (5.8%)
 - Reflects lower consumer traffic, heavily affected by lower demand from international consumers
 - Side-by-Side stores comped positively
- Opened 41 net new stores in last 12 months
- Q2 ending store count: 262
 - 103 Brand (83 Side-by-Side)
 - 159 Outlet (36 Side-by-Side)
 - Side-by-Side stores represent 45% of OshKosh store base

eCommerce

- Strong net sales growth, +18% (+17.6% comp)
- Q2 eCommerce sales 20% of retail segment sales (vs. 18% LY)

Segment Operating Margin

- Operating margin improvement driven by favorable distribution expenses and lower product costs, partially offset by store expense deleverage and increased marketing and technology investments



DOORBUSTER
GIMME a T...L...C!
(Tunics & Leggings Collection)



DOORBUSTER

\$6

LEGGINGS

TUNICS \$10 AND UP



LESSONS IN STYLE

Three cheers for patterns, puff print and bold combos.

TLC TUNICS DOORBUSTER \$10-12 6m-14, MSRP \$22-30 TLC LEGGINGS DOORBUSTER \$6 6m-14, MSRP \$18-20
 SHOES DOORBUSTER BUY 1 PAIR, GET 1 FREE* 5-12, 13-3, MSRP \$34-40 3-PACK/7-PACK SOCKS SALE \$8.40/\$14.40 40% off MSRP* \$14/24
 6-PACK BRACELETS SALE \$8.75 MSRP \$12.50 BASEBALL CAPS SALE \$12 toddler-14, 40% off MSRP \$20

12 FREE SHIPPING ON YOUR \$50+ ORDER AT OSHKOSH.COM

WAY TO GROW! NOW UP TO SIZE 14 13

DOORBUSTER
\$8 AND UP
B'GOSH BLUE JEANS

**DENIM 101: REAL METAL HARDWARE,
 REINFORCED STITCHING & ADJUSTABLE WAISTS**



Tumbled Medium Faded Wash

CLASSIC*
 TIMELESS STYLE. NOT TOO SKINNY,
 NOT TOO SLOUCHY.
 DOORBUSTER \$8-10



Tumbled Light Wash

SKINNY
 OUR NEW DENIM TRADITION. SLIM
 WITH A HINT OF STRETCH FOR HIM.
 DOORBUSTER \$10-12



River Dark Rinsed Wash

STRAIGHT*
 CAN'T MISS WITH THIS! A STRAIGHT
 SHOT FROM HIP TO ANKLE.
 DOORBUSTER \$10-12



B'gosh
BLUE JEANS



Tumbled Medium Faded Wash



new!

BOOTCUT*
 CAN'T RESIST THIS CLASSIC! SLIM
 THROUGH THE HIP; OPENS AT THE KNEE.
 DOORBUSTER \$10-12
 online exclusive

Visit oshkosh.com/bluejeans
 for online exclusive fits & washes!
 *Slim & Ausky sizes available

NEW!
SIZE 14
 WAY TO GROW

VARSIITY HENLEYS SALE \$9-11 6m-14, MSRP \$18-22 HOODED PULLOVER HENLEYS SALE \$14.40-16.80 6m-14, MSRP \$24-28
 VARSIITY JACKETS SALE \$22.80-25.20 6m-14, MSRP \$38-42 PLAID BUTTON-FRONT SALE \$15.60-18 6m-14, MSRP \$26-30
 BOYS B'GOSH BLUE JEANS DOORBUSTER \$8-12 6m-14, MSRP \$30-34 SHOES DOORBUSTER BUY 1 PAIR, GET 1 FREE* 2-4, 5-12, 13-3, MSRP \$30-40

MORE LESSONS IN STYLE AT OSHKOSH.COM

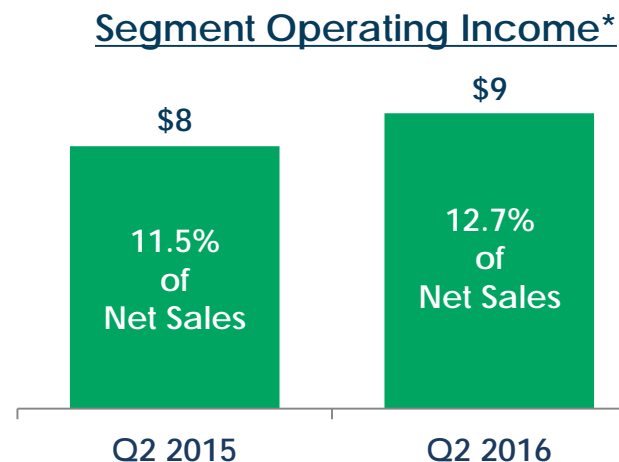
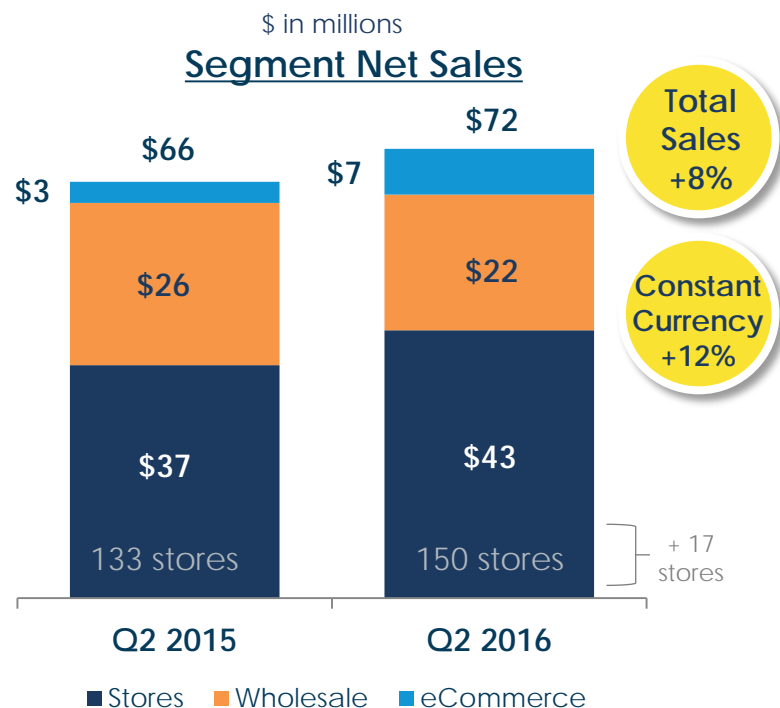


Side-by-Side Store – Woodbury, MN

(opened June 2016)

carter's | **OSHKOSH**
B'gosh





Net Sales

- **Solid International segment growth**
 - Reported net sales: +8%
 - Constant currency net sales: +12%
 - Canada retail comp +8.0%
- **Canada Stores**
 - Net sales +15% (+20% constant currency)
 - Store comp +6.9%, reflecting strong consumer demand and higher conversion
 - Opened 17 net new stores in last 12 months
- **eCommerce**
 - Net sales more than doubled vs. LY (+118%), driven by new China business (Tmall site launched Q2 2015) and growth in Canada
- **Wholesale**
 - Decline reflects lower shipments to Mexico

Segment Operating Margin

- Operating margin increase reflects strong comp sales and improved profitability in Canada, partially offset by unfavorable foreign currency effects

Canada New Store Opening – Dufferin Mall (Toronto)

(opened May 2016)



Q3 2016

- Net sales growth of approximately 6% to 7%
- Adjusted EPS growth of approximately 6% to 10% (vs. \$1.52 LY)

Fiscal Year 2016

- Net sales increase of approximately 5% to 6% (previously 6% to 7%)
- Adjusted EPS growth of approximately 10% (previously growth of 10% to 12%) (vs. \$4.61 LY)
- New stores:
 - Carter's ~60
 - OshKosh ~50
 - Canada ~18
- Operating Cash Flow approximately \$290 to \$320 million
- CapEx approximately \$110 million





thank you.



appendix

Second Quarter 2016 Adjusted SG&A*



*Results are stated on an adjusted basis; see reconciliation to GAAP on page 28.

Second Quarter Reconciliation of Net Income Allocable to Common Shareholders

	Fiscal Quarter Ended	
	July 2, 2016	July 4, 2015
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	50,143,568	52,020,386
Dilutive effect of equity awards	469,114	526,016
Diluted number of common and common equivalent shares outstanding	<u>50,612,682</u>	<u>52,546,402</u>

	Fiscal Quarter Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	July 2, 2016	July 4, 2015	July 2, 2016	July 4, 2015
<i>\$ in thousands, except EPS</i>				
Basic net income per common share:				
Net income	\$ 36,198	\$ 36,105	\$ 36,697	\$ 38,805
Income allocated to participating securities	(279)	(305)	(284)	(329)
Net income available to common shareholders	<u>\$ 35,919</u>	<u>\$ 35,800</u>	<u>\$ 36,414</u>	<u>\$ 38,476</u>
Basic net income per common share	\$0.72	\$0.69	\$0.73	\$0.74
Diluted net income per common share:				
Net income	\$ 36,198	\$ 36,105	\$ 36,697	\$ 38,805
Income allocated to participating securities	(278)	(303)	(282)	(326)
Net income available to common shareholders	<u>\$ 35,920</u>	<u>\$ 35,802</u>	<u>\$ 36,415</u>	<u>\$ 38,479</u>
Diluted net income per common share	\$0.71	\$0.68	\$0.72	\$0.73

(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 the information above excluding \$0.5 million and \$2.7 million in after-tax expenses from these results for the fiscal quarters ended July 2, 2016 and July 4, 2015, respectively.

Second Quarter Reconciliation of Reported to Adjusted Earnings

\$ in millions, except EPS

Second Quarter of Fiscal 2016									Segment Reporting			
	Gross Margin	% of sales	SG&A	% of sales	Operating Income	% of sales	Net Income	Diluted EPS	International Operating Income	% of segment net sales	Corporate Operating Expenses	% of total net sales
As reported (GAAP)	\$282.2	44.1%	\$228.5	35.7%	\$63.2	9.9%	\$36.2	\$0.71	\$9.1	12.7%	(\$24.3)	(3.8%)
Amortization of tradenames	-		(0.8)		0.8		0.5	0.01	-		0.8	
As adjusted	\$282.2	44.1%	\$227.7	35.6%	\$64.0	10.0%	\$36.7	\$0.72	\$9.1	12.7%	(\$23.5)	(3.7%)

Second Quarter of Fiscal 2015									Segment Reporting			
	Gross Margin	% of sales	SG&A	% of sales	Operating Income	% of sales	Net Income	Diluted EPS	International Operating Income	% of segment net sales	Corporate Operating Expenses	% of total net sales
As reported (GAAP)	\$262.9	42.9%	\$209.3	34.2%	\$62.0	10.1%	\$36.1	\$0.68	\$6.2	9.4%	(\$23.3)	(3.8%)
Amortization of tradenames	-		(2.1)		2.1		1.3	0.02	-		2.1	
Revaluation of contingent consideration (a)	-		(1.4)		1.4		1.4	0.03	1.4		-	
As adjusted	\$262.9	42.9%	\$205.8	33.6%	\$65.4	10.7%	\$38.8	\$0.73	\$7.6	11.5%	(\$21.2)	(3.5%)

(a) Revaluation of contingent consideration liability associated with the Company's 2011 acquisition of Bonnie Togs.

First Half Reconciliation of Net Income Allocable to Common Shareholders

	Two Fiscal Quarters Ended	
	July 2, 2016	July 4, 2015
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	50,660,278	52,069,800
Dilutive effect of equity awards	468,632	514,121
Diluted number of common and common equivalent shares outstanding	<u>51,128,910</u>	<u>52,583,921</u>

	Two Fiscal Quarters Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	July 2, 2016	July 4, 2015	July 2, 2016	July 4, 2015
<i>\$ in thousands, except EPS</i>				
Basic net income per common share:				
Net income	\$ 90,178	\$ 85,897	\$ 91,276	\$ 90,518
Income allocated to participating securities	(720)	(847)	(729)	(893)
Net income available to common shareholders	<u>\$ 89,458</u>	<u>\$ 85,050</u>	<u>\$ 90,547</u>	<u>\$ 89,625</u>
Basic net income per common share	\$1.77	\$1.63	\$1.79	\$1.72
Diluted net income per common share:				
Net income	\$ 90,178	\$ 85,897	\$ 91,276	\$ 90,518
Income allocated to participating securities	(715)	(840)	(725)	(886)
Net income available to common shareholders	<u>\$ 89,463</u>	<u>\$ 85,057</u>	<u>\$ 90,551</u>	<u>\$ 89,632</u>
Diluted net income per common share	\$1.75	\$1.62	\$1.77	\$1.70

(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 the information above excluding \$1.1 million and \$4.6 million in after-tax expenses from these results for the two fiscal quarters ended July 2, 2016 and July 4, 2015, respectively.

First Half Reconciliation of Reported to Adjusted Earnings

\$ in millions, except EPS

First Half of Fiscal 2016	Gross Margin	% of sales	SG&A	% of sales	Operating Income	% of sales	Net Income	Diluted EPS	Segment Reporting			
									International Operating Income	% of segment net sales	Corporate Operating Expenses	% of total net sales
As reported (GAAP)	\$593.1	43.5%	\$457.5	33.5%	\$156.3	11.5%	\$90.2	\$1.75	\$17.5	11.7%	(\$47.6)	(3.5%)
Amortization of tradenames	-		(1.7)		1.7		1.1	0.02	-		1.7	
As adjusted	\$593.1	43.5%	\$455.7	33.4%	\$158.0	11.6%	\$91.3	\$1.77	\$17.5	11.7%	(\$45.9)	(3.4%)

First Half of Fiscal 2015	Gross Margin	% of sales	SG&A	% of sales	Operating Income	% of sales	Net Income	Diluted EPS	Segment Reporting			
									International Operating Income	% of segment net sales	Corporate Operating Expenses	% of total net sales
As reported (GAAP)	\$546.9	42.2%	\$420.5	32.4%	\$146.5	11.3%	\$85.9	\$1.62	\$12.7	9.4%	(\$49.7)	(3.8%)
Amortization of tradenames	-		(4.3)		4.3		2.7	0.05	-		4.3	
Revaluation of contingent consideration (a)	-		(1.9)		1.9		1.9	0.04	1.9		-	
As adjusted	\$546.9	42.2%	\$414.3	31.9%	\$152.7	11.8%	\$90.5	\$1.70	\$14.6	10.8%	(\$45.4)	(3.5%)

(a) Revaluation of contingent consideration liability associated with the Company's 2011 acquisition of Bonnie Togs.

Reconciliation of Net Income to Adjusted EBITDA

\$ in millions

	Fiscal Quarter Ended		Two Fiscal Quarters Ended		Four Fiscal Quarters Ended
	July 2, 2016	July 4, 2015	July 2, 2016	July 4, 2015	July 2, 2016
Net income	\$36.2	\$36.1	\$90.2	\$85.9	\$242.1
Interest expense	6.8	6.9	13.5	13.6	26.9
Interest income	(0.2)	(0.2)	(0.4)	(0.3)	(0.6)
Tax expense	19.9	21.0	49.2	47.2	132.4
Depreciation and amortization	18.6	17.6	36.7	34.8	70.4
EBITDA	\$81.3	\$81.4	\$189.3	\$181.2	\$471.2
Adjustments to EBITDA					
Revaluation of contingent consideration (a)	-	1.4	-	1.9	-
Adjusted EBITDA	\$81.3	\$82.8	\$189.3	\$183.0	\$471.2

(a) Revaluation of contingent consideration liability associated with the Company's 2011 acquisition of Bonnie Togs.

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 July 27, 2016 which is available at www.carters.com. Also, 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 third quarter of fiscal 2016 and fiscal year 2016, 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" and "Forward-Looking Statements." 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; fluctuations in foreign currency exchange rates; our products not being accepted in the marketplace, due to quality concerns, changes in consumer preference and fashion trends, or otherwise; negative publicity, including as a result of product recalls or otherwise; 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; the risk of slow-downs, disruptions, or strikes along 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; and an inability to obtain additional financing on favorable terms. All information is provided as of July 27, 2016. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.