

carter's, inc.



**Bank of America Merrill Lynch
Consumer Conference**

March 11, 2010



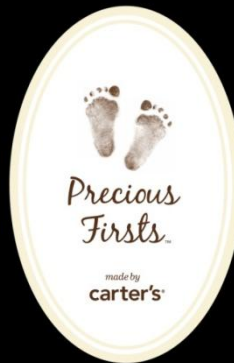
Overview

- **Best known brands in young children's apparel**
- **#1 share of a large market**
- **Favorable demographics**
- **Long track record of growth**
- **\$1.6 billion in sales**



Dominant Brands in Multiple Channels

BRANDS

The logo for Carter's, featuring the brand name in a white, lowercase, sans-serif font on a blue rectangular background.The logo for OshKosh B'gosh, with 'OSHKOSH' in a bold, white, uppercase, sans-serif font and 'B'gosh' in a white, lowercase, script font below it, all on a dark blue rectangular background.The logo for 'genuine kids', featuring a blue rectangular background. The text 'genuine kids' is written in a white, lowercase, sans-serif font, with 'kids' in a larger font size. Below it, 'from OSHKOSH' is written in a smaller, white, lowercase, sans-serif font.

CHANNELS

- Wholesale
- Retail
- International
- eCommerce (1H 2010)

- Mass

Carter's at Kohl's



Carter's at Macy's



Carter's at JCPenney



Carter's at Babies "R" Us



Carter's at Belk (Before)



Carter's at Belk (After)



Carter's Store – Milford, Connecticut



Carter's Store – Milford, Connecticut



OshKosh Store – Paramus, New Jersey



OshKosh Store – Locust Grove, Georgia



OshKosh Store – Locust Grove, Georgia



Canada



OshKosh
B'gosh.

GIRLS 4-6x

2-3x

GIRLS 3-24m

kids

OshKosh
ACCESSORIES

carter's
accessories

carter's
accessories

baby

China



品牌介绍

OshKosh B'gosh 是美国著名童装品牌，拥有悠久的历史。经典的款式设计，为广大家庭所喜爱，现已成为全球儿童服装的首选品牌。

OshKosh B'gosh 公司于 1979 年创立于美国的威斯康星州，经过 100 多年的发展，历史悠久，年销售额已达 5 亿美元。每年把服装于全球 40 多个国家，上海西商百货有限公司合作为 OshKosh B'gosh 在中国总代理，将此品牌引入国内，使其成为儿童的父母们更好的选择。

U.OshKosh

Indonesia



Thailand



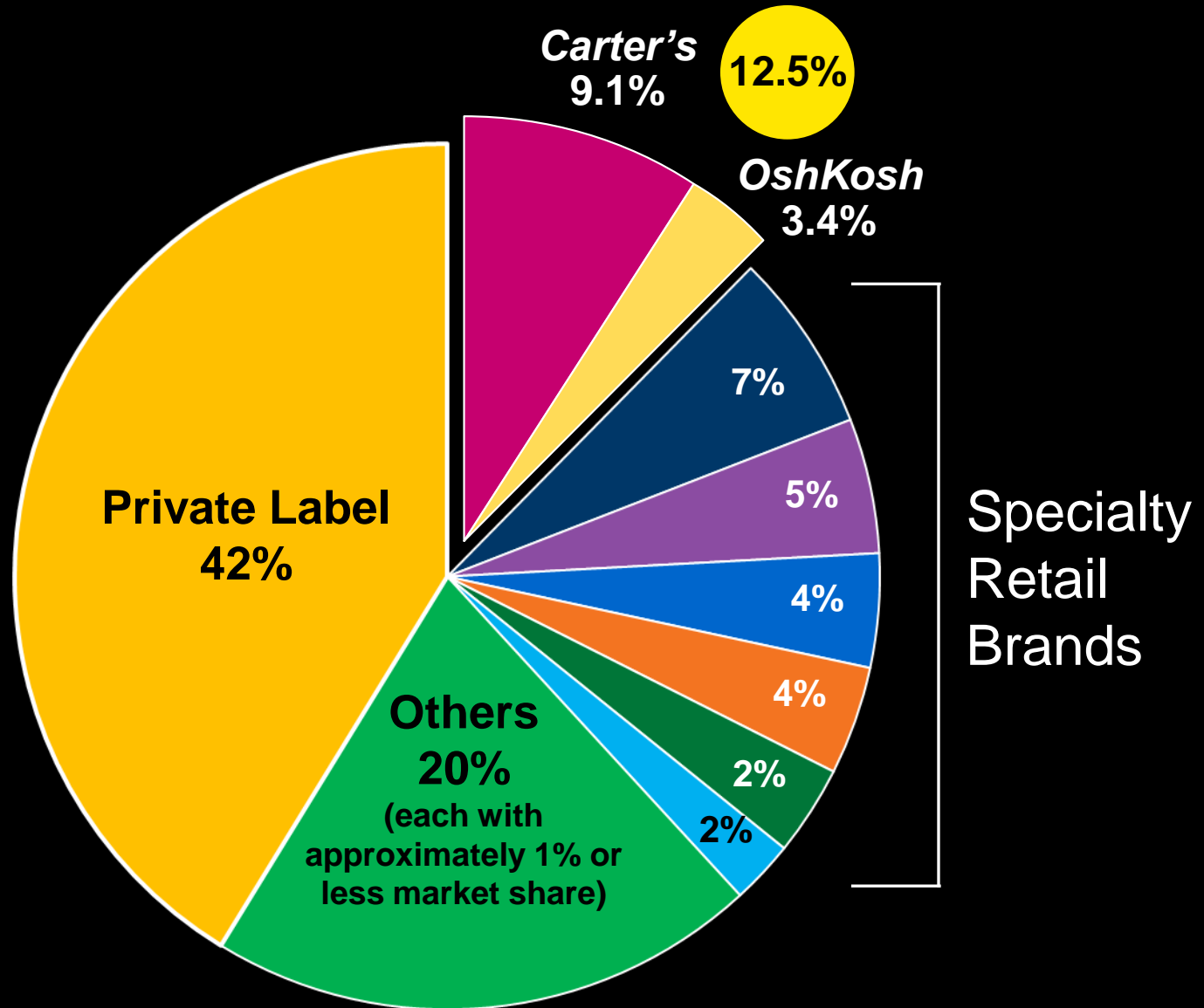
United Arab Emirates



Philippines



Largest Share of a \$23 Billion Market



Source: NPD Fashionworld, Children's 0-7 apparel market share in the \$23 billion market – year-end 2009, includes mass channel
Note: Carter's market share includes *Child of Mine* & *Just One Year*

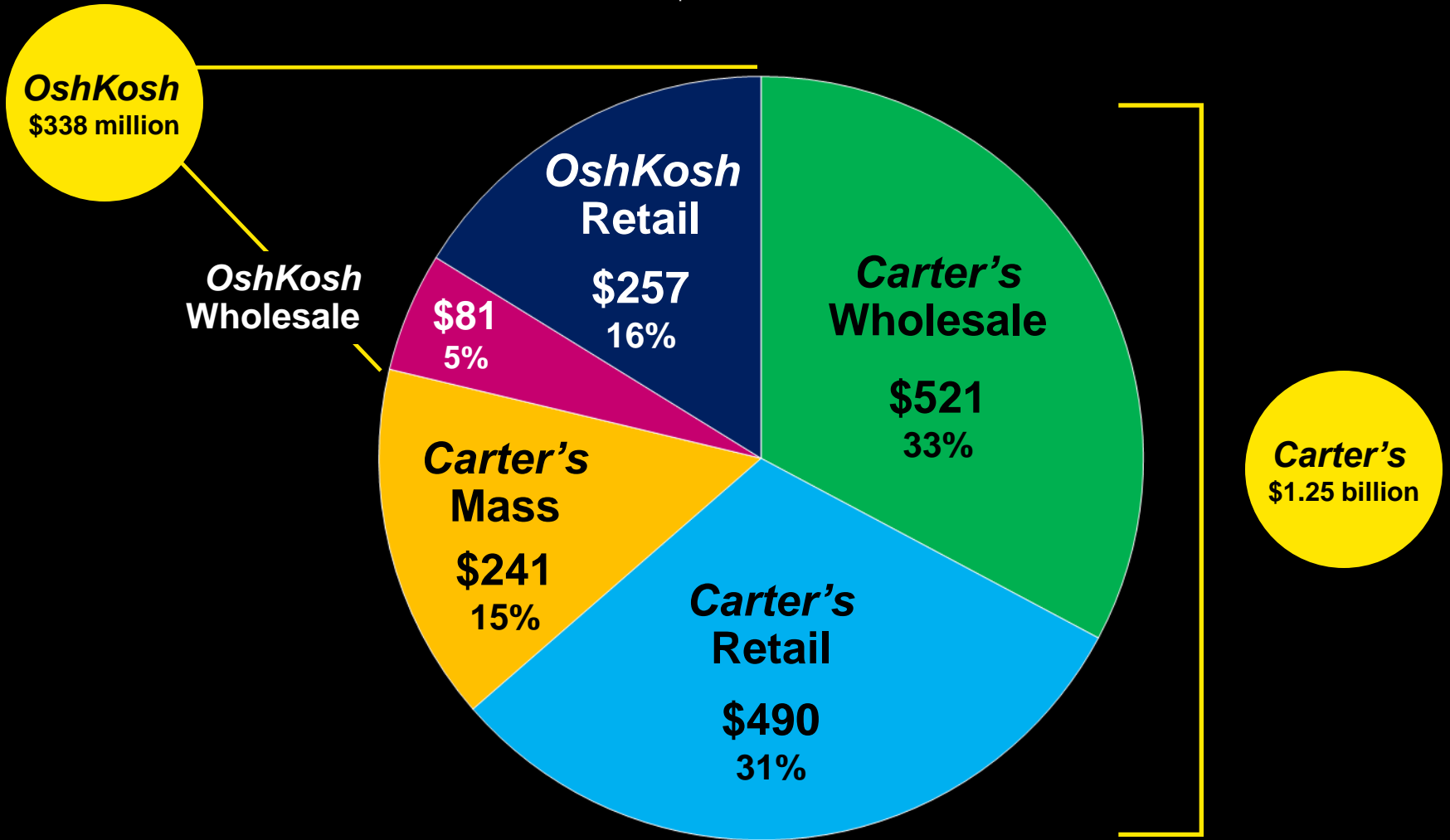
Favorable Demographics

- **Over 4 million births annually in the U.S.**
- **Record number of births in 2007**
- **40% of births are to first time moms**
- **Grandparents spend \$50B annually on grandchildren**

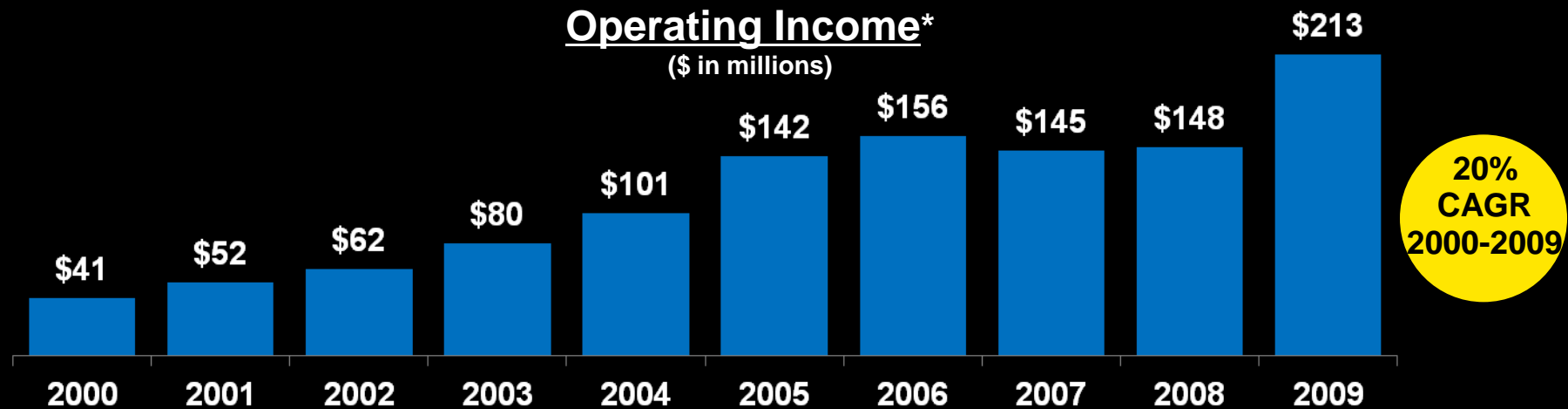
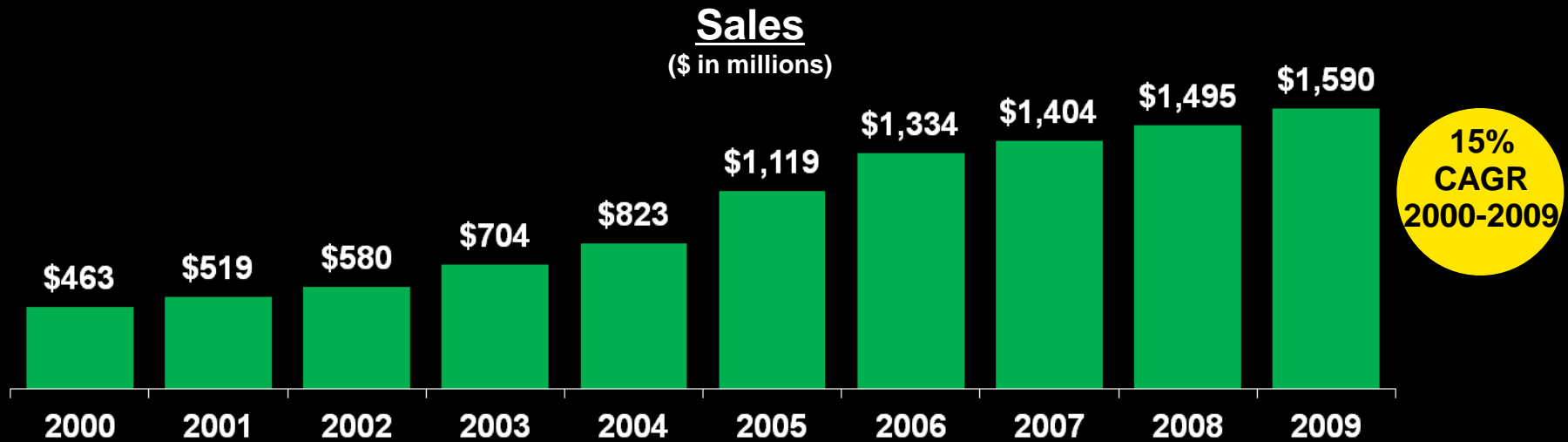


\$1.6 Billion in Sales in 2009

\$ in millions



Long Track Record of Growth



margin	8.7%	9.9%	10.6%	11.3%	12.3%	12.6%	11.7%	10.4%	9.9%	13.4%
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* Excludes non-recurring charges in certain years.

Our Focus



- **Lead the market in product value**
- **Strengthen brand presentation**
- **Expand the reach of our brands**
- **Realize the potential of the *OshKosh* brand**
- **Continue to expand operating margins**

Summary



- **Leader in young children's apparel**
- **Very attractive market; growing share**
- **Less discretionary purchase**
- **Favorable demographics**
- **Positive outlook for growth**

Forward-looking Statements and Other Information

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 February 25, 2010, 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 fiscal 2010 or any other future period, assessment 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 should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected. Factors that could cause actual results to materially differ include: a decrease in sales to, or the loss of one or more of, the Company's key customers; increased competition in the baby and young children's apparel market; the acceptance of the Company's products in the marketplace; deflationary pricing pressures; the Company's dependence on foreign supply sources; failure of the Company's foreign supply sources to meet its quality standards or regulatory requirements; negative publicity; leverage, which increases the Company's exposure to interest rate risk and could require the Company to dedicate a substantial portion of its cash flow to repay debt principal; an inability to access suitable financing due to the current economic environment; a continued decrease in the overall value of the United States equity markets due to the current economic environment; a continued decrease in the overall level of consumer spending; changes in consumer preference and fashion trends; seasonal fluctuations in the children's apparel business; the impact of governmental regulations and environmental risks applicable to the Company's business; the risk that ongoing litigation and investigations may be resolved adversely, including those related to the Company's recently announced restatements; the breach of the Company's consumer database; the ability of the Company to adequately forecast demand, which could create significant levels of excess inventory; the ability of the Company to identify new retail store locations, and negotiate appropriate lease terms for the retail stores; the ability to attract and retain key individuals within the organization; failure to achieve sales growth plans, cost savings, and other assumptions that support the carrying value of the Company's intangible assets; and the Company's inability to remediate its material weaknesses. Many of these risks are further described in the Company's most recently filed Quarterly Report on Form 10-Q and other reports filed with the Securities and Exchange Commission under the heading "Risk Factors" and "Forward-Looking Statements." All information is provided as of February 25, 2010. The Company undertakes no obligation to publicly update or revise any forward-looking statements or other information, whether as a result of new information, future events, or otherwise.

Thank You!



Appendix

GAAP to Adjusted Operating Income Reconciliation (\$ in millions)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	CAGR
Operating income - as reported (GAAP)	\$40.5	\$31.7	\$60.6	\$74.6	\$100.6	\$119.2	\$155.6	(\$14.2)	\$140.0	\$195.6	19.1%
Workforce reduction										5.5	
Barnesville, GA distribution center closure costs										3.3	
OshKosh, WI office asset impairment charges										1.2	
Professional fees associated with customer support investigation										5.7	
OshKosh intangible asset impairment								154.9			
Executive retirement charges									5.3		
White House, TN distribution center closure costs and asset write-down								5.3	2.6	0.7	
Mexican sewing facility closure charges						6.8					
Costa Rican sewing facility closure charges				1.0	0.6						
Accelerated depreciation on facility closures				1.3		1.6		2.1		1.0	
Berkshire Partners management fee termination				2.6							
Write-off of IPO expenses			0.9								
Barnesville, GA textile facility closure charges and write-down			0.2								
Barnesville, GA print facility closure charges and write-down		2.7									
Harlingen, TX sewing facility closure charges		1.3									
Berkshire Partners acquisition related expenses		11.3									
Inventory step-up expense		4.5				13.9					
Reversal of performance-related stock-based compensation								(2.7)			
		19.8	1.1	4.9	0.6	22.3		159.6	7.9	17.4	
Operating income - as adjusted	\$40.5	\$51.6	\$61.6	\$79.6	\$101.2	\$141.5	\$155.6	\$145.4	\$147.9	\$213.0	20.3%
<i>Operating margin %</i>	<i>8.7%</i>	<i>9.9%</i>	<i>10.6%</i>	<i>11.3%</i>	<i>12.3%</i>	<i>12.6%</i>	<i>11.7%</i>	<i>10.4%</i>	<i>9.9%</i>	<i>13.4%</i>	