

A young girl with a yellow bow in her hair, wearing a white dress with large yellow and orange floral patterns, is gently petting a small white lamb. They are in a lush garden with green hedges and colorful flowers in the background.

carter's[®]
babies and kids

BANK OF AMERICA MERRILL LYNCH
2011 Consumer Conference

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 March 2, 2011, 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 first quarter of fiscal 2011 and fiscal 2011, 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; the acceptance of the Company's products in the marketplace; changes in consumer preference and fashion trends; seasonal fluctuations in the children's apparel business; negative publicity; the risk that ongoing litigation may be adversely resolved and that ongoing litigation and investigations may result in substantial expenses; the breach of the Company's consumer databases; increased production costs; deflationary pricing pressures and customer acceptance of higher selling prices; a continued decrease in the overall level of consumer spending; the Company's dependence on foreign supply sources; failure of foreign supply sources to meet the Company's quality standards or regulatory requirements; the impact of governmental regulations and environmental risks applicable to the Company's business; the loss of a sourcing agent; increased competition in the baby and young children's apparel market; the ability of the Company to identify new retail store locations, and negotiate appropriate lease terms for the retail stores; the ability of the Company to adequately forecast demand, which could create significant levels of excess inventory; failure to achieve sales growth plans, cost savings, and other assumptions that support the carrying value of the Company's intangible assets; and the ability to attract and retain key individuals within the organization. Many of these risks are further described in the Company's most recently filed Quarterly Report on Form 10-k 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 March 2, 2011. 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.

carter's
babies and kids

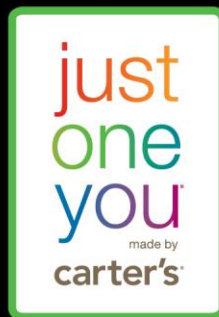
OSHKOSH
Bigosh

- **Best known brands in young children's apparel**
- **#1 share of a large market**
- **Favorable demographics**
- **Broad and expanding distribution**
- **Long track record of growth**
- **\$1.7 billion in sales**



Leading Brands in Multiple Channels

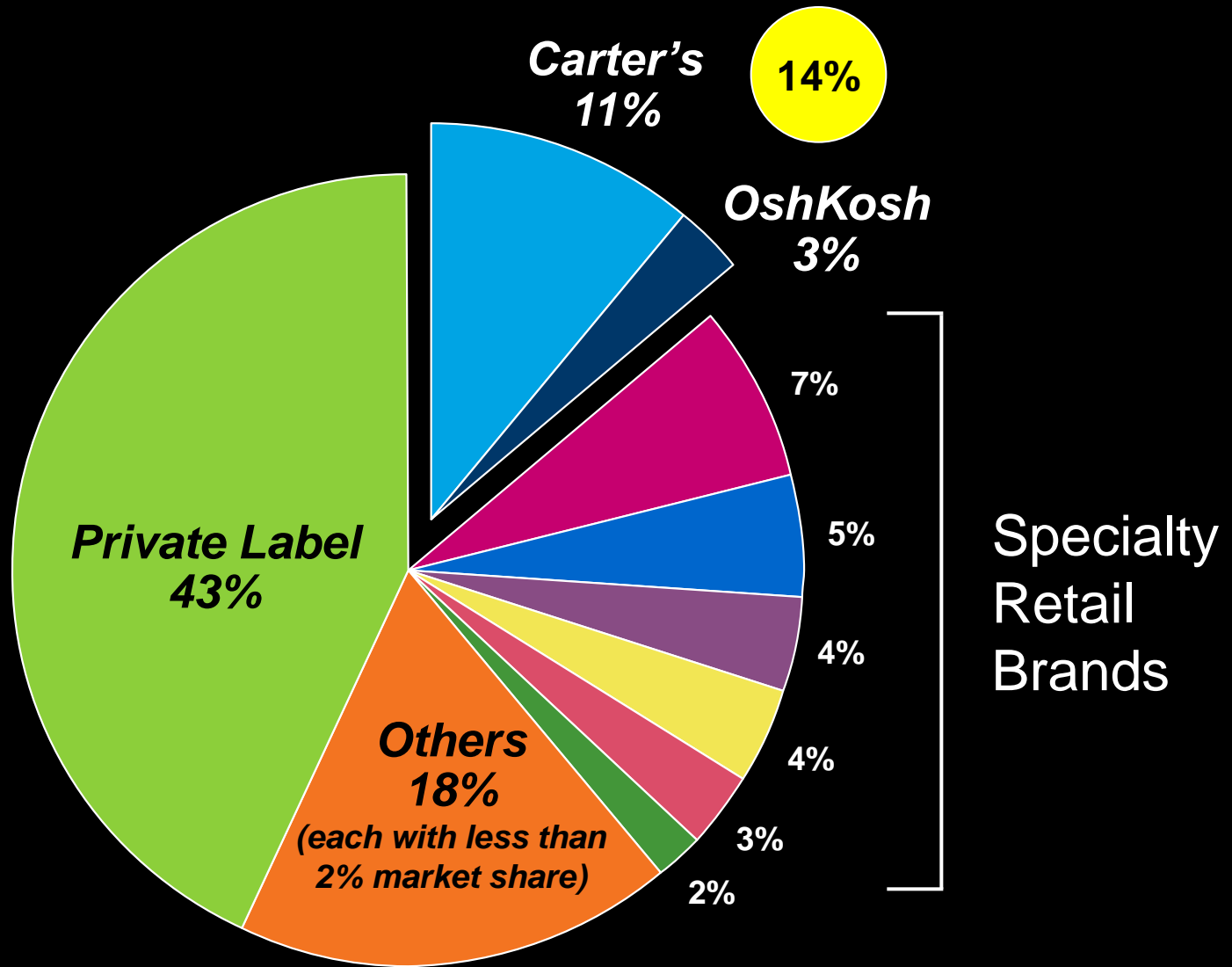
BRANDS



CHANNELS

- Wholesale
- Retail
- International
- eCommerce
- Mass

Largest Share of a \$22 Billion Market



Source: NPD Fashionworld, Children's 0-7 apparel market share in the \$22.2 billion market - 12 months ending December 2010, includes mass channel
Note: Carter's market share includes *Child of Mine* & *Just One Year*

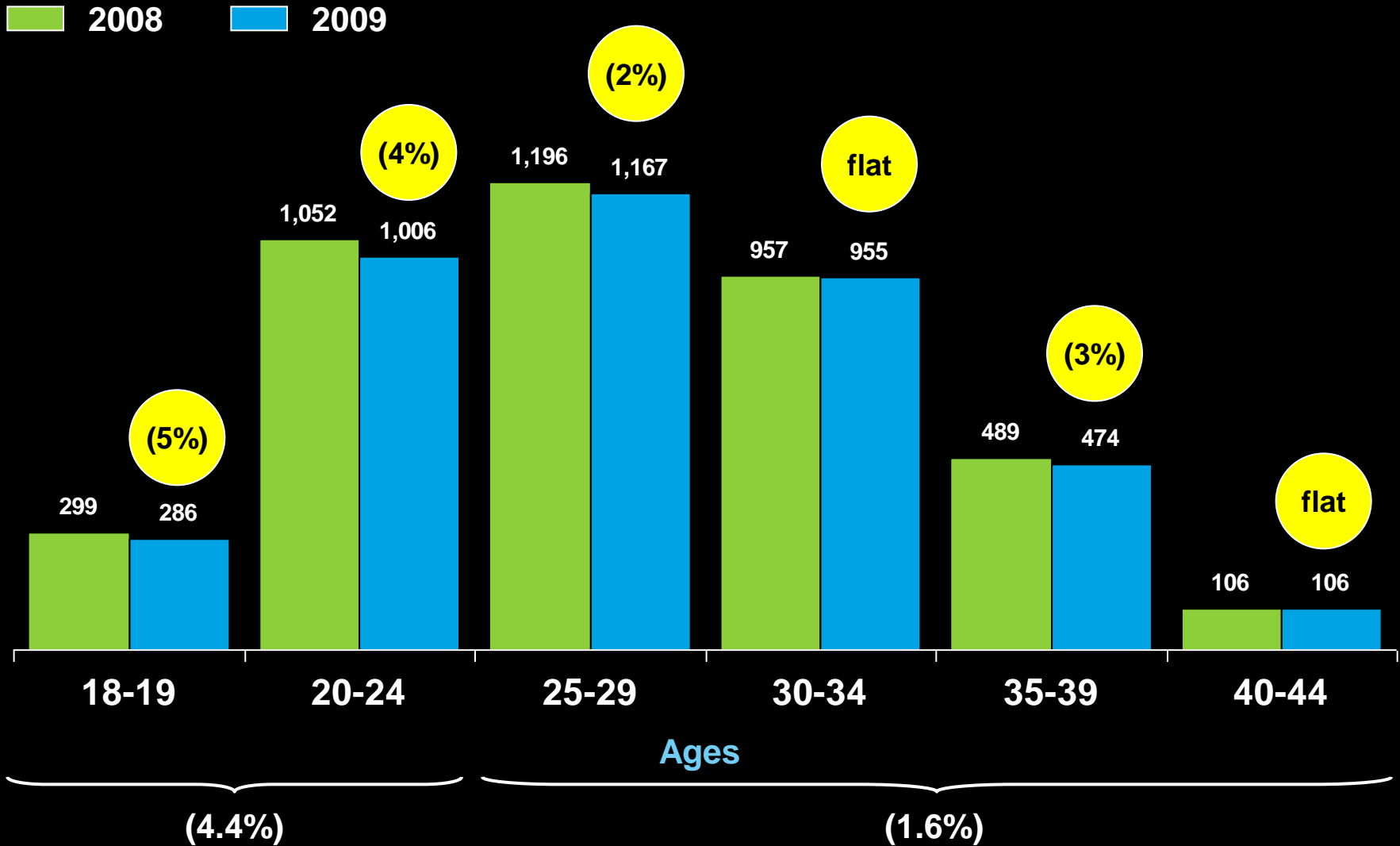


Favorable Demographics

- **Over 4 million births annually in the U.S.**
- **Record number of births in 2007**
- **Approximately 40% of births are to first time moms**

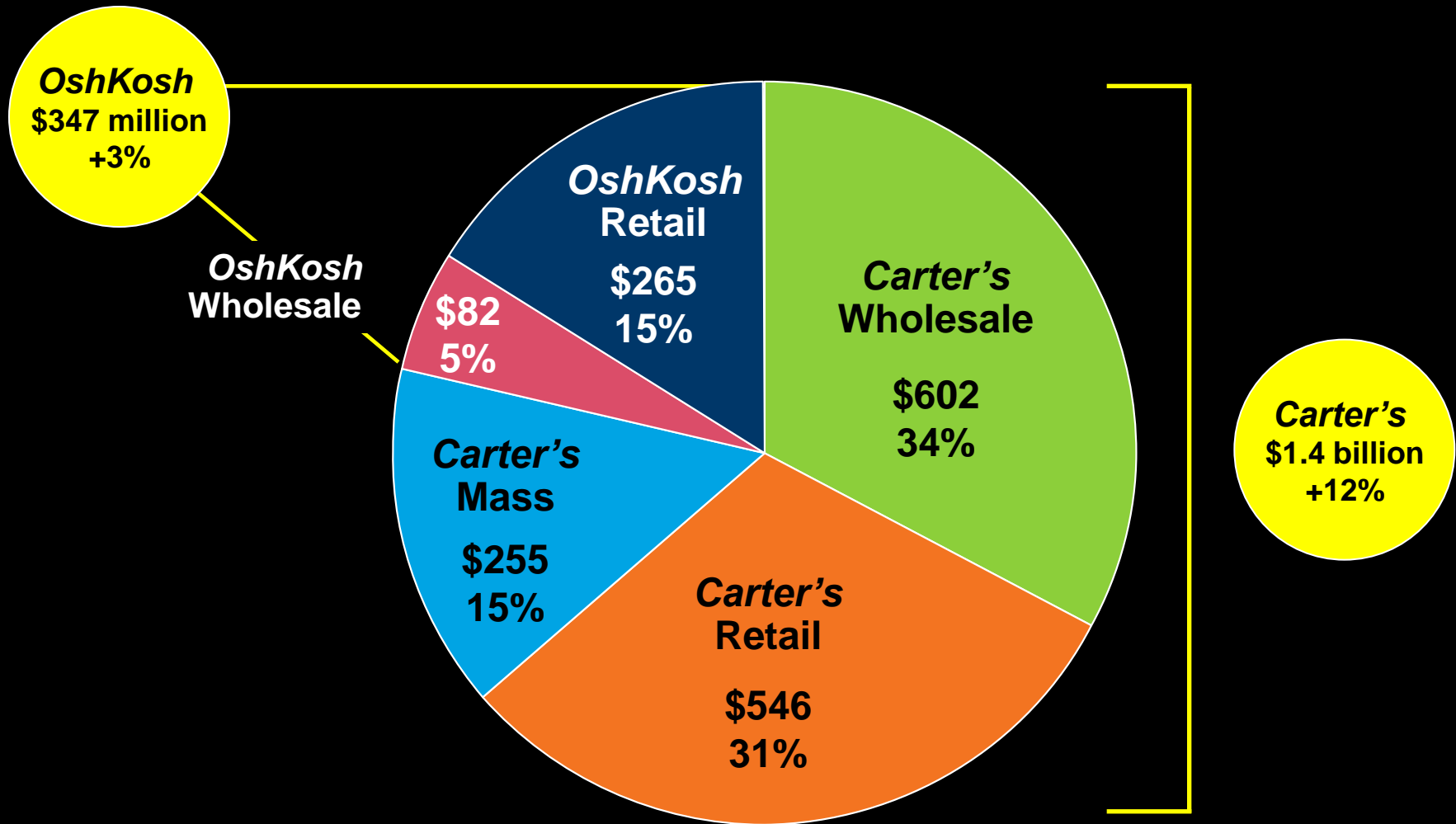
Births in the U.S.

(births in thousands)



\$1.7 Billion in Sales in 2010, +10%

\$ in millions



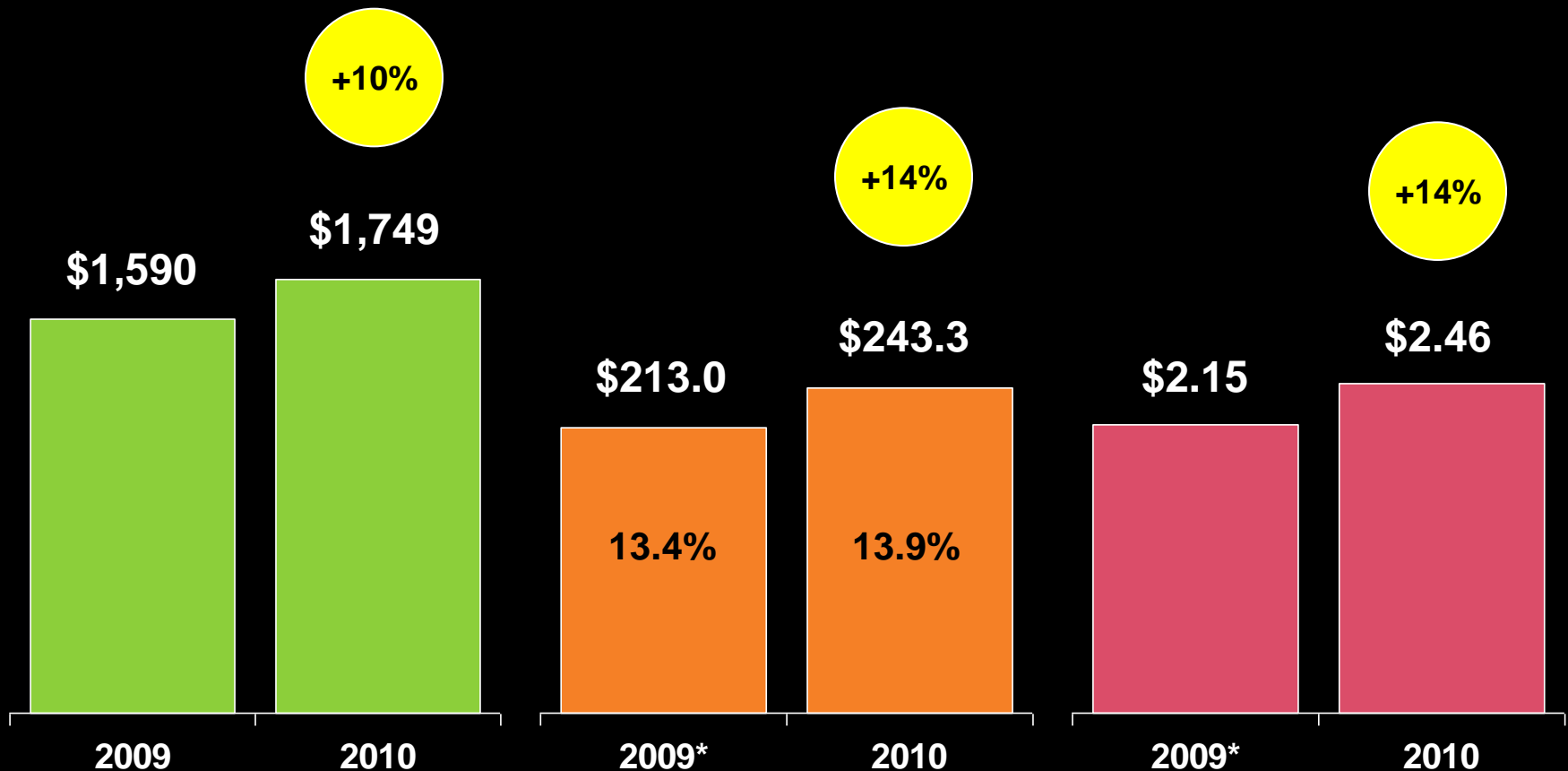
Strong Fiscal 2010 Performance

\$ in millions, except EPS

NET SALES

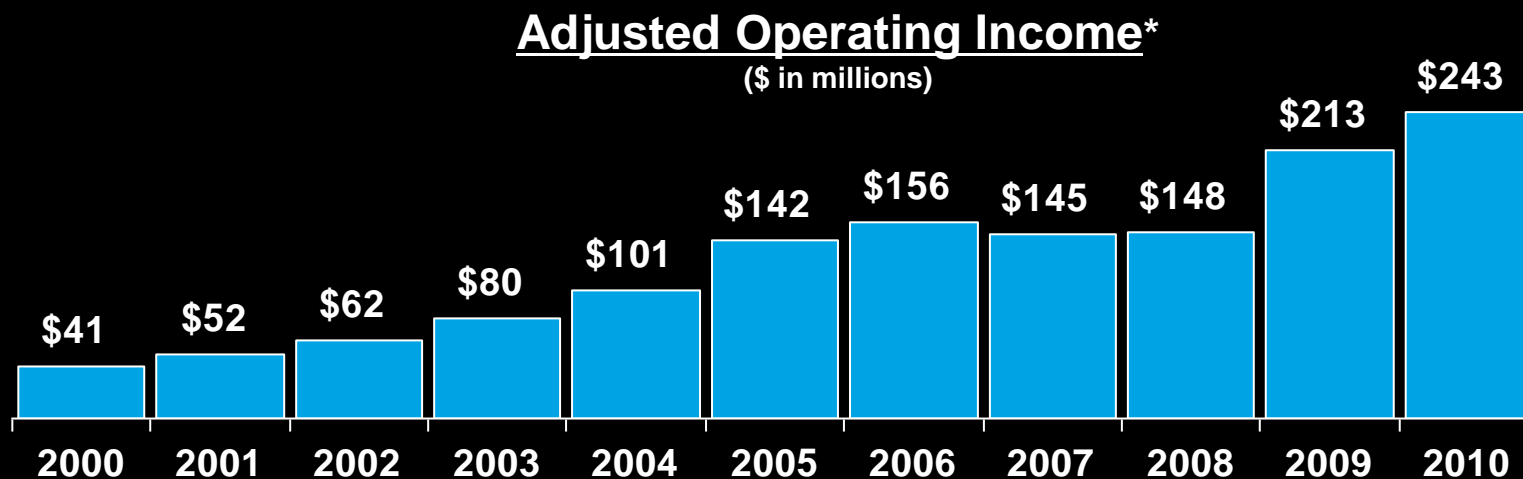
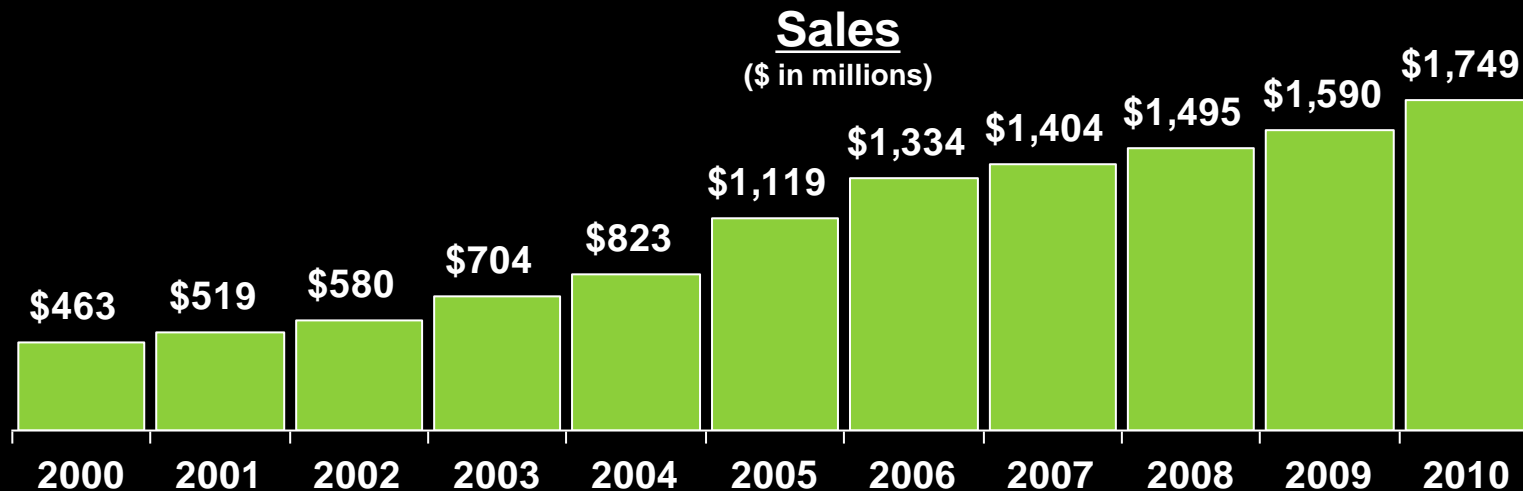
ADJUSTED EBIT

ADJUSTED EPS



* Excludes non-recurring charges (see appendix)

Long Track Record of Growth



margin*	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	8.7%	9.9%	10.6%	11.3%	12.3%	12.6%	11.7%	10.4%	9.9%	13.4%	13.9%

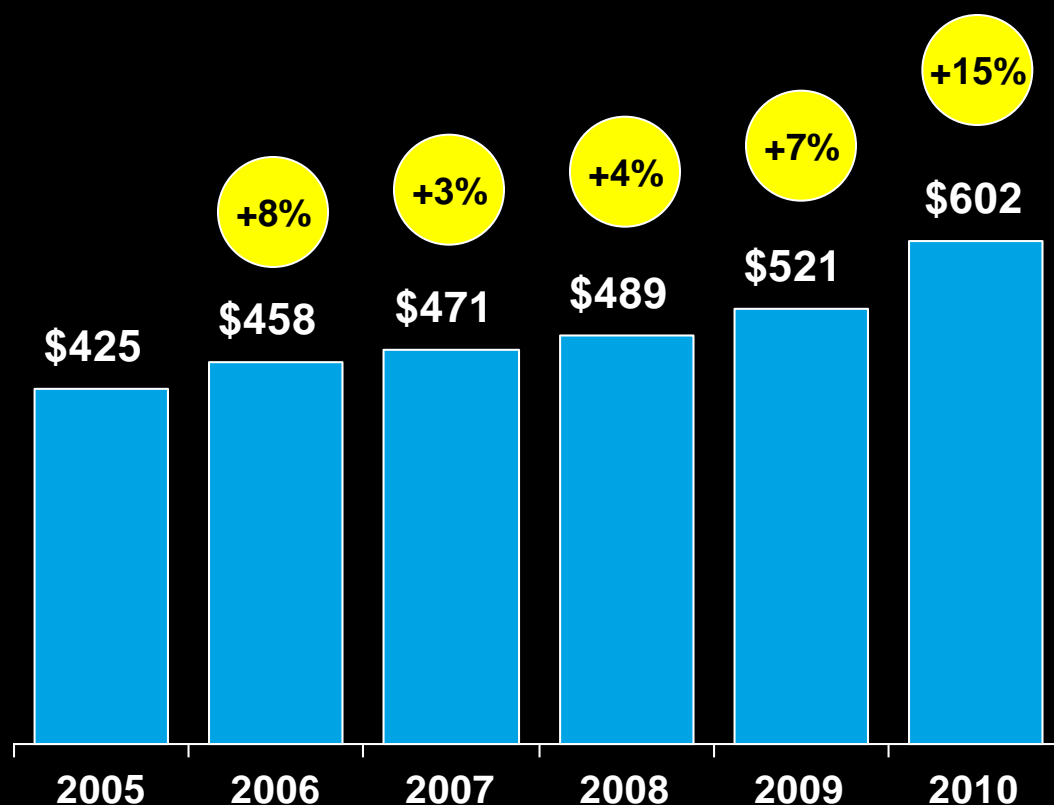
* Excludes non-recurring charges in certain years

Largest Supplier of Young Children's Apparel to the Largest Retailers

Carter's Wholesale Net Sales

(Growth vs. LY)

2005-2010 CAGR 9%



Sources of Growth

- Comps
- Door growth
- Incremental space
- Product innovation
- Online growth

Carter's at Kohl's



Carter's at Macy's



Carter's at JCPenney



carter's
so-simple
sizing

nb newborn	8.5 lb - 12.5 lb / 38 cm - 51 cm
3 months	9.25 lb - 14 lb / 40 - 47 cm 11.5 lb / 50 cm
6 months	12.5 - 16.3 lb / 57 - 72 cm 16.3 lb / 65 cm
9 months	16.5 - 20.5 lb / 72.5 - 77 cm 20.5 - 25.5 lb / 82.5 cm

Carter's at Babies "R" Us



Carter's at Belk (before)



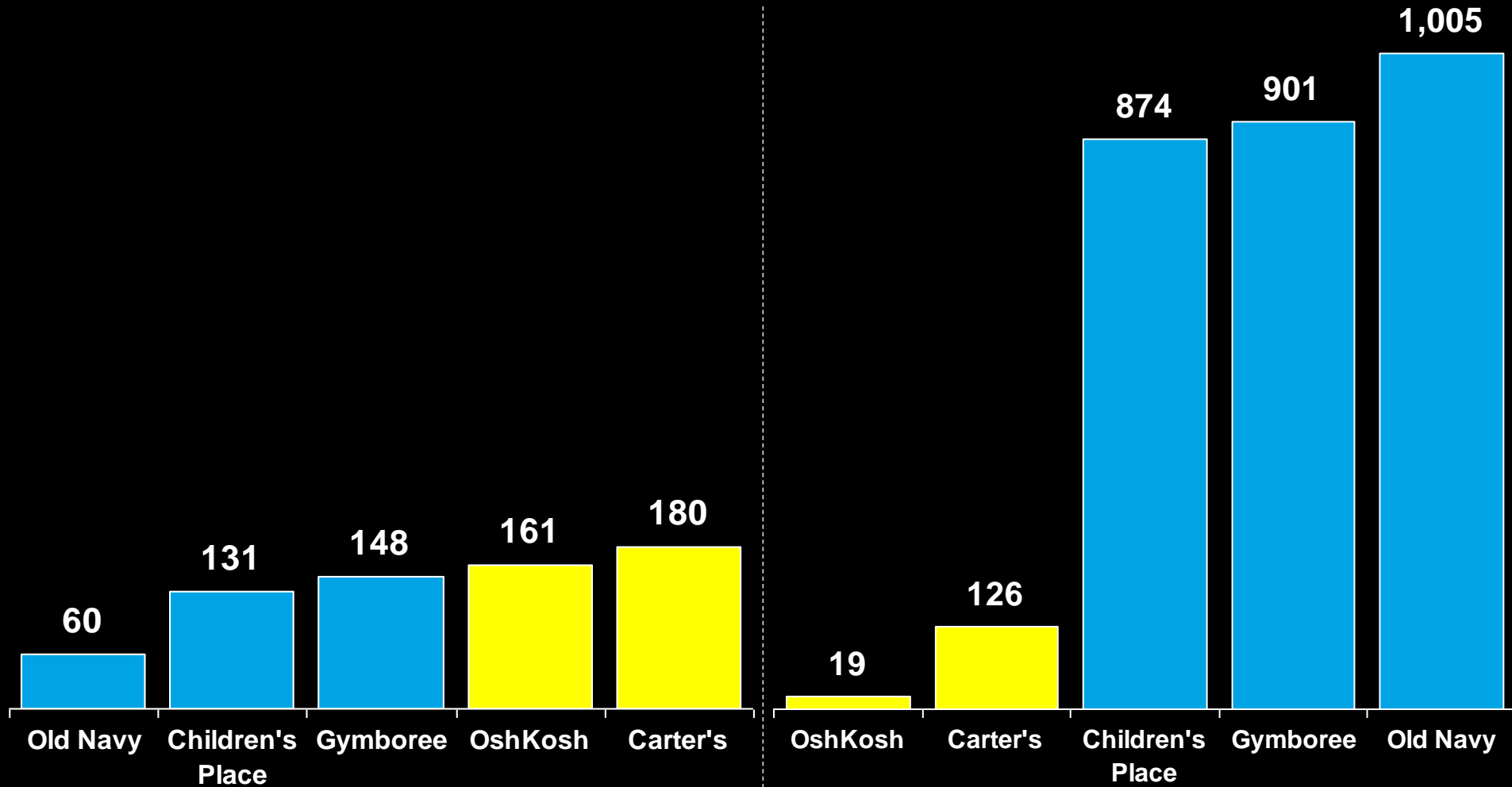
Carter's at Belk (after)



Retail Opportunity

Outlet Stores

Brand Stores



Carter's Store – Milford, Connecticut



OshKosh B'gosh Store – Paramus, New Jersey



OshKosh Mall Store – Denver, Colorado





International

- Presence in more than 40 countries
- 162 free-standing *OshKosh* brand stores, 781 shop-in-shops
- Largest markets
 - Japan
 - Canada
 - Australia
 - Korea

Canada



Canada



OshKosh
B'gosh.

GIRLS 4-6x

2-3x

GIRLS 3-24m

kids

carter's
accessories

carter's
accessories

OshKosh
ACCESSORIES

China



SINCE 1895
OshKosh
B'gosh

品牌介绍
OSH KOSH B'GOSH 是全球知名童装的领导品牌，拥有精湛的工艺制作，经典的品牌设计，为广大家庭所推崇，现已成为全球儿童服装的首选品牌。
OSH KOSH B'GOSH 总部位于1891年创立于美国的威明顿市，经过100多年的发展，历史悠久，年销售额已达5亿美元，产品远销于全球90多个国家，上海西商奥尚服饰有限公司作为 OSH KOSH B'GOSH 在中国的总代理商，将此品牌推荐给中国引入国内，使其成为儿童的父母们更好的选择。
U.S. OSH KOSH



OshKosh
B'gosh

夏 Summer

OshKosh
B'gosh

Indonesia



United Arab Emirates



Philippines



Korea

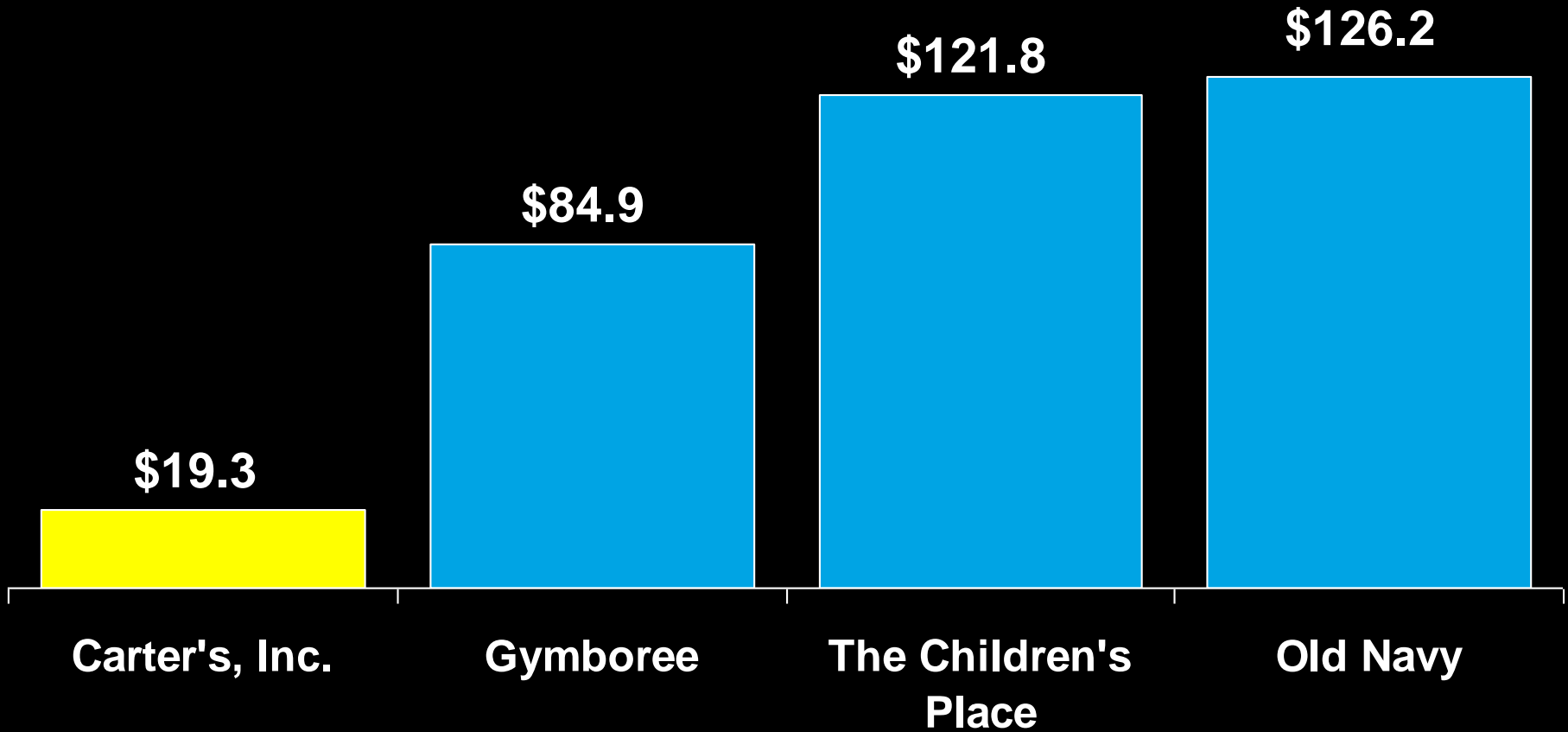


Thailand



Our Online Business is in its Infancy

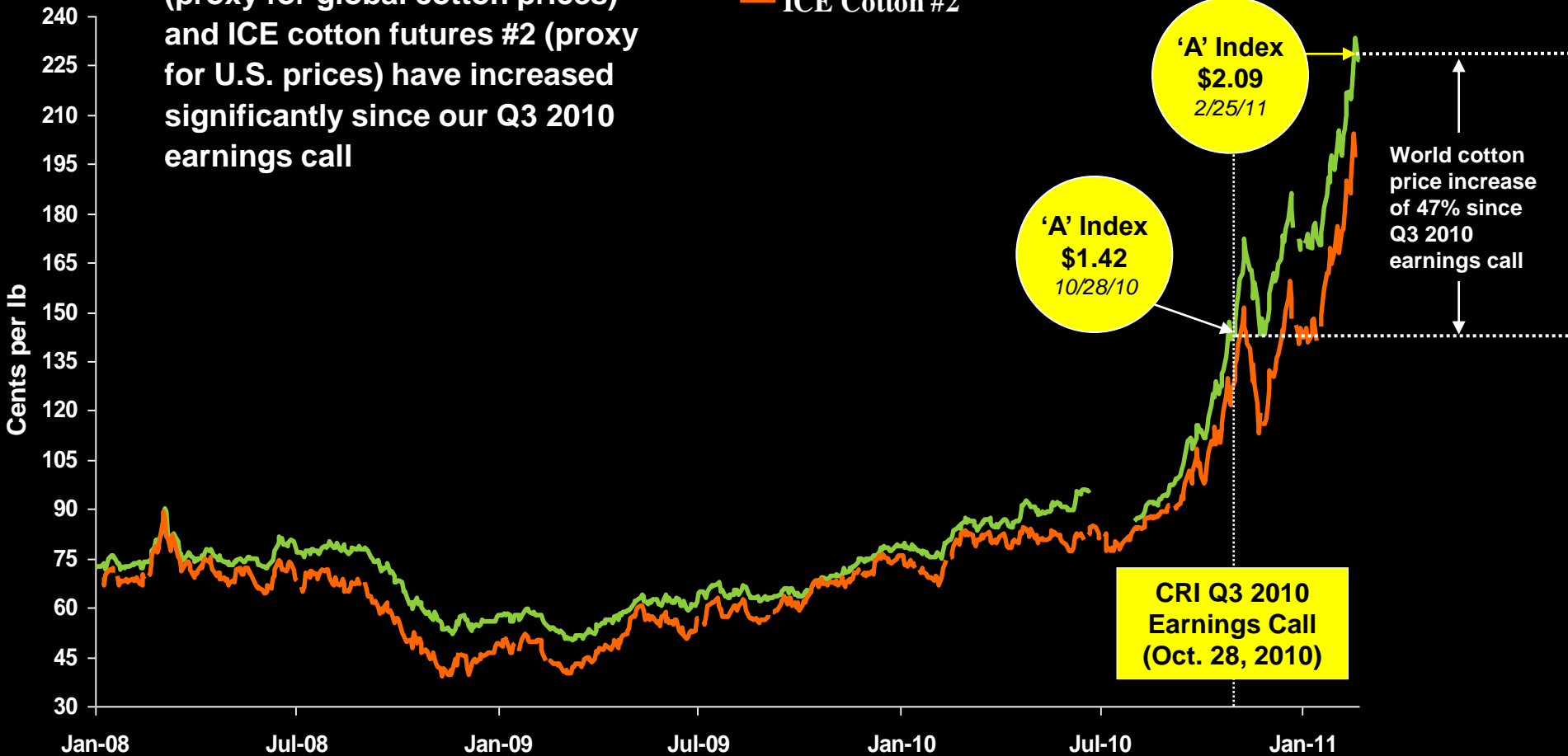
\$ in millions



Abnormal Spike in Product Costs

Two principal indices, 'A' Index (proxy for global cotton prices) and ICE cotton futures #2 (proxy for U.S. prices) have increased significantly since our Q3 2010 earnings call

— Cotlook 'A' Index
— ICE Cotton #2



Breaks in the price curves represent dates where indices were not reported
Source: ⁽¹⁾ Cotton Outlook and ⁽²⁾ ICE

In Summary...

- **Best known brands in children's apparel**
- **Broad reach – multiple brands in multiple channels**
- **Favorable demographics**
- **Multiple organic growth opportunities**



Appendix

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	CAGR
Net Sales	\$463.4	\$518.5	\$579.5	\$703.8	\$822.7	\$1,119.3	\$1,333.9	\$1,404.0	\$1,494.5	\$1,589.7	\$1,749.3	14.2%
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	\$243.3	19.6%
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	\$243.3	19.6%
<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>	<i>13.9%</i>	

Thank You!

