

carter's®

*Fourth Quarter / Fiscal 2012
Business Update*

February 27, 2013



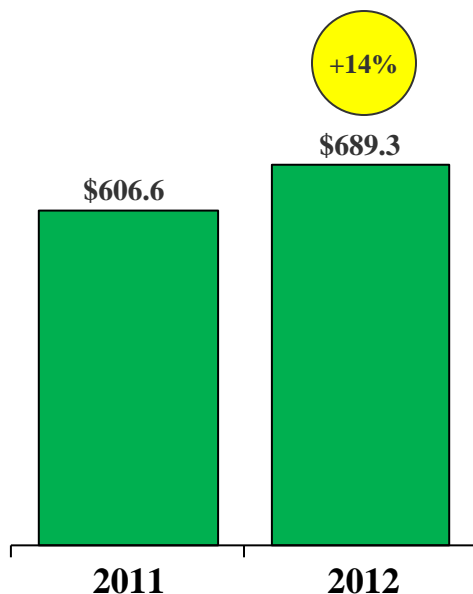


Fourth Quarter 2012 Results

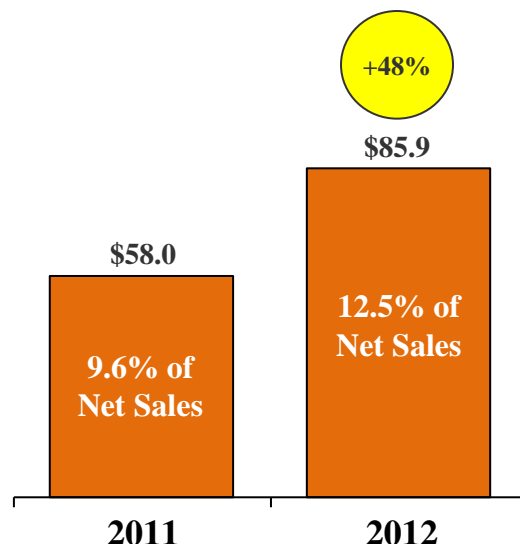
Fourth Quarter Highlights

\$ in millions, except EPS

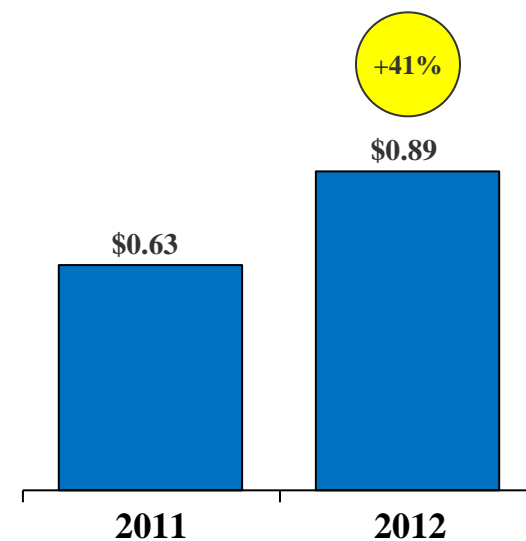
NET SALES



ADJUSTED OPERATING INCOME*



ADJUSTED EPS*

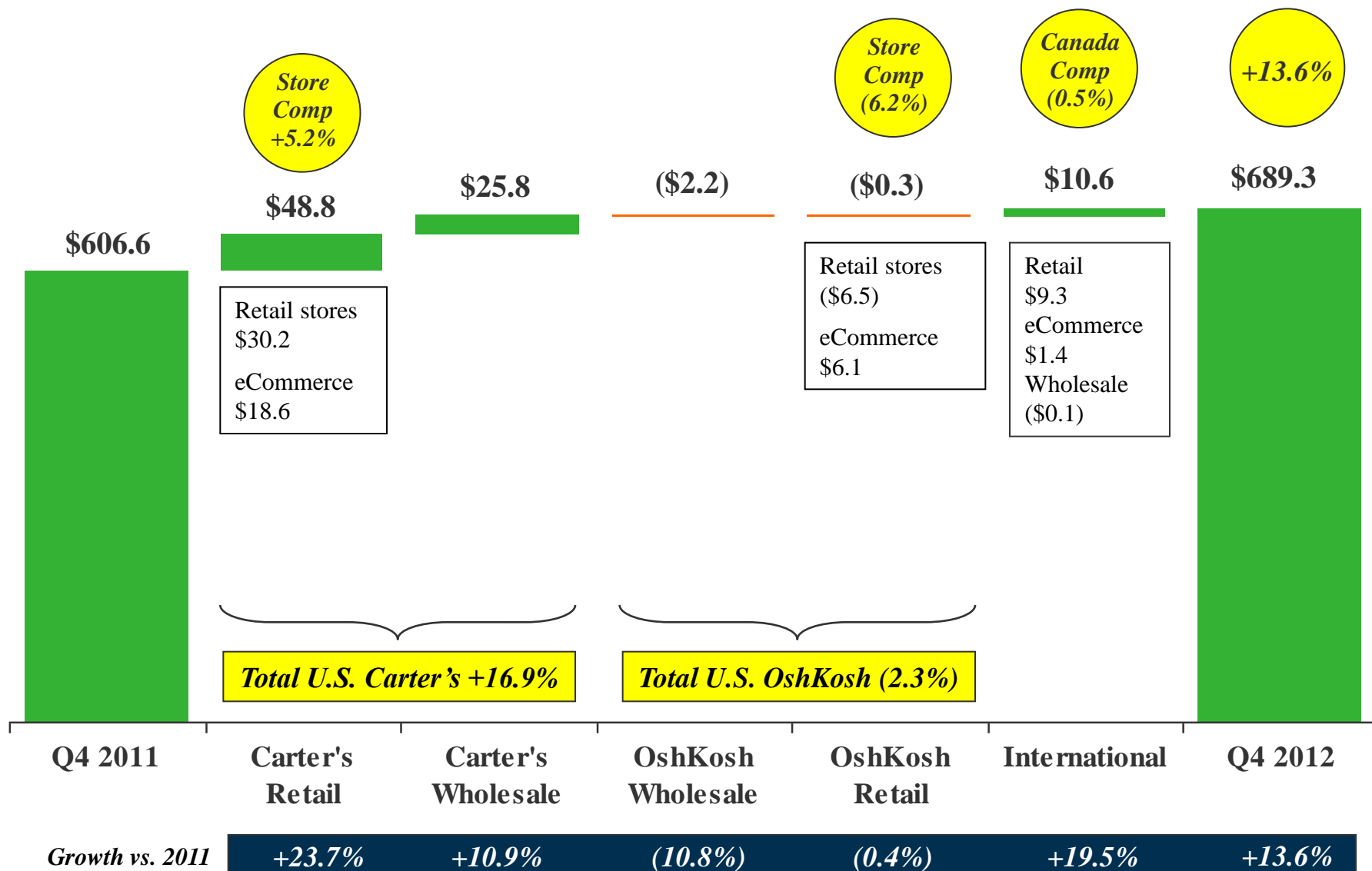


* Results are stated on an adjusted basis; see reconciliation to GAAP on page 22.

- Sales growth driven by Carter's Retail, eCommerce, and International businesses
 - U.S. net sales +13%
 - Carter's brands +17%
 - OshKosh B'gosh brand (2%)
 - International net sales +20%; 9% of total Company sales
- Strong growth in earnings driven by gross margin expansion

Fourth Quarter 2012 Net Sales

\$ in millions



Note: Results may not be additive due to rounding.

Fourth Quarter Adjusted Results*

\$ in millions, except EPS

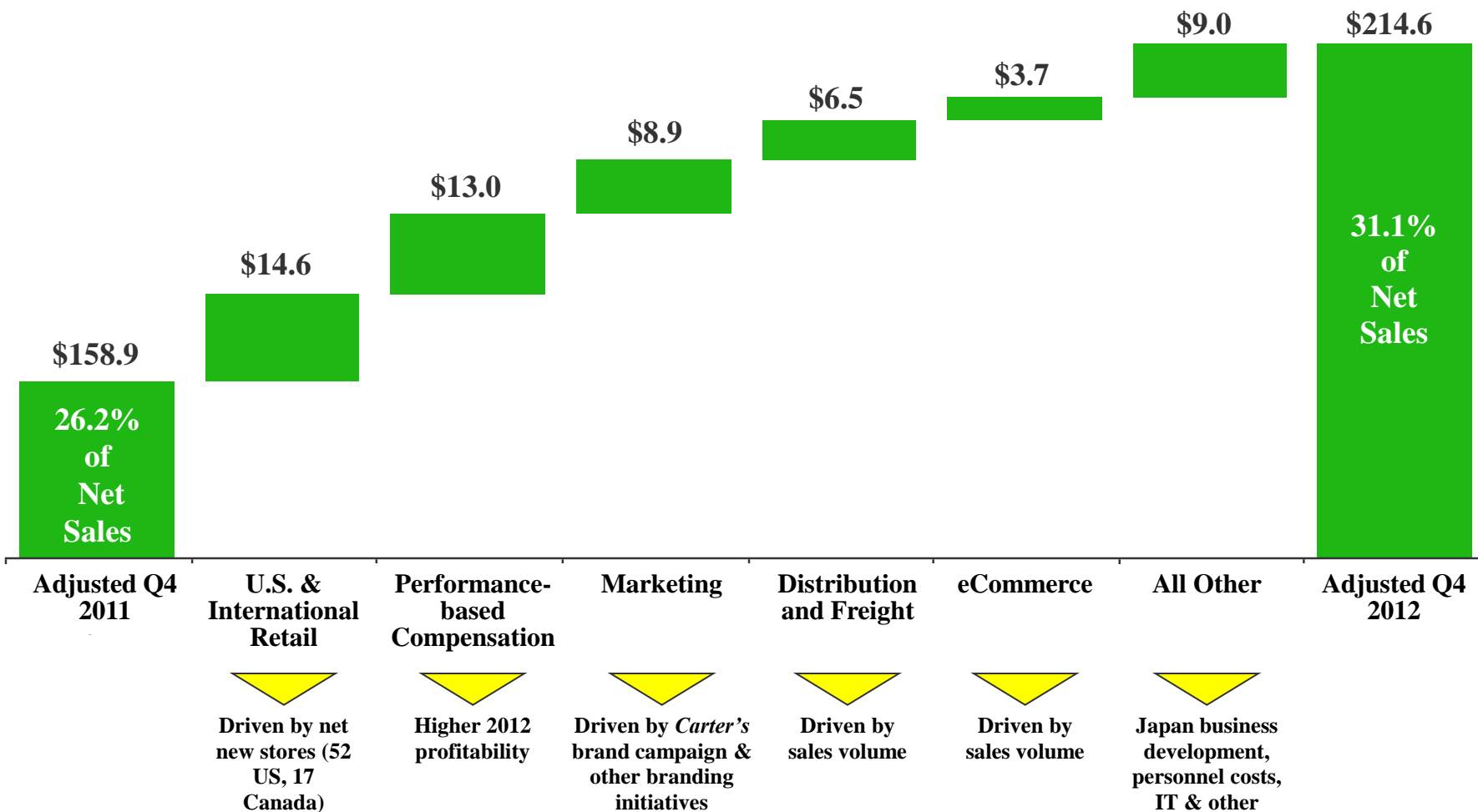
	Q4 2012	% of sales	Q4 2011	% of sales	Increase (Decrease)
Net sales	\$689.3		\$606.6		14%
Adjusted gross profit*	289.9	42.1%	207.8	34.2%	40%
Adjusted SG&A*	214.6	31.1%	158.9	26.2%	35%
Royalty income	(10.5)	(1.5%)	(9.2)	(1.5%)	15%
Adjusted operating income*	85.9	12.5%	58.0	9.6%	48%
Interest and other, net	1.3	0.2%	1.6	0.3%	(16%)
Adjusted income before taxes	84.5	12.3%	56.4	9.3%	50%
Income taxes	30.9	4.5%	19.2	3.2%	61%
Adjusted net income*	\$53.7	7.8%	\$37.3	6.1%	44%
Adjusted earnings per diluted share*	\$0.89		\$0.63		41%
Weighted average diluted share count	59.2		58.6		

* Results are stated on an adjusted basis; see reconciliation to GAAP on page 22.

Note: Results may not be additive due to rounding.

Fourth Quarter Results – Adjusted SG&A*

\$ in millions



* Adjusted for significant one-time expenses. See page 22 for GAAP reconciliation.



Fourth Quarter Business Segment Performance

Fourth Quarter Adjusted Business Segment Performance

\$ in millions

	Net Sales			Operating Income (Loss)			Operating Margin		BPS
	2012	2011	\$ Growth	2012	2011	\$ Growth	2012	2011	Growth / (Decline)
Carter's Wholesale (a)	\$262	\$236	\$26	\$44	\$29	\$15	16.6%	12.1%	
Carter's Retail (b)	255	206	49	52	34	19	20.5%	16.3%	
Total Carter's	\$517	\$442	\$75	\$96	\$62	\$34	18.6%	14.1%	450 bps
OshKosh Wholesale (c)	\$18	\$21	(\$2)	\$1	(\$1)	\$2	5.2%	(3.1%)	
OshKosh Retail (b)	89	89	(0)	6	(0)	6	6.2%	(0.3%)	
Total OshKosh	\$107	\$110	(\$3)	\$6	(\$1)	\$7	6.0%	(0.8%)	680 bps
International (d)(e)	\$65	\$54	\$11	\$15	\$13	\$2	23.3%	23.9%	(60) bps
Corporate expenses (e)				(32)	(16)	(15)	(4.6%)	(2.7%)	
Total (e)	\$689	\$607	\$83	\$86	\$58	\$28	12.5%	9.6%	290 bps

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

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

(c) Operating income and operating margin include Genuine Kids net royalty income.

(d) Net sales include international retail, eCommerce, and wholesale sales. Adjusted operating income includes international licensing income.

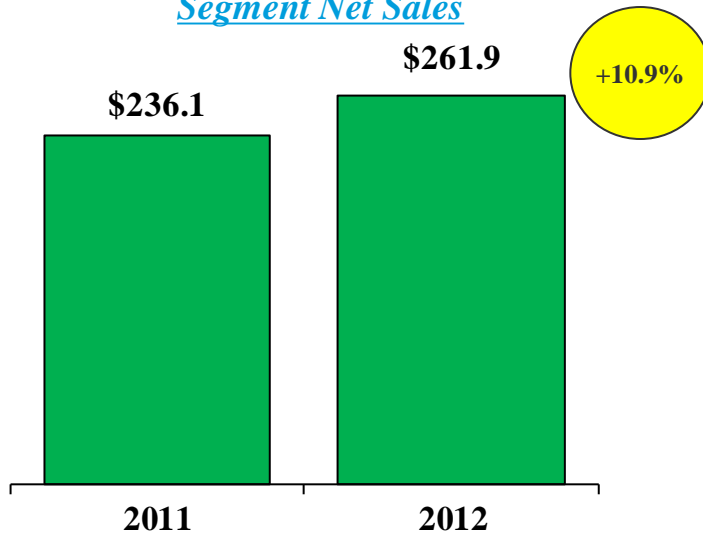
(e) See reconciliation of reported (GAAP) results to results as adjusted on page 22.

Note: Results may not be additive due to rounding.

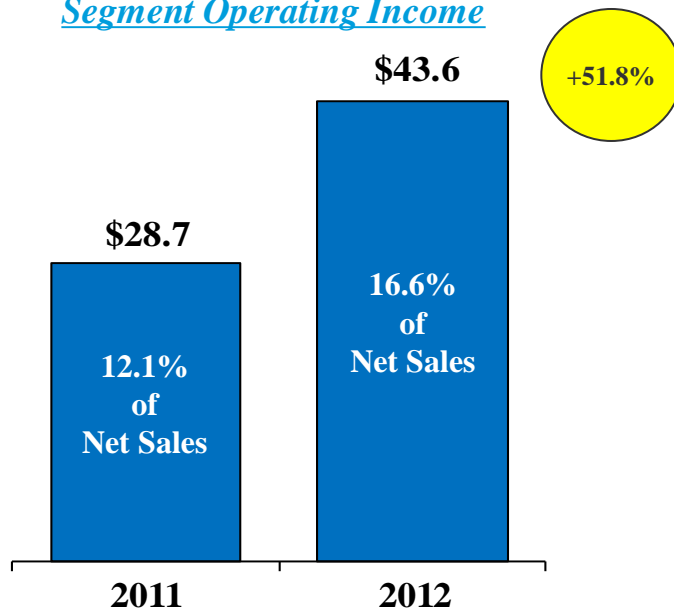
Fourth Quarter Highlights – *Carter's* Wholesale

\$ in millions

Segment Net Sales



Segment Operating Income



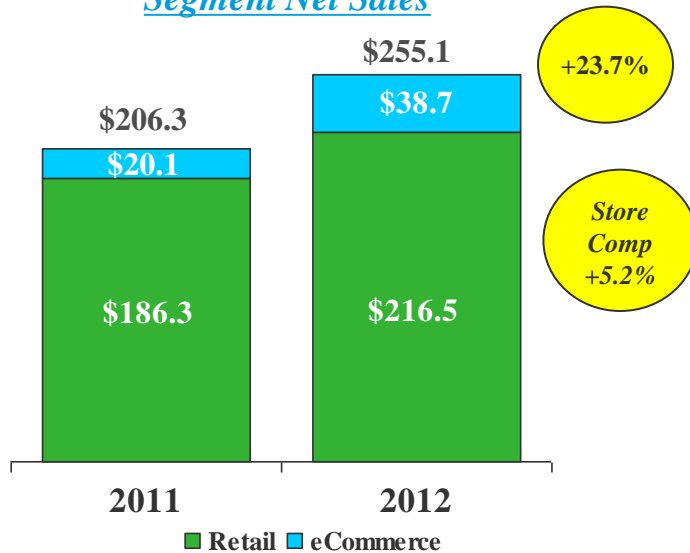
HIGHLIGHTS

- Good growth across the *Carter's* brands driven by strong replenishment demand
- Fall over-the-counter sales up high-single digits vs. LY across major national retail customers with improved AURs
- Operating margin improvement driven by lower product costs and effective inventory management
- Fall 2013 bookings planned up mid-single digits
- Forecasting full year 2013 net sales growth in the mid-single digit range

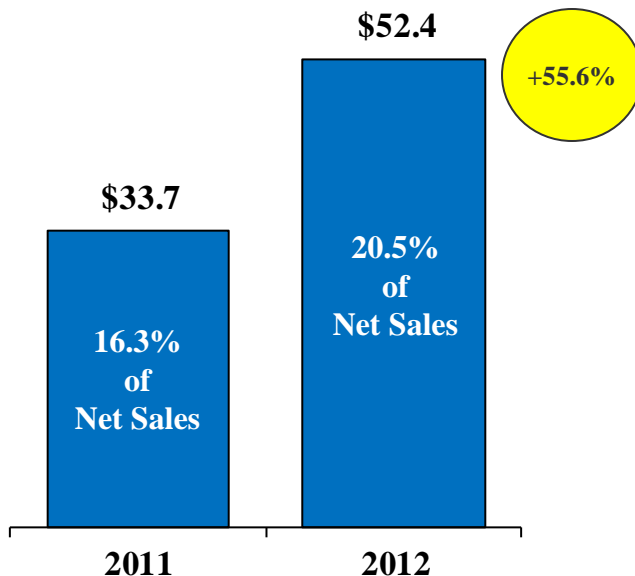
Fourth Quarter Highlights – *Carter's* Retail

\$ in millions

Segment Net Sales



Segment Operating Income



HIGHLIGHTS

Retail Stores

- Comp sales +5.2% vs. +7.2% LY
 - Higher average transaction value and number of transactions
- All product categories comped positively
- Opened 16 stores in Q4, +54 stores vs. LY
- Q4 ending store count 413
 - 235 Brand
 - 178 Outlet
- Plan to open ~60 new stores in 2013

eCommerce

- Continued strong eCommerce growth (+93%)
- eCommerce Q4 net sales 15% of total segment net sales
- Total direct-to-consumer (stores + eCommerce) transactions +18% vs. Q4 LY

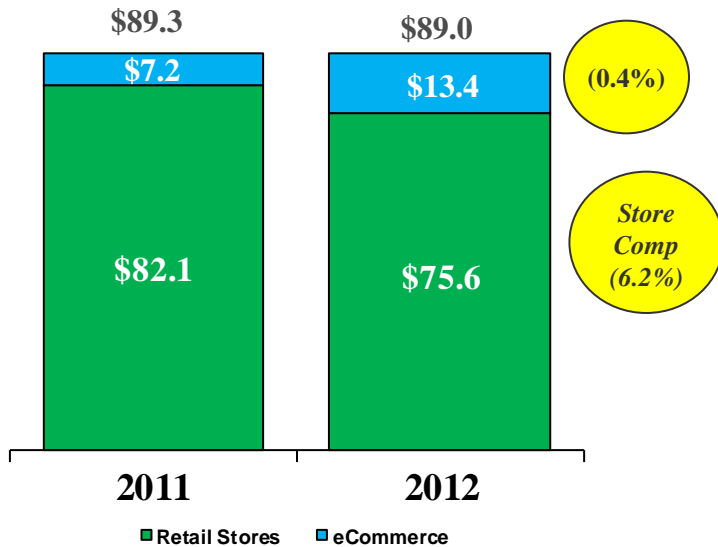
Segment Operating Income

- Profit improvement reflects strong sales growth, lower product costs, and improved inventory management

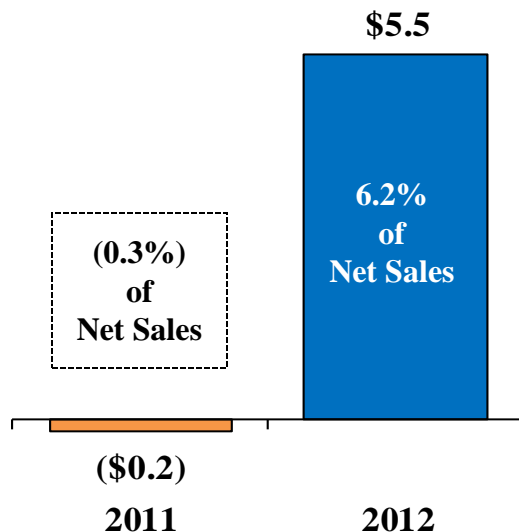
Fourth Quarter Highlights – OshKosh Retail

\$ in millions

Segment Net Sales



Segment Operating Income



HIGHLIGHTS

Retail Stores

- Comp sales (6.2%)
 - Average transaction value increased, number of transactions declined
- Opened 5 stores in Q4; operating 2 fewer stores vs. LY reflecting store portfolio management initiative
- Q4 ending store count: 168
 - 21 Brand/Mall
 - 147 Outlet
- Plan to open ~15 stores in 2013

eCommerce

- Continued good eCommerce momentum (+86%)
- eCommerce Q4 net sales 15% of total segment net sales
- Improvements across key metrics – traffic, conversion, orders, average order value

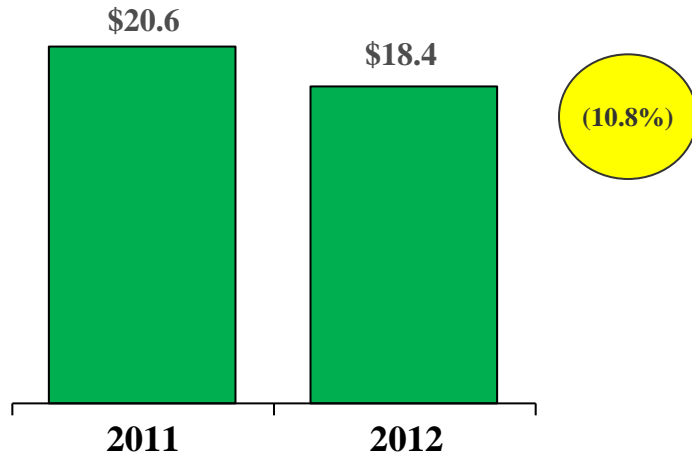
Segment Operating Income

- Profit improvement reflects improved assortments, lower product costs, and more effective inventory management

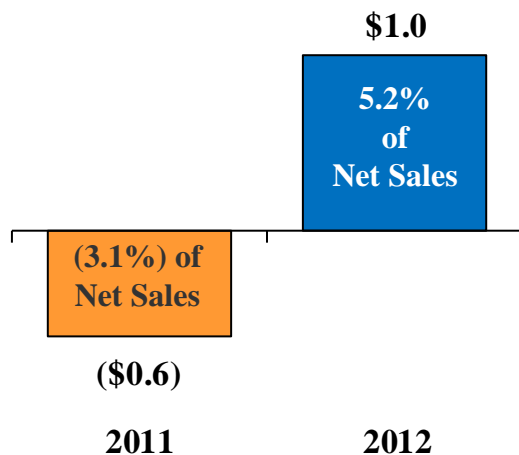
Fourth Quarter Highlights – *OshKosh* Wholesale

\$ in millions

Segment Net Sales



Segment Operating Income



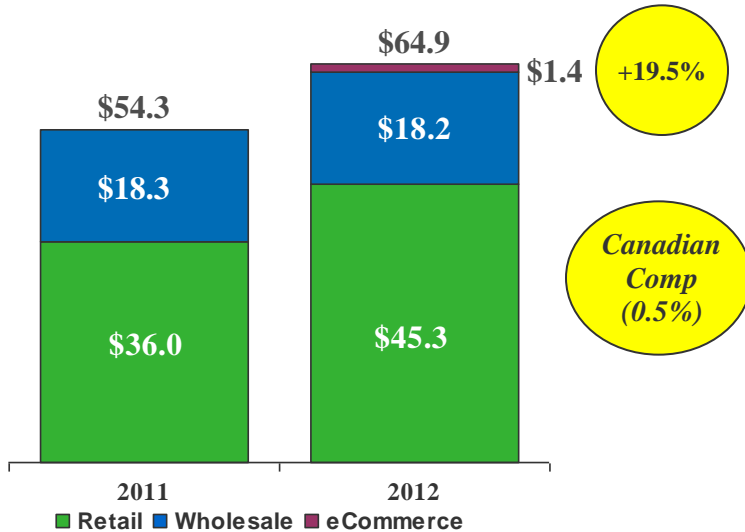
HIGHLIGHTS

- Sales performance reflects decline in off-price channel sales and lower bookings in the promotional channel
- Significant improvement in profitability
 - Operating margin improvement driven by greater mix of regular price sales and lower product costs
- Fall 2013 bookings planned down ~12%, in part due to lower up-front bookings in the promotional channel

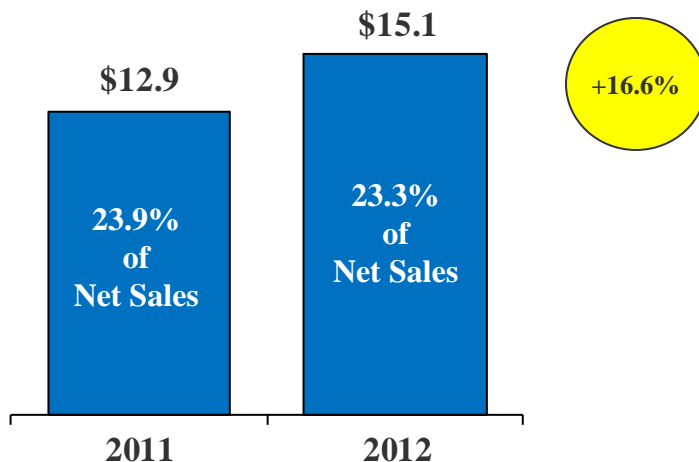
Fourth Quarter Highlights – International

\$ in millions

Segment Net Sales



Segment Operating Income



HIGHLIGHTS

Retail Stores

- Canadian retail store net sales +26% vs. LY; comp (0.5%)
 - *Carter's/OshKosh* stores comped +10.0%
- Opened four *Carter's/OshKosh* stores in Q4 (18 in 2012)
- Q4 ending store count: 82
 - 46 *Carter's/OshKosh*
 - 36 Bonnie Togs
- Plan to open ~20 *Carter's/OshKosh* stores in 2013

Wholesale

- Sales comparable in Q4 vs. LY; +18% in 2012

eCommerce

- Achieved >\$1 million in revenue in Q4
- Highest demand from Russia, Canada, and Japan
- Since Q2 launch have received orders from >100 countries

Segment Operating Income

- Segment operating income +17% vs. LY
- Q4 2012 margins reflect Japan-related business development expenses

Japan Opportunity



Background

- Commenced Japan operations in Q1 2013
- Acquired rights to sell *OshKosh* and *Carter's* from former principal licensee in Japan
 - ~100 retail points of distribution
 - Shop-in shops and branded retail stores
- Principally an *OshKosh* business; looking to build *Carter's*

Strategic Rationale

- Extends the reach of our brands internationally
- Large children's apparel market
- Multi-channel opportunity
 - Retail stores
 - Wholesale
 - eCommerce
- Opportunity to improve execution in merchandising, brand presentation, and sourcing



Fiscal 2012 Results

Fiscal 2012 Adjusted Results*

\$ in millions, except EPS

	2012	% of sales	2011	% of sales	Increase (Decrease)
Net sales	\$2,381.7		\$2,109.7		13%
Adjusted gross profit*	937.9	39.4%	699.0	33.1%	34%
Adjusted SG&A*	700.1	29.4%	536.6	25.4%	30%
Royalty income	(37.2)	(1.6%)	(37.3)	(1.8%)	0%
Adjusted operating income*	275.1	11.5%	199.7	9.5%	38%
Interest and other, net	6.6	0.3%	6.6	0.3%	0%
Adjusted income before taxes	268.5	11.3%	193.1	9.2%	39%
Income taxes	97.8	4.1%	69.9	3.3%	40%
Adjusted net income*	\$170.7	7.2%	\$123.2	5.8%	39%
Adjusted earnings per diluted share*	\$2.85		\$2.09		36%
Weighted average diluted share count	59.1		58.2		

* Results are stated on an adjusted basis; see reconciliation to GAAP basis on page 23.

Note: Results may not be additive due to rounding.

Balance Sheet and Cash Flow

HIGHLIGHTS

Balance Sheet (at Q4 end)

	\$ in millions	
	Q4 2012	Q4 2011
Cash	\$382.2	\$233.5
Accounts Receivable	\$168.0	\$157.8
Inventories	\$349.5	\$347.2
Accounts Payable	\$149.6	\$102.8
Long-Term Debt	\$186.0	\$236.0

Cash Flow (Fiscal Year)

	2012	2011
Operating Cash Flow	\$278.6	\$81.1
CapEx	(83.4)	(45.5)
Free Cash Flow	\$195.2	\$35.6

- Strong balance sheet and liquidity
- Inventory position up slightly over prior year driven by business growth, partially offset by lower product costs (units +9% vs. LY)
- Paid down \$50 million of debt under revolving credit facility in Q2
- Strong operating cash flow driven by higher earnings and favorable net changes in working capital
- Solid year of investments, including continued U.S. and Canada retail store growth and new multi-channel distribution center



Outlook

2013 Outlook

Full Year Fiscal 2013

- Sales and EPS expectations
 - Net sales: growth of approximately 8% to 10% vs. LY
 - Adjusted EPS: growth of approximately 15% (vs. \$2.85 LY)
- New retail stores: *Carter's* 60, *OshKosh* 15, Canada 20
 - Store closings: *Carter's* (5), *OshKosh* (4), Canada (1)
- Full year CapEx approximately \$200 million
 - Investments in new distribution center, retail store growth and remodels, IT projects to support business expansion, and new headquarters facility
- Full year operating cash flow approximately \$195 million to \$205 million

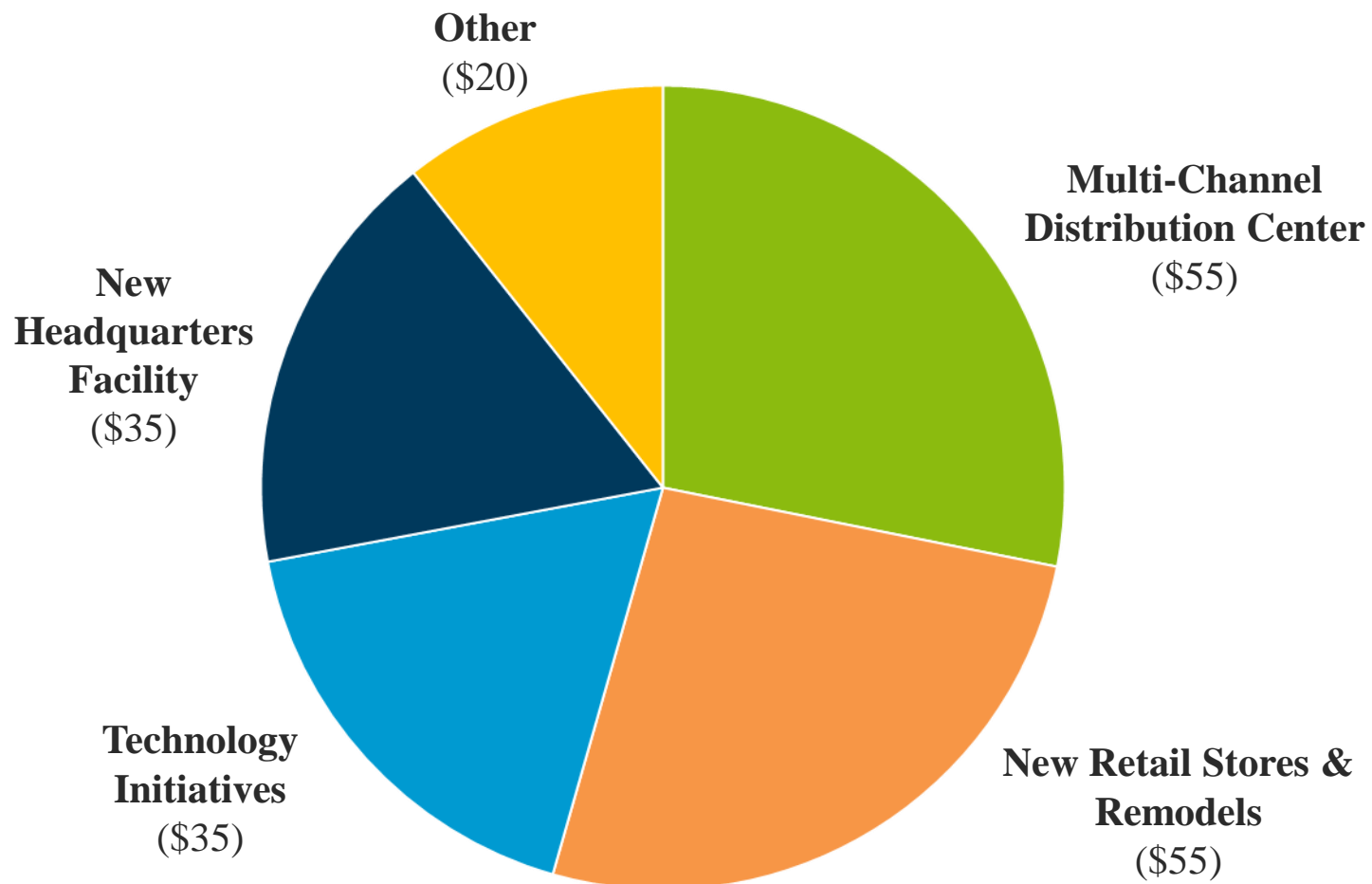
First Quarter 2013

- Net sales: growth of approximately 5% vs. LY
- Adjusted EPS: growth of approximately 20% (vs. \$0.56 LY)

2013 Capital Expenditures

2013 Forecast: ~\$200 million

(in millions)





Appendix

Reconciliation of GAAP to Adjusted Earnings – Fourth Quarter

\$ in millions, except EPS

Fourth Quarter of Fiscal 2012	Income Statement							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 segment net sales
As reported (GAAP)	\$289.9	42.1%	\$222.0	32.2%	\$78.4	11.4%	\$48.7	\$0.81	\$14.4	22.2%	(\$38.5)	(5.6%)
Shelton office consolidation costs (a)			(6.4)		6.4		4.0	0.07			6.3	
Revaluation of contingent consideration (b)			(0.7)		0.7		0.7	0.01	0.7			
Facility related closure costs (c)			(0.4)		0.4		0.3	--			0.4	
Total adjustments	-		(7.5)		7.5		5.0	0.08	0.7		6.8	
As adjusted (e)	\$289.9	42.1%	\$214.6	31.1%	\$85.9	12.5%	\$53.7	\$ 0.89	\$15.1	23.3%	(\$31.7)	(4.6%)

Fourth Quarter of Fiscal 2011	Income Statement							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 segment net sales
As reported (GAAP)	\$207.0	34.1%	\$161.2	26.6%	\$55.0	9.1%	\$34.8	\$0.59	\$10.8	19.8%	(\$17.2)	(2.8%)
Amortization of fair value step-up of inventory	0.7				0.7		0.5	0.01	0.7			
Revaluation of contingent consideration (b)			(1.5)		1.5		1.5	0.02	1.5			
Acquisition-related expenses (d)			(0.7)		0.7		0.5	0.01			0.8	
Total adjustments	0.7		(2.2)		3.0		2.5	0.04	2.2		0.8	
As adjusted (e)	\$207.8	34.2%	\$158.9	26.2%	\$58.0	9.6%	\$37.3	\$0.63	\$12.9	23.9%	(\$16.4)	(2.7%)

- (a) Includes costs related to the Shelton, CT office consolidation, announced in the fourth quarter of fiscal 2012.
- (b) Revaluation of the contingent consideration liability associated with the June 2011 acquisition of Bonnie Togs.
- (c) Includes costs related to the closure of a distribution facility located in Hogansville, GA, announced in the first quarter of fiscal 2012.
- (d) Professional service fees related to the June 2011 acquisition of Bonnie Togs.
- (e) 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. The adjusted, non-GAAP financial measurements should not be considered as alternatives 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.

Note: Results may not be additive due to rounding.

Reconciliation of GAAP to Adjusted Earnings – Fiscal Year

\$ in millions, except EPS

Fiscal 2012	Income Statement							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 segment net sales
As reported (GAAP)	\$937.9	39.4%	\$713.2	29.9%	\$262.0	11.0%	\$161.2	\$2.69	\$43.4	19.9%	(\$96.3)	(4.0%)
Shelton office consolidation costs (a)			(6.4)		6.4		4.0	0.07			6.4	
Revaluation of contingent consideration (b)			(3.6)		3.6		3.6	0.06	3.6			
Facility closure-related costs (c)			(3.1)		3.1		1.9	0.03			3.1	
Total adjustments	-		(13.1)		13.1		9.6	0.16	3.6		9.5	
As adjusted (e)	\$937.9	39.4%	\$700.1	29.4%	\$275.1	11.5%	\$170.7	\$ 2.85	\$47.0	21.5%	(\$86.8)	(3.6%)

Fiscal 2011	Income Statement							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 segment net sales
As reported (GAAP)	\$692.3	32.8%	\$542.1	25.7%	\$187.5	8.9%	\$114.0	\$1.94	\$27.3	20.0%	(\$54.7)	(2.6%)
Amortization of fair value step-up of inventory	6.7				6.7		4.8	0.08	6.7			
Revaluation of contingent consideration (b)			(2.5)		2.5		2.5	0.04	2.5			
Acquisition-related expenses (d)			(3.0)		3.0		1.9	0.03			3.1	
Total adjustments	6.7		(5.5)		12.2		9.2	0.15	9.2		3.1	
As adjusted (e)	\$699.0	33.1%	\$536.6	25.4%	\$199.7	9.5%	\$123.2	\$2.09	\$36.4	26.7%	(\$51.6)	(2.4%)

- (a) Includes costs related to the Shelton, CT office consolidation, announced in the fourth quarter of fiscal 2012.
- (b) Revaluation of the contingent consideration liability associated with the June 2011 acquisition of Bonnie Togs.
- (c) Includes costs related to the closure of a distribution facility located in Hogansville, GA, announced in the first quarter of fiscal 2012.
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- (e) 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. The adjusted, non-GAAP financial measurements should not be considered as alternatives 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.

Note: Results may not be additive due to rounding.

Fiscal 2012 Adjusted Business Segment Performance

\$ in millions

	Net Sales			Adjusted Operating Income (Loss)			Adjusted Operating Margin		BPS Growth / (Decline)
	2012	2011	\$ Growth	2012	2011	\$ Growth	2012	2011	
Carter's Wholesale (a)	\$981	\$939	\$42	\$173	\$118	\$55	17.6%	12.6%	
Carter's Retail (b)	819	672	147	146	106	40	17.8%	15.8%	
Total Carter's	\$1,800	\$1,611	\$190	\$319	\$224	\$95	17.7%	13.9%	380 bps
OshKosh Wholesale (c)	\$80	\$82	(\$2)	\$4	\$1	\$3	5.1%	1.0%	
OshKosh Retail (b)	283	281	2	(8)	(10)	2	(2.7%)	(3.4%)	
Total OshKosh	\$363	\$363	\$0	(\$4)	(\$9)	\$5	(1.0%)	(2.4%)	140 bps
Adjusted International (d)(e)	\$218	\$136	\$82	\$47	\$36	\$11	21.5%	26.7%	(520) bps
Adjusted corporate expenses (e)				(87)	(52)	(35)	(3.6%)	(2.4%)	
Total, as adjusted (e)	\$2,382	\$2,110	\$272	\$275	\$200	\$75	11.5%	9.5%	200 bps

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

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

(c) Operating income and operating margin include Genuine Kids net royalty income.

(d) Net sales include international retail, eCommerce, and wholesale sales. Adjusted operating income includes international licensing income.

(e) See reconciliation of reported (GAAP) results to results as adjusted on page 23.

Note: Results may not be additive due to rounding.

Fourth Quarter – Reconciliation of Net Income Allocable to Common Shareholders

	<u>For the fourth quarters ended</u>	
	<u>December 29, 2012</u>	<u>December 31, 2011</u>
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	58,344,635	57,955,394
Dilutive effect of unvested restricted stock	203,105	180,569
Dilutive effect of stock options	668,564	486,570
Diluted number of common and common equivalent shares outstanding	<u>59,216,304</u>	<u>58,622,533</u>

	<u>For the fourth quarters ended</u>			
	<u>As reported on a GAAP Basis</u>		<u>As adjusted (a)</u>	
	<u>December 29, 2012</u>	<u>December 31, 2011</u>	<u>December 29, 2012</u>	<u>December 31, 2011</u>
<i>\$ in thousands, except EPS</i>				
Basic net income per common share:				
Net income	\$48,692	\$34,785	\$53,669	\$37,257
Income allocated to participating securities	632	367	696	393
Net income available to common shareholders	<u>\$48,060</u>	<u>\$34,418</u>	<u>\$52,973</u>	<u>\$36,864</u>
Basic net income per common share	\$0.82	\$0.59	\$0.91	\$0.64
Diluted net income per common share:				
Net income	\$48,692	\$34,785	\$53,669	\$37,257
Income allocated to participating securities	625	364	689	389
Net income available to common shareholders	<u>\$48,067</u>	<u>\$34,421</u>	<u>\$52,980</u>	<u>\$36,868</u>
Diluted net income per common share	\$0.81	\$0.59	\$0.89	\$0.63

(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 \$5.0 million and \$2.5 million in after-tax expenses from these results for the three-month periods ended December 29, 2012 and December 31, 2011, respectively.

Reconciliation of Net Income Allocable to Common Shareholders

	For the twelve months ended	
	December 29, 2012	December 31, 2011
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	58,217,503	57,513,748
Dilutive effect of unvested restricted stock	186,018	129,262
Dilutive effect of stock options	665,666	571,907
Diluted number of common and common equivalent shares outstanding	<u>59,069,187</u>	<u>58,214,917</u>

	For the twelve months ended			
	As reported on a GAAP Basis		As adjusted (a)	
	December 29, 2012	December 31, 2011	December 29, 2012	December 31, 2011
<i>\$ in thousands, except EPS</i>				
Basic net income per common share:				
Net income	\$161,150	\$114,016	\$170,717	\$123,229
Income allocated to participating securities	2,095	1,211	2,220	1,309
Net income available to common shareholders	<u>\$159,055</u>	<u>\$112,805</u>	<u>\$168,497</u>	<u>\$121,920</u>
Basic net income per common share	\$2.73	\$1.96	\$2.89	\$2.12
Diluted net income per common share:				
Net income	\$161,150	\$114,016	\$170,717	\$123,229
Income allocated to participating securities	2,072	1,199	2,195	1,296
Net income available to common shareholders	<u>\$159,078</u>	<u>\$112,817</u>	<u>\$168,522</u>	<u>\$121,933</u>
Diluted net income per common share	\$2.69	\$1.94	\$2.85	\$2.09

(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 \$9.6 million and \$9.2 million in after-tax expenses from these results for the twelve-month periods ended December 29, 2012 and December 31, 2011, respectively.

Reconciliation of GAAP to Adjusted Earnings – First Quarter 2012

\$ in millions, except EPS

First Quarter of Fiscal 2012	<u>SG&A</u>	<u>% of sales</u>	<u>Operating Income</u>	<u>% of sales</u>	<u>Net Income</u>	<u>Diluted EPS</u>
As reported (GAAP)	\$149.7	27.1%	\$53.8	9.8%	\$32.3	\$0.54
Revaluation of contingent consideration (a)	(0.7)		0.7		0.7	0.01
Facility related closure costs (b)	(1.1)		1.1		0.7	0.01
	<u>(1.8)</u>		<u>1.8</u>		<u>1.4</u>	<u>0.02</u>
As adjusted (c)	<u>\$147.9</u>	26.8%	<u>\$55.6</u>	10.1%	<u>\$33.7</u>	<u>\$0.56</u>

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

(b) Includes costs related to the closure of a distribution facility located in Hogansville, GA, announced in the first quarter of fiscal 2012.

(c) The Company has provided adjusted, non-GAAP financial measurements that present selling, general, & administrative expenses, operating income, net income, and net income on a diluted share basis excluding the adjustments discussed above. These adjustments, which the Company does not believe to be indicative of on-going business trends, are excluded from these calculations. The Company believes these adjustments provide a meaningful comparison of the Company's results. The adjusted, non-GAAP financial measurements should not be considered as alternatives 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.

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 27, 2013, 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 outlook and future performance, including, without limitation, statements with respect to the Company's anticipated financial results for the first quarter of fiscal 2013, and fiscal year 2013, 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 the risks of: losing one or more major customers; the Company's products not being accepted in the marketplace; changes in consumer preference and fashion trends; negative publicity; the Company failing to protect its intellectual property; the breach of the Company's consumer databases; increased production costs; deflationary pricing pressures; decreases in the overall level of consumer spending; disruptions resulting from the Company's dependence on foreign supply sources; the Company's foreign supply sources not meeting the Company's quality standards or regulatory requirements; disruption to the Company's eCommerce business or distribution facilities due to the planned transition or otherwise; disruptions in the Company's supply chain or in-sourcing capabilities resulting from sourcing through a single port or otherwise; the loss of the Company's principal product sourcing agent; increased competition in the baby and young children's apparel market; the Company being unable to identify new retail store locations or negotiate appropriate lease terms for the retail stores; the Company not adequately forecasting demand, which could, among other things, 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; not attracting and retaining key individuals within the organization; failure to implement needed upgrades to the Company's information technology systems; disruptions resulting from the Company's transition of distribution functions to its new Braselton facility; charges related to the consolidation of the Company's Shelton, Connecticut-based operations with the Company's Atlanta, Georgia-based operations being greater than estimated; the office consolidation not being completed during the expected time frame; the Company not achieving the expected benefits of the office consolidation; being unsuccessful in expanding into international markets and failing to successfully manage legal, regulatory, political and economic risks of international operations, including maintaining compliance with world-wide anti-bribery laws. Many of these risks are further described in the most recently filed Quarterly Report on Form 10-Q and other reports filed with the Securities and Exchange Commission under the headings "Risk Factors" and "Forward-Looking Statements." All information is provided as of February 27, 2013. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.



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