

CARTERS INC  
Form 10-Q  
July 26, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2012 OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_\_\_  
TO \_\_\_\_\_

Commission file number:  
001-31829

CARTER'S, INC.  
(Exact name of Registrant as specified in its charter)

Delaware  
(state or other jurisdiction of  
incorporation or organization)

13-3912933  
(I.R.S. Employer Identification No.)

The Proscenium  
1170 Peachtree Street NE, Suite 900  
Atlanta, Georgia 30309  
(Address of principal executive offices, including zip code)  
(404) 745-2700  
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes (X) No ( )

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes (X) No ( )

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer, accelerated filer, and smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated Filer (X) Accelerated Filer ( ) Non-Accelerated Filer ( ) Smaller Reporting Company ( )

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes (X) No ( )

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock

Outstanding Shares at July 25, 2012

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Common stock, par value \$0.01 per share

58,986,724

CARTER'S, INC.  
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## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## CARTER’S, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except for share data)

(unaudited)

	June 30, 2012	December 31, 2011	July 2, 2011
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$237,629	\$233,494	\$86,725
Accounts receivable, net	131,888	157,754	124,667
Finished goods inventories, net	377,857	347,215	458,114
Prepaid expenses and other current assets	16,858	18,519	16,689
Deferred income taxes	23,838	25,165	23,687
Total current assets	788,070	782,147	709,882
Property, plant, and equipment, net	139,592	122,346	101,796
Tradenames	306,028	306,176	306,356
Goodwill	188,621	188,679	191,050
Deferred debt issuance costs, net	2,270	2,624	2,978
Other intangible assets, net	221	258	311
Other assets	436	479	445
Total assets	\$1,425,238	\$1,402,709	\$1,312,818
<b>LIABILITIES AND STOCKHOLDERS’ EQUITY</b>			
Current liabilities:			
Current maturities of long-term debt	\$—	\$—	\$—
Accounts payable	120,922	102,804	119,428
Other current liabilities	34,012	49,949	37,226
Total current liabilities	154,934	152,753	156,654
Long-term debt	186,000	236,000	236,000
Deferred income taxes	113,355	114,421	112,261
Other long-term liabilities	103,612	93,826	75,021
Total liabilities	557,901	597,000	579,936
Commitments and contingencies			
Stockholders’ equity:			
Preferred stock; par value \$.01 per share; 100,000 shares authorized; none issued or outstanding at June 30, 2012, December 31, 2011, and July 2, 2011	—	—	—
Common stock, voting; par value \$.01 per share; 150,000,000 shares authorized; 58,989,420, 58,595,421, and 58,087,327 shares issued and outstanding at June 30, 2012, December 31, 2011, and July 2, 2011, respectively	590	586	581

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Additional paid-in capital	240,427	231,738	218,857
Accumulated other comprehensive loss	(11,427	) (11,282	) (1,989
Retained earnings	637,747	584,667	515,433
Total stockholders' equity	867,337	805,709	732,882
Total liabilities and stockholders' equity	\$1,425,238	\$1,402,709	\$1,312,818