

CARTERS INC  
Form 4  
November 03, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
ROWAN FREDERICK J II

(Last) (First) (Middle)

C/O CARTER'S, INC., THE  
PROSCENIUM, 1170 PEACHTREE  
ST. NE, SUITE 900

(Street)

ATLANTA, GA 30309

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
CARTERS INC [CRI]

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/01/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                                      |
| Common Stock                    | 11/01/2006                           |  | M                              |   | 104,400   | A  | \$ 0.75                                    |
| Common Stock                    | 11/01/2006                           |  | S                              |   | 104,400   | D  | \$ 27.8213                                 |
| Common Stock                    | 11/02/2006                           |  | M                              |   | 100,000   | A  | \$ 0.75                                    |
| Common Stock                    | 11/02/2006                           |  | S                              |   | 100,000   | D  | \$ 26.6896                                 |
| Common Stock                    | 11/03/2006                           |  | M                              |   | 12,000  | A  | \$ 0.75                                    |

Edgar Filing: CARTERS INC - Form 4

Common Stock 11/03/2006 S 12,000 D \$ 26.8276 0 D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.** SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3)       | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable Expiration Date                         | Title   |
| Rolled Employee Stock Option (Right to Buy)      | \$ 0.75  | 11/01/2006                           |  | M                              | 104,400   | 08/15/2001 <sup>(1)</sup> 08/15/2011                     | Common Stock                                      |
| Rolled Employee Stock Option (Right to Buy)      | \$ 0.75  | 11/02/2006                           |  | M                              | 100,000   | 08/15/2001 <sup>(1)</sup> 08/15/2011                     | Common Stock                                      |
| Rolled Employee Stock Option (Right to Buy)      | \$ 0.75  | 11/03/2006                           |  | M                              | 12,000  | 08/15/2001 <sup>(1)</sup> 08/15/2011                     | Common Stock                                      |
| Performance Employee Stock Option (Right to Buy) | \$ 22.01   |                                      |  |                                |   | <sup>(2)</sup> 05/13/2012                                | Common Stock                                      |
| Employee Stock Option (Right to Buy)             | \$ 3.08  |                                      |  |                                |   | <sup>(3)</sup> 08/15/2011                                | Common Stock                                      |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                               |       |
|---|---------------|-----------|-------------------------------|-------|
|   | Director      | 10% Owner | Officer                       | Other |
| ROWAN FREDERICK J II<br>C/O CARTER'S, INC., THE PROSCENIUM<br>1170 PEACHTREE ST. NE, SUITE 900<br>ATLANTA, GA 30309 | X             |           | Chief<br>Executive<br>Officer |       |

## Signatures

/s/ Fredrick J.  
 Rowan, II

11/03/2006

\*\*Signature of Reporting  
 Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These options became 100% exercisable upon the date of Mr. Rowan's Restated Stock Option Agreement on August 15, 2001.
  - (2) These options are performance options that vest upon the achievement of defined performance criteria.
  - (3) These options are all exercisable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.