

ROWAN FREDERICK J II
Form 4
December 13, 2005

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O CARTER'S, INC., THE
PROSCENIUM, 1170 PEACHTREE
STREET NE, SUITE 900

3. Date of Earliest Transaction
(Month/Day/Year)
12/09/2005

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

(Street)
ATLANTA, GA 30309

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

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

(City) (State) (Zip)

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 Beneficial Ownership (Instr. 4) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|--------|---|--|
| | | | | (A) or (D) | Price | | | | | |
| | | | | Code | V | Amount | | | | |
| Common Stock | 12/09/2005 | | M | | 57,900 | A | \$ 1.5 | 57,900 | D | |
| Common Stock | 12/09/2005 | | S | | 600 | D | \$ 63.4 | 57,300 | D | |
| Common Stock | 12/09/2005 | | S | | 200 | D | \$ 63.31 | 57,100 | D | |
| Common Stock | 12/09/2005 | | S | | 100 | D | \$ 63.22 | 57,000 | D | |
| Common Stock | 12/09/2005 | | S | | 1,000 | D | \$ 63.21 | 56,000 | D | |

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| | | | | | | | |
|--------------|------------|---|--------|---|----------|--------|---|
| Common Stock | 12/09/2005 | S | 10,800 | D | \$ 63.2 | 45,200 | D |
| Common Stock | 12/09/2005 | S | 800 | D | \$ 63.18 | 44,400 | D |
| Common Stock | 12/09/2005 | S | 200 | D | \$ 63.02 | 44,200 | D |
| Common Stock | 12/09/2005 | S | 300 | D | \$ 63 | 43,900 | D |
| Common Stock | 12/09/2005 | S | 800 | D | \$ 62.85 | 43,100 | D |
| Common Stock | 12/09/2005 | S | 600 | D | \$ 62.81 | 42,500 | D |
| Common Stock | 12/09/2005 | S | 4,800 | D | \$ 62.8 | 37,700 | D |
| Common Stock | 12/09/2005 | S | 1,000 | D | \$ 62.45 | 36,700 | D |
| Common Stock | 12/09/2005 | S | 200 | D | \$ 62.31 | 36,500 | D |
| Common Stock | 12/09/2005 | S | 500 | D | \$ 62.3 | 36,000 | D |
| Common Stock | 12/09/2005 | S | 100 | D | \$ 62.26 | 35,900 | D |
| Common Stock | 12/09/2005 | S | 100 | D | \$ 62.22 | 35,800 | D |
| Common Stock | 12/09/2005 | S | 100 | D | \$ 62.2 | 35,700 | D |
| Common Stock | 12/09/2005 | S | 200 | D | \$ 62.03 | 35,500 | D |
| Common Stock | 12/09/2005 | S | 10,000 | D | \$ 62 | 25,500 | D |
| Common Stock | 12/09/2005 | S | 300 | D | \$ 61.33 | 25,200 | D |
| Common Stock | 12/09/2005 | S | 600 | D | \$ 61.32 | 24,600 | D |
| Common Stock | 12/09/2005 | S | 100 | D | \$ 61.31 | 24,500 | D |
| Common Stock | 12/09/2005 | S | 800 | D | \$ 61.26 | 23,700 | D |
| Common Stock | 12/09/2005 | S | 1,400 | D | \$ 61.25 | 22,300 | D |
| | 12/09/2005 | S | 1,300 | D | | 21,000 | D |

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| | | | | | | | | |
|--------------|------------|--|---|-------|---|----------|--------|---|
| Common Stock | | | | | | \$ 61.17 | | |
| Common Stock | 12/09/2005 | | S | 100 | D | \$ 61.15 | 20,900 | D |
| Common Stock | 12/09/2005 | | S | 1,100 | D | \$ 61.12 | 19,800 | D |
| Common Stock | 12/09/2005 | | S | 1,000 | D | \$ 61.11 | 18,800 | D |
| Common Stock | 12/09/2005 | | S | 500 | D | \$ 61.1 | 18,300 | 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.

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(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 Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number Shares |
| Rolled Employee Stock Option (Right to Buy) | \$ 1.5 | 12/09/2005 | | M | 57,900 | <u>(1)</u> 08/15/2011 | Common Stock 57,900 |
| Performance Employee Stock Option (Right to Buy) | \$ 44.01 | | | | | <u>(2)</u> 05/13/2012 | Common Stock 200,000 |
| Employee Stock Option (Right to Buy) | \$ 6.16 | | | | | <u>(3)</u> 08/15/2011 | Common Stock 530,300 |

Reporting Owners

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

Signatures

By: /s/ Fredrick J.
Rowan, II

12/13/2005

**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 exercisable in five equal annual installments beginning on August 15, 2002.

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