

CARTERS INC  
Form 5  
February 14, 2006

**FORM 5**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL 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

1. Name and Address of Reporting Person \*  
CASEY MICHAEL DENNIS  
  
(Last) (First) (Middle)

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Executive V.P. and CFO

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

(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
12/31/2005

6. Individual or Joint/Group Reporting

(check applicable line)

ATLANTA, GA 30309

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock				(A) or (D) Price	103,156	D	

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

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

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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)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount
Employee Stock Option (Right to Buy)	\$ 29.61	03/22/2004	∅	A4	100,000	∅	∅ (1)	03/22/2014	Common Stock	100
Employee Stock Option (Right to Buy)	\$ 6.16	∅	∅	∅	∅	∅	∅ (2)	08/15/2011	Common Stock	194

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CASEY MICHAEL DENNIS C/O CARTER'S, INC., THE PROSCENIUM 1170 PEACHTREE STREET NE, SUITE 900 ATLANTA, GA 30309	∅	∅	∅ Executive V.P. and CFO	∅

Signatures

Michael D. Casey    02/14/2006

                         \*\*Signature of    Date  
Reporting Person

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 are time options exercisable in five equal annual installments beginning on March 22, 2005.
- (2) These options are exercisable in five equal annual installments beginning on August 15, 2002.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.