

CARTERS INC
Form 4
October 31, 2006

FORM 4

**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).

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)
10/27/2006

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 Ownership: Beneficial or Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/27/2006		M		105,000	A	\$ 0.75 (1)
Common Stock	10/27/2006		S		105,000	D	\$ 29.3112
Common Stock	10/30/2006		M		195,000	A	\$ 0.75 (1)
Common Stock	10/30/2006		S		195,000	D	\$ 28.6071
Common Stock	10/31/2006		M		120,000	A	\$ 0.75 (1)

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Common Stock 10/31/2006 S 120,000 D \$ 28.1628 0 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)

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 ⁽¹⁾	10/27/2006		M	105,000	08/15/2001 ⁽²⁾	08/15/2011	Common Stock
Rolled Employee Stock Option (Right to Buy)	\$ 0.75 ⁽¹⁾	10/30/2006		M	195,000	08/15/2001 ⁽²⁾	08/15/2011	Common Stock
Rolled Employee Stock Option (Right to Buy)	\$ 0.75 ⁽¹⁾	10/31/2006		M	120,000	08/15/2001 ⁽²⁾	08/15/2011	Common Stock
Performance Employee Stock Option (Right to Buy)	\$ 22.01 ⁽¹⁾					⁽⁴⁾	05/13/2012	Common Stock
Employee Stock Option (Right to Buy)	\$ 3.08 ⁽¹⁾					⁽⁵⁾	08/15/2011	Common Stock

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 ST. NE, SUITE 900 ATLANTA, GA 30309	X		Chief Executive Officer	

Signatures

/s/ Fredrick J.
 Rowan, II

10/31/2006

**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) The exercise price of the derivative securities reported in this Form 4 reflect a two-for-one stock split effected on June 6, 2006 (the "Stock Split").
 - (2) These options became 100% exercisable upon the date of Mr. Rowan's Restated Stock Option Agreement on August 15, 2001.
 - (3) The amount of securities beneficially owned following the transactions reported in this Form 4 reflects the Stock Split.
 - (4) These options are performance options that vest upon the achievement of defined performance criteria.
 - (5) 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.