

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 \*  
**PACIFICO JOSEPH**

(Last) (First) (Middle)

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

(Street)

ATLANTA, GA 30309

(City) (State) (Zip)

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

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

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)  
President

6. Individual or Joint/Group Reporting

(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 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	237,944	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 Security (Instr. 3 and 4)
					(A) (D)	Date Exercisable	Expiration Date	Title
Employee Stock Option (Right to Buy)	\$ 29.61	03/22/2004	Â	A4	100,000 Â	Â Â <sup>(1)</sup>	03/22/2014	Common Stock
Performance Employee Stock Option (Right to Buy)	\$ 62.35	Â	Â	Â	Â	Â Â <sup>(2)</sup>	11/10/2015	Common Stock
Employee Stock Option (Right to Buy)	\$ 6.16	Â	Â	Â	Â	Â Â <sup>(3)</sup>	08/15/2011	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PACIFICO JOSEPH C/O CARTER'S, INC., THE PROSCENIUM 1170 PEACHTREE STREET NE, SUITE 900 ATLANTA, GA 30309	Â	Â	Â President	Â

Signatures

Joseph Pacifico                      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 performance options that vest at the end of fiscal year 2009 upon the achievement of defined performance criteria.
- (3) 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.