

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 20, 2010

THE CHILDREN'S PLACE RETAIL STORES, INC.

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(Exact Name of Registrants as Specified in Their Charters)

Delaware

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(State or Other Jurisdiction of Incorporation)

0-23071

(Commission File Number)

31-1241495

(IRS Employer Identification No.)

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500 Plaza Drive, Secaucus, New Jersey

(Address of Principal Executive Offices)

07094

(Zip Code)

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(201) 558-2400

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(Registrant's Telephone Number, Including Area Code)

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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On May 20, 2010, The Children’s Place Retail Stores, Inc. (the “Company”) issued a press release containing the Company’s financial results for the first quarter of the fiscal year ended January 29, 2011 (“Fiscal 2010”), updating its estimated range of earnings per diluted share from continuing operations for Fiscal 2010 and providing a preliminary estimated range of loss per share from continuing operations for the second quarter of Fiscal 2010. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this report is being furnished pursuant to Item 2.02 of Form 8-K, insofar as it discloses historical information regarding the Company’s results of operations and financial condition as of and for the first quarter of Fiscal 2010. In accordance with General Instructions B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act except as shall be expressly set forth by specific reference in such a filing.

Forward Looking Statements

This Current Report on Form 8-K, including Exhibit 99.1, contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically are identified by use of terms such as “may,” “will,” “should,” “plan,” “expect,” “anticipate,” “estimate” and similar words, although some forward-looking statements are expressed differently. Forward-looking statements represent the Company’s management’s judgment regarding future events. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, the Company can give no assurance that such expectations will prove to be correct. All statements other than statements of historical fact included in this Current Report on Form 8-K are forward-looking statements. The Company cannot guarantee the accuracy of the forward-looking statements, and you should be aware that the Company’s actual results could differ materially from those contained in the forward-looking statements due to a number of factors, including the statements under the heading “Risk Factors” contained in the Company’s filings with the Securities and Exchange Commission.

**Item 9.01 Financial Statement and Exhibits.**

(d) Exhibits

Exhibit 99.1 Press release, dated May 20, 2010, issued by the Company (Exhibit 99.1 is furnished as part of this Current Report on Form 8-K).

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 20, 2010

**THE CHILDREN'S PLACE RETAIL STORES, INC.**

By: /s/ Susan J. Riley

Name: Susan J. Riley

Title: Executive Vice President, Finance and  
Administration

THE CHILDREN'S  
PLACE**FOR IMMEDIATE RELEASE****THE CHILDREN'S PLACE REPORTS FIRST QUARTER 2010 FINANCIAL RESULTS****Achieves Record First Quarter Net Income****Management Raises Fiscal 2010 Earnings Guidance**

**Secaucus, New Jersey – May 20, 2010 – The Children's Place Retail Stores, Inc. (Nasdaq: PLCE)**, the largest pure-play children's specialty apparel retailer in North America, today announced record first quarter net income from continuing operations of \$28.0 million, or \$1.00 per diluted share for the thirteen-week period ended May 1, 2010, compared to \$23.7 million, or \$0.80 per share in the first quarter of 2009.

Net sales increased 5.0% to \$422.1 million in the first quarter of 2010, compared to \$401.9 in the first quarter of 2009. Comparable retail sales, which include online sales, declined 0.5% in the first quarter of fiscal 2010 compared to a 1.0% increase the previous year. During the first quarter of 2010, comparable store sales declined 1.7% in the U.S. and 4.6% in Canada, while online sales increased 22.0%.

"We delivered record financial results and made significant progress on key initiatives in the first quarter of 2010," commented Jane Elfers, President and Chief Executive Officer of The Children's Place. "We strengthened the senior leadership team with the appointment of five talented and experienced executives to head our merchandising, planning, outlet, information technology and human resources operations. In addition, we accelerated our new store openings, sharpened our marketing programs and continued to drive double-digit online growth."

"Looking ahead, we believe The Children's Place is well positioned to continue growing market share as we execute on our growth initiatives," Elfers added. "We will continue to keep a tight rein on expenses as consumer spending remains constrained by lingering weakness in the economic environment."

The comparability of income from continuing operations is affected by several transactions that occurred in the first quarter of 2009, which were highlighted in the Company's earnings release on May 21, 2009. Excluding those transactions that affect comparability between quarters, adjusted income from continuing operations after tax in the first quarter of 2010 increased 28.7% from \$21.8 million, or \$0.74 per diluted share, in the first quarter of 2009. Adjusted income from continuing operations excluding transactions that affect comparability is a non-GAAP measure. The Company believes the excluded items are not indicative of the performance of its core business and that by providing this supplemental disclosure to investors it will facilitate comparisons of its past and present performance. A reconciliation of income from continuing operations as reported is included in this press release in Table 3.

Net income, including the impact of discontinued operations, was \$27.9 million, or \$1.00 per diluted share, in the first quarter of 2010 compared to net income of \$23.5 million, or \$0.79 per diluted share, for the same period last year.

During the first quarter of 2010, the Company opened 16 stores and closed one.

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**Outlook**

The Company updated its guidance for fiscal 2010 and now projects earnings per diluted share from continuing operations will be in the range of \$3.05 to \$3.15, reflecting its first quarter results, from its initial guidance of \$2.90 to \$3.10. The Company provided initial guidance for the second quarter of 2010, which is forecast to be a loss per share from continuing operations of \$(0.38) to \$(0.33). Earnings guidance for the second quarter and fiscal 2010 assumes positive low-single digit comparable retail sales and assumes that currency exchange rates will remain where they are today.

**Conference Call Information**

The Children’s Place will host a conference call to discuss its first quarter 2010 results today at 8:00 a.m. Eastern Time. The call will be broadcast live at <http://investor.childrensplace.com>. An audio archive will be available approximately one hour after the conclusion of the call.

**About The Children’s Place Retail Stores, Inc.**

The Children’s Place is the largest pure-play children’s specialty apparel retailer in North America. The Company designs, contracts to manufacture and sells fashionable, high-quality merchandise at value-prices under the proprietary “The Children’s Place” brand name. As of May 1, 2010, the Company owned and operated 962 The Children’s Place stores and an online store at [www.childrensplace.com](http://www.childrensplace.com).

**Forward-Looking Statements**

*This press release (and above referenced call) may contain certain forward-looking statements regarding future circumstances, including statements relating to the Company’s positioning, and forecasts regarding earnings per diluted share for fiscal 2010 and loss per share for the second quarter of 2010. These forward-looking statements are based upon the Company’s current expectations and assumptions and are subject to various risks and uncertainties that could cause actual results to differ materially. Some of these risks and uncertainties are described in the Company’s filings with the Securities and Exchange Commission, including in the “Risk Factors” section of its annual report on Form 10-K for the fiscal year ended January 30, 2010. Included among the risks and uncertainties that could cause actual results, events and performance to differ materially are the risk that the Company will be unsuccessful in gauging fashion trends and changing consumer preferences, and the risks resulting from the highly competitive nature of the Company’s business and its dependence on consumer spending patterns, which may be affected by the downturn in the economy. Readers (or listeners on the call) are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. The Company undertakes no obligation to release publicly any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. The inclusion of any statement in this release does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.*

**CONTACT:** The Children’s Place Retail Stores, Inc.  
Susan Riley, EVP, Finance & Administration, (201) 558-2400  
Jane Singer, VP, Investor Relations, (201) 453-6955

(Tables Follow)

**Table 1**  
**THE CHILDREN'S PLACE RETAIL STORES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share amounts)  
(Unaudited)

	First Quarter Ended	
	May 1, 2010	May 2, 2009
Net sales	\$ 422,133	\$ 401,901
Cost of sales	242,429	235,374
Gross profit	<u>179,704</u>	<u>166,527</u>
Selling, general and administrative expenses	113,455	111,893
Asset impairment charge	930	1,099
Depreciation and amortization	<u>17,625</u>	<u>17,524</u>
Income from continuing operations before interest and taxes	47,694	36,011
Interest (expense), net	<u>(456)</u>	<u>(3,268)</u>
Income from continuing operations before income taxes	47,238	32,743
Provision for income taxes	<u>19,231</u>	<u>9,002</u>
Income from continuing operations net of income taxes	28,007	23,741
(Loss) from discontinued operations net of income taxes	<u>(105)</u>	<u>(229)</u>
Net income	<u>\$ 27,902</u>	<u>\$ 23,512</u>
Basic income from continuing operations per common share	\$ 1.02	\$ 0.81
(Loss) from discontinued operations per common share	--	(0.01)
Basic net income per common share	<u>\$ 1.01</u>	<u>\$ 0.80</u>
Basic weighted average common shares outstanding	27,583	29,475
Diluted income from continuing operations per common share	\$ 1.00	\$ 0.80
(Loss) from discontinued operations per common share	--	(0.01)
Diluted net income per common share	<u>\$ 1.00</u>	<u>\$ 0.79</u>
Diluted weighted average common shares and common shares equivalents outstanding	27,930	29,605

Note: Amounts may not add due to rounding.

**Table 2**  
**THE CHILDREN'S PLACE RETAIL STORES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)  
(Unaudited)

	<u>May 1, 2010</u>	<u>January 30, 2010</u>	<u>May 2, 2009</u>
<b>Assets:</b>			
Cash and investments	\$ 225,731	\$ 170,492	\$ 224,275
Accounts receivable	16,260	16,910	19,299
Inventories	182,356	206,227	181,984
Other current assets	73,999	63,253	84,880
Total current assets	<u>498,346</u>	<u>456,882</u>	<u>510,438</u>
Property and equipment, net	315,567	312,801	314,331
Other assets, net	60,667	84,377	67,151
Total assets	<u>\$ 874,580</u>	<u>\$ 854,060</u>	<u>\$ 891,920</u>
<b>Liabilities and Stockholder Equity:</b>			
Short term portion of term loan	\$ --	\$ --	\$ 15,000
Accounts payable	45,588	55,547	58,155
Accrued expenses and other current liabilities	81,099	89,969	98,811
Total current liabilities	<u>126,687</u>	<u>145,516</u>	<u>171,966</u>
Long term portion of term loan	--	--	23,000
Other liabilities	117,959	119,574	117,565
Total liabilities	<u>244,646</u>	<u>265,090</u>	<u>312,531</u>
Stockholders' equity	<u>629,934</u>	<u>588,970</u>	<u>579,389</u>
Total liabilities and stockholders' equity	<u>\$ 874,580</u>	<u>\$ 854,060</u>	<u>\$ 891,920</u>

**Table 3**  
**THE CHILDREN'S PLACE RETAIL STORES, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION TO GAAP**  
(In millions, except per share amounts)  
(Unaudited)

	First Quarter Ended	
	May 1, 2010	May 2, 2009
Income from continuing operations net of income taxes	\$ 28.0	\$ 23.7
<i>Transactions affecting comparability:</i>		
Restructuring costs	--	2.6
Deferred financing fees write-off	--	0.9
Impairment charge	--	0.8
Aggregate impact of transactions affecting comparability	--	4.3
Income tax effect	--	(1.7)
Benefit resulting from resolution of an IRS income tax audit	--	(4.5)
Adjusted (gain) from transactions affecting comparability	--	(1.9)
Adjusted income from continuing operations net of income taxes	\$ 28.0	\$ 21.8
GAAP income from continuing operations per diluted share	\$ 1.00	\$ 0.80
Adjusted income from continuing operations per diluted share	\$ 1.00	\$ 0.74

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