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

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 28, 2006

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 0-23071

THE CHILDREN'S PLACE RETAIL STORES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**31-1241495**
(State or other jurisdiction of Incorporation or organization)	(I.R.S. employer identification number)
915 Secaucus Road Secaucus, New Jersey	**07094**
(Address of Principal Executive Offices)	(Zip Code)

(201) 558-2400
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes o No x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of an "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one).

Large accelerated filer x Accelerated filer o Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No x

The number of shares outstanding of the registrant's common stock with a par value of $0.10 per share, as of October 6, 2007 was 29,083,916 shares.

THE CHILDREN'S PLACE RETAIL STORES, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED OCTOBER 28, 2006

TABLE OF CONTENTS

EXPLANATORY NOTE

The Children's Place Retail Stores, Inc. (the "Company") is restating its condensed consolidated financial statements to reflect additional stock-based compensation expense relating to stock option grants made in each year from the fiscal year ended January 31, 1998 ("fiscal 1997") through the first quarter of fiscal year ended February 3, 2007 ("fiscal 2006"). The Company also is restating its financial statements for all periods beginning with the fiscal year ended February 2, 2002 ("fiscal 2001") through the first quarter of fiscal 2006 to reflect the correction of other errors related to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years. This Quarterly Report on Form 10-Q for the thirteen and thirty-nine weeks ended October 28, 2006 reflects the restatement of the Company's consolidated balance sheets as of January 28, 2006 ("fiscal 2005") and October 29, 2005, the related consolidated statements of income for the thirteen and thirty-nine weeks ended October 29, 2005 and the related consolidated statement of cash flows for the thirty-nine weeks ended October 29, 2005. Restated financial information for these periods is set forth in Note 2—Restatement of Consolidated Financial Statements in the unaudited condensed consolidated financial statements included in Item 1 of this report.

The Company has not amended and does not intend to amend its previously filed Annual Report on Form 10-K for fiscal 2005 or any other fiscal year or its previously filed Quarterly Reports on Form 10-Q for the first quarter of fiscal 2006 or the first three quarters of fiscal 2005 or any other fiscal quarter. The financial information that has been previously filed or otherwise reported for these periods is superseded by the information in this Quarterly Report on Form 10-Q and the quarterly and annual reports on Form 10-Q and 10-K, respectively, being filed concurrently with this Quarterly Report on Form 10-Q. Accordingly, as previously stated by the Company, the financial statements and related financial information contained in such previously filed reports should no longer be relied upon.

The aggregate impact of the stock-based compensation adjustments on the Company's consolidated statements of income, net of forfeitures of unvested awards and taxes, between the fiscal year ended January 30, 1999 ("fiscal 1998") and the first quarter of fiscal 2006 was a decrease in net income of approximately $11.2 million. The aggregate impact of the other adjustments unrelated to stock options on the Company's consolidated statements of income, net of taxes, between fiscal 2001 and the first quarter of fiscal 2006 was an increase to net income of approximately $1.7 million. Additionally, variable rate demand note balances as of April 29, 2006 have been reclassified from cash to short-term investments, and certain other balance sheet amounts have been reclassified. These reclassifications do not result in any additional charges in any period and do not affect working capital for the affected periods.

On September 8, 2006, December 8, 2006, April 5, 2007 and June 15, 2007, the Company filed notifications of late filings with the Securities and Exchange Commission ("SEC") on Form 12b-25, disclosing that, due to an ongoing investigation of its stock option granting practices, it was delaying the filing of its Quarterly Reports on Form 10-Q for the second and third quarters of fiscal 2006, its Annual Report on Form 10-K for fiscal 2006, and its Quarterly Report on Form 10-Q for the first quarter of the fiscal year ending February 2, 2008 ("fiscal 2007"), respectively. In addition, on September 14, 2007, the Company filed another notification of late filing with the SEC on Form 12b-25, disclosing that the Company's Board of Directors ("Board") was reviewing circumstances surrounding certain violations of the Company's policies and procedures by two executives of the Company and was considering the appropriate actions to take regarding these matters and, therefore, the Company would be delaying the filing of its Quarterly Report on Form 10-Q for the second quarter of fiscal 2007. The Company is filing its Annual Report on Form 10-K for fiscal 2006 with the SEC concurrently with this Quarterly Report on Form 10-Q and intends, in the near future, to file its Quarterly Reports on Form 10-Q for the first and second quarters of fiscal 2007.

Mr. Ezra Dabah resigned from his position as the Company's Chief Executive Officer ("CEO"), for various reasons, on September 24, 2007. Mr. Dabah remains a member of the Board of Directors (the "Board"). The Board has named Mr. Charles Crovitz, a current Board member, as interim CEO.

STOCK OPTION INVESTIGATION

Overview of the Investigation

In light of various media reports on stock option backdating at public companies and as recommended by the Audit Committee of the Company's Board, the Company undertook a preliminary review of its stock option granting

practices starting in June 2006. After considering the results of this preliminary review, on August 24, 2006, the Audit Committee retained the Company's outside counsel ("Outside Counsel") to assist it with a formal review of the Company's stock option grants. On September 6, 2006, Outside Counsel issued to the Audit Committee a preliminary report concluding that there had been errors in the grant dates of options. The report also concluded that, aside from one grant as to which the report was inconclusive, the errors in stock option dating were unintentional. The Company announced the preliminary report and that,

pending completion of its analysis of its accounting for stock option grants, the Company was delaying the filing of its Quarterly Report on Form 10-Q for the second quarter of fiscal 2006. The review of the Company's stock option grants continued and expanded into a full investigation. On or about September 14, 2006, the Company suspended all stock-based compensation activity, including granting stock options and other stock-based compensation and issuing shares pursuant to stock option exercises, pending completion of the review and the Company becoming current on its delinquent filings with the SEC.

In October 2006, the Audit Committee retained separate independent counsel that had not previously represented the Company ("Independent Counsel") to advise the Audit Committee regarding the matters under investigation and a forensic accounting consulting firm was retained to assist in the investigation. On October 5, 2006, the Company announced that it expected to restate its financial statements and on October 11, 2006, the Company filed with the SEC a Current Report on Form 8-K disclosing that, because of issues with regard to its accounting for stock option grants, the Company's previously issued financial statements and other historical financial information and related disclosures for periods through the first quarter of fiscal 2006 should no longer be relied upon. On November 24, 2006, a two-member special committee of independent members of the Company's Board ("Special Committee") was appointed by the Company's Board to supervise and complete the investigation commenced by the Audit Committee. On December 8, 2006 the Company filed a Form 12b-25 with the SEC disclosing that due to the ongoing investigation it was delaying the filing of its Quarterly Report on Form 10-Q for the third quarter of fiscal 2006.

During the period from September 17, 1997 (the day before the Company first became publicly held) through the most recent grant in February 2006 ("Review Period"), separate option grant authorizing actions were undertaken by the Company on 122 occasions. For convenience of reference, each of these occasions is referred to herein as a "Recorded Grant" (regardless of the number of people who received an option award on such occasion or any variations in terms of the awards so granted). At the request of Independent Counsel, the forensic accounting firm conducted an empirical assessment of all stock option grants during the Review Period to identify grants that might warrant further investigation. Using various statistical tests, twenty Recorded Grants were selected for detailed investigation, plus one additional Recorded Grant to a family member of the Company's former CEO. Overall, the investigation involved interviews of fourteen people, representing all the individuals involved in any material respect in the option granting process, and the review of tens of thousands of paper and electronic documents from the files (including office and personal computers) of such individuals and others and from other Company files (including e-mails and other documents recovered from the Company's electronic information system). A grant made to the Company's former CEO, Mr. Ezra Dabah, in connection with the Company's initial public offering of its shares ("1997 CEO IPO Grant") also was subsequently investigated by Independent Counsel. As noted below, on September 24, 2007, Mr. Dabah resigned from his position as the Company's CEO, and Mr. Charles Crovitz, an independent Board member, was appointed interim CEO.

Findings of the Stock Option Investigation

On January 30, 2007, the Special Committee delivered its written report of investigation including recommendations ("Report of Investigation") to the Board. The Board accepted the report and resolved to adopt the Special Committee's recommendations and to take the actions necessary to implement them. Key findings of the Report of Investigation, as disclosed in a Current Report on Form 8-K filed with the SEC on February 1, 2007, included:

- There was no conclusive evidence of intentional backdating of options or other misconduct in connection with the option granting process. There was no evidence of intent to mislead about option grant dates or exercise prices.

- No member of management and no director engaged in improper self-dealing in connection with the option grants made by the Company.

- All Company personnel cooperated fully with the investigation.

- The Company did not maintain appropriate governance and other internal controls, which resulted in errors in the dating of options and other irregularities in option grants. In many instances options were dated before all grant-making processes were finalized. Consequently, in such instances the option exercise price was lower than it should have been based on the trading price on the date the grant process was completed and incorrect charges were taken for the options for financial reporting purposes. Also, in a few instances, the Company may have selected grant dates with a view toward upcoming disclosures.

The Report of Investigation further concluded that, apart from some immaterial discrepancies in grants to non-executives representing less than 1.5% of the number of shares subject to options issued over the Review Period, there were no unauthorized grants. This conclusion was based on a comparison by the Company of its grant authorizing documentation to the Company's records of options issued, which correctly reflected the documented and authorized grants in terms of who received option grants and the number of options granted. However, subsequent to the Report of Investigation being issued, it was determined that certain unauthorized actions were taken in May 2004 relating to the 1997 CEO IPO Grant. These actions were ratified by the Board in 2007.

During the Review Period, the Company used the effective date reflected in its grant approval documentation as the grant date and in its accounting for option grants used such date as the measurement date under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). In many instances that date was an "as of" date on a unanimous written consent ("UWC") of the Board or the Compensation Committee. Since the Company believed options were granted with exercise prices that equaled or exceeded their quoted market price at the date of grant, no compensation expense was recorded in the Company's financial statements for options granted prior to its adoption of Statement of Financial Accounting Standards No. 123 (Revised 2004), "Accounting for Share-Based Payments" ("SFAS 123(R)") as of January 29, 2006, other than in connection with the acceleration of the vesting of options in fiscal 2005 and the acceleration of the vesting of options related to a terminated employee. However, the Report of Investigation concluded that, as a result of the inadequacy of the Company's governance, internal financial reporting and other controls over the option grant process, the measurement dates used by the Company for a significant portion of the stock options granted during the Review Period were incorrect, as the recipients of the grants, number of shares subject to the options granted and exercise prices were not approved and established with finality by the date the Company had recorded as the grant date.

The Company used available documentation and guidance set forth by the Office of the Chief Accountant of the SEC on September 19, 2006 ("September 2006 OCA Guidance") to determine the revised measurement dates for option grants made during the Review Period. For a discussion of the Company's historical stock option granting process and use of available information to determine the revised measurement dates, refer to Item 2.—Management's Discussion and Analysis of Financial Condition and Results of Operations—Restatement of Financial Statements and Note 2—Restatement of Consolidated Financial Statements in the accompanying unaudited condensed consolidated financial statements.

After completion of the Report of Investigation, the Company in reviewing its accounting for options became aware of certain inconsistencies in its records concerning the terms of the 1997 CEO IPO Grant. Under the direction of the Special Committee, Independent Counsel investigated the Company's

treatment of these options and reported thereon to the Special Committee. On April 11, 2007, the Special Committee reported to the Board on the 1997 CEO IPO Grant. Based on the evidence assembled in Independent Counsel's investigation, the Special Committee found that there had been confusion, resulting in inconsistencies in the Company records, in connection with the implementation of the 1997 CEO IPO Grant and over the years with regard to the terms of this grant. In considering the results of the investigation into the 1997 CEO IPO Grant, the Special Committee reconsidered the key findings it had reached in the Report of Investigation, as described above, and concluded that the evidence from the additional investigation did not lead it to different findings. The Board concurred in this conclusion.

Inadequate Internal Controls

The Company is undertaking to remediate the material weakness in internal control over financial reporting related to stock option grants found by the Special Committee, as further discussed in Item 4.—Controls and Procedures of this Quarterly Report on Form 10-Q. The Company has continued its suspension of the granting of all stock-based compensation, including stock options, as well as the exercise of any options, until these improved procedures have been instituted. Furthermore, the suspension of granting and exercise of stock options will continue until the Company becomes current with its SEC filings.

Resolution of Tax Consequences and Corrective Action Related to Discounted Options

Revision to the measurement dates of stock options often resulted in options with exercise prices below the fair market value of the related shares on the revised measurement date ("discounted options"). Individuals currently holding discounted options may incur an excise tax liability under Section 409A of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). As recommended by the Special Committee, in order to avoid any benefit from the errors made in dating of options to any person involved in the option granting process and, also, as part of the Company's efforts to address certain tax considerations associated with outstanding options granted with an exercise price below fair market value, the Company has taken the following actions:

- The Company and its directors (including Mr. Dabah, its former CEO), its President and its former Chief Administrative Officer have agreed to amend all discounted options held by them (other than those described in the next paragraph) to increase the exercise price to the average of the high and low trading price on the date determined by the Company to be the revised measurement date applicable to the option grant to be used for financial reporting purposes. In the few instances where these individuals have exercised options as to which a revised measurement date has been determined by the Company, the individuals have agreed to return to the Company the difference between the exercise price and the trading price on the revised measurement date.

- In the three instances where the Report of Investigation found that non-executive directors received options shortly before the public disclosure of positive information, the Company and these directors have further agreed to amend such options to increase the exercise price to the average of the high and low trading price over the balance of the calendar year following the recorded date of the grant.

- With respect to all other option grants, the Company has decided to honor the options as issued, consistent with the Special Committee's finding of no intentional misconduct on the part of management in the option granting process. Nevertheless, the Company and all members of senior management holding outstanding options have agreed to either amend their outstanding discounted options that vested after 2004 either to increase the exercise price to the average of the high and low trading price on the date determined by the Company to be the revised measurement date or to limit the exercise period of their options.

In addition, with respect to holders of discounted options that vested after 2004 who are employees at the time, other than members of senior management who have already agreed to amend their outstanding discounted options, the Company plans to offer as soon as practicable the opportunity to exchange their discounted options for options with the same terms except that the exercise price will be changed to the average of the high and low trading price on the revised measurement date. Option holders who agree to such amendment will receive a cash bonus in the amount of the increase in the exercise price.

The foregoing actions are expected to bring all outstanding options held by employees and non-employee directors into compliance with pertinent requirements relating to discounted options so that the 20% excise tax under Section 409A of the Internal Revenue Code does not apply to the options. To the extent such discounted options were exercised during fiscal 2006, the Company expects to bear the liability for, and has accrued during fiscal 2006, an amount estimated to equal the potential 20% excise tax under Section 409A that would be incurred by the recipient in connection with such option if such tax is applicable, and any related income tax liability that would be incurred by the recipient in respect of receiving from the Company such amount, if any.

OTHER ADJUSTMENTS

As previously mentioned in the Explanatory Note in this Quarterly Report on Form 10-Q, in addition to the adjustments related to the stock option investigation, the restated condensed consolidated financial statements presented herein include other adjustments related to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years. The aggregate impact of these adjustments on the Company's consolidated statements of income, net of taxes, between fiscal 2001 and the first quarter of fiscal 2006 was an increase to net income of approximately $1.7 million. Additionally, variable rate demand note balances as of the quarter ended April 29, 2006 have been reclassified from cash to short-term investments, and certain other balance sheet amounts have been reclassified. These reclassifications do not result in any additional charges in any period and do not affect working capital for the affected periods. For further discussion of these adjustments, refer to Note 2—Restatement of Consolidated Financial Statements in the unaudited condensed consolidated financial statements included in Item 1 of this report and Item 2.—Management's Discussion and Analysis of Financial Condition and Results of Operations.

CUMULATIVE ADJUSTMENTS

The following table summarizes the cumulative increase or decrease to net income from fiscal 1998 through the first quarter of fiscal 2006. These adjustments relate to the Company recognizing stock-based compensation expense as a result of determining revised measurement dates for past stock option grants as well as the other adjustments noted above (in thousands):

	Stock Option Related Adjustments			Other Adjustments(1)			
Period Ended	Expense (Increase)	Tax Benefit	Net Stock Option Related Adjustments	Expense (Increase) Decrease	Tax Benefit (Provision)	Net Other Adjustments	Total After Tax Adjustment
January 30, 1999 (fiscal 1998)	$ (59)	$ 19	$ (40)	$ —	$ —	$ —	$ (40)
January 29, 2000 (fiscal 1999)	(211)	81	(130)	—	—	—	(130)
February 3, 2001 (fiscal 2000)	(386)	131	(255)	—	—	—	(255)
February 2, 2002 (fiscal 2001)	(915)	295	(620)	240	(98)	142	(478)
February 1, 2003 (fiscal 2002)	(972)	375	(597)	772	(311)	461	(136)
January 31, 2004 (fiscal 2003)	(1,632)	486	(1,146)	1,722	(695)	1,027	(119)
January 29, 2005 (fiscal 2004)	(3,386)	772	(2,614)	589	(82)	507	(2,107)
January 28, 2006 (fiscal 2005)(2)	(8,927)	3,956	(4,971)	(853)	218	(635)	(5,606)
Cumulative effect at January 28, 2006	$ (16,488)	$ 6,115	$ (10,373)	$ 2,470	$ (968)	$ 1,502	$ (8,871)
April 29, 2006 (Q1 fiscal 2006)	$ (1,331)	$ 544	$ (787)	$ 327	$ (161)	$ 166	$ (621)

(1) Other adjustments relate to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years.

(2) The Company has not previously recorded stock-based compensation expense in any fiscal year other than fiscal 2005. During fiscal 2005, the Company recorded approximately $0.3 million related to the modification of stock options for a terminated employee, before taxes of approximately $0.1 million. The Company also recorded approximately $2.1 million, before taxes of approximately $0.1 million, of stock-based compensation expense related to the acceleration of the vesting of certain options. As part of the restatement process, the stock option acceleration amounts were adjusted to approximately $1.7 million of stock-based compensation expense, before taxes of approximately $0.5 million. Therefore, the restated total stock-based compensation expense for fiscal 2005 is approximately $11.3 million, before taxes of approximately $4.1 million.

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	October 28, 2006 (Unaudited)	January 28, 2006(1) (As restated)	October 29, 2005(1) (As restated) (Unaudited)
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 133,942	$ 173,323	$ 122,428
Short-term investments	13,315	—	—
Accounts receivable	45,536	29,121	26,815
Inventories	300,404	213,665	260,082
Prepaid expenses and other current assets	48,219	38,550	52,569
Deferred income taxes	9,241	5,387	3,050
Total current assets	550,657	460,046	464,944
Long-term assets:			
Property and equipment, net	311,425	248,628	216,505
Deferred income taxes	55,336	50,168	19,391
Other assets	4,794	5,206	3,368
Total assets	$ 922,212	$ 764,048	$ 704,208
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES:			
Current liabilities:			
Revolving loan	$ —	$ —	$ 55,299
Accounts payable	124,358	81,620	85,911
Income taxes payable	17,035	52,707	10,365
Accrued expenses, interest and other current liabilities	128,135	95,681	88,798
Total current liabilities	269,528	230,008	240,373
Long-term liabilities:			
Deferred rent liabilities	123,347	105,560	101,757
Deferred royalty	42,793	27,152	19,530
Other long-term liabilities	7,062	5,678	2,976

Total liabilities	442,730	368,398	364,636
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS' EQUITY:			
Common stock, $0.10 par value; 100,000,000 shares authorized; 29,083,916 shares, 27,954,386 shares and 27,746,192 shares issued and outstanding, at October 28, 2006, January 28, 2006 and October 29, 2005, respectively	2,909	2,796	2,775
Additional paid-in capital	186,996	147,065	133,527
Accumulated other comprehensive income	8,270	7,211	6,000
Retained earnings	281,307	238,578	197,270
Total stockholders' equity	479,482	395,650	339,572
Total liabilities and stockholders' equity	$ 922,212	$ 764,048	$ 704,208

(1) See Note 2—Restatement of Consolidated Financial Statements in the accompanying Notes to Condensed Consolidated Financial Statements

See accompanying notes to these condensed consolidated financial statements

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share amounts)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 28, 2006	October, 29 2005(1) (As restated)	October 28, 2006	October, 29 2005(1) (As restated)
Net sales	$ 550,410	$ 441,051	$ 1,372,533	$ 1,129,018
Cost of sales (exclusive of depreciation shown separately below)	308,262	255,631	826,108	702,863
Gross profit	242,148	185,420	546,425	426,155
Selling, general and administrative expenses	160,416	130,381	433,477	362,957
Asset impairment charges	417	15	417	244
Depreciation and amortization	16,327	13,006	46,392	37,626
Operating income	64,988	42,018	66,139	25,328
Interest income (expense), net	670	(139)	2,343	291
Income before income taxes and extraordinary gain	65,658	41,879	68,482	25,619
Provision for income taxes	24,130	14,806	25,753	8,623
Income before extraordinary gain	41,528	27,073	42,729	16,996
Extraordinary gain, net of taxes	—	1,665	—	1,665
Net income	$ 41,528	$ 28,738	$ 42,729	$ 18,661
Basic net income per common share before extraordinary gain	$ 1.43	$ 0.98	$ 1.49	$ 0.62
Extraordinary gain net of taxes	—	0.06	—	0.06
Basic net income per common share	$ 1.43	$ 1.04	$ 1.49	$ 0.68
Basic weighted average common shares outstanding	29,074	27,740	28,739	27,602
Diluted net income per common share before extraordinary gain	$ 1.38	$ 0.95	$ 1.43	$ 0.59
Extraordinary gain, net of taxes	—	0.06	—	0.06
Diluted net income per common share	$ 1.38	$ 1.01	$ 1.43	$ 0.65
Diluted weighted average common shares and common share equivalents outstanding	30,061	28,576	29,840	28,594

(1) See Note 2—Restatement of Consolidated Financial Statements in the accompanying Notes to Condensed Consolidated Financial Statements

See accompanying notes to these condensed consolidated financial statements

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)

	Thirty-Nine Weeks Ended	
	October 28, 2006	October 29, 2005(1) (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 42,729	$ 18,661
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	46,392	37,626
Extraordinary gain	—	(2,774)
Deferred financing fee amortization	264	275
Amortization of lease buyouts	169	130
Loss on disposals of property and equipment	832	13
Asset impairment charges	417	244
Stock-based compensation expense	1,882	1,870
Stock-based compensation expense related to liability awards	1,316	—
Deferred royalty, net	15,624	12,428
Deferred taxes	(9,020)	(2,953)
Deferred rent and lease incentives	(9,475)	(6,646)
Changes in operating assets and liabilities:		
Accounts receivable	(16,356)	(1,814)
Inventories	(86,205)	(97,616)
Prepaid income taxes	(6,262)	(7,384)
Prepaid expenses and other current assets	(2,587)	(5,387)
Other assets	(7)	(874)
Accounts payable	38,173	7,555
Accrued expenses, interest and other current liabilities	26,664	12,107
Income taxes payable	(35,674)	(2,941)
Deferred rent liabilities	26,569	10,705
Other liabilities	1,400	2,545
Total adjustments	(5,884)	(42,891)
Net cash provided by (used in) operating activities	36,845	(24,230)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and equipment purchases	(101,472)	(50,684)
Acquisition of Disney Stores, net of acquired cash	—	2,240
Purchase of investments	(854,877)	(52,515)
Sale of investments	841,562	52,515
Other investing activities	(38)	(953)
Net cash used in investing activities	(114,825)	(49,397)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Exercise of stock options and employee stock purchases	27,161	11,864
Excess tax benefit for stock option exercises	11,001	—
Borrowings under revolving credit facility	184,292	425,572
Repayments under revolving credit facility	(184,292)	(407,541)
Net cash provided by financing activities	38,162	29,895
Effect of exchange rate changes on cash	437	964
Net decrease in cash and cash equivalents	(39,381)	(42,768)
Cash and cash equivalents, beginning of period	173,323	165,196
Cash and cash equivalents, end of period	$ 133,942	$ 122,428

See accompanying notes to these condensed consolidated financial statements

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(Unaudited)
(In thousands)

	Thirty-Nine Weeks Ended	
	October 28, 2006	October 29, 2005(1) (As restated)
OTHER CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 521	$ 496
Cash paid during the period for income taxes	67,386	22,902
Accrued purchases of property and equipment, lease acquisition and software costs	3,838	(494)

(1) See Note 2—Restatement of Consolidated Financial Statements in the accompanying Notes to Condensed Consolidated Financial Statements

See accompanying notes to these condensed consolidated financial statements

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) and restatements (as described in Note 2—Restatement of Consolidated Financial Statements) necessary to present fairly the Company's consolidated financial position as of October 28, 2006, the results of its consolidated operations for the thirteen and thirty-nine weeks ended October 28, 2006 and October 29, 2005, respectively, and its consolidated cash flows for the thirty-nine weeks ended October 28, 2006 and October 29, 2005, respectively. Due to the seasonal nature of the Company's business, the results of operations for the thirteen and thirty-nine weeks ended October 28, 2006 are not necessarily indicative of the results to be expected for the full year. The consolidated balance sheets at January 28, 2006 ("fiscal 2005") and October 29, 2005 have been taken from the condensed consolidated financial statements as of that date, as restated (as described in Note 2—Restatement of Consolidated Financial Statements). These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended February 3, 2007 ("fiscal 2006"), which are contained in the Company's fiscal 2006 Annual Report on Form 10-K which is being filed with the SEC concurrently with this Quarterly Report on Form 10-Q.

2. RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

As a result of an investigation into its stock option granting process, the Company is restating its prior financial statements to reflect additional stock-based compensation expense relating to stock option grants made in each year during the period from the fiscal year ended January 31, 1998 ("fiscal 1997") through the first quarter of fiscal 2006. The Company also is restating its financial statements for all periods beginning with the fiscal year ended February 2, 2002 ("fiscal 2001") through the first quarter of fiscal 2006 to reflect the correction of other errors. This Quarterly Report on Form 10-Q reflects the restatement of the Company's consolidated balance sheet as of January 28, 2006 and October 29, 2005 and its consolidated statements of income and cash flows for the thirteen and thirty-nine weeks ended October 29, 2005 to reflect additional stock-based compensation expense relating to stock option grants and to correct other errors unrelated to stock option grants.

The Company discovered errors in the dating of its stock options. In many instances, options were dated before all grant-making processes were finalized. Consequently, in some instances the option exercise price was lower than it should have been based on the trading price on the date the grant process was completed. In those instances, compensation expense related to those options was not recognized for financial reporting purposes when it should have been.

Basis for Use of the Company's Documentation Hierarchy

APB 25 provides that the accounting measurement date is the first date on which both of the following are known: (1) the number of shares that an individual employee is entitled to receive and (2) the option or purchase price, if any. In light of the Company's option granting practices, the Company has concluded that there was a mutual understanding that the terms of an award were approved by the authorized body or person and final prior to completion of all formal granting actions. The Company therefore has used the date when, most likely, the terms of the awards can be identified as approved and final, as established by the best available evidence, as the revised measurement date for accounting under APB 25. (Each of these grant authorizing occasions is referred to herein as a "Recorded Grant", regardless of the number of people who received an option award on such occasion or any variations in terms of the awards so granted.)

The Company's Documentation Hierarchy

The Company has developed a hierarchy of documentation as its basis for determining the revised measurement date for stock option grants. In each case, the document used to establish the revised measurement date is dated and evidences the point in time when the Company can substantiate with finality approval of the award, the recipients of

the option award, and the number of shares purchasable pursuant to the option awarded to that recipient. This award-by-award review resulted in different measurement dates in some instances for grants made within the same Recorded Grant. Metadata was accumulated where available to corroborate the revised measurement date for an option award. Metadata, obtained as part of the electronic data collection process, provides information about electronic data, such as how, when and by whom a set of data was collected, recorded or changed. When the metadata did not corroborate the revised measurement date (i.e., indicated that a document was created or revised later than it was dated), the metadata date was used as the date of the supporting document. If another source of support was available with an earlier date, that support was used to define the revised measurement date.

Grant dates based on Board minutes were deemed appropriate in determining the revised measurement dates if the minutes specified: (i) a list of stock option recipients, (ii) the number of options granted to each recipient, and (iii) the grant date and price. If the minutes were not determinative, the Company applied the following document hierarchy to determine the revised measurement dates:

1. *Offer Letters to New Employees/Promotion Letters*—The Company has concluded that information set forth in accepted offer letters and promotion letters, which specified the number of options to be granted at a stated date, constituted a mutual understanding between the employee and the Company. Once the employee began to render service under the terms of the employment or promotion letter, the Company believes it had a legal liability to grant the option as promised in the letter. As such, the Company has concluded that these letters established with finality the number of options granted to a recipient and the date to be used as a grant date, as long as the employee had commenced employment.

2. *Documentation Sent to Third Parties and the Compensation Committee Members*—If acceptable evidence was not identified in the Board minutes or offer and promotion letters, the Company determined that the earliest date on which a list of option recipients and number of options to each recipient was disseminated outside the Company established the finality of the grant. The Company has identified the following sources of documentation sent outside the Company as establishing the date on which the terms of an option became final: (i) Forms 3 and 4 filed with the SEC (ii) archive data obtained from the Company's outside stock option plan administrator ("Stock Option Administrator") with the list of option recipients and number of options evidencing the terms of option grants that was provided by the Company and the date when the Stock Option Administrator was so advised of the grant, and (iii) Legal Department Memoranda requesting unanimous written consent ("UWC") approval with an attached UWC documenting with finality (either in the body of the UWC or as a referenced attachment) the option recipients, number of shares subject to each grant and the exercise price (as well as the "as of" grant date) which, in accordance with the Company's option granting process, would not have been prepared if the related list of option recipients was not final and approved by the former CEO.

3. *Internal Documentation* —The next level of documentation used included the "last modified" date metadata of a Microsoft Excel file specifying the recipient and the number of shares subject to an option grant, or email dates on comparable data prepared by the Legal or Human Resources Departments, where in each case the grant was recorded in the Stock Option Administrator's records.

4. *Unanimous Written Consents*—If no other support was available, the Company used the "last modified" date metadata associated with the UWC reflecting formal approval of a grant as the revised measurement date.

The Company has revised the measurement dates used to account for certain stock option grants since fiscal 1997 based on the hierarchy above.

Variable Accounting

During the course of the investigation and the review of the documentation for each grant, the Company identified instances where changes were made in its records respecting certain Recorded Grants. In these instances, the Company reviewed all documents related to the grant to determine if the change was an isolated change to an individual award or if the change indicated that the granting process was not complete for the entire Recorded Grant. If the change was an isolated change, the Company determined whether the change represented an administrative error or a modification of a term of the award. The investigation did not reveal a practice by the Company of

retracting awards or modifying the terms of awards across a group of recipients after the date determined to be the revised measurement date. Instead, changes were rare and occurred only at the individual level. The Company found no evidence regarding any of the changes that indicated that at the time of the change the granting process remained open for an entire Recorded Grant.

Since none of the changes indicated an incomplete granting process, the Company used available documentation to determine whether the changes represented administrative errors or a modification to an individual award. For changes deemed to be administrative errors (e.g., adding an individual to a list of recipients for service awards where the number of options involved in the award and the criteria required to earn the award were set prior to the issuance of the award), the Company did not change the revised measurement date applicable to the individual award from that determined from the Recorded Grant as determined based on the documentation hierarchy.

If the Company determined based on a review of supporting documentation that the change was a modification to the original award (e.g., a change in the number of shares for which the option was granted or the exercise price of the option), the Company considered the appropriate accounting for the individual award in accordance with FASB Interpretation No. 44, "Accounting for Certain Transactions involving Stock Compensation" ("FIN 44"). For any changes involving either the number of shares for which the options were granted or the exercise price of the option, the Company determined that variable accounting should be applied in accordance with FIN 44. With respect to options for 328,775 shares, the Company has applied variable accounting because of a modification to the terms of the award, resulting in additional stock-based compensation expense.

The 1997 CEO IPO Grant

The Company granted to Ezra Dabah, its former CEO, who owned more than 10% of the Company's outstanding shares, options under its 1996 Stock Option Plan ("1996 Plan") for 99,660 shares in connection with its initial public offering in September 1997 (the "1997 CEO IPO Grant"). Under the plan, options could be granted as either incentive stock options under the tax code ("ISOs") or as options not qualified as ISOs ("NQOs"). The plan required grants to more than 10% shareholders treated as ISOs to have an exercise price of 110% of the fair market value of the stock on the grant date and to have a five year duration. The plan required NQOs to have a ten year duration and an exercise price determined by the Compensation Committee. At the time of the grant, the Company issued two certificates in Mr. Dabah's name reflecting the 1997 CEO IPO Grant as bifurcated partly into ISOs and partly into NQOs, both parts having a five year duration and an exercise price of 110% of the initial public offering price. However, other Company records reflected the options as having different terms. In 2004, the Company realized there were inconsistencies in the Company's records regarding the duration, exercise price and ISO/NQO status related to the 1997 CEO IPO Grant. On May 6, 2004, management, without review or approval of the Compensation Committee, interpreted the grant to have a ten year duration in its entirety and changed the Company's records of outstanding options to reflect the entire grant as NQOs with a duration of ten years. In April 2007, after an investigation of the circumstances, the Company's Board ratified the change to the records made in May 2004. The Company considers the accounting consequence of the now ratified 2004 action to be the equivalent of a grant to Mr. Dabah for a "below market", fully vested option,

since, based on the certificates, the options would have expired on September 17, 2002. Accordingly, the Company has recognized in its restatement of its financial statements a charge to compensation expense of approximately $0.9 million in fiscal 2004.

Other Adjustments

In addition to the adjustments related to the stock option investigation, the restated condensed consolidated financial statements presented herein include other adjustments to correct errors related to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years. The aggregate impact of these adjustments on the Company's consolidated statements of income, net of taxes, between fiscal 2001 and fiscal 2005 was an increase to net income of approximately $1.7 million. Additionally, variable rate demand note balances as of April 29, 2006 have been reclassified from cash to short-term investments, and certain other balance sheet amounts have been reclassified. These reclassifications do not result in any additional charges in any period and do not affect working capital for the affected periods.

The following table reconciles as reported net income to as restated net income and retained earnings (in thousands):

	Net Income		
	Thirteen weeks ended October 29, 2005	Thirty-nine weeks ended October 29, 2005	Retained Earnings as of January 29, 2005
As previously reported	$ 28,993	$ 19,880	$ 181,874
Increase (decrease) to net income and retained earnings			
Stock based compensation expense(1)	(485)	(1,870)	(6,754)
Payroll withholding expense and penalties related to stock options	(176)	(1,118)	(807)
Other stock option related expenses	(24)	601	—
Total additional stock option related expense	(685)	(2,387)	(7,561)
Other adjustments(2)	267	610	3,323
Income tax benefit related to stock option related expenses	274	947	2,159
Income tax benefit (provision) related to other adjustments	(111)	(389)	(1,186)
Total	(255)	(1,219)	(3,265)
As restated	$ 28,738	$ 18,661	$ 178,609

(1) Prior to the adoption of SFAS 123(R), the only stock-based compensation expense previously recorded by the Company was approximately $1.7 million (as restated), in the fourth quarter of fiscal 2005 related to the acceleration of the vesting of certain options and approximately $0.3 million in the first quarter of fiscal 2005 for the acceleration of the vesting of options related to a terminated employee.

(2) Other adjustments relate to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years.

The following table details the components of the beginning retained earnings adjustment as of January 29, 2005 (in thousands):

	Stock Option Related Adjustments(1)			Other Adjustments(2)			
Period Ended	Expense (Increase)	Tax Benefit	Net Stock Option Related Adjustments	Expense (Increase) Decrease	Tax Benefit (Provision)	Net Other Adjustments	Total After Tax Adjustment
January 30, 1999 (fiscal 1998)	$ (59)	$ 19	$ (40)	$ —	$ —	$ —	$ (40)
January 29, 2000 (fiscal 1999)	(211)	81	(130)	—	—	—	(130)
February 3, 2001 (fiscal 2000)	(386)	131	(255)	—	—	—	(255)
February 2, 2002 (fiscal 2001)	(915)	295	(620)	240	(98)	142	(478)
February 1, 2003 (fiscal 2002)	(972)	375	(597)	772	(311)	461	(136)
January 31, 2004 (fiscal 2003)	(1,632)	486	(1,146)	1,722	(695)	1,027	(119)
January 29, 2005 (fiscal 2004)	(3,386)	772	(2,614)	589	(82)	507	(2,107)
Cumulative effect at January 29, 2005	(7,561)	2,159	(5,402)	3,323	(1,186)	2,137	(3,265)
Fiscal year 2005:							
April 30, 2005 (Q1)	(241)	153	(88)	791	(459)	332	244
July 30, 2005 (Q2)	(1,461)	520	(941)	(448)	181	(267)	(1,208)
October 29, 2005 (Q3)	(685)	274	(411)	267	(111)	156	(255)
Cumulative effect at October 29, 2005	(9,948)	3,106	(6,842)	3,933	(1,575)	2,358	(4,484)
January 28, 2006 (Q4)	(6,540)	3,009	(3,531)	(1,463)	607	(856)	(4,387)
Cumulative effect at January 28, 2006	$ (16,488)	$ 6,115	$ (10,373)	$ 2,470	$ (968)	$ 1,502	$ (8,871)
April 29, 2006 (Q1 fiscal 2006)	$ (1,331)	$ 544	$ (787)	$ 327	$ (161)	$ 166	$ (621)

(1) There was no stock-based compensation expense previously recorded by the Company during the period from fiscal 1998 through fiscal 2004.

(2) Other adjustments relate to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years.

The following tables reconcile the Company's consolidated results of operations and financial position from the previously reported consolidated financial statements to the restated consolidated financial statements.

Consolidated Balance Sheet Impact

The following table reconciles the consolidated balance sheet previously reported to the restated amounts as of January 28, 2006 (in thousands):

	January 28, 2006			
	As Reported	Stock Option Related Adjustments	Other Adjustments(1)	As Restated
ASSETS				
Current assets:				
Cash and cash equivalents	$ 173,323	$ —	$ —	$ 173,323
Accounts receivable	28,971	—	150	29,121
Inventories	214,702	—	(1,037)	213,665
Prepaid expenses and other current assets	36,955	—	1,595	38,550
Deferred income taxes	6,043	—	(656)	5,387
Total current assets	459,994	—	52	460,046
Property and equipment, net	248,628	—	—	248,628
Deferred income taxes	43,492	4,397	2,279	50,168
Other assets	5,206	—	—	5,206
Total assets	$ 757,320	$ 4,397	$ 2,331	$ 764,048
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 82,826	$ —	$ (1,206)	$ 81,620
Taxes payable	49,078	—	3,629	52,707
Accrued expenses and other current liabilities	94,160	2,077	(556)	95,681
Total current liabilities	226,064	2,077	1,867	230,008
Deferred rent liabilities	105,560	—	—	105,560
Deferred royalty	27,152	—	—	27,152
Other long-term liabilities	5,678	—	—	5,678
Total liabilities	364,454	2,077	1,867	368,398
COMMITMENTS AND CONTINGENCIES STOCKHOLDERS' EQUITY:				
Common stock, $0.10 par value	2,796	—	—	2,796
Preferred stock, $1.00 par value	—	—	—	—
Additional paid-in capital	134,372	12,693	—	147,065
Accumulated other comprehensive income	8,249	—	(1,038)	7,211
Retained earnings	247,449	(10,373)	1,502	238,578
Total stockholders' equity	392,866	2,320	464	395,650
Total liabilities and stockholders' equity	$ 757,320	$ 4,397	$ 2,331	$ 764,048

(1) Other adjustments relate to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years and inventory adjustments.

The following table reconciles the consolidated balance sheet previously reported to the restated amounts as of October 29, 2005 (in thousands):

	October 29, 2005			
	As Reported	Stock Option Related Adjustments	Other Adjustments(1)	As Restated
ASSETS				
Current assets:				
Cash and cash equivalents	$ 122,428	$ —	$ —	$ 122,428
Accounts receivable	26,702	—	113	26,815
Inventories	261,160	—	(1,078)	260,082
Prepaid expenses and other current assets	51,217	—	1,352	52,569
Deferred income taxes	3,593	—	(543)	3,050
Total current assets	465,100	—	(156)	464,944

Long term assets:				
Property and equipment, net	216,505	—	—	216,505
Deferred income taxes	18,991	1,459	(1,059)	19,391
Other assets	3,368	—	—	3,368
Total assets	$ 703,964	$ 1,459	$ (1,215)	$ 704,208
LIABILITIES AND STOCKHOLDERS' EQUITY LIABILITIES:				
Current liabilities:				
Revolving loan	$ 55,299	$ —	$ —	$ 55,299
Accounts payable	87,282	—	(1,371)	85,911
Taxes payable	9,477	—	888	10,365
Accrued expenses and other current liabilities	89,349	1,624	(2,175)	88,798
Total current liabilities	241,407	1,624	(2,658)	240,373
Deferred rent liabilities	101,757	—	—	101,757
Deferred royalties	19,530	—	—	19,530
Other long term liabilities	2,976	—	—	2,976
Total liabilities	365,670	1,624	(2,658)	364,636
COMMITMENTS AND CONTINGENCIES STOCKHOLDERS' EQUITY:				
Common stock, $0.10 par value	2,775	—	—	2,775
Preferred stock, $1.00 par value	—	—	—	—
Additional paid-in capital	126,850	6,677	—	133,527
Accumulated other comprehensive income	6,915	—	(915)	6,000
Retained earnings	201,754	(6,842)	2,358	197,270
Total stockholders' equity	338,294	(165)	1,443	339,572
Total liabilities and stockholders' equity	$ 703,964	$ 1,459	$ (1,215)	$ 704,208

(1) Other adjustments relate to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years and inventory adjustments.

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

Consolidated Statements of Income Impact

The following table reconciles the consolidated statement of income previously reported to the restated amounts for the thirteen weeks ended October 29, 2005 (in thousands):

	Thirteen Weeks Ended October 29, 2005			
	As Reported	Stock Option Related Adjustments	Other Adjustments(1)	As Restated
Net sales	$ 441,051	$ —	$ —	$ 441,051
Cost of sales (exclusive of depreciation shown separately below)	255,883	103	(355)	255,631
Gross profit	185,168	(103)	355	185,420
Selling, general and administrative expenses	129,711	582	88	130,381
Asset impairment charges	15	—	—	15
Depreciation and amortization	13,006	—	—	13,006
Operating income	42,436	(685)	267	42,018
Interest income (expense), net	(139)	—	—	(139)
Income before income taxes and extraordinary gain	42,297	(685)	267	41,879
Provision for income taxes	14,969	(274)	111	14,806
Income before extraordinary gain	27,328	(411)	156	27,073
Extraordinary gain, net of taxes	1,665	—	—	1,665
Net income	$ 28,993	$ (411)	$ 156	$ 28,738
Basic net income per common share before extraordinary gain (2)	$ 0.99	$ (0.01)	$ 0.01	$ 0.98
Extraordinary gain, net of taxes	0.06	—	—	0.06
Basic net income per common share (2)	$ 1.05	$ (0.01)	$ 0.01	$ 1.04
Basic weighted average common shares outstanding	27,740			27,740
Diluted net income per common share before extraordinary gain	$ 0.95	$ (0.01)	$ 0.01	$ 0.95
Extraordinary gain, net of taxes	0.06	—	—	0.06
Diluted net income per common share	$ 1.01	$ (0.01)	$ 0.01	$ 1.01
Diluted weighted average common shares and common share equivalents outstanding	28,736	(160)		28,576

(1) Other adjustments relate to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years.

(2) Basic earnings per share may not add due to rounding.

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

The following table reconciles the consolidated statement of income previously reported to the restated amounts for the thirty-nine weeks ended October 29, 2005 (in thousands):

	Thirty-Nine Weeks Ended October 29, 2005			
	As Reported	Stock Option Related Adjustments	Other Adjustments(1)	As Restated
Net sales	$ 1,129,018	$ —	$ —	$ 1,129,018
Cost of sales (exclusive of depreciation shown separately below)	703,245	467	(849)	702,863
Gross profit	425,773	(467)	849	426,155
Selling, general and administrative expenses	360,798	1,920	239	362,957
Asset impairment charges	244	—	—	244
Depreciation and amortization	37,626	—	—	37,626
Operating income	27,105	(2,387)	610	25,328
Interest income (expense), net	291	—	—	291
Income before income taxes and extraordinary gain	27,396	(2,387)	610	25,619
Provision for income taxes	9,181	(947)	389	8,623
Income before extraordinary gain	18,215	(1,440)	221	16,996
Extraordinary gain, net of taxes	1,665	—	—	1,665
Net income	$ 19,880	$ (1,440)	$ 221	$ 18,661
Basic net income per common share before extraordinary gain	$ 0.66	$ (0.05)	$ 0.01	$ 0.62
Extraordinary gain, net of taxes	0.06	—	—	0.06
Basic net income per common share	0.72	(0.05)	0.01	0.68
Basic weighted average common shares outstanding	27,602			27,602
Diluted net income per common share before extraordinary gain	$ 0.63	$ (0.05)	$ 0.01	$ 0.59
Extraordinary gain, net of taxes	0.06	—	—	0.06
Diluted net income per common share	$ 0.69	$ (0.05)	$ 0.01	$ 0.65
Diluted weighted average common shares and common share equivalents outstanding	28,794	(200)		28,594

(1) Other adjustments relate to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years.

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

Consolidated Statements of Cash Flows Impact

The following table reconciles the operating section of the consolidated statement of cash flows previously reported to the restated amounts for the thirty-nine weeks ended October 29, 2005 (in thousands):

	Thirty-Nine Weeks Ended October 29, 2005			
	As Reported	Stock Option Related Adjustments	Other Adjustments(1)	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 19,880	$ (1,440)	$ 221	$ 18,661
Adjustments to reconcile net income to net cash used in operating activities:				
Depreciation and amortization	37,626	—	—	37,626
Extraordinary gain	(2,774)	—	—	(2,774)
Deferred financing fee amortization	275	—	—	275
Amortization of lease buyouts	130	—	—	130
Loss on disposals of property and equipment	13	—	—	13
Asset impairment charges	244	—	—	244
Stock based compensation	—	1,870	—	1,870

Deferred taxes	(2,343)	(947)	337	(2,953)
Deferred royalty, net	12,428	—	—	12,428
Deferred rent expense and lease incentives	(5,995)	—	(651)	(6,646)
Changes in operating assets and liabilities:				
Accounts receivable	(1,814)	—	—	(1,814)
Inventories	(98,585)	—	969	(97,616)
Prepaid income taxes	(7,384)	—	—	(7,384)
Prepaid expenses and other current assets	(5,675)	—	288	(5,387)
Other assets	(874)	—	—	(874)
Accounts payable	8,610	—	(1,055)	7,555
Income taxes payable	(2,992)	—	51	(2,941)
Accrued expenses, interest and other current liabilities	11,250	517	340	12,107
Deferred rent liabilities	11,205	—	(500)	10,705
Other liabilities	2,545	—	—	2,545
Total adjustments	(44,110)	1,440	(221)	(42,891)
Net cash (used in) operating activities	(24,230)	—	—	(24,230)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Property and equipment purchases	(50,684)	—	—	(50,684)
Acquisition of Disney Stores, net of acquired cash	2,240			2,240
Purchase of investments	(52,515)	—	—	(52,515)
Sale of investments	52,515	—	—	52,515
Other investing activities	(953)	—	—	(953)
Net cash used in investing activities	(49,397)	—	—	(49,397)

THE CHILDREN'S PLACE RETAIL STORES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

	Thirty-Nine Weeks Ended October 29, 2005			
	As Reported	Stock Option Related Adjustments	Other Adjustments(1)	As Restated
CASH FLOWS FROM FINANCING ACTIVITIES:				
Exercise of stock options and employee stock purchases	11,864	—	—	11,864
Excess tax benefit for stock option exercises	—	—	—	—
Borrowings under revolving credit facility	425,572	—	—	425,572
Repayments under revolving credit facility	(407,541)	—	—	(407,541)
Net cash provided by (used in) financing activities	29,895	—	—	29,895
Effect of exchange rate changes on cash	964	—	—	964
Net decrease in cash and cash equivalents	(42,768)	—	—	(42,768)
Cash and cash equivalents, beginning of period	165,196	—	—	165,196
Cash and cash equivalents, end of period	$ 122,428	$ —	$ —	$ 122,428

(1) Other adjustments relate to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for the Company's 52- and 53-week fiscal years and inventory adjustments.

3. EQUITY COMPENSATION

The Company maintains several equity compensation plans and has granted stock options under its 1996 Stock Option Plan (the "1996 Plan"), its 1997 Stock Option Plan (the "1997 Plan") and its 2005 Equity Incentive Plan (the "2005 Equity Plan"). The 2005 Equity Plan, which was approved at the June 23, 2005 Annual Meeting of Stockholders, enabled the Compensation Committee of the Company's Board to grant multiple forms of equity compensation such as stock options, stock appreciation rights, restricted stock awards, deferred stock awards and performance awards. In connection with the adoption of the 2005 Equity Plan, the Compensation Committee agreed not to issue any additional stock options under the 1996 Plan or the 1997 Plan and to limit the aggregate grant of awards under the 2005 Equity Plan during fiscal years 2005, 2006 and 2007 to less than 2.5% of the aggregate number of shares of the Company's common stock outstanding on the last day of the 2005, 2006, and 2007 fiscal years, respectively. The Company also has an Employee Stock Purchase Plan (the "ESPP"), in which participants purchase stock at 95% of fair market value, which is deemed to be non-compensatory.

On January 29, 2006, the Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 123 (Revised 2004) ("SFAS 123(R)"), "Accounting for Share-Based Payments," using the modified prospective method. Under this method, prior periods are not restated. The Company uses the Black-Scholes option model, which requires extensive use of accounting judgment and financial estimates, including estimates of how long an associate will hold their vested stock option before exercise, the estimated volatility of the Company's common stock over the expected term, and the number of options that will be forfeited prior to the completion of vesting requirements. Application of other assumptions could result in significantly different estimates of fair value of stock-based compensation and consequently, the related expense recognized in the Company's financial statements. The provisions of SFAS 123(R) apply to new stock options and stock options outstanding, but not yet vested, as of the effective date.

Prior to the adoption of SFAS 123(R), the Company had accounted for its stock-based compensation in accordance with SFAS No. 123, "Accounting for Stock-Based Compensation" and the disclosure requirements of SFAS No. 148, "Accounting for Stock-Based Compensation, Transition and Disclosure" under the intrinsic value method described in the provisions of APB 25 and related accounting interpretations.

In the fourth quarter of fiscal 2005, the Company accelerated the vesting of approximately 2.1 million stock options, excluding approximately 355,000 options held by non-executive members of the Board and certain executives of the Company, in order to minimize the impact of past option grants on future operating results.

The following tables summarize the Company's equity and other stock-based compensation expense for the thirteen and thirty-nine weeks ended October 28, 2006, which was determined in accordance with SFAS 123(R), and the thirteen and thirty-nine weeks ended October 29, 2005, which was determined in accordance with APB 25:

	Thirteen Weeks Ended October 28, 2006		
	Cost of Goods Sold	Selling, General & Administrative	Total
Stock option expense	$ —	$ 360	$ 360
Performance share expense(1)	—	—	—
Stock compensation expense related to the issuance of liability awards(2)	—	51	51
Expense related to the modification of previously issued stock options(i.e. tolling)(3)	—	293	293
Tolled stock options accounted for as liability awards and related fair market value adjustments(3)	890	375	1,265
Total stock-based compensation expense	$ 890	$ 1,079	$ 1,969

	Thirty-Nine Weeks Ended October 28, 2006		
	Cost of Goods Sold	Selling, General & Administrative	Total
Stock option expense	$ —	$ 1,589	$ 1,589
Performance share expense(1)	—	—	—
Stock compensation expense related to the issuance of liability awards(2)	—	51	51
Expense related to the modification of previously issued stock options(i.e. tolling)(3)	—	293	293
Tolled stock options accounted for as liability awards and related fair market value adjustments(3)	890	375	1,265
Total stock-based compensation expense	$ 890	$ 2,308	$ 3,198

(1) The Company determined that it is not probable that the Minimum Performance Target (as defined below) will be met. Accordingly, the Company has not recognized compensation expense related to Performance Awards.

(2) Compensation expense for awards of restricted stock and stock options promised for which the Company has not completed the granting process due to the suspension of equity award grants.

(3) Terminated employees have 90 days from date of termination to exercise their vested options. Due to the suspension of stock option exercises, the Company modified options held by terminated employees to extend their expiration dates until after the date the suspension is lifted (i.e., tolled stock options). After the suspension is lifted, terminated employees will have the same number of days to exercise their options as if the suspension had not occurred. Options that were tolled after the Company suspended option activity on September 14, 2006 were accounted for as liability awards because the option holders were no longer employees at the time of the modification. Options that were tolled after September 14, 2006 were accounted for as equity awards because their options were tolled in conjunction with their termination.

	Thirteen Weeks Ended October 29, 2005		
	Cost of Goods Sold	Selling, General & Administrative	Total
Stock compensation expense related to revised measurement dates	$ 90	$ 395	$ 485

	Thirty-Nine Weeks Ended October 29, 2005		
	Cost of Goods Sold	Selling, General & Administrative	Total
Stock compensation expense related to revised measurement dates	$ 359	$ 1,511	$ 1,870

The Company recognized a tax benefit related to equity compensation expense of approximately $0.8 million and $1.3 million for the thirteen and thirty-nine weeks ended October 28, 2006, respectively. The Company recognized a tax benefit related to equity compensation expense of approximately $0.2 million and $0.9 million for the thirteen and thirty-nine weeks ended October 29, 2005, respectively.

Stock Option Plans

As a result of the adoption of SFAS 123(R), the Company recognized approximately $0.4 million and $1.6 million in equity compensation expense during the thirteen and thirty-nine weeks ended October 28, 2006, respectively, related to stock options granted under the Plans. Accordingly, during the thirteen and thirty-nine weeks ended October 28, 2006, net income was reduced by approximately $0.2 million and $1.0 million, respectively, and basic and diluted net income per common share was reduced by approximately $0.01 and $0.03 per share, respectively.

SFAS 123(R) also requires disclosure of pro forma financial information for periods prior to adoption. The following table sets forth the effects on net income and earnings per share as if the fair value accounting method under SFAS 123 had been applied to all outstanding and unvested stock option awards and employee stock purchases in the period ended October 29, 2005 (in thousands, except per share amounts):

	Thirteen Weeks Ended October 29, 2005	Thirty-Nine Weeks Ended October 29, 2005
Net income -		
As restated (1)	$ 28,738	$ 18,661
Add: Stock-based compensation expense included in restated net income, net of related tax effects	279	989
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of related tax effects	(2,312)	(6,634)
Pro forma net income, as restated	$ 26,705	$ 13,016
Earnings per share -		
Basic—as restated	$ 1.04	$ 0.68
Basic—pro forma	0.96	0.47
Diluted—as restated	1.01	0.65
Diluted—pro forma	$ 0.93	$ 0.46

(1) See Note 2—Restatement of Consolidated Financial Statements in the accompanying Notes to Condensed Consolidated Financial Statements

Pro forma income per common share excludes the effect of approximately 200,000 and 67,000 stock options for the thirteen and thirty-nine weeks ended October 29, 2005, respectively, which would have been antidilutive as a result of the impact of unamortized stock-based compensation expense determined under fair value-based methods.

The above pro forma results are not indicative of equity compensation expense reported under the requirements of SFAS 123(R).

The fair value of issued stock options has been estimated on the date of grant using the Black-Scholes option pricing model, incorporating the following assumptions:

	October 28, 2006	October 29, 2005
Dividend yield	0%	0%
Volatility factor(1)	41.4%	44.9%
Weighted average risk-free interest rate(2)	4.35%	3.90%
Expected life of options(3)	4.8 years	4.8 years
Weighted average fair value on grant date	$19.37 per share	$21.28 per share

(1) Expected volatility is based on a 50:50 blend of the historical and implied volatility with a two-year look back on the date of each grant.

(2) The risk-free interest rate is based on the risk-free rate corresponding to the grant date and expected term.

(3) The expected option life used in the Black-Scholes calculation is based on a Monte Carlo simulation incorporating a forward-looking stock price model and a historical model of employee exercise and post-vest forfeiture behavior.

Changes in the Company's stock options for the thirty-nine weeks ended October 28, 2006 were as follows:

	Number of Options (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Options outstanding, beginning of fiscal year	3,494	$ 28.34		
Granted(1)	3	46.24		
Exercised(2)	(1,117)	23.77		
Forfeited	(58)	36.01		
Options outstanding, end of quarter	2,322	$ 30.36	7.0	$ 85,593
Options exercisable, end of quarter	2,090	$ 30.30	7.0	$ 81,972

(1) The weighted average fair value of options granted was $19.37.

(2) The aggregate intrinsic value of exercised stock options was approximately $37.0 million.

Changes in the Company's unvested stock options for the thirty-nine weeks ended October 28, 2006 were as follows:

	Number of Options (in thousands)	Weighted Average Grant Date Fair Value
Unvested options, beginning of fiscal year	390	$ 16.69
Granted	3	19.37
Vested	(111)	16.53
Forfeited	(50)	22.13
Unvested options, end of quarter	232	$ 15.63

Total unrecognized equity compensation expense related to unvested stock options approximated $2.5 million as of October 29, 2006, which will be recognized over a weighted average period of approximately 2.1 years. During the thirty-nine weeks ended October 28, 2006, the Company accelerated 10,000 options. The equity compensation expense associated with this acceleration approximated $0.2 million.

Prior to the adoption of SFAS 123(R), the Company presented the tax deductions resulting from the exercise of stock options as an operating cash flow, in accordance with Emerging Issues Task Force ("EITF") Issue No. 00-15, "Classification in the Statement of Cash Flows of the Income Tax Benefit Received by a Company upon Exercise of a Non-qualified Stock Option." SFAS 123(R) now requires the Company to reflect the tax savings resulting from tax deductions in excess of expense as a financing cash flow. During the thirty-nine weeks ended October 28, 2006, cash provided by financing activities included approximately $11.0 million related to excess tax benefits from the Company's equity compensation plans.

Performance Awards

Prior to fiscal 2006, equity compensation for key management consisted only of stock option awards. Upon consideration of several factors, including the impact of SFAS 123(R), the Company decided in fiscal 2006 to begin awarding to members of key management selected by the Compensation Committee (the "Participants") performance awards ("Performance Awards"). Performance Awards are shares of the Company's common stock ("Performance Shares") to be issued to Participants if, among other conditions, the Company achieves a minimum earnings per share level in fiscal 2007 (the "Threshold Target") and a minimum cumulative earnings per share level for fiscal 2005, 2006 and 2007 (together with the Threshold Target, the "Minimum Performance Target"). At the time the Performance Awards were granted, the fiscal 2005 earnings per share component of the Company's three year cumulative target was known.

Based on the Company's estimate of the level of performance targets for which attainment is probable, Performance Awards are expensed on a straight line basis as follows:

- The first 50% of the awards are expensed over a two year vesting period from fiscal 2006 to fiscal 2007 and are earned based on the Company meeting the Minimum Performance Target; and
- The remaining 50% of the awards are expensed over a three year vesting period from fiscal 2006 through fiscal 2008 based on the Participant's continued service to the Company through that period.

The shares automatically vest on a pro-rata basis if there is a change in control (as defined in the 2005 Equity Plan) of the Company prior to the end of fiscal 2007. The Company determined that it is not probable that the Minimum Performance Target will be met. Accordingly, the Company has not recognized compensation expense related to the Performance Awards. The remaining unvested shares will be automatically canceled at the end of fiscal 2007, assuming there is not a change in control of the Company.

Changes in the Company's unvested Performance Awards for the thirteen and thirty-nine weeks ended October 28, 2006 were as follows:

	Thirteen Weeks Ended October 28, 2006		Thirty-Nine Weeks Ended October 28, 2006	
	Number of Performance Awards (in thousands)	Weighted Average Grant Date Fair Value	Number of Performance Awards (in thousands)	Weighted Average Grant Date Fair Value
Unvested Performance Awards, beginning of period	512	$ 45.18	—	$ —
Granted	55	59.78	567	46.60
Vested	—	—	—	—
Forfeited	—	—	—	—
Unvested Performance Awards, end of period	567	$ 46.60	567	$ 46.60

4. LICENSE AGREEMENT WITH DISNEY

In November 2004, the Company acquired, through two wholly-owned subsidiaries, certain assets used to operate the Disney Store retail chain in North America (the "DSNA Business") from affiliates of The Walt Disney Company ("Disney"). (For clarification, the "DSNA Business" refers to the business the Company acquired from Disney as of November 21, 2004, whereas the "Disney Store business" refers to the Disney Store business the Company has operated since the acquisition.) As a result of the acquisition, these subsidiaries acquired a total of 313 Disney Stores, consisting of all existing Disney Stores in the United States and Canada, other than "flagship" stores and stores located at Disney theme parks and other Disney properties, along with certain other assets used in the Disney Store business. In addition, the lease obligations for all 313 stores and other legal obligations became obligations of the Company's subsidiaries. Subsequently, the Company's subsidiaries acquired two Disney Store flagship stores, one in Chicago, Illinois and the other in San Francisco, California, as well as certain Disney Store outlet stores. The Company's subsidiaries that operate the Disney Store business are referred to herein interchangeably and collectively as Hoop.

Royalty Payments

Concurrently with acquiring the DSNA Business, the Company entered into a License and Conduct of Business Agreement with Disney (the "License Agreement"). Under the License Agreement, Hoop has the right to use certain Disney intellectual property, subject to Disney approval, in the Disney Store business in exchange for ongoing royalty payments. Pursuant to the terms of the License Agreement, Hoop operates retail stores in North America using the "Disney Store" name and contract to manufacture, source, offer and sell merchandise featuring Disney-branded characters, past, present and future. The initial term of the License Agreement is 15 years and, if certain financial performance and other conditions are satisfied, the License Agreement may be extended at the Company's option for up to three additional ten-year terms. Following an initial two-year royalty holiday, Hoop will begin making royalty payments to Disney in November 2006 equal to 5% of net sales at physical Disney Store retail locations, subject to an additional royalty holiday with respect to a limited number of stores (the "Non-Core Stores").

Beginning in fiscal 2007, under the License Agreement, the royalty payments are also subject to minimum royalties. The minimum royalty payment is computed as the greater of:

- 60% of the royalty that would have been payable under the terms of the License Agreement for acquired stores in the base year, which was the year ended October 2, 2004, as if the License Agreement had been in effect in that year, increased at the rate of the Consumer Price Index, or

- 80% of the average of the royalty amount payable in the previous two years.

Due to the royalty holiday discussed above, there were no royalty amounts due or paid under the License Agreement during the thirty-nine weeks ended October 28, 2006 and the thirty-nine weeks ended October 29, 2005. During the thirteen and thirty-nine weeks ended October 28, 2006, the Company recorded $6.4 and $15.6 million, respectively, for royalty expense, as compared to $4.9 million and $12.4 million during the thirteen and thirty-nine weeks ended October 29, 2005, respectively. The Company had an accrued liability on its balance sheet of $42.8 million as of October 28, 2006 and $19.5 million as of October 29, 2005.

Liquidity Restrictions

The License Agreement limits Hoop's ability to make cash dividends or other distributions. Hoop's independent directors must approve payment of any dividends or other distributions, other than payments of:

- Amounts due under the terms of the tax sharing and intercompany services agreements;

- Approximately $61.9 million which represents a portion of the purchase price paid by the Company to Disney (limited to cumulative cash flows, as defined, since the date of the acquisition); and

- Certain other dividend payments, subject to satisfaction of additional operating conditions, and limited to 50% of cumulative cash flows up to $90 million, and 90% of cumulative cash flows thereafter (provided that at least $90 million of cash and cash equivalents is maintained at Hoop).

In the normal course of business, Hoop has reimbursed the Company for intercompany services but has not paid any dividends or made other distributions. Under the License Agreement, Hoop may not incur indebtedness or guarantee indebtedness without written approval from Disney, except in permitted circumstances as outlined by the License Agreement. The License Agreement provides that trade letters of credit to fund inventory purchases are permitted without limitation; borrowings under all term and revolving loans are limited to $35.0 million, with a maximum of $7.5 million for term loan borrowings; and the aggregate amount outstanding under all term and revolving loans must be reduced to $10.0 million or less at least once annually.

Business Review and Approvals

The License Agreement includes provisions regarding the manner in which Hoop will operate the Disney Store business and requires that approvals be obtained from a Disney affiliate for certain matters, including all uses of the intellectual property of Disney and its affiliates and the opening or closing of Disney Stores beyond certain parameters set forth in the License Agreement.

The License Agreement also entitles Disney to designate a representative to attend meetings of the Board of the Company as an observer. Upon the occurrence of certain specified events, including an uncured royalty breach and other repeated material breaches by Hoop of the terms of the License Agreement, certain material breaches by the Company of the terms of the Guaranty and Commitment, and certain changes in ownership or control of the Company or Hoop, Disney will have the right to terminate the License Agreement, in which event Disney may require the Company to sell the Disney Store business to Disney or one of its affiliates or to a third party at a price to be determined by appraisal or, in the absence of such sale, to wind down the Disney Store business in an orderly manner.

Remodeling Obligations

The License Agreement obligates the Company to maintain the quality, appearance and presentation standards of the Disney Store chain in accordance with the highest standards prevailing in the specialty retail industry. In addition, under the License Agreement, the Company has a remodel commitment, which is subject to revision depending upon what actions management takes regarding, among other things, the timing and nature of lease renewals for acquired stores. The License Agreement, as amended in April 2006, required the Company to:

- Completely remodel each store within a specified period of time following expiration or termination of the initial term of the lease for such store, if such lease is renewed or extended on a long-term basis upon or following such expiration or termination;
- Completely remodel each store at least once every 12 years; and
- Completely remodel a minimum of approximately 160 of the 313 acquired stores by January 1, 2009.

During fiscal 2006, the Company suspended the store renovation program because of dissatisfaction with the "Mickey" store prototype. As of October 28, 2006, the Company had remodeled a total of 44 Disney Stores since the 2004 acquisition. Pursuant to provisions of the License Agreement, as amended in 2006, relating to required remodeling following lease renewals and required remodeling stores at least once every 12 years, the Company was required to remodel a total of approximately 137 stores by October 28, 2006. As of October 28, 2006, the Company had remodeled 32 of these required stores, with the result that 105 of the store remodels required by that date under the terms of the License Agreement had not been completed by that date. The remaining 12 store remodels the Company had completed were not required pursuant to the provisions of the License Agreement.

In August 2007, the Company and Disney entered into an agreement which modified certain provisions of the License Agreement and created certain additional obligations on the part of the Company (the "Refurbishment Amendment"). The Refurbishment Amendment, among other things, ended the royalty abatement at certain locations identified in the original License Agreement. Refer to Note 16—Subsequent Events for additional information regarding the Refurbishment Amendment.

5. NET INCOME PER COMMON SHARE

In accordance with SFAS No. 128, "Earnings Per Share", the following table reconciles net income and share amounts utilized to calculate basic and diluted net income per common share (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 28, 2006	October 29, 2005	October 28, 2006	October 29, 2005
Net income	$ 41,528	$ 28,738	$ 42,729	$ 18,661
Basic shares	29,074	27,740	28,739	27,602
Dilutive effect of stock options	987	836	1,101	992
Dilutive shares	30,061	28,576	29,840	28,594
Anti-dilutive options	28	200	23	67

6. COMPREHENSIVE INCOME

The following table presents the Company's comprehensive income (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 28, 2006	October 29, 2005	October 28, 2006	October 29, 2005
Net income	$ 41,528	$ 28,738	$ 42,729	$ 18,661
Translation adjustments, net of taxes	564	1,339	1,059	1,629
Comprehensive income	$ 42,092	$ 30,077	$ 43,788	$ 20,290

7. INVESTMENTS

Investments are classified in accordance with the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The Company's short-term investments are principally composed of Auction Rate Securities ("ARS") and Variable Rate Demand Notes ("VRDN"). The Company had short-term investments in VRDN of approximately $13.3 million, $0.0 million and $0.0 million as of October 28, 2006, January 28, 2006 and October 29, 2005, respectively. ARS and VRDN are classified as available-for-sale and are stated at fair value. Interest rates reset periodically and the investments typically are settled within 35 days. As a result, there are no cumulative gross unrealized holding gains or losses related to these securities. All income from these investments is recorded as interest income.

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

	October 28, 2006	January 28, 2006 (As restated)	October 29, 2005 (As restated)
Property and equipment:			
Leasehold improvements	$ 313,465	$ 259,789	$ 241,589
Store fixtures and equipment	219,512	186,683	171,315
Capitalized software	42,662	34,949	29,004
Construction in progress	30,667	20,809	13,323
	606,306	502,230	455,231
Less accumulated depreciation and amortization	(294,881)	(253,602)	(238,726)
Property and equipment, net	$ 311,425	$ 248,628	$ 216,505

9. CREDIT FACILITIES

2004 Amended Loan Agreement

In October 2004, the Company amended and restated its credit facility (the "2004 Amended Loan Agreement") with Wells Fargo Retail Finance, LLC ("Wells Fargo") as senior lender and syndicated and administrative agent, and certain other lenders, partly in connection with its acquisition of the Disney Store retail chain. The 2004 Amended Loan Agreement provided for borrowings up to $130 million (including a sublimit for letters of credit of $100 million). The term of the facility under the 2004 Amended Loan Agreement was scheduled to end on November 1, 2007 with successive one-year renewal options. The amount available for extensions of credit under the 2004 Amended Loan Agreement depended on the level of inventory and accounts receivable relating to the Children's Place business.

Advances under the 2004 Amended Loan Agreement were secured by a first priority security interest in substantially all the assets of the Company and its subsidiaries, other than assets in Canada and Puerto Rico and assets owned by the Company's subsidiaries that were formed in connection with the acquisition of the DSNA Business. Amounts outstanding under the 2004 Amended Loan Agreement bore interest at a floating rate equal to the prime rate or, at the Company's option, a LIBOR rate plus a pre-determined margin. The LIBOR margin was 1.50% to 3.00%. The unused line fee under the 2004 Amended Loan Agreement was 0.38%.

The Company had outstanding borrowings under the 2004 Amended Loan Agreement $0.0 million, $0.0 million and $55.3 million as of October 28, 2006, January 28, 2006 and October 29, 2005, respectively, and as of October 28, 2006, had letters of credit outstanding of $50.7 million. During the thirty-nine weeks ended October 28, 2006, various letters of credit were issued pursuant to the 2004 Amended Loan Agreement, but there were no borrowings other than letters of credit that cleared after business hours. The average loan balance during the thirty-nine weeks ended October 28, 2006 was approximately $0.7 million and the average interest rate was 8.00%. The maximum outstanding letters of credit were $74.0 million during the thirty-nine weeks ended October 28, 2006. Availability under the 2004 Amended Loan Agreement as of October 28, 2006 was $79.0 million.

The 2004 Amended Loan Agreement contained covenants, which include limitations on the Company's annual capital expenditures, the maintenance of certain levels of excess collateral, and a prohibition on the payment of dividends. The 2004 Amended Loan Agreement also contained covenants limiting the amount of funds the Company can invest in Hoop to $20 million in fiscal 2007 and $15 million in fiscal 2008. Noncompliance with these covenants could result in additional fees, could affect the Company's ability to borrow, or could require the Company to repay the outstanding balance.

Primarily as a result of the Company's restatement and the delay in completing its financial statements caused by the stock option investigation, the Company was not in compliance with the financial reporting covenants under the 2004 Amended Loan Agreement as of October 28, 2006. However, the Company obtained waivers from its lenders for such noncompliance. There were no fees associated with obtaining these waivers during fiscal 2006.

Refer to Note 16—Subsequent Events for information related to the Company's June 2007 and November 2007 amendments and restatement of the 2004 Amended Loan Agreement.

Hoop Loan Agreement

As of November 21, 2004, the domestic Hoop entity entered into a Loan and Security Agreement (the "Hoop Loan Agreement") with Wells Fargo as senior lender and syndicated and administrative agent, and certain other lenders, establishing a senior secured credit facility for Hoop. Through fiscal 2006, the Hoop Loan Agreement provided for borrowings up to $100 million (including a sublimit for letters of credit of $90 million). The term of the facility extended until November 21, 2007. The amount that could be borrowed under the Hoop Loan Agreement depended on the domestic Hoop entity's level of inventory and accounts receivable.

Credit extended under the Hoop Loan Agreement is secured by a first priority security interest in substantially all the assets of Hoop as well as a pledge of a portion of the equity interests in the Canada Hoop entity. Borrowings and letters of credit under the Hoop Loan Agreement are used by Hoop for working capital purposes for the Disney Store business. Amounts outstanding under the Hoop Loan Agreement bear interest at a floating rate equal to the prime rate plus a pre-determined margin or, at Hoop's option, the LIBOR rate plus a pre-determined margin. The prime rate margin was 0.25% and the LIBOR margin was 2.0% or 2.25%, depending on the domestic Hoop entity's level of excess availability. The unused line fee was 0.30%.

There were no borrowings under the Hoop Loan Agreement as of October 28, 2006. During the thirty-nine weeks ended October 28, 2006, various letters of credit were issued pursuant to the Hoop Loan Agreement, but there were no borrowings under the Hoop Loan Agreement other than letters of credit that cleared after business hours. The average balance during the thirty-nine weeks ended October 28, 2006 was approximately $0.4 million and the average interest rate was 8.3%. The maximum outstanding letters of credit were $34.0 million during the thirty-nine weeks ended October 28, 2006. Letters of credit outstanding as of October 28, 2006 were $30.8 million and availability as of October 28, 2006 was $53.8 million. The interest rate charged under the Hoop Loan Agreement was 8.5% as of October 28, 2006.

The Hoop Loan Agreement contained various covenants, including limitations on indebtedness, maintenance of certain levels of excess collateral and restrictions on the payment of intercompany dividends and indebtedness. In addition, an event of default under the Disney License Agreement would create a cross-default under the Hoop Loan Agreement. Non-compliance with these covenants could result in additional fees, could affect Hoop's ability to borrow or could require Hoop to repay the outstanding balance.

Primarily as a result of the delay in completion of the Company's financial statements caused by the stock option investigation and its discussions with Disney regarding breaches of the License Agreement, the Company was not in compliance as of October 28, 2006 or thereafter with the financial reporting covenants under the Hoop Loan Agreement or the provision requiring Hoop to comply with the License Agreement. However, the Company obtained waivers from its lenders for such noncompliance. There were no fees associated with obtaining these waivers during fiscal 2006.

Refer to Note 16—Subsequent Events for information related to the Company's June 2007 and August 2007 amendments and restatement of the Hoop Loan Agreement.

Letter of Credit Fees

Letter of credit fees approximated $0.6 million and $0.7 million in the thirty-nine week periods ended October 28, 2006 and October 29, 2005, respectively. Letter of credit fees are included in cost of sales.

10. NEWLY ISSUED ACCOUNTING PRONOUNCEMENTS

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—An Interpretation of FASB Statement 109" ("FIN 48") which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48, effective for fiscal years beginning after December 15, 2006, requires that the tax benefit from an uncertain tax position may be recognized only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The amount of tax benefits recognized from such a position are measured based on the largest benefit that has a greater than fifty percent

likelihood of being realized upon ultimate resolution. The Company has substantially completed the process of evaluating the effect of FIN 48 on its consolidated financial statements as of the beginning of the period of adoption, February 4, 2007. The Company estimates that the cumulative effects of applying this interpretation will be recorded as a decrease of approximately $6.6 million to beginning retained earnings. In addition, in accordance with the provisions of FIN 48, the Company will reclassify an estimated $6.2 million of unrecognized tax benefits from current to non-current liabilities because payment of cash is not anticipated within one year of the balance sheet date.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157") which provides guidance for using fair value to measure assets and liabilities, defines fair value, establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007 for interim periods within those years. The Company is currently evaluating the potential impact of adopting SFAS 157 on its consolidated balance sheets and results of operations.

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" ("SAB 108"). SAB 108 provides interpretive guidance on how the effects of prior year uncorrected misstatements should be considered when quantifying misstatements in current year financial statements. SAB 108 requires registrants to quantify misstatements using a balance sheet and income statement approach and to evaluate whether either approach results in quantifying an error that is material in light of relative quantitative and qualitative factors. SAB 108 is effective for annual financial statements covering the first fiscal year ending after November 15, 2006. The Company has applied SAB 108 in its restatement of its condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q.

In June 2006, the FASB ratified the consensuses reached by the Emerging Issues Task Force in Issue No. 06-3, "How Taxes Collected from Customers and Remitted to Governmental Authorities Should be Presented in the Income Statement (That is, Gross Versus Net Presentation)" ("EITF 06-3"). EITF 06-3 requires disclosure of an entity's accounting policy regarding the presentation of taxes assessed by a governmental authority that are directly imposed on a revenue-producing transaction between a seller and a customer including sales, use, value added and some excise taxes. Since the Company presents such taxes on a net basis (excluded from net sales) as permitted under EITF 06-3, there will be no impact on the Company's financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115" ("SFAS 159"). This standard permits an entity to choose to measure many financial instruments and certain other items at fair value. Most of the provisions in SFAS 159 are elective; however, the amendment to SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities", applies to all entities with available-for-sale and trading securities. The fair value option established by SFAS 159 permits all entities to choose to measure eligible items at fair value at specified election dates. A business entity will report unrealized gains and losses on items for which the fair value option has been elected in earnings (or another performance indicator if the business entity does not report earnings) at each subsequent reporting date. The fair value option: (a) may be applied instrument by instrument, with a few exceptions, such as investments otherwise accounted for by the equity method; (b) is irrevocable (unless a new election date occurs); and (c) is applied only to entire instruments and not to portions of instruments. SFAS 159 is effective as

of the beginning of an entity's first fiscal year that begins after November 15, 2007. The Company is currently evaluating the effect that adopting this statement will have on its consolidated balance sheets and results of operations.

11. LEGAL MATTERS

The Company is involved in various legal proceedings arising in the normal course of its business and reserves for litigation settlements and contingencies when it can determine the probability of outcome and can estimate losses. Estimates are adjusted as facts and circumstances require. In the opinion of management, any ultimate liability arising out of such proceedings will not have a material adverse effect on the Company's financial position or results of operations.

On or about February 15, 2005, Michael Scott Smith, a former co-sales manager for The Children's Place in the San Diego district, filed a lawsuit against the Company in the Superior Court of California, County of Los Angeles. The lawsuit alleges violations of the California Labor Code and California Business and Professions Code and seeks

class action on behalf of Mr. Smith and other individuals similarly situated. On October 19, 2007, the Company entered into a class action settlement with the plaintiff's counsel and signed a memorandum of understanding providing for, among other things, a maximum total payment of $2.1 million, inclusive of attorneys' fees, costs, and expenses, service payments to the class representative, and administration costs, in exchange for a full release of all claims and dismissal of the lawsuit. The court granted preliminary approval of the settlement on November 29, 2007. The settlement was recorded in the thirteen weeks ended July 29, 2006.

On or about July 12, 2006, Joy Fong, a former Disney Store manager in the San Francisco district, filed a lawsuit in the Superior Court of California, County of Los Angeles against the Company. The lawsuit alleges violations of the California Labor Code and California Business and Professions Code and seeks class action status on behalf of Ms. Fong and other individuals similarly situated. The Company filed its answer on August 11, 2006 denying any and all liability, and on January 14, 2007, Ms. Fong filed an amended complaint, adding a subsidiary of Disney as a defendant. The Company believes it has meritorious defenses to the claims and will defend itself vigorously; however, the outcome of this litigation is uncertain and the Company cannot reasonably estimate the amount of loss or range of loss that might be incurred as a result of this matter.

On September 29, 2006, the Division of Enforcement of the SEC informed the Company that it had initiated an informal investigation into the Company's stock option granting practices. In addition, the Office of the U.S. Attorney for the District of New Jersey has initiated an investigation into the Company's option granting practices. The Company has cooperated with these investigations and has briefed both authorities on the results of the Special Committee's investigation. There have been no developments in these matters since that time.

Refer to Note 16—Subsequent Events for additional information regarding the Company's pending legal matters.

12. INCOME TAXES

The Company computes income taxes using the liability method. This method requires recognition of deferred tax assets and liabilities, measured by enacted rates, attributable to temporary differences between financial statement and income tax basis of assets and liabilities. Deferred tax assets and liabilities are comprised largely of book tax differences relating to depreciation, rent expense, inventory and various accruals and reserves.

The Company's effective tax rate for the thirteen and thirty-nine weeks ended October 28, 2006 was 36.8% and 37.6%, respectively. The Company's effective tax rate during the thirty-nine weeks ended October 28, 2006 was impacted by an additional provision of approximately $0.6 million, resulting primarily from tax law changes in certain states.

As of October 28, 2006, the Company has not made a U.S. tax provision on approximately $51.7 million of unremitted earnings of its foreign subsidiaries. The Company intends to reinvest these earnings overseas to fund expansion in Canada and other foreign markets. Accordingly, the Company has not provided any provision for income tax in excess of foreign jurisdiction income tax requirements relative to such unremitted earnings in the accompanying financial statements.

13. INTEREST INCOME (EXPENSE), NET

The following table presents the components of the Company's interest income (expense), net (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 28, 2006	October 29, 2005	October 28, 2006	October 29, 2005
Interest income	$ 550	$ 186	$ 1,344	$ 448
Tax-exempt income	384	362	1,902	1,339

Total interest income	934	548	3,246	1,787
Less:				
Interest expense — credit facilities	29	426	63	639
Unused line fee	125	119	366	349
Amortization of deferred financing fees	89	95	264	275
Other fees	21	47	210	233
Interest income (expense), net	$ 670	$ (139)	$ 2,343	$ 291

14. SEGMENT INFORMATION

Since the acquisition of the Disney Store in November 2004, the Company has segmented its operations based on management responsibility: The Children's Place stores and the Disney Stores. The Company measures its segment profitability based on operating profit, defined by the Company as earnings before the allocation of shared services and before interest and taxes. Shared services are not allocated and principally include executive management, finance, real estate, human resources, legal and information technology services. Direct administrative expenses are recorded by each segment. Certain centrally managed functions such as distribution center expenses are allocated to each segment based upon management's estimate of usage or other contractual means. The Company periodically reviews these allocations and adjusts them based upon changes in business circumstances.

The following tables provide segment level financial information for the thirteen and thirty-nine weeks ended October 28, 2006 and October 29, 2005 (dollars in millions):

	Thirteen Weeks Ended October 28, 2006			
	The Children's Place	Disney Store	Shared Services	Total Company
Net sales	$ 397.2	$ 153.2	$ —	$ 550.4
Operating profit (loss)	79.9	11.4	(26.3)	65.0
Operating profit (loss) as a percent of net sales	20.1%	7.4%	N/A	11.8%

	Thirteen Weeks Ended October 29, 2005			
	The Children's Place	Disney Store	Shared Services	Total Company
Net sales	$ 319.9	$ 121.2	$ —	$ 441.1
Operating profit (loss)	54.5	2.6	(15.1)	42.0
Operating profit (loss) as a percent of net sales	17.0%	2.1%	N/A	9.5%

	Thirty-Nine Weeks Ended October 28, 2006			
	The Children's Place	Disney Store	Shared Services	Total Company
Net sales	$ 988.6	$ 383.9	$ —	$ 1,372.5
Operating profit (loss)	133.7	1.2	(68.8)	66.1
Operating profit (loss) as a percent of net sales	13.5%	0.3%	—%	4.8%
Total assets	637.3	264.2	20.7	922.2
Capital expenditures	55.1	36.4	10.0	101.5

	Thirty-Nine Weeks Ended October 29, 2005			
	The Children's Place	Disney Store	Shared Services	Total Company
Net sales	$ 815.9	$ 313.1	$ —	$ 1,129.0
Operating profit (loss)	98.9	(22.0)	(51.6)	25.3
Operating profit (loss) as a percent of net sales	12.1%	(7.0)%	—%	2.2%
Total assets	501.8	191.4	11.0	704.2
Capital expenditures	28.2	16.8	5.7	50.7

15. RELATED PARTY TRANSACTIONS

Merchandise for Re-Sale

During the thirteen weeks and thirty-nine weeks ended October 28, 2006, the Company purchased approximately $0.5 million and $2.5 million, respectively, of footwear from Nina Footwear Corporation as compared to approximately $0.3 million purchased in the thirteen and thirty-nine weeks ended October 29, 2005. Stanley Silverstein, who is a member of the Board and the father-in-law of Ezra Dabah, former CEO, owns Nina Footwear Corporation with his brother.

16. SUBSEQUENT EVENTS

Modifications of the Disney License Agreement

The Company, its subsidiaries Hoop Retail Stores, LLC and Hoop Canada, Inc. (collectively, "Hoop") and TDS Franchising LLC ("TDSF"), an affiliate of The Walt Disney Company, entered into a letter agreement on June 7, 2007 (dated as of June 6, 2007) (the "June Letter Agreement"), addressing issues that had been raised by TDSF, as previously disclosed by the Company, relating to the compliance by Hoop with certain provisions of the Disney License Agreement. The June Letter Agreement set forth TDSF's position that Hoop has committed 120 uncured material breaches of the License Agreement, primarily relating to Hoop's obligations with respect to store remodeling and store maintenance. TDSF asserted that the existence of these breaches would permit TDSF to exercise its rights and remedies under the License Agreement, which could include termination of the License Agreement.

The June Letter Agreement, among other things, suspended the remodel obligations in the License Agreement for the approximately 4.5 year term of the June Letter Agreement and, in lieu of those provisions imposed new obligations on the Company with respect to the renovation and maintenance of numerous stores in the Disney Store chain between fiscal 2007 and fiscal 2011 and, for the stores to be remodeled in fiscal 2007, set forth a detailed timetable for submission of plans and completion dates.

Subsequent to the execution of the June Letter Agreement, the Company was unable to meet several of the deadlines set forth in the June Letter Agreement. In addition, the Company determined that there were upcoming deadlines during the third and fourth quarters of fiscal 2007 specified in the June Letter Agreement that the Company would likely not meet. Accordingly, the Company and Disney engaged in further discussions during August 2007 and, based on these discussions, agreed upon changes to the requirements of the June Letter Agreement that would

postpone the due dates of certain remodel obligations until later in fiscal 2007 or fiscal 2008. In connection with these postponements, the Company agreed to remodel two additional Disney Stores during fiscal 2009 and agreed upon changes to the original License Agreement to modify restrictions on Disney's ability to relocate its flagship retail store in Manhattan and to narrow the restrictions on Disney's ability to grant direct licenses to other specialty retailers so that these restrictions would apply only with respect to specialty retail stores focusing primarily on the sale of children's merchandise.

During August 2007, the Company and Disney formally amended the License Agreement by executing the Refurbishment Amendment, which incorporated the terms of the June Letter Agreement, as modified by mutual agreement during August, and the aforementioned changes to the License Agreement. The Refurbishment Amendment by its terms superseded the June Letter Agreement and took effect retroactively as of June 6, 2007, the original effective date of the June Letter Agreement. Like the June Letter Agreement, the Refurbishment Amendment states that, if the Company fully complies with its terms, Disney will forbear from exercising any rights or remedies it would have under the License Agreement based on the breaches of the License Agreement that were asserted by Disney and were the subject of the Refurbishment Amendment. However, under the Refurbishment Amendment, if the Company violates any of its provisions, Disney will have the right to terminate its forbearance under the Refurbishment Amendment, in which case Disney would be free to exercise any or all of its rights and remedies under the License Agreement, including terminating the Company's license to operate the Disney Stores based on the occurrence of numerous material breaches and claiming breach fees, as if the Refurbishment Amendment had not been executed. The Refurbishment Amendment also states that, if the Company breaches any of the provisions of the Refurbishment Amendment on three or more occasions and Disney has not previously exercised its right to terminate the Refurbishment Amendment, a payment of $18.0 million to Disney becomes immediately due and payable with respect to the breach fees called for by the License Agreement. If the Company violates any of the provisions of the Refurbishment Amendment on five or more occasions, Disney will have the right to immediately terminate the License Agreement, without any right by the Company to defend, counterclaim, protest or cure. It should be noted that the Refurbishment Amendment addresses only those breaches specifically enumerated therein. Disney continues to retain all its other rights and remedies under the License Agreement with respect to any other breaches.

The Refurbishment Amendment sets forth specific requirements regarding the Disney Stores to be remodeled and otherwise refreshed over the period the Refurbishment Amendment is in effect and obligates the parent company, The Children's Place Retail Stores, Inc., among other things, to commit $175 million to remodel and refresh these stores through fiscal 2011. While the original provisions of the License Agreement obligated Hoop to remodel Disney Stores under certain circumstances and at certain times, the original License Agreement did not establish a specific dollar commitment for this obligation. Although the original License Agreement generally required Hoop to maintain the physical appearance of the Disney Stores in accordance with the highest standards prevailing in specialty retailing, the "maintenance and refresh" program under the Refurbishment Amendment imposes specific requirements for timing, numbers of stores and the type of work to be performed. This "maintenance and refresh" program was considered necessary to upgrade the quality of the Disney Stores to the standard required under the License Agreement and is incremental to the original License Agreement. The "maintenance and refresh" program is expected to cost approximately $16 million over the 12 month period. Some of the stores required to be refreshed under this program will also be remodeled at a later date in accordance with the Refurbishment Amendment. The Refurbishment Amendment commits the Company to a capital commitment of $175 million to remodel, refresh and maintain the Disney Stores and to open 18 new stores which will cost approximately $11.7 million. The Company expects to fund these amounts through cash flow from operations of the Disney Store business, borrowings and availability under the Company's credit facilities and capital contributions from The Children's Place business to the Disney Store business.

The following reflects additional information regarding the Refurbishment Amendment and certain additional obligations on the part of the Company and Hoop:

1. Hoop developed a new store prototype for Disney Store and for Disney Store outlets and obtained TDSF's approval of these new store prototypes. The Refurbishment Amendment requires Hoop to convert seven existing Disney Stores identified in the Refurbishment Amendment to the new store prototype by December 31, 2007, based upon a detailed timeline for each of these stores. In addition, under the Refurbishment Amendment, by the end of fiscal 2008, Hoop is required to convert at least 49 additional existing Disney Stores identified in the Refurbishment Amendment to the new store prototype and to open at least 18 new

Disney Stores using the new prototype. Hoop is required to convert to the new prototype at least 60 additional existing stores by the end of fiscal 2009, at least 70 additional existing stores by the end of fiscal 2010, and at least 50 additional existing stores by the end of fiscal 2011. In addition to the 18 new stores to be opened by the end of fiscal 2008 using the new store prototype, Hoop has the right to open up to a specified number of additional new stores using the new store prototype during each fiscal year.

2. Hoop conducted a review of all existing Disney Stores bearing the "Mickey" store design (excluding those "Mickey" stores that are to be converted to the new store prototype), as well as all existing Disney Stores bearing the "Castle" design that were constructed after November 2004, and delivered to TDSF a written report on this review, along with an enhanced maintenance and remodel plan for these stores and a detailed timeline for implementation of this plan. Hoop is required to implement this plan at a minimum of five existing stores by December 31, 2007, at a minimum of 14 additional stores by March 31, 2008, and at all remaining stores bearing these store designs by June 30, 2008.

3. Similarly, Hoop conducted a review of all existing Disney Stores bearing the "pink and green" store design, as well as all existing Disney Stores bearing the "Castle" design that were constructed prior to November 2004, and delivered to TDSF an enhanced maintenance and remodel plan for these stores and a detailed timeline for implementation of this plan. Hoop is required to implement this plan at one-half of these store locations by March 31, 2008 and at the remaining stores bearing these store designs by June 30, 2008.

4. Hoop also agreed to prepare a refresh and enhancement plan for the Disney Store flagship location on Michigan Avenue in Chicago and to expend at least $200,000 on this store by October 31, 2007. The refresh and enhancement of this store was completed on September 12, 2007.

5. As required by both the June Letter Agreement and the Refurbishment Amendment, the Company's Board of Directors approved the Refurbishment Amendment and committed $175 million over the period between June 6, 2007 and January 31, 2012 to implement the renovation and maintenance plans called for by the Refurbishment Amendment. The following table summarizes the Company's remodel and maintenance refresh obligations under the terms of the Refurbishment Amendment (amounts in thousands):

	Store Remodel		Mickey Retrofit		Maintenance Refresh			Total
Fiscal Year	Stores (#)	Estimated Cost ($)	Stores (#)	Estimated Cost ($)	Stores (#)	Estimated Cost ($)	Contingency ($)	Estimated Cost ($)
2007	7	$ 4,250	7	$ 1,050	6	$ 950	$ 1,245	$ 7,495
2008	49	31,650	28	4,200	129	9,675	1,245	46,770
2009	60	39,000	—	—	—	—	1,245	40,245
2010	70	45,500	—	—	—	—	1,245	46,745
2011	50	32,500	—	—	—	—	1,245	33,745
2007 - 2011	236	$ 152,900	35	$ 5,250	135	$ 10,625	$ 6,225	$ 175,000

6. The Refurbishment Amendment states that the maintenance and store renovation requirements of the Refurbishment Amendment supersede the store renovation provisions in Section 9.3.5(b)(i) and (ii) of the original License Agreement through January 31, 2012, so long as the Refurbishment Amendment remains in effect and is not terminated by TDSF in accordance with its terms. Following January 31, 2012 (or a termination of the Refurbishment Amendment), the store renovation provisions in Section 9.3.5(b)(i) and (ii) of the original License Agreement will become effective again.

7. Hoop also agreed in the Refurbishment Amendment that, with respect to those Disney Stores that were identified as "Non-Core Stores" for purposes of the original License Agreement, for which Hoop was entitled to an extended royalty abatement under the License Agreement, to the extent that the lease for any such store was or is renewed but the store is not remodeled within a specified time period after such lease renewal, Hoop will no longer be entitled to the royalty abatement for these stores.

8. The parties also agreed in the Refurbishment Amendment to amend the License Agreement in order to reduce certain of the restrictions on TDSF's ability to grant direct merchandising licenses to other specialty retail store chains.

9. Hoop agreed to conduct consumer research regarding the need for a differentiated merchandising plan for Disney Store outlets and, if requested by TDSF based on such research and mutually agreed upon, to develop and implement such a plan during fiscal 2008.

10. Finally, TDSF and Hoop agreed to certain modifications of the provisions of the License Agreement establishing standards for Disney Store merchandise based upon Disney merchandise available through other retailers and to modify the provisions that would apply to a potential wind-down of the Disney Store business following any termination of the License Agreement.

The table above reflects the requirements of the Refurbishment Amendment, under which the Company must complete a maintenance and refresh in approximately 170 Disney Stores (which includes the Mickey retrefits) by June 30, 2008 and then remodel certain of those stores at a later date. However, in the event the Company were to remodel or close any such store prior to when it is due for a maintenance refresh, the Company would no longer be obligated to refresh that store. Accordingly, the Company anticipates that not all of the 170 stores reflected in the table will need to be refreshed, and at the time the Refurbishment Amendment was executed, the Company estimated that 165 stores would be refreshed.

As mentioned above, in addition to the remodel and maintenance costs shown in the above table, the Refurbishment Amendment obligates the Company to open a total of 18 new Disney Stores by January 31, 2009, which the Company estimates will cost approximately $11.7 million in capital expenses. The majority of these costs will be incurred in fiscal 2007 and are included in the Company's capital expenditure plans.

The following table represents the Company's store opening, remodeling and maintenance commitments for the Disney Store business for the remainder of the initial term of the License Agreement (through fiscal 2019) taking into account the requirements of the Refurbishment Amendment that apply through fiscal 2011:

	Payments Due By Period				
(dollars in thousands)	Total	1 year or less	1—3 years	3—5 years	More than 5 years
Disney Store new store capital expenditure, remodeling and maintenance and refresh obligations	$ 341,296	$ 17,245	$ 88,965	$ 80,490	$ 154,596

Beginning in July 2007, the Company's Hoop subsidiaries commenced Internet commerce operations through an alliance with a Disney affiliate in which certain Disney Store merchandise is sold on the disneyshopping.com website. Disney Store merchandise is accessible through either www.disneystore.com or www.disneyshopping.com. The Company anticipates entering into a formal amendment to the License Agreement relating to this Internet business. It is anticipated that this amendment to the License Agreement will supersede the Company's obligation to launch its own Disney Store internet store, which pursuant to the License Agreement, as modified by certain letter agreements, the Company is required to launch by January 31, 2008.

Asset Impairment Charges

During fiscal 2006, the Company recorded asset impairment charges of $17.1 million. The fiscal 2006 asset impairment charges included a $9.6 million charge related to the renovation of 29 Mickey prototype stores, $7.1 million related to the Company's decision not to proceed with a New York City Disney Store location and infrastructure investments that were written off in conjunction with the Company's decision to form an e-commerce alliance with a Disney affiliate in which select Disney Store merchandise is sold on the disneyshopping.com website, and $0.4 million related to the write down of leasehold improvements and fixtures in five underperforming stores. The Company introduced the Mickey store prototype at the Disney Store in fiscal 2006 but was dissatisfied with the prototype from a brand, design and construction standpoint. The impairment charge for the 29 Mickey stores reflects stores that were unable to generate sufficient cash flow to cover the carrying value of their fixed assets prior to their renovation.

Amendments to Credit Facilities

2007 Amended Loan Agreement; Letter of Credit Agreement

In June 2007, the Company entered into a Fifth Amended and Restated Loan and Security Agreement (the "2007 Amended Loan Agreement") and a new letter of credit agreement with Wells Fargo and the Company's other senior lenders (the "Letter of Credit Agreement") for the purpose of better supporting the Company's capital needs and reducing the fees associated with its credit facility borrowings. Wells Fargo continues to serve as the administrative agent under all these facilities.

The 2007 Amended Loan Agreement reduced the facility maximum to $100 million for borrowings and letters of credit, with a $30 million "accordion" feature that enables the Company to increase the facility to an aggregate amount of $130 million at its option. There is also a seasonal over-advance feature that enables the Company to borrow up to an additional $20 million from July 1 through October 31, subject to satisfying certain conditions,

including a condition relating to earnings before interest, taxes, depreciation and amortization ("EBITDA") on a trailing 12 month basis based upon the most recent financial statements furnished to Wells Fargo and the Company's estimate of projected pro forma EBITDA for the over-advance period. The term of the facility ends on November 1, 2010. If the Company terminates the 2007 Amended Loan Agreement during the first year, there is a termination fee of 0.5% of the $100 million facility maximum ($130 million if the accordion feature is in use) plus any seasonal over-advance amounts in effect. Under the 2007 Amended Loan Agreement the LIBOR margin has been reduced to 1.00% to 1.50%, depending upon the Company's average excess availability, and the unused line fee has been reduced to 0.25%.

Credit extended under the 2007 Amended Loan Agreement continues to be secured by a first priority security interest in substantially all of the Company's assets, other than assets in Canada and Puerto Rico and assets owned by Hoop. The amount that can be borrowed under the 2007 Amended Loan Agreement depends on levels of inventory and accounts receivable relating to The Children's Place business. The 2007 Amended Loan Agreement also contains covenants, which include limitations on annual capital expenditures, maintenance of certain levels of excess collateral, and a prohibition on the payment of dividends. The 2007 Amended Loan Agreement also contains covenants limiting the amount of funds the Company can invest in Hoop to $20 million, $55 million, $36 million and $52 million in fiscal years 2007, 2008, 2009 and 2010, respectively, not to exceed a maximum aggregate of $175 million over the term of the credit facility.

Under the Letter of Credit Agreement, the Company can issue letters of credit for inventory purposes for up to $60 million to support The Children's Place business. The Letter of Credit Agreement can be terminated at any time by either the Company or Wells Fargo. Interest is paid at the rate of 0.75% on the aggregate undrawn amount of all letters of credit outstanding. The Company's obligations under the Letter of Credit Agreement are secured by a security interest in substantially all of the assets of The Children's Place business, other than assets in Canada and Puerto Rico, and assets of Hoop. Upon any termination of the Letter of Credit Agreement, the Company would be required to fully collateralize all outstanding letters of credit issued thereunder and, if the Company failed to do so, its outstanding liability under the Letter of Credit Agreement would reduce its borrowing capacity under the 2007 Amended Loan Agreement.

On November 2, 2007, the Company entered into an amendment of the 2007 Amended Loan Agreement (the "First Amendment"), extending the period of the over-advance feature of the credit facility until November 30 for fiscal 2007. The Company paid a fee of $30,000 in connection with this amendment.

The Company was not in compliance with the financial reporting covenants under the 2004 Amended Loan Agreement when it executed the amendment and restatement. However, in the 2007 Amended Loan Agreement the Company received forbearance of these reporting requirements through July 31, 2007 and was subsequently granted a waiver through August 30, 2007, which was extended through January 1, 2008. There were no fees associated with obtaining this waiver through August 30, 2007; however, the Company was required to pay a fee of $102,000 to extend the waiver from August 30, 2007 through the date this Quarterly Report on Form 10-Q was filed with the SEC.

Amendments to Hoop Loan Agreement

In June 2007, concurrently with the execution of the 2007 Amended Loan Agreement, and in August 2007, the Company entered into Second and Third Amendments to the Hoop Loan Agreement, both with Wells Fargo and the other lenders under the Hoop Loan Agreement (collectively, the "Amendments to the Hoop Loan Agreement"). The Amendments to the Hoop Loan Agreement reduced the facility maximum to $75 million for borrowings and provide for a $25 million accordion feature that enables the Company to increase the facility to an aggregate amount of $100 million. The accordion feature is available at the Company's option, subject to the amount of eligible inventory and accounts receivable of the domestic Hoop entity. In addition, in the Amendments to the Hoop Loan Agreement the Company extended the termination date of the facility from November 21, 2007 to November 21, 2010 and reduced the interest rates charged on the outstanding borrowings and letters of credit. Amounts outstanding under the Amendments to the Hoop Loan Agreement bear interest at a floating rate equal to the prime rate or, at the domestic Hoop entity's option, the LIBOR rate plus a pre-determined margin. Depending on the domestic Hoop entity's level of excess availability, the LIBOR margin has been reduced to 1.50% or 1.75%, commercial letter of credit fees have

been reduced to 0.75% or 1.00%, and standby letter of credit fees have been reduced to 1.25% or 1.50%. The unused line fee has been reduced to 0.25%.

The Amendments to the Hoop Loan Agreement continue the covenants included in the Hoop Loan Agreement, including limitations on indebtedness, maintenance of certain levels of excess collateral and restrictions on the payment of dividends and indebtedness. Credit extended under the Amendments to the Hoop Loan Agreement continues to be secured by a first priority security interest in substantially all the assets of the domestic Hoop entity as well as a pledge of a portion of the equity interests in Hoop Canada.

The Company obtained waivers for its non-compliance with its reporting requirements under the Hoop Loan Agreement. There were no fees associated with obtaining these waivers through August 30, 2007. However, the Company was required to pay a fee of $48,000 to extend the waiver from August 30, 2007 through the date this Quarterly Report on Form 10-Q was filed with the SEC.

Legal and Regulatory Matters

Shareholder Derivative Litigation

On January 17, 2007, a stockholder derivative action was filed in the United States District Court, District of New Jersey against certain current members of the Board and certain current and former senior executives. The Company has been named as a nominal defendant. The complaint alleges, among other things, that certain of the Company's current and former officers and directors (i) breached their fiduciary duties to the Company and its stockholders and were unjustly enriched by improperly backdating certain grants of stock options to officers and directors of the Company, (ii) caused the Company to file false and misleading reports with the SEC, (iii) violated the Securities Exchange Act of 1934 ("Exchange Act"), and common law, (iv) caused the Company to issue false and misleading public statements and (v) were negligent and abdicated their responsibilities to the Company and its stockholders. The complaint seeks money damages, an accounting by the defendants for the proceeds of sales of any allegedly backdated stock options, and the costs and disbursements of the lawsuit, as well as equitable relief. The defendants have moved to dismiss the action, and on or about June 15, 2007, the plaintiff filed an amended complaint adding, among other things, a claim for securities fraud under SEC rule 10b-5. The outcome of this litigation is uncertain; while the Company believes there are valid defenses to the claims and will defend itself vigorously, no assurance can be given as to the outcome of this litigation. The litigation could distract the Company's management and directors from the Company's affairs, the costs and expenses of the litigation could unfavorably affect the Company's net earnings and an unfavorable outcome could adversely affect the reputation of the Company.

Nasdaq Proceedings

As the Company did not timely file its Quarterly Reports on Form 10-Q for the quarters ended July 29, 2006 and October 28, 2006, its Annual Report on Form 10-K for fiscal 2006, and its Quarterly Reports on Form 10-Q for the quarters ended May 5, 2007 and August 4, 2007 (collectively, the "Required Reports"), the Company has been out of compliance with the reporting requirements of the SEC and the Nasdaq Global Select Market ("Nasdaq") for more than one year. Although the Company has now filed its Quarterly Report on Form 10-Q for the second and third quarters of fiscal 2006 and its Annual Report on Form 10-K for fiscal 2006, it has not yet filed its Quarterly Reports on Form 10-Q for the first and second quarters of fiscal 2007. Consequently, the Company continues to be in violation of the reporting requirements under the Exchange Act and the Nasdaq listing rules.

The Company has received various determination letters from the Staff of the Nasdaq Global Select Market ("Nasdaq") stating that because it was not in compliance with Nasdaq listing requirements, its common stock is subject to delisting. Since September 2006 the Company has been in contact with the Nasdaq Listing Qualifications Panel, Nasdaq's Listing and Hearing Review council, and the Board of Directors of the Nasdaq Stock Market LLC (the "Nasdaq Board") regarding the Company's inability to comply with Nasdaq's listing requirements and when the Company might be able to again become compliant. The last communication the Company received from Nasdaq on this issue was from the Nasdaq board on November 9, 2007 stating that the Company has until January 9, 2008 to file all of the Required Reports in order to regain compliance with Nasdaq's listing requirements. If the Company has not regained compliance prior to that time, it will need to explain to the Nasdaq Staff the reasons for its inability to do so, in order for the Nasdaq Board to consider whether any further extension is warranted. The Company still

needs to file its Quarterly Reports on Form 10-Q for the quarters ended May 5, 2007 and August 4, 2007 before it will have filed all of the Required Reports. There is no assurance that the Company will be able to meet the January 9, 2008 deadline, and if it does not, there is no assurance that the Nasdaq Board will grant the Company additional time to become compliant. If the Company fails to come into compliance by January 9, 2008, or any extended deadline approved by Nasdaq, it is anticipated that the Company's shares will be delisted from Nasdaq.

In addition, Nasdaq listing rules require that all issuers solicit proxies and hold an annual meeting of its shareholders within 12 months of the end of the issuer's fiscal year end. In order for the Company to comply with this rule, it must hold our annual meeting of shareholders for the fiscal year ended February 3, 2007, no later than February 3, 2008. In addition, the Company must be current in its SEC filings before it can solicit proxies for such annual meeting of its shareholders. Accordingly, if the Company is unable to become current in its SEC filings in sufficient time for it to solicit proxies for an annual meeting of the Company's shareholders by February 3, 2008, or if it otherwise fails to hold such meeting by February 3, 2008, the Company's shares could be delisted from Nasdaq.

Class Action Litigation

On September 21, 2007 a second stockholder class action was filed in the United States District Court, Southern District of New York against the Company and certain of its current and former senior executives. This complaint alleges, among other things, that certain of the Company's current and former officers made statements to the investing public which misrepresented material facts about the business and operations of the Company, or omitted to state material facts required in order for the statements made by them not to be misleading, causing the price of the Company's stock to be artificially inflated in violation of provisions of the Exchange Act, as amended. It alleges that more recent disclosures establish the misleading nature of these earlier disclosures. The complaint seeks money damages plus interest as well as costs and disbursements of the lawsuit.

On October 10, 2007, a third stockholder class action was filed in the United States District Court, Southern District of New York, against the Company and certain of its current and former senior executives. This complaint alleges, among other things, that certain of the Company's current and former officers made statements to the investing public which misrepresented material facts about the business and operations of the Company, or omitted to state material facts required in order for the statements made by them not to be misleading, thereby causing the price of the Company's stock to be artificially inflated in violation of provisions of the Exchange Act, as amended. According to this complaint, more recent disclosures establish the misleading nature of these earlier disclosures. This complaint seeks, among other relief, class certification of the lawsuit, compensatory damages plus interest, and costs and expenses of the lawsuit, including counsel and expert fees.

On or about September 28, 2007, Meghan Ruggiero filed a complaint in the United States District Court, Northern District of Ohio against the Company and its subsidiary, Hoop Retail Stores, LLC, on behalf of herself and other similarly situated individuals. The lawsuit alleges violations of the Fair and Accurate Credit Transactions Act ("FACTA") and seeks class certification, an award of statutory and punitive damages, attorneys' fees and costs, and injunctive relief.

The outcome of these matters is uncertain; while we believe there are valid defenses to the claims and we will defend ourselves vigorously, no assurance can be given as to the outcome of these litigations. The litigations could distract our management and directors from the Company's affairs, the costs and expenses of the litigations could unfavorably affect our net earnings and an unfavorable outcome could adversely affect the reputation of the Company.

Changes in Senior Management

On September 24, 2007, Mr. Ezra Dabah, CEO, resigned from the Company effective immediately. Upon his resignation, Mr. Charles Crovitz, a member of the Company's Board of Directors, assumed the responsibilities of CEO on an interim basis. The Company estimates it will record approximately $4.0 million in severance and benefit related expenses in the third quarter of fiscal 2007.

On November 20, 2007, in connection with his election as Interim CEO, the Company entered into an employment agreement term sheet (the "Term Sheet") with Mr. Crovitz outlining the compensatory arrangements that he shall receive for serving as Interim CEO. The Term Sheet provides that Mr. Crovitz will serve as Interim CEO commencing as of October 1, 2007 until the earlier of (i) the end of fiscal 2008 or (ii) the selection and

commencement of service of a permanent CEO. Pursuant to the Term Sheet, Mr. Crovitz shall receive an annual salary of $1.0 million, payable in accordance with the Company's normal payroll practices. The Term Sheet also provides for Mr. Crovitz's continued employment as a consultant for two months following the commencement of service of a permanent CEO to assist in transitioning his responsibilities.

As soon as practicable after the Company is legally able to resume making equity awards, and whether or not Mr. Crovitz's employment has then terminated, Mr. Crovitz is entitled to receive a restricted stock grant of the number of shares then having a fair market value of $1.0 million. Mr. Crovitz will be entitled to participate in all executive benefit plans, and will be provided substantially the same benefits and perquisites, from time to time maintained by the Company for senior executives. Mr. Crovitz's employment agreement also provides that he is entitled to monthly housing, furniture rental and travel allowances. It is expected that the Company and Mr. Crovitz will promptly enter into definitive employment and equity award agreements reflecting terms consistent with the Term Sheet, at which time such agreements shall supersede the Term Sheet.

Board of Directors Review of Strategic Alternatives

Consistent with its fiduciary duties, the Company's Board has engaged an investment banking firm to act as its financial advisor in undertaking a review of strategic alternatives to improve operations and enhance shareholder value. As part of this review, the Company's Board and management are assessing a wide variety of options to improve our business and competitive position, including, but not limited to, opportunities for organizational and operational improvement, a possible recapitalization, or other transactions. The Board has not set any specific timeline for the completion of this strategic review, and there is no assurance that as a result of this review, the Board will decide to change the Company's course of action or engage in any specific transaction.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of federal securities laws, which are intended to be covered by the safe harbors created thereby. Those statements include, but may not be limited to, the discussions of the Company's operating and growth strategy. Investors are cautioned that all forward-looking statements involve risks and uncertainties including, without limitation, those set forth under the caption "Risk Factors" in the Business section of the Company's Annual Report on Form 10-K for the year ended February 3, 2007. Although the Company believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could prove to be inaccurate, and therefore, there can be no assurance that the forward-looking statements included in this Quarterly Report on Form 10-Q will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved. The Company undertakes no obligation to publicly release any revisions to any forward-looking statements contained herein to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.

The following discussion should be read in conjunction with the Company's unaudited financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the annual audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended February 3, 2007, which is being filed with the SEC concurrently with this Quarterly Report on Form 10-Q.

RECENT DEVELOPMENTS

Changes in Senior Management

On September 24, 2007, Mr. Ezra Dabah, CEO, resigned from the Company effective immediately. Upon his resignation, Mr. Charles Crovitz, a member of our Board, assumed the responsibilities of CEO on an interim basis. We estimate that we will record approximately 4.0 million in the third quarter of fiscal 2007 in severance and related expenses.

In August 2007, in connection with the application of enhanced internal controls the Company instituted as part of the changes in its governance and internal controls resulting from the stock option remediation process, the Company identified certain violations of the Company's policies and procedures by two members of senior management. On September 26, 2007, the Board completed its consideration of these violations.

One instance involved irregularities in expense reimbursement practices on the part of the Chief Creative Officer of The Children's Place business, who is a related party to the Company's former CEO and current Board member, Ezra Dabah, and another member of the Board, Stanley Silverstein. The Board concluded that the irregularities violated the Company's Code of Business Conduct, involving gross inattention to the pertinent requirements of the Company's policies but did not involve an intentional effort to obtain an improper personal benefit. The Board imposed significant sanctions on the individual involved, including requiring the individual to refund approximately $23,000 erroneously charged to the Company, changing the individual's position so that the individual will no longer be an officer of the Company and requiring the reimbursement of approximately $160,000 to cover the Company's out-of-pocket costs incurred in connection with its investigation of the matter, but concluded that dismissal from employment was not warranted.

The other case involved two instances where the Company's former CEO, Ezra Dabah, did not comply with the Company's internal policies related to internal securities transaction reporting and approval. In one instance, Mr. Dabah did not report to the Company an immaterial increase in his wife's ownership of company shares as a result of a trust distribution. In the second, on two occasions, he pledged shares of Company stock pursuant to a customary margin account during a "black-out period" when the Company's policies required prior approval of the Board for such pledges. The Board concluded that these actions violated the Company's Code of Business Conduct, but that they were not done with the intent of knowingly violating the Company's policies or in order to obtain an improper personal benefit by doing so and did not result in his obtaining an improper personal benefit or result in any liability exposure to the Company. The Audit Committee also determined that the pledges at issue would be considered valid and would be permitted. The Board imposed significant sanctions for committing the violations, including imposing new requirements on transactions involving the Company's securities by the former CEO and requiring that he reimburse the Company approximately $36,600 for its out-of-pocket costs in investigating the violations.

The Company is instituting additional expense reimbursement procedures and additional training in the requirements of the Company's Code of Business Conduct and related policies and procedures to help ensure against future similar violations.

The Company has completed its investigations of the Company's policies and procedures and no other internal investigations are underway.

License Agreement with Disney

In connection with our acquisition of the DSNA Business in 2004, Hoop entered into a License Agreement with an affiliate of Disney under which our subsidiaries have the right to use certain Disney intellectual property to operate the Disney Store retail chain in exchange for ongoing royalty payments. The agreement allows our subsidiaries to operate retail stores in the United States and Canada using the "Disney Store" name and to contract, manufacture, source, offer and sell merchandise featuring Disney-branded characters, past, present and future. In accordance with the License Agreement, following a two year royalty abatement, our subsidiaries began making royalty payments to Disney in November 2006 equal to 5% of net sales from physical Disney Store

locations, subject to an additional royalty holiday period with respect to the Non-Core Stores. The initial term of the License Agreement continues through January 2020, unless terminated sooner in accordance with the License Agreement, and if certain financial performance and other conditions are satisfied, the term of the License Agreement may be extended at our option for up to three additional ten-year terms.

In connection with our acquisition of the DSNA Business, we also entered into a Guaranty and Commitment dated as of November 21, 2004, in favor of Hoop and Disney. As required by the Guaranty and Commitment, we invested $50 million in Hoop concurrently with the consummation of the acquisition, and we agreed to invest up to an additional $50 million from time to time to enable Hoop to comply with their obligations under the License Agreement and otherwise fund the operations of Hoop. The Guaranty and Commitment provides that our $50 million additional commitment is subject to increase if certain distributions are made by Hoop to The Children's Place. To date, we have not invested any portion of the additional $50 million in Hoop. We also agreed in the Guaranty and Commitment to guarantee the payment and performance by Hoop of its royalty payment and other obligations to Disney under the License Agreement, subject to a maximum guaranty liability of $25 million, plus expenses.

The License Agreement obligates us to maintain the quality, appearance and presentation standards of the Disney Store chain in accordance with the highest standards prevailing in the specialty retail industry. In addition, the License Agreement, as amended in April 2006, required us to:

- Completely remodel each store within a specified period of time following expiration or termination of the initial term of the lease for such store, if such lease is renewed or extended on a long-term basis upon or following such expiration or termination;
- Completely remodel each store at least once every 12 years; and
- Completely remodel a minimum of approximately 160 of the 313 acquired stores by January 1, 2009.

During fiscal 2006, we suspended the store renovation program because of dissatisfaction with our "Mickey" store prototype from a brand, design and construction standpoint. As of February 3, 2007, we had remodeled a total of 45 Disney Stores since the 2004 acquisition. Pursuant to the provisions of the License Agreement, as amended in 2006, relating to required remodeling following lease renewals and required remodeling of stores at least once every 12 years, we were required to remodel a total of 145 stores as of February 3, 2007. As of February 3, 2007, we had remodeled 32 of these required stores, with the result that 113 of the store remodels required by that date under the terms of the License Agreement had not been completed by that date. The remaining 13 store remodels we had completed were not required pursuant to the provisions of the License Agreement.

During the fourth quarter of fiscal 2006, we received a letter and subsequent follow-up communications from Disney identifying various ways in which we had not complied with the store renovation and certain other requirements of the License Agreement. In response, during the fourth quarter of fiscal 2006, we commenced discussions with Disney regarding potential modifications to certain terms of the License Agreement to address our remodeling commitments as well as other concerns that had been raised by Disney in various communications with us. During the first quarter of fiscal 2007, Disney notified us that Disney viewed our failure to comply with these requirements of the License Agreement as constituting numerous material breaches of the License Agreement, entitling Disney to exercise its rights and remedies under the License Agreement.

Following discussions with Disney, in June 2007, we entered into a June Letter Agreement with Disney which modified and superseded certain provisions of the License Agreement, including the remodeling requirements, through fiscal 2011 and created additional obligations for us and the Hoop Entities with respect to the remodeling of

Disney Stores. The June Letter Agreement was entered into to address Disney's assertion that through the date of the June Letter Agreement we had committed 120 material breaches of the License Agreement. The June Letter Agreement stated that if we fully comply with its terms, Disney would forbear from exercising any rights or remedies that it would have under the License Agreement based on the breaches of the License Agreement that were asserted by Disney and were the subject of the June Letter Agreement. However, if we were to violate any of the provisions of the June Letter Agreement, Disney would have the right to terminate its forbearance under the June Letter Agreement, in which case Disney would be free to exercise any or all of its rights and remedies under the License Agreement, including terminating our license to operate the Disney Stores based on the occurrence of numerous material breaches and claiming breach fees, as if the June Letter Agreement had not been executed. The June Letter Agreement also stated that, if we were to breach any of its provisions on three or more occasions and Disney had not previously exercised its right to terminate the June Letter Agreement, a payment of $18.0 million to Disney would become immediately due and payable with respect to the breach fees called for by the License Agreement. If we were to violate any of the provisions of the June Letter Agreement on five or more occasions, Disney would have the right to terminate the License Agreement, without any right on our part to defend, counterclaim, protest or cure. The June Letter Agreement stated that its terms would take effect immediately but that the parties anticipated the June Letter Agreement would later be replaced by a formal amendment to the License Agreement incorporating the terms of the June Letter Agreement.

The June Letter Agreement, among other things, suspended the remodel obligations in the License Agreement for the approximately 4.5 year term of the June Letter Agreement and, in lieu of those provisions, imposed new obligations on the Company with respect to the renovation and maintenance of numerous stores in the Disney Store chain between fiscal 2007 and fiscal 2011 and, for the stores to be remodeled in fiscal 2007, set forth a detailed timetable for submission of plans and completion dates.

Subsequent to the execution of the June Letter Agreement, we were unable to meet several deadlines set forth in the June Letter Agreement. In addition, we determined that there were upcoming deadlines during the third and fourth quarters of fiscal 2007 specified in the June Letter Agreement that we would likely not meet. Accordingly, we and Disney engaged in further discussions during August 2007 and, based on these discussions, agreed upon changes to the requirements of the June Letter Agreement that would postpone the due dates of certain of our remodel obligations until later in fiscal 2007 or fiscal 2008. In connection with these postponements, we agreed to remodel two additional Disney Stores during fiscal 2009 and agreed upon changes to the original License Agreement to modify restrictions on Disney's ability to relocate its flagship retail store in Manhattan and to narrow the restrictions on Disney's ability to grant direct licenses to other specialty retailers so that these restrictions would apply only with respect to specialty retail stores focusing primarily on the sale of children's merchandise.

During August 2007, we and Disney formally amended the License Agreement by executing the Refurbishment Amendment, which incorporated the terms of the June Letter Agreement, as modified by our mutual agreement during August, and the aforementioned changes to the License Agreement. The Refurbishment Amendment by its terms superseded the June Letter Agreement and took effect retroactively as of June 6, 2007, the original effective date of the June Letter Agreement. The Refurbishment Amendment provides that our compliance in full with its terms will constitute a cure of the breaches identified in the Refurbishment Amendment and will result in Disney's forbearance from exercising any rights or remedies that it would have under the License Agreement based on the breaches identified in the Refurbishment Amendment.

The Refurbishment Amendment suspends the remodel obligations in the License Agreement for the approximately 4.5 year term of the Refurbishment Amendment, and, in lieu of those provisions, commits us to remodel by the end of fiscal 2011 a total of 236 existing Disney Stores into a new store prototype we have developed.

- of which the first seven remodels are required to be completed by specifically agreed upon dates in fiscal 2007;
- an additional 49 stores are required to be remodeled by the end of fiscal 2008;
- an additional 60 stores are required to be remodeled by the end of fiscal 2009;
- an additional 70 stores are required to be remodeled by the end of fiscal 2010; and
- an additional 50 stores are required to be remodeled by the end of fiscal 2011.

The Refurbishment Amendment sets forth specific requirements regarding the Disney Stores to be remodeled and otherwise refreshed over the period the Refurbishment Amendment is in effect and obligates the parent company, The Children's Place Retail Stores, Inc., among other things, to commit $175 million to remodel and refresh these stores through fiscal 2011. While the original provisions of the License Agreement obligated Hoop to remodel Disney Stores under certain circumstances and at certain times, the original License Agreement did not

establish a specific dollar commitment for this obligation. Although the original License Agreement generally required Hoop to maintain the physical appearance of the Disney Stores in accordance with the highest standards prevailing in specialty retailing, the "maintenance and refresh" program under the Refurbishment Amendment imposes specific requirements for timing, numbers of stores and the type of work to be performed. This "maintenance and refresh" program was considered necessary to upgrade the quality of the Disney Stores to the standard required under the License Agreement and is incremental to the original License Agreement. The "maintenance and refresh" program is expected to cost approximately $16 million over the 12 month period. In addition, the Refurbishment Amendment requires us to complete a "maintenance and refresh" program (which includes the Mickey retrofits) in approximately 165 Disney Stores by June 30, 2008, including the flagship store located on Michigan Avenue in Chicago, which was completed on September 12, 2007. Some of the stores required to be refreshed under this program will also be remodeled at a later date in accordance with the Refurbishment Amendment. The Refurbishment Amendment commits us to a capital commitment of $175 million to remodel, refresh and maintain the Disney Stores and to open 18 new stores which will cost approximately $11.7 million. We expect to fund these amounts through cash flow from operations of the Disney Store business, borrowings and availability under our credit facilities and capital contributions from The Children's Place business to the Disney Store business.

In the Refurbishment Amendment, we also agreed with Disney to make certain other modifications to the provisions of the License Agreement, including:

- Limiting the number of new Disney Stores to be opened per year during the remodeling period (we may open up to 25 new stores in any given year after fiscal 2007, with a rollover each year of up to five new stores from prior years);
- Eliminating the extended royalty abatement for some of the Disney Stores that were identified as Non-Core Stores in the License Agreement;
- Requiring the potential implementation of a differentiated merchandise plan for the Disney Store outlets; and
- Modifying the provisions of the License Agreement that would apply to a potential wind-down of the Disney Store business following any termination of the License Agreement.

The following table summarizes our remodel and maintenance refresh obligations under the terms of the Refurbishment Amendment (amounts in thousands):

	Store Remodel		Mickey Retrofit		Maintenance Refresh			
Fiscal Year	Stores (#)	Estimated Cost ($)	Stores (#)	Estimated Cost ($)	Stores (#)	Estimated Cost ($)	Contingency ($)	Total Estimated Cost ($)
2007	7	$ 4,250	7	$ 1,050	6	$ 950	$ 1,245	$ 7,495
2008	49	31,650	28	4,200	129	9,675	1,245	46,770
2009	60	39,000	—	—	—	—	1,245	40,245
2010	70	45,500	—	—	—	—	1,245	46,745
2011	50	32,500	—	—	—	—	1,245	33,745
2007 - 2011	236	$ 152,900	35	$ 5,250	135	$ 10,625	$ 6,225	$ 175,000

Like the June Letter Agreement, the Refurbishment Amendment states that, if we fully comply with its terms, Disney will forbear from exercising any rights or remedies that it would have under the License Agreement based on the breaches of the License Agreement that were asserted by Disney and were the subject of the Refurbishment Amendment. However, under the terms of the Refurbishment Amendment, if we violate any of its provisions, Disney will have the right to terminate its forbearance under the Refurbishment Amendment, in which case Disney would be free to exercise any or all of its rights and remedies under the License Agreement, including possibly terminating our license to operate the Disney Stores based on the occurrence of numerous material breaches and claiming breach fees, as if the Refurbishment Amendment had not been executed. The Refurbishment Amendment also states that, if we breach any of the provisions of the Refurbishment Amendment on three or more occasions and Disney has not previously exercised its right to terminate the Refurbishment Amendment, a payment of $18.0 million to Disney becomes immediately due and payable with respect to the breach fees called for by the License Agreement. If we violate any of the provisions of the Refurbishment Amendment on five or more occasions, Disney will have the right to terminate the License Agreement, without any right on our part to defend, counterclaim, protest or cure. The Refurbishment Amendment addresses only those breaches specifically enumerated therein. Disney continues to retain all its other rights and remedies under the License Agreement with respect to any other breaches.

We believe that we will be able to perform our obligations under the Refurbishment Amendment as and when required. However, because our ability to meet these obligations will depend on numerous factors, some of which are beyond our control, there can be no assurance that we will be able to fully

comply. Like the June Letter Agreement, the Refurbishment Amendment does not excuse us from compliance with these requirements should there be events or developments beyond our control, such as contractor delays, delays in landlord or regulatory approval, delays in receiving required approvals from Disney, natural disasters or acts of war or terrorism. Our diligent efforts may not be adequate to enable us to comply with every requirement or meet every deadline imposed on us under the Refurbishment Amendment. In the event we are unable to comply with any of our obligations when required, we would be in breach of our agreements with Disney, entitling Disney to exercise its remedies under the Refurbishment Amendment and the License Agreement. In the event such breaches occur, there can be no assurance that we will be able to obtain waivers or other relief from Disney, if needed, to avoid the $18.0 million payment to Disney and prevent a termination of the Refurbishment Amendment or the License Agreement. In addition, any breach by us of our agreements with Disney would constitute a cross-default under the secured loan agreement for the Disney Store chain, entitling the lenders to exercise their contractual remedies. There can be no assurance that we will be able to obtain waivers, if needed, from our lenders in the event of any future breaches of the Refurbishment Amendment or the License Agreement.

Where Disney would have the right to terminate the License Agreement and compel us to rapidly wind down the Disney Store business in accordance with the wind-down provisions of the License Agreement as a result of our breach or breaches thereof, our subsidiaries that operate the Disney Store business may be unable to comply with all of their obligations to landlords and other third parties, in which case these subsidiaries might be unable to avoid seeking bankruptcy protection.

Beginning in July 2007, our Hoop subsidiaries commenced Internet commerce operations through an alliance with a Disney affiliate in which select Disney Store merchandise is sold on the disneyshopping.com website. Customers can find our Disney Store merchandise at www.disneystore.com or www.disneyshopping.com. We anticipate entering into a formal amendment to the License Agreement relating to this Internet business. It is anticipated that this amendment to the License Agreement will supersede our obligation to launch our own Disney Store Internet store, which pursuant to the License Agreement, as modified by certain letter agreements, we are required to launch by January 31, 2008.

Refer to Note 16—Subsequent Events in the accompanying consolidated financial statements for additional information regarding the June Letter Agreement and the Refurbishment Amendment.

Asset Impairment Charges

During fiscal 2006, we recorded asset impairment charges of $17.1 million, or 0.8% of net sales, as compared to $0.2 million recorded in fiscal 2005 for one underperforming store. During fiscal 2006, our asset impairment charge was comprised of a $9.6 million charge related to the renovation of 29 Mickey stores and $7.1 million related to our decision not to proceed with a New York City Disney Store location and infrastructure investments that were written off in conjunction with our decision to form an e-commerce alliance with a Disney affiliate in which select Disney Store merchandise is sold on the disneyshopping.com website. The remaining $0.4 million related to the write down of leasehold improvements and fixtures in five underperforming The Children's Place stores. During 2005, we introduced the Mickey store prototype at the Disney Store but we became dissatisfied with the prototype from a brand, design and construction standpoint. The impairment charge for the 29 Mickey stores reflects stores that were unable to generate sufficient cash flow prior to their renovation to cover the carrying value of these long-term assets. We currently have a total of 70 Mickey stores in our store base, of which we plan to renovate 37 and refresh the remainder during fiscal 2007 and fiscal 2008.

Litigation

On or about September 28, 2007, Meghan Ruggiero filed a complaint in the United States District Court, Northern District of Ohio against the Company and its subsidiary, Hoop Retail Stores, LLC, on behalf of herself and other similarly situated individuals. The lawsuit alleges violations of the Fair and Accurate Credit Transactions Act ("FACTA") and seeks class certification, an award of statutory and punitive damages, attorneys' fees and costs, and injunctive relief. The outcome of this litigation is uncertain; while we believe there are valid defenses to the claims and we will defend ourselves vigorously, no assurance can be given as to the outcome of this litigation.

Strategic Review of the Company

Consistent with its fiduciary duties, our Board has engaged an investment banking firm to act as its financial advisor in undertaking a review of strategic alternatives to improve operations and enhance shareholder value. As

part of this review, our Board and management are assessing a wide variety of options to improve our business and competitive position, including, but not limited to, opportunities for organizational and operational improvement, a possible recapitalization, or other transactions. The Board has not set any specific timeline for the completion of this strategic review, and there is no assurance that as a result of this review, the Board will decide to change the Company's course of action or engage in any specific transaction.

RESTATEMENT OF FINANCIAL STATEMENTS

Based on the conclusions of an independent investigation into our stock option granting practices by a Special Committee of our Board, we have concluded that incorrect measurement dates for option grants were previously used for financial accounting and reporting purposes on a number of occasions. In addition, we have concluded that an action taken by management in May 2004 relating to the Company's records concerning the 1997 CEO IPO Grant, without review or approval by the Compensation Committee, should be treated as a new, below market grant in 2004. As a result, we are restating our consolidated balance sheet as of fiscal 2005 and our consolidated statements of income and cash flows for fiscal 2005 to reflect additional stock-based compensation expense relating to stock option grants, as well as to correct other errors unrelated to stock option grants.

The aggregate impact of the stock compensation adjustments on our consolidated statements of income, net of forfeitures of unvested awards and taxes, between fiscal 1998 and the first quarter of fiscal 2006 was a decrease of approximately $11.2 million. The aggregate impact of the other adjustments unrelated to stock options on our consolidated statements of income, net of taxes, between fiscal 2001 and the first quarter of fiscal 2006 was an increase to net income of approximately $1.7 million. Additionally, variable rate demand note balances as of the quarter ended April 29, 2006 have been reclassified from cash to short-term investments, and certain other balance sheet amounts have been reclassified. These reclassifications do not result in any additional charges in any period and do not affect working capital for the affected periods.

Determination of Revised Measurement Dates

During the Review Period, we used the effective date reflected in our grant approval documentation as the grant date and in accounting for option grants we also used this date as the measurement date under APB 25. In many instances that date was an "as of" date on a UWC of the Board or the Compensation Committee. Since we believed options were granted with exercise prices that equaled or exceeded their quoted market price at the date of grant, no compensation expense was recorded in our financial statements for options granted prior to our adoption of SFAS 123(R) as of January 29, 2006, other than in connection with the acceleration of the vesting of options in fiscal 2005 and the acceleration of the vesting of options related to a terminated employee. The investigation revealed that the measurement dates we used often occurred prior to the time when the recipients of the grant, the number of shares subject to the options granted and the exercise price were approved and established with finality. However, in many instances, we were unable to determine with certainty when the terms were established with finality. We collected all available documentation and established a documentation hierarchy to determine the best evidence of the date when the terms of the award were final and approved, and thus, the revised measurement dates for the awards. In the following sections, we will explain our process for granting, recording and administering options and the basis for determining revised measurement dates.

Option Granting Process

Under our stock option plans, our Compensation Committee was given the authority to issue options. During the Review Period, we granted stock options to our executives, employees, non-employee directors of a wholly-owned subsidiary and, as part of our director compensation program, to non-management members of our Board. Options were granted to executives and other employees upon being hired (including in one instance to a broad group of employees in connection with the acquisition of the Disney Store), and in connection with promotions, annual performance reviews, extraordinary performance and as service awards.

Option grants to executives, as recommended by our former CEO, were reviewed by the Compensation Committee on an executive-by-executive basis and were approved at a committee meeting. Usually, the committee approved the final number of shares underlying the option grant to an individual executive. However, for grants made in connection with annual performance reviews, a final determination as to the number of shares underlying the option sometimes was left to be made by our former CEO after the meeting, within an agreed upon range discussed at the meeting. The terms of executive new hire grants were generally documented either in an offer letter or formal employment agreement. It was our practice that the approval of executive option grants was formalized by means of a UWC signed by all members of our Board or Compensation Committee, even where an option grant had been approved and finalized at a meeting. As a result, for awards made in connection with annual performance reviews,

the grants reflected in the UWC may have differed from the grants discussed at the committee meeting where the final determination of the amount of the grant had been left to our former CEO. In contrast, grants made in connection with new hires of executives or extraordinary performance by executives were usually finalized at a Compensation Committee meeting. Thus, all executive grants were considered and approved by the Compensation Committee, but in some instances the timing of finalization of the number of options subject to a grant occurred subsequent to the committee's meeting as a result of action by our former CEO as permitted by our Compensation Committee.

Our practice was for option grants to non-executive employees (and to non-management subsidiary board members) to be determined by our management and approved by our former CEO and subsequently formally approved by a UWC signed by all members of our Board or Compensation Committee. In the case of annual performance review awards, our Compensation Committee generally discussed in advance the aggregate number of options that would be awarded. Various individuals in our line management and our human resources function were involved in identifying employees to receive options and the number of underlying shares; however, approval by our former CEO was required with respect to all such grants. The following practices were followed with respect to new hire, promotion and service awards:

- *New Hire and Promotion Grants:* Throughout the Review Period, we followed a policy, as reflected in numerous offer letters, albeit never formalized, to grant options for non-executive new hires and promotions on a monthly basis, as of the date of hire or, later in the Review Period, as of the end of the month. Each month, a list of option recipients was compiled from employee hire and promotion letters or other information establishing a new hire or promotion.

- *Service Awards:* While we did not have a written policy or an established schedule for the granting of service awards, the number of options for which service awards were granted was consistently based upon length of service and did not change during the Review Period.

In general, these grants were subsequently formally approved by a UWC signed by all members of our Board or Compensation Committee.

The minutes of Compensation Committee meetings usually did not specifically state the grant date and rarely reflected the exercise price for an option grant and our practice was to use the meeting date as the grant date. However, in many instances there were no minutes, and the UWC, which ordinarily reflected an "as of" date and the exercise price (usually determined as the average of the high and low trading price on the "as of" date), was the only record of Board approval of a grant. Despite diligent searching, we were unable to determine the dates on which UWCs were actually signed or returned to the Company.

The investigation established that throughout the Review Period our accepted practice, understood by both our former CEO and all of our Compensation Committee members, was that our former CEO was authorized to determine the non-executive employees who would receive option grants, the number of shares subject to each such grant, and to cause the Company to make such grants, within such broad limits for the making of grants as may have been discussed with the Compensation Committee. Although formal delegation by the Compensation Committee to our former CEO of authority to make grants was never adopted, it was also understood that our former CEO was authorized to make a final determination of the number of options that would be granted to executives, where the committee, having reviewed the overall grants, did not formally make the final determination with regard to such grants. The understanding of the Compensation Committee members was that the grant date with respect to grants to executives was the date the committee approved the executive receiving a grant (either specifically or out of the pool of awards approved by the committee) and with respect to non-executive employees was the date our former CEO finalized the grants and that in these situations, the exercise price would be the trading price on the date of grant.

Our Compensation Committee members and our former CEO understood that our option granting process, including informing recipients of their grants, would be completed before all Compensation Committee or Board members signed a UWC approving the grant. They also understood that option recipients were entitled to the grants at some time prior to the UWC being signed by all Board members. The signing of the UWCs was considered an administrative

formality. It was believed by all involved, including our General Counsel's office, (i) that the signing by all members of a UWC with an "as of" date constituted sufficient corporate action to authorize an option grant effective on the "as of" date, even in those instances where there had been no prior Compensation Committee action on the grant at a meeting (e.g., most grants to non-executives), and (ii) that the UWC merely confirmed an already finalized grant process. Accordingly, consistent with the findings of the Special Committee, we have concluded that, with incidental exceptions involving non-executive grants, all option grants made during the Review Period were

ultimately specifically authorized by a Compensation Committee or Board UWC, although an unauthorized action (subsequently ratified in 2007) was taken regarding the 1997 CEO IPO Grant.

With respect to option grants to non-management members of our Board, the number of options was specifically determined and approved by our Compensation Committee or the full Board at a meeting or was stated in and approved by a UWC. Where the minutes did not specify the grant date and/or the exercise price, the meeting date was used as the grant date and the exercise price was the trading price (determined as the average of the high and low trading price) on that date. Where approved by a UWC, grants to non-management Board members were usually made along with grants to employees and, consequently, were usually part of a Recorded Grant also involving an employee grant.

Stock Option Administration

Throughout the Review Period, we contracted with an independent outside service provider to maintain records of our options issued and of the vested status, forfeiture or expiration of such options and any amendments to such options and to administer the exercise of options including the issuance of shares upon exercise. Our General Counsel's office and our Human Resources Department administered the grant process once decisions were made as to the options to be granted. This process included:

- Creating a final list of option recipients and their respective option grants,
- Preparing UWCs, often accompanied by a memorandum to our Compensation Committee or Board transmitting the UWC for signature (a "Legal Department Memo"),
- Communicating stock option grants to our outside stock option plan administrator ("Stock Option Administrator"), and
- Preparing and submitting Forms 3 and 4 ("Forms 4") to the SEC for certain executive grants.

We typically communicated stock option grants to our employees in the following manner:

- New hire and employee promotion awards were typically communicated to the employee by letter or verbally by the employee's supervisor detailing terms of the grant.
- Annual performance review awards were most often communicated verbally by the employee's supervisor.
- Service awards were verbally communicated either at a Company "town hall" meeting or by the employee's supervisor.

For all types of stock option awards, we usually communicated the grants to executives and other employees prior to the time UWCs were signed by all Compensation Committee or Board members.

Basis for Use of the Documentation Hierarchy

In determining the revised measurement dates to be used in the restatement of our financial statements, we applied the guidance in APB 25, which provides that the accounting measurement date is the first date on which both of the following are known: (1) the number of shares that an individual employee is entitled to receive and (2) the option or purchase price, if any. In light of our option granting practices, we have concluded that the terms of an award were approved by the authorized body or person and final prior to completion of all formal granting actions (i.e., the signing by all Compensation Committee or Board members of a UWC). Accordingly, we have used the date when, most likely, the terms of the awards included in a Recorded Grant can be identified as approved and final, as established by the best available evidence, as the revised measurement date for accounting under APB 25, even if such date preceded the completion of all formal granting actions.

Since UWCs ordinarily were distributed for signature after the option awards were established and recorded by the Company and information as to when UWCs were signed by Board members is largely unavailable, we have looked to other documentation to establish revised measurement dates. Specifically, where our records do not include signed minutes of a Board or Compensation Committee meeting that specified the recipients of an option, the number of shares subject to the award and the exercise price, we have relied on other documentation and evidence to determine the revised measurement date for option grants. If award recipients were identified by a list attached to the Compensation Committee minutes rather than in the text of the minutes, we also sought corroborating evidence, usually metadata, indicating that such list was final on the meeting date. Metadata, obtained as part of the electronic data collection process, provides information about electronic data, such as how, when and by whom a set of data was collected, recorded or changed. If such corroborating evidence was not available, we relied on other documentation and evidence to determine the revised measurement date, using the documentation hierarchy described below.

We accumulated all relevant documentation and other information pertaining to each Recorded Grant. We evaluated the documentation and information to determine the date on which the option recipients and the number of shares underlying the options granted to a recipient, as well as other material terms, were approved and established with finality. Based on the Special Committee's findings and our review of documentation and other evidence, with the assistance of the forensic accounting firm retained by Independent Counsel, we identified revised measurement dates for certain option grants made during the Review Period.

The Documentation Hierarchy

We have developed a hierarchy of documentation as our basis for determining the revised measurement date, if applicable, for each option granted during the Review Period. In each case, the document used to establish the revised measurement date is dated and evidences the point in time when we can substantiate with finality: (i) approval of the award, (ii) the recipients of the option award, and (iii) the number of shares and the exercise price pursuant to the option awarded to that recipient. This award-by-award review occasionally resulted in different measurement dates for grants made within the same Recorded Grant. Metadata was accumulated where available to corroborate the revised measurement date for an option award. When the metadata did not corroborate the revised measurement date (i.e., indicated that a document was created or revised later than it was dated), the metadata date was used as the date of the supporting document. If another source of support was available with an earlier date, that support was used to define the revised measurement date.

We have granted a total of approximately 8.1 million options. Approximately 1.4 million were granted in a private placement prior to our initial public offering ("IPO"), and approximately 6.7 million were granted in connection with and since our IPO and were reviewed during the investigation. Grant dates based on Board minutes were deemed appropriate in determining the revised measurement dates if the minutes specified: (i) a list of stock option recipients, (ii) the number of options granted to each recipient, and (iii) the grant date and price. If the minutes were not determinative, we applied the following document hierarchy to determine the revised measurement dates:

1. *Offer Letters to New Employees/Promotion Letters*—We have concluded that information set forth in accepted offer letters and promotion letters, which specified the number of options to be granted at a stated date, constituted a mutual understanding between the employee and the Company. Once the employee began to render service under the terms of the employment or promotion letter, the Company had a legal liability with respect to the option grant as promised in the letter. As such, we have concluded that these letters established with finality the number of options granted to a recipient and the date to be used as a grant date, as long as the employee had commenced employment.

2. *Documentation Sent to Third Parties and the Compensation Committee Members*— If acceptable evidence was not identified in the Board minutes or offer and promotion letters, we determined that the earliest date on which a list of option recipients and number of options to each recipient was disseminated outside the Company established the finality of the grant. We have identified the following sources of documentation sent outside the Company as establishing the date on which the terms of an option became final: (i) Forms 3 and 4 filed with the SEC, (ii) archive data obtained from our Stock Option Administrator with the list of option recipients and number of options evidencing the terms of option grants that was provided by the Company and the date when our Stock Option Administrator was so advised of the grant, and (iii) Legal Department Memoranda requesting UWC approval with an attached UWC documenting with finality (either in the body of the UWC or as a referenced attachment) the option recipients, number of shares subject to each grant and the exercise price (as well as the "as of" grant date) which, in accordance with our option granting process, would not have been prepared if the related list of option recipients was not final and approved by our former CEO.

3. *Internal Documentation*— The next level of documentation used included the "last modified" date included in the metadata of a Microsoft Excel file specifying the recipient and the number of shares subject to an option grant, or email dates on comparable data prepared by the Legal or Human Resources Departments, where in each case the grant information was sent to and recorded in the Stock Option Administrator's records.

4. *Unanimous Written Consents*—Where we did not have any of the above documentation, we used the "last modified date" metadata associated with the UWC reflecting formal approval of a grant as the revised measurement date.

We have revised the measurement dates used to account for certain stock option grants since fiscal 1997 based on the hierarchy above. These changes resulted in additional stock-based compensation expense, net of forfeitures of

unvested awards and before taxes, of $11.8 million affecting our consolidated financial statements for each year from fiscal 1998 through the first quarter of fiscal 2006.

Variable Accounting

During the course of the investigation and the review of the documentation for each grant, we identified instances where changes were made in our records with respect to certain Recorded Grants. In these instances, we reviewed all documents related to the grant to determine if the change was an isolated change to an individual award or if the change indicated that the granting process was not complete for the entire Recorded Grant. If the change was an isolated change, we determined whether the change represented an administrative error or a modification of a term of the award. The investigation did not reveal a practice by the Company of retracting awards or modifying the terms of awards across a group of recipients after the date determined to be the revised measurement date. Instead, changes were rare and occurred only at the individual level. We found no evidence regarding any of the changes that indicated that at the time of the change the granting process remained open for an entire Recorded Grant.

Since none of the changes indicated an incomplete granting process, we used available documentation to determine whether the changes represented administrative errors or a modification to an individual award. For changes deemed to be administrative errors (e.g., adding an individual to a list of recipients for service awards where the number of options involved in the award and the criteria required to earn the award were set prior to the issuance of the award), we did not change the revised measurement date applicable to the individual award from that determined from the Recorded Grant as determined based on the documentation hierarchy.

If we determined based on a review of supporting documentation that the change was a modification to the original award (e.g., a change in the number of shares for which the option was granted or the exercise price of the option), we considered the appropriate accounting for the individual award in accordance with FASB Interpretation No. 44, "Accounting for Certain Transactions involving Stock Compensation" ("FIN 44"). For any changes involving either the number of shares for which the option was granted or the exercise price of the option, we determined that variable accounting should be applied in accordance with FIN 44. With respect to options for 328,775 shares, we have applied variable accounting because of a modification to the terms of the award, resulting in additional stock-based compensation expense, before taxes, of approximately $2.3 million from fiscal 1998 through fiscal 2005.

The 1997 CEO IPO Grant

We granted options under our 1996 Plan on September 18, 1997 pursuant to a UWC of the Board in connection with our IPO, including a grant of options for 99,660 shares to our former CEO. Under the plan, options could be granted either as incentive stock options qualified under Section 422 of the Internal Revenue Code ("ISOs") or as options not so qualified ("NQOs"). If not otherwise specified when granted, option grants were to be classified as ISOs to the extent allowed by the tax code. Under the plan, also in accordance with tax code requirements, grants to more than 10% shareholders treated as ISOs were to have an exercise price of 110% of the fair value of the related shares at the date of the grant and a five year duration. Under the plan, NQOs were to have a ten year duration and an exercise price equal to the fair value of the related shares at the date of the grant. Our former CEO was at the relevant time, and remains, a greater than 10% shareholder of the Company.

Our actions in implementing the grant of the options to our former CEO and our records regarding the grant were at the time, and subsequently, inconsistent. The Board's 1997 action approving the grant was silent as to the options' treatment as ISOs or NQOs. Among the confusing and inconsistent records regarding this grant were the following:

- Option certificates were prepared contemporaneously with the Board's UWC. One certificate, evidencing options for 32,000 shares designated that portion of the grant as ISOs. The other certificate designated 67,660 options as NQOs. Both certificates provided for an exercise price of $15.40 per share and a duration of five years. The terms for the options classified as NQOs are inconsistent with the plan.

- Public reports, including periodic reports, proxy statements and a Form 4, included information as to the terms of the grant contradictory to the option certificates and other records.

- As early as 1998, our Stock Option Administrator's records showed a 32,465/67,195 ISO/NQO allocation and, for both portions, an exercise price of $15.40 per share and a duration of ten years.

Our management recognized the inconsistencies in the Stock Option Administrator's records by April 2004. Our former General Counsel interpreted the 1997 CEO IPO Grant to have a ten year duration in its entirety and on May 6, 2004 instructed the administrator to change its records to reflect the entire grant as NQOs with a duration of ten

years. The exercise price was left in the records at $15.40. This action was taken without Board or Compensation Committee consultation, review or approval. In April 2006, our former CEO exercised a portion of the 1997 CEO IPO Grant for 84,660 shares at $15.40 per share.

In connection with our investigation into our option grants, the Special Committee in April 2007 considered the circumstances surrounding the grant and how it had been treated by the Company over the years. Upon recommendation of the Special Committee, the Compensation Committee determined that, considering the conflicting records and actions by the Company, the options should be interpreted to have a $15.40 exercise price and a ten year duration, as had been publicly reported by the Company. During fiscal 2007, the Board ratified the change in the Stock Option Administrator's records made in May 2004, the issuance of shares to our former CEO upon his exercise in part of the options and the validity of the remaining part of the option (covering 15,000 shares).

In determining the accounting for the 1997 CEO IPO Grant, we considered all the available evidence and records and concluded that the option certificates were the most reliable evidence of the terms of the grant from the time of the grant, consistent with our accounting for other option grants, with the result that the options granted in 1997 should be considered to have expired after five years as stated in the certificates. Accordingly, for accounting purposes we are treating the 2004 actions by management as a new option grant on the terms, including a below-fair-market-value exercise price of $15.40, then recorded in the Stock Option Administrator's records. We have considered the measurement date of this grant to be May 6, 2004, requiring the recognition at such time of approximately $0.9 million in compensation expense.

We also considered the possibility that the 1997 CEO IPO Grant at the outset provided for an ISO portion with a five-year duration, consistent with the 1996 Plan's provisions pertaining to ISO grants. In that case, the ISO portion would have expired in September 2002. The remaining portion would be considered an NQO and the Company records (notably the option certificates) to the contrary would be considered administrative errors, including as to the duration of such option. In this alternative, the action taken by the former General Counsel on May 6, 2004 in changing the Stock Option Administrator's records to reflect the entire 1997 CEO IPO Grant as an NQO would be considered to have had the effect of the issuance at that time of a fully vested and exercisable option having a $15.40 exercise price to the extent of the ISO portion. The accounting consequence of this alternative would be the recognition of compensation expense in fiscal 2004 for the ISO portion of the grant, as though a new grant, in an amount between approximately $300,000 and $330,000, the variation being due to discrepancies among our records as to the ISO/NQO allocation.

Inadequate Internal Controls

We are undertaking to remediate the material weakness in internal control over financial reporting related to stock option grants found by the Special Committee, as further discussed in Item 4—Controls and Procedures of this Quarterly Report on Form 10-Q. We have continued our suspension of the granting of stock options and the exercise of any options until these improved procedures have been instituted. Furthermore, the suspension of granting and exercise of stock options will continue until the Company becomes current with its SEC filings.

Resolution of Tax Consequences and Corrective Action Related to Discounted Options

Revisions to the measurement dates of stock options often resulted in options with exercise prices below the fair market value of the related shares on the revised measurement date ("discounted options"). Individuals currently holding discounted options may incur an excise tax liability under Section 409A of the Internal Revenue Code. As recommended by the Special Committee, in order to avoid any benefit from the errors made in dating of options to any person involved in the stock option granting process and, also, as part of our efforts to address certain tax considerations associated with outstanding discounted options granted with an exercise price below fair market value, we have taken the following actions:

- Our directors (including Mr. Ezra Dabah, our former CEO), our President and our former Chief Administrative Officer agreed to amend all discounted options held by them (other than those described in the next paragraph) to increase the exercise price to the average of the high and low trading price on the date determined by the Company to be the revised measurement date applicable to the option grant to be used for financial reporting purposes. In the few instances where these individuals have exercised options as to which a revised measurement date has

been determined by the Company, the individual has returned to the Company the difference between the exercise price and the trading price on the revised measurement date.

- In the three instances where the Report of Investigation found that our non-executive directors received options shortly before the public disclosure of positive information, our directors further agreed to

amend such options to increase the exercise price to the average of the high and low trading price over the balance of the calendar year following the recorded date of the grant.

- With respect to all other option grants, we have decided to honor the options as issued, consistent with the Special Committee's finding of no intentional misconduct on the part of management in the option grant process. Nevertheless, all members of senior management holding outstanding options have agreed to have their outstanding discounted options that vested after 2004 amended to either increase the exercise price to the average of the high and low trading price on the date determined to be the revised measurement date or to limit the exercise period of their options.

In addition, with respect to holders of discounted options that vested after 2004 who are employees at the time, other than members of senior management who have already amended their outstanding discounted options, we plan to offer as soon as practicable the opportunity to exchange their discounted options for options with the same terms except that the exercise price will be changed to the average of the high and low trading price on the revised measurement date. Option holders who agree to such amendment will receive a cash bonus in the amount of the increase in the exercise price.

The foregoing actions are expected to bring all outstanding options held by our employees and non-employee directors into compliance with pertinent requirements relating to discounted options so that the excise tax under Section 409A of the Internal Revenue Code does not apply to the options. To the extent such discounted options were exercised by employees during fiscal 2006, we expect to bear the liability for, and we have accrued during fiscal 2006, an amount estimated to equal the potential excise tax under Section 409A that would be incurred by the recipient in connection with such option if such tax is applicable, and any related income tax liability that would be incurred by the recipient in respect of receiving from the Company such amount, if any.

Legal and Regulatory Matters Related to Stock Option Practices and Internal Controls

As we did not timely file our Quarterly Reports on Form 10-Q for the quarters ended July 29, 2006 and October 28, 2006, our Annual Report on Form 10-K for fiscal 2006, and our Quarterly Reports on Form 10-Q for the quarters ended May 5, 2007 and August 4, 2007 (collectively, the "Required Reports"), we have been out of compliance with the reporting requirements of the SEC and the Nasdaq Global Select Market ("Nasdaq") for more than one year. Although we have now filed our Quarterly Reports on Form 10-Q for the second and third quarters of fiscal 2006, and our Annual Report on Form 10-K for fiscal 2006, we have not yet filed our Quarterly Reports on Form 10-Q for the first and second quarters of fiscal 2007. Consequently, we continue to be in violation of the reporting requirements under the Exchange Act and the Nasdaq listing rules.

We have received various determination letters from the Nasdaq stating that because we have not been in compliance with Nasdaq listing requirements, our common stock is subject to delisting. Since September 2006 we have been in contact with the Nasdaq Listing Qualifications Panel, Nasdaq's Listing and Hearing Review Council, and the Board of Directors of the Nasdaq Stock Market LLC (the "Nasdaq Board") regarding our inability to comply with Nasdaq's listing requirements and when we might be able to again become compliant. The last communication we received from Nasdaq on this issue was from the Nasdaq Board on November 9, 2007 stating that we have until January 9, 2008 to file all of the Required Reports in order to regain compliance with Nasdaq's listing requirements. If we have not regained compliance prior to that time, we will need to explain to the Nasdaq staff the reasons for our inability to do so, in order for the Nasdaq Board to consider whether any further extension is warranted. We still need to file our Quarterly Reports on Form 10-Q for the quarters ended May 5, 2007 and August 4, 2007 before we will have filed all of the Required Reports. There is no assurance that we will be able to meet the January 9, 2008 deadline, and if we do not, there is no assurance that the Nasdaq Board will grant us additional time to become compliant. If we fail to come into compliance by January 9, 2008 or any extended deadline approved by Nasdaq, we anticipate that the Company's shares will be delisted from Nasdaq.

In addition, Nasdaq listing rules require that all issuers solicit proxies and hold an annual meeting of shareholders within 12 months of the end of the issuer's fiscal year end. To comply with this rule, we must hold our annual meeting of shareholders for the fiscal year ended February 3, 2007 no later than February 3, 2008. In addition, we must be current in our SEC filings before we can solicit proxies for such annual meeting of our shareholders. Accordingly, if we are unable to become current in our SEC filings in sufficient time for us to solicit proxies for an annual meeting of our shareholders by February 3, 2008, or if we otherwise fail to hold such meeting by February 3, 2008, the Company's shares could be delisted from Nasdaq.

On September 29, 2006, the Division of Enforcement of the SEC informed us that it had initiated an informal investigation into our stock option granting practices. In addition, the Office of the U.S. Attorney for the District of

New Jersey advised us that it had commenced an investigation into the same matter. We have cooperated with these investigations and have briefed both authorities on the results of the Special Committee's investigation. There have been no developments in these matters since that time.

On January 17, 2007, a stockholder derivative action was filed in the United States District Court, District of New Jersey against certain current members of the Board and certain current and former senior executives. The Company has been named as a nominal defendant. The complaint alleges, among other things, that certain of our current and former officers and directors (i) breached their fiduciary duties to the Company and its stockholders and were unjustly enriched by improperly backdating certain grants of stock options to officers and directors of the Company, (ii) caused the Company to file false and misleading reports with the SEC, (iii) violated the Exchange Act and common law, (iv) caused the Company to issue false and misleading public statements, and (v) were negligent and abdicated their responsibilities to the Company and its stockholders. The complaint seeks money damages from the defendants, an accounting for the proceeds of sales of any allegedly backdated stock options, and the costs and disbursements of the lawsuit, as well as equitable relief. The

defendants have moved to dismiss the action, and on or about June 15, 2007, the plaintiff filed an amended complaint adding, among other things, a claim for securities fraud under SEC rule 10b-5.

On September 21, 2007 a second stockholder class action was filed in the United States District Court, Southern District of New York against the Company and certain of its current and former senior executives. The complaint alleges, among other things, that certain of the Company's current and former officers made statements to the investing public which misrepresented material facts about the business and operations of the Company, or omitted to state material facts required in order for the statements made by them not to be misleading, causing the price of the Company's stock to be artificially inflated in violation of provisions of the Exchange Act, as amended. It alleges that more recent disclosures establish the misleading nature of these earlier disclosures. The complaint seeks money damages plus interest as well as costs and disbursements of the lawsuit.

On October 10, 2007, a third stockholder class action was filed in the United States District Court, Southern District of New York against the Company and certain of its current and former senior executives. The complaint alleges, among other things, that certain of the Company's current and former officers made statements to the investing public which misrepresented material facts about the business and operations of the Company, or omitted to state material facts required in order for the statements made by them not to be misleading, thereby causing the price of the Company's stock to be artificially inflated in violation of provisions of the Exchange Act, as amended. According to the complaint, more recent disclosures establish the misleading nature of these earlier disclosures. The complaint seeks, among other relief, class certification of the lawsuit, compensatory damages plus interest, and costs and expenses of the lawsuit, including counsel and expert fees.

The outcome of these litigations is uncertain. While we believe there are valid defenses to the claims and we will defend ourselves vigorously, no assurance can be given as to the outcome of these matters. The litigations could distract our management and directors from the Company's affairs, the costs and expenses of the litigations could unfavorably affect our net earnings and an unfavorable outcome could adversely affect the reputation of the Company.

Other Adjustments

In addition to the adjustments related to the stock option investigation, our restated condensed consolidated financial statements presented herein include other adjustments related to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for our 52- and 53-week fiscal years. The aggregate impact of these adjustments on our condensed consolidated statements of income, net of taxes, between fiscal 2001 and the first quarter of fiscal 2006 was an increase to net income of approximately $1.7 million. Additionally, variable rate demand note balances as of the quarter ended April 29, 2006 have been reclassified from cash to short-term investments, and certain other balance sheet amounts have been reclassified. These reclassifications do not result in any additional charges in any period and do not affect working capital for the affected periods. For additional discussion of these adjustments, refer to Note 2—Restatement of Consolidated Financial Statements.

Cumulative Adjustments

The following table summarizes the cumulative increase or decrease to net income from fiscal 1998 through the first quarter of fiscal 2006. These adjustments relate to the Company recognizing stock-based compensation expense resulting from the determination of revised measurement dates for past stock option grants as well as the other adjustments noted above (in thousands):

	Stock Option Related Adjustments			Other Adjustments(1)			
Period Ended	Expense (Increase)	Tax Benefit	Net Stock Option Related Adjustments	Expense (Increase) Decrease	Tax Benefit (Provision)	Net Other Adjustments	Total After Tax Adjustment
January 30, 1999 (fiscal 1998)	$ (59)	$ 19	$ (40)	$ —	$ —	$ —	$ (40)
January 29, 2000 (fiscal 1999)	(211)	81	(130)	—	—	—	(130)
February 3, 2001 (fiscal 2000)	(386)	131	(255)	—	—	—	(255)
February 2, 2002 (fiscal 2001)	(915)	295	(620)	240	(98)	142	(478)
February 1, 2003 (fiscal 2002)	(972)	375	(597)	772	(311)	461	(136)
January 31, 2004 (fiscal 2003)	(1,632)	486	(1,146)	1,722	(695)	1,027	(119)
January 29, 2005 (fiscal 2004)	(3,386)	772	(2,614)	589	(82)	507	(2,107)
January 28, 2006 (fiscal 2005)(2)	(8,927)	3,956	(4,971)	(853)	218	(635)	(5,606)
Cumulative effect at January 28, 2006	$ (16,488)	$ 6,115	$ (10,373)	$ 2,470	$ (968)	$ 1,502	$ (8,871)
April 29, 2006 (Q1 fiscal 2006)	$ (1,331)	$ 544	$ (787)	$ 327	$ (161)	$ 166	$ (621)

(1) Other adjustments relate to personal property taxes and certain accrual accounts and reserves, including those related to occupancy costs for our 52- and 53-week fiscal years.

(2) We have not previously reported stock-based compensation expense in any fiscal year other than fiscal 2005. During fiscal 2005, we recorded approximately $0.3 million related to the modification of stock options for a terminated employee, before taxes of approximately $0.1 million. We also recorded approximately $2.1 million, before taxes of approximately $0.1 million, of stock-based compensation expense related to the acceleration of the vesting of certain options. As part of the restatement process, the stock option acceleration amounts were adjusted to approximately $1.7 million of stock-based compensation expense, before taxes of approximately $0.5 million. Therefore, the restated total stock-based compensation expense for fiscal 2005 is $11.3 million, before taxes of $4.1 million.

CRITICAL ACCOUNTING POLICIES

The preparation of consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reported period. Actual results could differ from our estimates. The accounting policies that we believe are the most critical to aid in fully understanding and evaluating reported financial results include the following:

Revenue Recognition—Sales are recognized upon purchase by customers at our retail stores or when received by the customer if the product was purchased via the Internet, net of coupon redemptions and anticipated sales returns. Actual sales return rates have historically been within our expectations and the allowance established. However, in the event that the actual rate of sales returns by customers increased significantly, our operational results could be adversely affected.

For the Disney Store, we act as an agent on behalf of a subsidiary of The Walt Disney Company for the sale of Walt Disney World® Resort and Disneyland® Resort tickets, and our net sales include only the 7% commission we receive from a subsidiary of The Walt Disney Company on such ticket sales.

Our policy with respect to gift cards is to record revenue as gift cards are redeemed for merchandise. Prior to their redemption, unredeemed gift cards for The Children's Place business are recorded as a liability, included within accrued expenses and other current liabilities. We recognize income from gift cards that are not expected to be redeemed based upon an extended period of dormancy where statutorily permitted. For the Disney Store, we act as an agent on behalf of a subsidiary of The Walt Disney Company for gift cards sold to customers. Therefore, we do not record a customer gift card liability for the Disney Store. However, we recognize a trade payable to Disney for the net purchase of Disney gift cards.

We offer a private label credit card to our The Children's Place customers that provides a discount on future purchases once a minimum annual purchase threshold has been exceeded. We estimate the future discounts to be provided based on history, the number of customers who have earned or are likely to earn the discount and current year sales trends on the private label credit card. We defer a proportionate amount of revenue from customers based on an estimated value of future discounts. We recognize such deferred revenue as future discounts are taken on sales above the minimum. We accomplish this by utilizing estimates based upon sales trends and the number of customers who have earned the discount privilege. Our private label customers must earn the discount privilege on an annual

basis and this privilege expires at our fiscal year end. Accordingly, all deferred revenue is recognized by the end of the fiscal year.

Inventory Valuation—Merchandise inventories are stated at the lower of average cost or market, using the retail inventory method. Under the retail inventory method, the valuation of inventories at cost and the resulting gross margins are calculated by applying a cost-to-retail ratio by merchandise department to the retail value of inventories. At any one time, inventories include items that have been marked down to our best estimate of their fair market value and an estimate of our inventory shrinkage.

We base our decision to mark down merchandise upon its current rate of sale, the season, and the age and sell-through of the item. To the extent that our markdown estimates are not adequate, additional markdowns may have to be recorded, which could reduce our gross margins and operating results. Our success is largely dependent upon our ability to gauge the fashion taste of our customers, including the popularity and relevancy of the Disney characters, and to provide a well-balanced merchandise assortment that satisfies customer demand. Any inability to provide the proper quantity of appropriate merchandise in a timely manner could increase future markdown rates.

We adjust our inventory balance based on an annual physical inventory and shrinkage is estimated in interim periods based on the historical results of physical inventories in the context of current year facts and circumstances. To the extent our shrinkage estimate is not adequate, we would be required to reduce our gross profits and operating results.

Equity Compensation—Effective January 29, 2006, we adopted the provisions of SFAS No. 123(R) using the modified prospective transition method. In applying SFAS 123(R), we use the Black-Scholes option pricing model based on a Monte Carlo simulation, which requires extensive use of accounting judgment and financial estimates, including estimates of how long employees will hold their vested stock options before exercise, the estimated volatility of the Company's common stock over the expected term, and the number of options that will be forfeited prior to the completion of vesting requirements. Application of other assumptions could result in significantly different estimates of fair value of stock-based compensation and consequently, the related expense recognized in our financial statements. The provisions of SFAS 123(R) apply to new stock options and stock options outstanding, but not yet vested, as of the effective date. Prior to January 29, 2006, we accounted for stock option grants under the recognition and measurement provisions of APB 25 and related interpretations.

Prior to fiscal 2006, equity compensation for key management consisted only of stock option awards. Upon consideration of several factors in fiscal 2006, including the anticipated impact of SFAS 123(R), we also began awarding key management performance share awards ("Performance Awards") which, if earned, will be satisfied by the issuance of shares of common stock ("Performance Shares").

Historic Stock Option Measurement Dates—As discussed in "Restatement of Financial Statements of this section" and in Note 2—Restatement of Consolidated Financial Statements, we applied our documentation hierarchy to determine revised measurement dates under APB 25 for past stock option grants. This application involved judgment and careful consideration of all documentation and facts related to each grant. We believe the hierarchy provides the best evidence of approval and finality for determining revised measurement dates under APB 25. However, we also performed a sensitivity analysis to estimate potential non-cash stock based compensation expense based on minimum and maximum stock prices during the period between the Recorded Grant date and the revised measurement date.

Using the maximum stock price between Recorded Grant date and the revised measurement date would increase the cumulative non-cash stock based compensation expense relating to option issuances by $3.1 million, before taxes, over the eight year restatement period. The most significant impact in any year would have been $0.8 million, before taxes, in fiscal 2005, primarily due to the Company's acceleration of the vesting of approximately 2.1 million options and because more than 40% of the Company's total stock option compensation charges related to a single grant made during fiscal 2005 on April 29, 2005. Using the minimum stock price between the originally recorded grant date and the revised measurement date results in no compensation charge, as the trading price on the Recorded Grant date was the lowest price during the period.

In addition, we evaluated our documentation hierarchy to determine if different judgments in the determination of measurement dates would materially affect our restatement charge relating to option issuances. Specifically, we considered the following:

1. The application of the documentation hierarchy resulted in multiple measurement dates for awards recorded as part of a single Recorded Grant. If the measurement date for all recipients of awards made

as part of a single Recorded Grant was the last date determined under our documentation hierarchy as a measurement date, the restatement charge would increase by approximately $0.5 million, before taxes.

2. The Legal Department Memo was used to support the measurement date for approximately 13% of the options issued during the Review Period. If the Legal Department Memo were viewed as less authoritative support that an award was final than the transmission of award information to our Stock Option Administrator or the signing of a Form 4, the restatement charge would increase by approximately 4% or $0.5 million, before taxes.

3. Of the options for 328,775 shares to which we have applied variable accounting in accordance with FIN 44, options for 75,075 shares are options as to which the number of shares were modified. Given that there is a diversity in practice with regard to the interpretation of FIN 44 as it relates to the application of variable accounting when modifications are subsequently made only to the number of shares, we determined the impact on the restatement if these options were treated as fixed option awards and we had applied our documentation hierarchy to determine revised measurement dates. We have determined that this treatment would have decreased the restatement charge by approximately $0.2 million, before taxes.

Accounting for Royalties—In exchange for the right to use certain Disney intellectual property, we are required to pay a Disney subsidiary royalty payments pursuant to the License Agreement. Minimum royalty commitments are recorded on a straight-line basis over the life of the initial 15 year term of the License Agreement. During each period, amounts due in excess of the minimum royalty commitment are recorded as an expense if we expect to surpass the minimum royalty commitment on an annual basis, even if the contingency threshold has not been surpassed in that particular period. The amortization of the estimated value of the two-year royalty holiday under the License Agreement is recognized on a straight-line basis as a reduction of royalty expense over the term of the License Agreement. Royalty expense, and the associated amortization of the royalty holiday, is recorded in selling, general and administrative expenses. The royalty percentage does not increase over the term of the License Agreement.

In accordance with the License Agreement, following a two year royalty abatement, our subsidiaries began making royalty payments to Disney in November 2006 equal to 5% of net sales from physical Disney Store locations, subject to an additional royalty holiday period with respect to a limited number of stores. The initial term of the License Agreement is through January 2020, and if certain financial performance and other conditions are satisfied, it may be extended at our option for up to three additional ten-year terms.

Insurance and Self-Insurance Liabilities—Based on our assessment of risk and cost efficiency, we self-insure and purchase insurance policies to provide for workers' compensation, general liability, property losses, director's and officer's liability, vehicle liability and employee medical benefits. We estimate risks and record a liability based upon historical claim experience, insurance deductibles, severity factors and other actuarial assumptions. While we believe that our risk assessments are appropriate, to the extent that future occurrences and claims differ from our historical experience, additional charges for insurance may be recorded in future periods.

Accounting for Acquisitions—The acquisition of the DSNA Business was accounted for under the purchase method of accounting in accordance with SFAS No. 141, "Business Combinations" ("SFAS 141"). As such, we analyzed the fair value of identified tangible and intangible assets acquired and liabilities assumed, and determined the excess of fair value of net assets acquired over cost. This excess was recorded as an extraordinary gain in fiscal 2005 and fiscal 2004.

Impairment of Assets—We periodically evaluate each store's performance and compare the carrying value of each location's fixed assets, principally leasehold improvements and fixtures, to its projected cash flows. An impairment loss is recorded if the projected future cash flows related to the assets are insufficient to recapture the net book value of the assets. To the extent our estimates of future cash flows are incorrect, additional impairment charges may be recorded in future periods.

Income Taxes—We compute income taxes using the liability method. This method requires recognition of deferred tax assets and liabilities, measured by enacted rates, attributable to temporary differences between financial statement and income tax basis of assets and liabilities. Temporary differences result primarily from depreciation and amortization differences between book and tax and the non-deductibility of certain reserves and accruals in the current tax period for tax purposes.

During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. As a result, we recognize tax liabilities based on estimates of whether additional taxes and

interest will be due. These tax liabilities are recognized when, despite our belief that our tax return positions are supportable, we believe that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. We believe that our accruals for tax liabilities are adequate for all open audit years based on our assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, selected income statement data expressed as a percentage of net sales. We primarily evaluate the results of our operations as a percentage of net sales rather than in terms of absolute dollar increases or decreases by analyzing the year over year change in our business expressed as a percentage of net sales (i.e. "basis points"). For example, our selling, general and administrative expenses decreased approximately 60 basis points to 31.6% of net sales during the thirty-nine weeks ended October 28, 2006 from 32.2% during the thirty-nine weeks ended October 29, 2005. Accordingly, to the extent that our sales have increased at a faster rate than our costs (i.e. "leveraging"), the more efficiently we have utilized the investments we

have made in our business. Conversely, if our sales decrease or if our costs grow at a faster pace than our sales (i.e. "de-leveraging"), we have less efficiently utilized the investments we have made in our business.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 28, 2006	October 29, 2005 (As restated)	October 28, 2006	October 29, 2005 (As restated)
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	56.0	58.0	60.2	62.2
Gross profit	44.0	42.0	39.8	37.8
Selling, general and administrative expenses	29.1	29.6	31.6	32.2
Asset impairment charges	0.1	—	—	—
Depreciation and amortization	3.0	2.9	3.4	3.3
Operating income	11.8	9.5	4.8	2.2
Interest income, net	0.1	—	0.2	—
Income before income taxes and extraordinary gain	11.9	9.5	5.0	2.2
Provision for income taxes	4.4	3.4	1.9	0.7
Income before extraordinary gain	7.5	6.1	3.1	1.5
Extraordinary gain, net of taxes	—	0.4	—	0.1
Net income	7.5%	6.5%	3.1%	1.6%
Number of stores, end of period	1,182	1,107	1,182	1,107

Table may not add due to rounding.

Thirteen Weeks Ended October 28, 2006 (the "Third Quarter 2006") Compared to Thirteen Weeks Ended October 29, 2005 (the "Third Quarter 2005")

Net sales increased by $109.3 million, or 25%, to $550.4 million during the Third Quarter 2006 from $441.1 million during the Third Quarter 2005. Net sales included $397.2 million in net sales from The Children's Place business, which represented a 24% increase over the $319.9 million in net sales reported in the Third Quarter 2005, and $153.2 million in net sales from the Disney Store business, which represented a 26% increase over the $121.2 million in net sales reported in the Third Quarter 2005. Consolidated comparable store sales increased 14% and contributed $56.9 million of our net sales increase in the Third Quarter 2006. Net sales for our new stores, as well as other stores that did not qualify as comparable stores, increased our net sales by $53.6 million. Our closed stores partially offset our consolidated sales increase by approximately $1.2 million. Comparable store sales increased 15% for The Children's Place business as compared to a 6% comparable store sales increase in the Third Quarter 2005. Disney Stores reported a 12% comparable store sales increase.

During the Third Quarter 2006, we opened 30 The Children's Place stores and 11 Disney Stores. In addition, we closed one The Children's Place store.

Our 15% comparable store sales increase for The Children's Place business was primarily the result of a 10% increase in the number of comparable store sales transactions and a 5% increase in our average dollar transaction size. Our increased dollar transaction size was driven primarily by higher price points. During the Third Quarter

2006, we achieved comparable store sales increases in The Children's Place business across all geographical regions, departments and store types.

For the Disney Store, our 12% comparable store sales increase was primarily the result of a 6% increase in the number of comparable store sales transactions and a 6% increase in our average dollar transaction size. Our increase in dollar transaction size was primarily driven by an increase in the number of items sold in each transaction and new merchandise that commanded a higher price point. All geographical regions, departments and store types experienced comparable store sales increases.

Gross profit increased by $56.7 million to $242.1 million during the Third Quarter 2006 from $185.4 million during the Third Quarter 2005. As a percentage of net sales, gross profit increased approximately 200 basis points to 44.0% of net sales during the Third Quarter 2006 from 42.0% of net sales during the Third Quarter 2005. The increase in consolidated gross profit, as a percentage of net sales, resulted from the leveraging of occupancy and distribution costs of approximately 180 basis points and a higher initial markup of approximately 150 basis points partially offset by higher markdowns of approximately 140 basis points. Our increase in gross margin as a percentage of net sales was primarily driven by the Disney Stores. At Disney Store, our gross margin, as a percentage of net sales, was higher in the Third Quarter 2006 than the Third Quarter 2005 due to a higher initial markup, the leveraging of distribution and occupancy costs, partially offset by higher markdowns. At The Children's Place business, gross margin was slightly higher in the Third Quarter 2006 than the Third Quarter 2005 due primarily to the leveraging of occupancy costs and a higher initial markup, offset partially by higher markdowns.

Selling, general and administrative expenses increased $30.0 million to $160.4 million during the Third Quarter 2006 from $130.4 million during the Third Quarter 2005. As a percentage of net sales, selling, general and administrative expenses decreased approximately 50 basis points to 29.1% during the Third Quarter 2006 from 29.6% in the Third Quarter 2005. The drivers favorably impacting selling, general and administrative expenses during the Third Quarter 2006 were:

- Store and administrative payroll and benefits costs increased approximately $10.2 million as compared to the Third Quarter 2005 and were leveraged approximately 110 basis points;
- Marketing expenses were favorable approximately 110 basis points due to our decision not to do anniversary television advertising; while we reinvested in other types of marketing, marketing expenses were $1.4 million lower in the Third Quarter 2006 as compared to the Third Quarter 2005; and
- Lower remodel costs were approximately $0.9 million, or 20 basis points, lower than the Third Quarter 2005.

These favorable variances were offset primarily by:

- Higher bonuses expected to be paid for fiscal 2006 performance, which approximated $5.9 million, or 110 basis points;
- Costs of our stock option investigation which approximated $3.7 million, or approximately 70 basis points, including:
    - Legal, forensic accounting and other professional fees of approximately $2.4 million;
    - Resolution of tax consequences of discounted options related to certain employee stock options of approximately $0.6 million, and
    - Non-cash compensation expense associated with option terms that were extended due to the suspension of option exercises during the investigation, which also approximated $0.7 million; and
- Higher legal settlements of approximately $0.2 million or 10 basis points.

In the Third Quarter 2006, we incurred approximately $6.9 million more in supplies, repairs and maintenance, utilities and other variable store expenses to support our business.

During the Third Quarter of 2006, we recorded asset impairment charges of $0.4 million, or 0.1% of net sales, for five underperforming stores.

Depreciation and amortization amounted to $16.3 million, or 3.0% of net sales, during the Third Quarter 2006, as compared to $13.0 million, or 2.9% of net sales, during the Third Quarter 2005. Depreciation expense increased $3.3 million during the Third Quarter 2006 due primarily to our new stores, store remodels and investments in our new office in Pasadena, California and distribution center facilities.

Interest income, net amounted to $0.7 million, or 0.1% of net sales, during the Third Quarter 2006, as compared to interest expense of $0.1 million during the Third Quarter 2005. The increase in interest income, net during the Third Quarter 2006 was primarily due to higher interest rates in the Third Quarter 2006. Additionally, during the

Third Quarter 2005, because we are required to manage liquidity for our businesses separately, we incurred interest expense on borrowings under our credit facility for The Children's Place business while we earned interest on our net cash investment position for the Disney Store.

Our provision for income taxes was $24.1 million and $14.8 million during the Third Quarter 2006 and the Third Quarter 2005, respectively. Our provision for income taxes increased during the Third Quarter 2006 as a result of higher earnings in the Third Quarter 2006 compared to the Third Quarter 2005, as well as a higher effective tax rate. Our effective tax rate was 36.8% during the Third Quarter 2006 as compared to 35.4% during the Third Quarter 2005. Our effective tax rate during the thirteen weeks ended October 29, 2005 reflects increased efficiencies from a tax perspective that were identified during the course of the Company's global operations review.

During the Third Quarter 2005, we recorded a $1.7 million extraordinary gain, net of taxes. This extraordinary gain represents the finalization of purchase accounting for the DSNA business, including the post-closing adjustment of acquired net working capital.

Our net income in the Third Quarter 2006 was $41.5 million as compared with net income of $28.7 million during the Third Quarter 2005, due to the factors discussed above.

Thirty-Nine Weeks Ended October 28, 2006 Compared to Thirty-Nine Weeks Ended October 29, 2005

Net sales increased by $243.5 million, or 22%, to $1.373 billion during the thirty-nine weeks ended October 28, 2006 from $1.129 billion during the thirty-nine weeks ended October 29, 2005. Net sales include $988.6 million in net sales from The Children's Place business, which represented a 21% increase over the $815.9 million in net sales reported in the thirty-nine weeks ended October 29, 2005, and $383.9 million in net sales from the Disney Store business, which represented a 23% increase over the $313.1 million in net sales reported in thirty-nine weeks ended October 29, 2005. Consolidated comparable store sales increased 13% and contributed $133.1 million of our net sales increase in the thirty-nine weeks ended October 28, 2006. Net sales for our new stores, as well as other stores that did not qualify as comparable stores, increased our net sales by $112.2 million. Our closed stores partially offset our consolidated sales increase by approximately 1.8 million. Comparable store sales increased 13% for The Children's Place business as compared to a 6% comparable store sales increase in the Third Quarter 2005. Disney Stores reported a 14% comparable store sales increase.

During the thirty-nine weeks ended October 28, 2006, we opened 52 The Children's Place stores and 16 Disney Stores. In addition, we closed three The Children's Place store and two Disney Stores.

Our 13% comparable store sales increase for The Children's Place business was primarily the result of a 10% increase in the number of comparable store sales transactions and a 3% increase in our average dollar transaction size. Our increased dollar transaction size was driven by an increase in the number of items sold in each transaction and higher average retails on the merchandise sold in the thirty-nine weeks ended October 28, 2006 as compared to the thirty-nine weeks ended October 29, 2005. During the thirty-nine weeks ended October 29, 2006, we achieved comparable store sales increases in The Children's Place business across all geographical regions, departments and store types.

For the Disney Store, our 14% comparable store sales increase was primarily the result of a 7% increase in our average dollar transaction size and a 7% increase in the number of comparable store sales transactions. Our increase in dollar transaction size was primarily driven by an increase in the number of items sold in each transaction, partially offset by lower prices in the thirty-nine weeks ended October 28, 2006 as compared with the thirty-nine weeks ended October 29, 2005. All geographical regions and store types experienced comparable store sales increases. By department, softlines and hardlines achieved the strongest comparable store sales increases, partially offset by a comparable store sales decline in media which primarily reflects the strong consumer response to "The Incredibles" DVD release in the first quarter of 2005.

Gross profit increased by $120.2 million to $546.4 million during the thirty-nine weeks ended October 28, 2006 from $426.2 million during the thirty-nine weeks ended October 29, 2005. As a percentage of net sales, gross profit increased approximately 200 basis points to 39.8% of net sales during the thirty-nine weeks ended October 28, 2006 from 37.8% of net sales during the thirty-nine weeks ended October 29, 2005. The increase in consolidated gross profit, as a percentage of net sales, resulted from the leveraging of occupancy and buying costs of approximately 170 basis points, and a higher initial markup of approximately 130 basis points, partially offset by higher markdowns of approximately 100 basis points. During the thirty-nine weeks ended October 28, 2006, we also experienced higher production and design costs, which unfavorably impacted gross margin by approximately 10 basis points. During fiscal

2005, the sell through of Disney Store inventory acquired from The Walt Disney Company favorably impacted gross margin by $1.2 million, or 10 basis points, of net sales. In accounting for the acquisition of the Disney Stores,

we were required to write-up acquired inventory to fair value from the value determined under the retail inventory method. Our increase in gross margin as a percentage of net sales was primarily driven by the Disney Stores. As a percentage of net sales, our gross margin at the Disney Store was higher in the thirty-nine weeks ended October 28, 2006 than in the comparable prior year period due to a higher initial markup, the leveraging of occupancy costs, and lower markdowns. As a percentage of net sales, gross margin at The Children's Place business during the thirty-nine weeks ended October 28, 2006 was flat to the comparable prior year period. During the thirty-nine weeks ended October 28, 2006, higher markdowns in The Children's Place business were partially offset by lower markdowns at the Disney Stores.

Selling, general and administrative expenses increased $70.5 million to $433.5 million during the thirty-nine weeks ended October 28, 2006 from $363.0 million during the thirty-nine weeks ended October 29, 2005. As a percentage of net sales, selling, general and administrative expenses decreased approximately 60 basis points to 31.6% during the thirty-nine weeks ended October 29, 2006 from 32.2% during the thirty-nine weeks ended October 29, 2005. During the thirty-nine weeks ended October 28, 2006, our selling, general and administrative expenses were favorably impacted by:

- Our store and administrative payroll and benefit costs increased by approximately $26.0 million and were leveraged by approximately 100 basis points; and

- Our marketing costs increased approximately $7.2 million and were leveraged by approximately 10 basis points.

These favorable variances were partially offset by:

- Costs associated with our stock option investigation approximated $5.3 million, or 40 basis points during the thirty-nine weeks ended October 28, 2006, partially offset by $1.0 million, or 10 basis points due to the resolution of tax consequences associated with discounted options during the thirty-nine weeks ended October 29, 2005. Our stock option investigation costs during the thirty-nine weeks ended October 28, 2006 consisted of:

    - Stock option investigation professional fees of approximately $2.5 million;
    - Resolution of tax consequences associated with discounted options during the thirty-nine weeks ended October 28, 2006 of $2.1 million; and
    - Non-cash compensation expense associated with option terms that were extended due to the suspension of option exercises during the investigation of $0.7 million.

- Higher legal settlements during the thirty-nine weeks ended October 28, 2006 of approximately $2.6 million, or 20 basis points.

In the thirty-nine weeks ended October 28, 2006, we incurred approximately $20.6 million more in utilities, supplies, repairs and maintenance and other variable store expenses to support our business.

During the thirty-nine weeks ended October 28, 2006, we recorded asset impairment charges of $0.4 million for five underperforming stores, compared to $0.2 million for one underperforming store for the thirty-nine weeks ended October 29, 2005.

Depreciation and amortization amounted to $46.4 million, or 3.4% of net sales, during the thirty-nine weeks ended October 28, 2006, as compared to $37.6 million, or 3.3% of net sales, during the thirty-nine weeks ended October 29, 2005. Depreciation expense increased $8.8 million during the thirty-nine weeks ended October 28, 2006 due primarily to new stores, store remodels and investments in our distribution centers and new administrative office in Pasadena, California.

Interest income, net amounted to $2.3 million, or 0.2% of net sales, during the thirty-nine weeks ended October 28, 2006, as compared to interest income of $0.3 million during the thirty-nine weeks ended October 29, 2005. The increase in interest income, net during the thirty-nine weeks ended October 28, 2006 is primarily due to a higher interest rates and no credit facility borrowings during the thirty-nine weeks ended October 28, 2006. During fiscal 2005, because we are required to manage liquidity separately for our businesses, we incurred interest expense on borrowings for The Children's Place while the Disney Store earned interest on its net cash investment position.

Our provision for income taxes was $25.8 million during the thirty-nine weeks ended October 28, 2006 as compared to a provision for income taxes of $8.6 million during the thirty-nine weeks ended October 29, 2005. Our effective tax rate was 37.6% during the thirty-nine weeks ended October 28, 2006 as compared to 33.7% during the thirty-nine weeks ended October 29, 2005. Our effective tax rate for the thirty-nine weeks ended October 28, 2006

was unfavorably impacted by an additional provision of approximately $0.6 million, resulting primarily from tax law changes in certain states. Our effective tax rate during the thirty-nine weeks ended October 29, 2005 reflected increased efficiencies from a tax perspective that were identified during the course of our global operations review.

During the Third Quarter 2005, we recorded a $1.7 million extraordinary gain, net of taxes. This extraordinary gain represents the finalization of purchase accounting for the DSNA business, including the post-closing adjustment of acquired net working capital.

During the thirty-nine weeks ended October 28, 2006, we recorded net income of $42.7 million as compared with net income of $18.7 million during the thirty-nine weeks ended October 29, 2005, due to the factors discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Debt Service/Liquidity

Our working capital requirements follow a seasonal pattern, peaking during the second and third quarters when inventory is purchased for the back-to-school and holiday selling seasons. Our primary uses of cash are financing new store openings and providing working capital, principally used for inventory purchases. As of October 28, 2006, we had no long-term debt obligations or short-term borrowings. We have been able to meet our cash needs principally by using cash on hand, cash flows from operations and seasonal borrowings under our credit facilities, and we believe that this will be sufficient to fund our capital and other cash flow requirements for at least the next 12 months. Our ability to meet our capital requirements will depend on our ability to generate cash flows from operations.

The terms of the License Agreement and our credit facilities, among other things, restrict the commingling of funds between The Children's Place and Hoop, and limit borrowings by Hoop from The Children's Place as well as distributions from Hoop to The Children's Place, other than payment for the allocated costs of shared services. Therefore, we have segregated all cash receipts and disbursements, investments, and credit facility borrowings and letter of credit activity. This segregation could lead to a liquidity need in one business even while there is adequate liquidity in the other business. We believe that cash flow from operations and availability and borrowings under our amended credit facilities will be adequate to fund the growth needs and operations of each division. During the next 12 months, it is probable that The Children's Place business will provide additional capital to the Disney Store business for that business to meet its growth objectives or operating commitments (including our obligations under the Refurbishment Amendment). Further, we anticipate that The Children's Place business might need to provide additional capital to the Disney Stores thereafter to support the Company's commitment in the Refurbishment Amendment to remodel and maintain the Disney Stores over the next five years. We expect that such additional capital would come from available cash on hand or additional borrowings.

We entered into a Guaranty and Commitment (the "Guaranty and Commitment") dated as of November 21, 2004, in favor of Hoop and Disney. As required by the Guaranty and Commitment, we invested $50 million in Hoop concurrently with the consummation of the acquisition, and agreed to invest up to an additional $50 million to enable Hoop to comply with its obligations under the License Agreement and otherwise fund the operations of Hoop. The Guaranty and Commitment provides that our $50 million additional commitment is subject to increase if certain distributions are made by Hoop to The Children's Place. To date, we have not invested any portion of the additional $50 million in Hoop. We also agreed in the Guaranty and Commitment to guarantee the payment and performance of Hoop (for its royalty payment and other obligations to Disney), subject to a maximum guaranty liability of $25 million, plus expenses.

In connection with our acquisition of the Disney Store business, we entered into a License Agreement under which Hoop has the right to use certain Disney intellectual property in the DSNA Business in exchange for ongoing royalty payments. The License Agreement limits Hoop's ability to make cash dividends or other distributions. Specifically, Hoop's independent directors must approve payment of any dividends or other distributions, other than payments of:

- Amounts due under terms of the tax sharing and intercompany services agreements;
- Approximately $61.9 million which represents a portion of the purchase price paid by the Company to Disney (limited to cumulative cash flows since the date of the acquisition); and
- Certain other dividend payments, subject to satisfaction of certain additional operating conditions and limited to 50% of cumulative cash flows up to $90 million, and 90% of cumulative cash flows thereafter (provided that at least $90 million of cash and cash equivalents is maintained at Hoop).

In the normal course of business, Hoop has reimbursed intercompany services but has not paid any dividends or made other distributions. We do not expect Hoop to pay dividends or reimburse all or a portion of the $61.9 million described above to the Company during the next 12 months. Hoop's cash on hand and cash generated from operations will be utilized to finance store remodels and provide working capital.

Under the License Agreement, Hoop may not incur indebtedness or guarantee indebtedness without written approval from TDSF, except in permitted circumstances as outlined by the License Agreement. The License Agreement provides that trade letters of credit to fund inventory purchases are permitted without limitation; borrowings under all term and revolving loans are limited to $35.0 million, with a maximum of $7.5 million for term loan borrowings; and the aggregate amount outstanding under all term and revolving loans must be reduced to $10.0 million or less at least once annually.

2004 Amended Loan Agreement

In October 2004, we amended and restated our credit facility (the "2004 Amended Loan Agreement") with Wells Fargo Retail Finance, LLC, ("Wells Fargo") as senior lender and syndicated and administrative agent, and certain other lenders, partly in connection with our acquisition of the DSNA Business. The 2004 Amended Loan Agreement provided for borrowings up to $130 million (including a sublimit for letters of credit of $100 million), depending on our levels of inventory and accounts receivable relating to The Children's Place business. The term of the facility under the 2004 Amended Loan Agreement was scheduled to end on November 1, 2007 with successive one-year renewal options.

Advances under the 2004 Amended Loan Agreement were secured by a first priority security interest in substantially all of our assets, other than assets in Canada and Puerto Rico and assets owned by our subsidiaries that were formed in connection with the acquisition of the DSNA Business. Amounts outstanding under the 2004 Amended Loan Agreement bore interest at a floating rate equal to the prime rate or, at our option, a LIBOR rate plus a pre-determined margin. The LIBOR margin was 1.50% to 3.00%, and the unused line fee under the 2004 Amended Loan Agreement was 0.38%.

As of October 28, 2006, we had no borrowings under the 2004 Amended Loan Agreement and had outstanding letters of credit of $50.7 million. Availability as of October 28, 2006 under the 2004 Amended Loan Agreement was $79.0 million. The maximum outstanding letters of credit during the thirty-nine weeks ended October 28, 2006 were $74.0 million.

The 2004 Amended Loan Agreement contained various covenants, which included limitations on our annual capital expenditures, maintenance of certain levels of excess collateral and a prohibition on the payment of dividends. The 2004 Amended Loan Agreement also contained covenants limiting the amount

of funds we can invest in Hoop to $20 million in fiscal 2007 and $15 million in fiscal 2008.

Primarily as a result of our restatement and the delay in completing our financial statements caused by our stock option investigation, we were not in compliance with the financial reporting covenants under the 2004 Amended Loan Agreement as of October 28, 2006 or thereafter. However, we obtained waivers from our lenders for such noncompliance. As discussed below, in June 2007, we entered into an amended and restated loan and security agreement with Wells Fargo and other lenders, which amended and restated the 2004 Amended Loan Agreement. There were no fees associated with obtaining the waivers through June 28, 2007, the date the 2004 Amended Loan Agreement was amended and restated. In the amended and restated loan agreement, we received forbearance of these reporting requirements through July 31, 2007 and subsequently we were granted a waiver through August 30, 2007, which was extended through January 1, 2008. There were no fees associated with obtaining these waivers through August 30, 2007; however, we were required to pay a fee of $102,000 to have the waiver extended from August 30, 2007 through the date this Quarterly Report on Form 10-Q was filed with the SEC.

As discussed below, in June 2007, we entered into an amended and restated loan and security agreement with Wells Fargo and other lenders, which amended and restated the 2004 Amended Loan Agreement.

2007 Amended Loan Agreement; Letter of Credit Agreement

In June 2007, we entered into a Fifth Amended and Restated Loan and Security Agreement (the "2007 Amended Loan Agreement") and a new letter of credit agreement with Wells Fargo and our other lenders (the "Letter of Credit Agreement") for the purpose of better supporting the capital needs of our business and reducing the fees associated with our credit facility borrowings. Wells Fargo continues to serve as the administrative agent under all these facilities.

The 2007 Amended Loan Agreement reduced the facility maximum to $100 million for borrowings and letters of credit, with a $30 million "accordion" feature that enables us to increase the facility to an aggregate amount of $130 million at our option. There is also a seasonal over-advance feature that enables us to borrow up to an additional $20 million from July 1 through October 31, subject to satisfying certain conditions, including a condition

relating to our earnings before interest, taxes, depreciation and amortization ("EBITDA") on a trailing 12 month basis based upon the most recent financial statements furnished to Wells Fargo and our estimate of projected pro forma EBITDA for the over-advance period. The term of the facility ends on November 1, 2010. If we terminate the 2007 Amended Loan Agreement during the first year there is a termination fee of 0.5% of the $100 million facility maximum ($130 million if the accordion feature is in use) plus any seasonal over-advance amounts in effect. Under the 2007 Amended Loan Agreement the LIBOR margin has been reduced to 1.00% to 1.50%, depending upon our average excess availability, and the unused line fee has been reduced to 0.25%.

Credit extended under the 2007 Amended Loan Agreement continues to be secured by a first priority security interest in substantially all of our assets, other than assets in Canada and Puerto Rico and assets owned by Hoop. The amount that can be borrowed under the 2007 Amended Loan Agreement depends on our levels of inventory and accounts receivable relating to The Children's Place business. The 2007 Amended Loan Agreement contains covenants, which include limitations on our annual capital expenditures, maintenance of certain levels of excess collateral, and a prohibition on the payment of dividends. The 2007 Amended Loan Agreement also contains covenants limiting the amount of funds we can invest in Hoop to $20 million, $55 million, $36 million and $52 million in fiscal years 2007, 2008, 2009 and 2010, respectively, not to exceed a maximum aggregate of $175 million over the term of the credit facility.

Under the new Letter of Credit Agreement, we can issue letters of credit for inventory purposes for up to $60 million to support The Children's Place business. The Letter of Credit Agreement can be terminated at any time by either us or Wells Fargo. Interest is paid at the rate of 0.75% on the aggregate undrawn amount of all letters of credit outstanding. Our obligations under the Letter of Credit Agreement are secured by a security interest in substantially all of our assets for The Children's Place business, other than assets in Canada and Puerto Rico and assets of Hoop. Upon any termination of the Letter of Credit Agreement, we would be required to fully collateralize all outstanding letters of credit issued thereunder and, if we failed to do so, our outstanding liability under the Letter of Credit Agreement would reduce our borrowing capacity under the 2007 Amended Loan Agreement.

On November 2, 2007, we entered into an amendment of the 2007 Amended Loan Agreement (the "First Amendment"), extending the period of the over-advance feature of the credit facility until November 30 for fiscal 2007. We were required to pay a fee of $30,000 in connection with this amendment.

Hoop Loan Agreement

As of November 21, 2004, the domestic Hoop entity entered into a Loan and Security Agreement (the "Hoop Loan Agreement") with Wells Fargo as senior lender and syndicated and administrative agent, and certain other lenders, establishing a senior secured credit facility for Hoop. Through fiscal 2006, the Hoop Loan Agreement provided for borrowings up to $100 million (including a sublimit for letters of credit of $90 million), subject to the amount of eligible inventory and accounts receivable of the domestic Hoop entity. The term of the facility extended until November 21, 2007.

Credit extended under the Hoop Loan Agreement is secured by a first priority security interest in substantially all the assets of Hoop as well as a pledge of a portion of the equity interests in the Canada Hoop Operating Entity. Borrowings and letters of credit under the Hoop Loan Agreement are used by Hoop for working capital purposes for the Disney Store business. Amounts outstanding under the Hoop Loan Agreement bear interest at a floating rate equal to the prime rate plus a pre-determined margin or, at Hoop's option, the LIBOR rate plus a pre-determined margin. The prime rate margin was 0.25% and the LIBOR margin is 2.0% or 2.25%, depending on the United States Hoop entity's level of excess availability. The unused line fee was 0.30%.

There were no borrowings under the Hoop Loan Agreement as of October 28, 2006. During the thirty-nine weeks ended October 28, 2006, letters of credit were issued pursuant to the Hoop Loan Agreement, but there were no borrowings under the Hoop Loan Agreement other than letters of credit that cleared after business hours. The maximum outstanding letters of credit were $34.0 million during the thirty-nine weeks ended October 28, 2006. Letters of credit outstanding as of October 28, 2006 were $30.8 million and availability as of October 28, 2006 was $53.8 million.

The Hoop Loan Agreement contains various covenants, including limitations on indebtedness, maintenance of certain levels of excess collateral and restrictions on the payment of intercompany dividends and indebtedness. In addition, an event of default under the Disney License Agreement would create a cross-default under the Hoop Loan Agreement. Non-compliance with these covenants could result in additional fees, could affect the Hoop Operating Entity's ability to borrow or could require the Hoop Operating Entity to repay the outstanding balance.

Primarily as a result of the delay in completion of our financial statements caused by our stock option investigation and our discussions with Disney regarding breaches of the License Agreement, we were not in compliance as of October 28, 2006 or thereafter with the financial reporting covenants under the Hoop Loan Agreement or the provision requiring Hoop to comply with the License Agreement. However, we obtained waivers from our lenders for such noncompliance, and there were no fees associated with obtaining the waivers through August 30, 2007. However, we were required to pay a fee of $48,000 to extend the waiver from August 30, 2007 through the date this Quarterly Report on Form 10-Q was filed with the SEC.

As discussed below, in June 2007 and August 2007, we entered into amendments to the Hoop Loan Agreement.

Amendments to Hoop Loan Agreement

In June 2007, concurrently with the execution of the 2007 Amended Loan Agreement, and in August 2007, we entered into Second and Third Amendments to the Hoop Loan Agreement, both with Wells Fargo and the other lenders under the Hoop Loan Agreement (collectively, the "Amendments to the Hoop Loan Agreement"). The Amendments to the Hoop Loan Agreement reduced the facility maximum to $75 million for borrowings and provide for a $25 million accordion feature that enables us to increase the facility to an aggregate amount of $100 million. The accordion feature is available at our option, subject to the amount of eligible inventory and accounts receivable of the domestic Hoop entity. In addition, in the Amendments to the Hoop Loan Agreement, we extended the termination date of the facility from November 21, 2007 to November 21, 2010 and reduced the interest rates that we are charged on the outstanding borrowings and letters of credit. Amounts outstanding under the Amendments to the Hoop Loan Agreement bear interest at a floating rate equal to the prime rate or, at Hoop's option, the LIBOR rate plus a pre-determined margin. Depending on the domestic Hoop entity's level of excess availability, the LIBOR margin has been reduced to 1.50% or 1.75%, commercial letter of credit fees have been reduced to 0.75% or 1.00%, and standby letter of credit fees have been reduced to 1.25% or 1.50%. The unused line fee has been reduced to 0.25%.

The Amendments to the Hoop Loan Agreement continue the covenants included in the Hoop Loan Agreement, including limitations on indebtedness, maintenance of certain levels of excess collateral and restrictions on the payment of dividends and indebtedness. Credit extended under the Amendments to the Hoop Loan Agreement continues to be secured by a first priority security interest in substantially all the assets of the domestic Hoop entity as well as a pledge of a portion of the equity interests in Hoop Canada.

Cash Flows/Capital Expenditures

During the thirty-nine weeks ended October 28, 2006, operating activities provided $36.8 million in cash flow, as compared to $24.2 million in cash flow used by operating activities in the thirty-nine weeks ended October 29, 2005. Cash flow provided by operating activities increased during the thirty-nine weeks ended October 28, 2006 due primarily to higher operating earnings, increases in accounts payable and accrued expenses and a slower seasonal build-up of inventory, partially offset by higher income tax payments.

Cash flows used in investing activities were $114.8 million and $49.4 million in the thirty-nine weeks ended October 28, 2006 and the thirty-nine weeks ended October 29, 2005, respectively. The increase in cash flows used in investing activities primarily reflects increased capital expenditures to support our new stores and remodels, as well as capital expenditures made in our distribution centers and for our new office facility in Pasadena, California. During the thirty-nine weeks ended October 28, 2006 and the thirty-nine weeks ended October 29, 2005, we opened 68 stores and 54 stores and remodeled 30 stores and 28 stores, respectively. Our capital expenditures also include ongoing store, office and distribution center equipment needs. Total capital expenditures for The Children's Place and Disney Store businesses during fiscal 2006 approximated $155.1 million. In addition, cash flows used in investing activities increased as a result of a net $13.3 million purchase of investments during the thirty-nine weeks ended October 28, 2006.

Due to our growth over the past several years, on May 3, 2006, we entered into a lease agreement with Hartz Mountain Metropolitan ("Hartz") for 245,200 square feet of office space at 2 Emerson Lane, Secaucus, New Jersey (the "Emerson Lane Space") in a building near our current corporate headquarters. Accordingly, we terminated our current lease agreement with Hartz for our offices located at 900 Secaucus Road, Secaucus, New Jersey (the "Terminated Space"). The lease for the Emerson Lane Space (the "Original Lease") has an initial term of fifteen years, with an option to renew for an additional ten years with another option at the end of those years for an additional five years, at the then-prevailing market rental value for comparable rentable property in the same area. Under the Original Lease, we are obligated to make monthly rent payments of approximately $ 102,200 for the first year of the lease, beginning in March 2007, with annual increases of approximately 3% to a maximum of approximately $151,000 in the fifteenth year. In addition, we exercised our right of first refusal to occupy the

remaining space in the building, and consequently entered into a lease agreement with Hartz for an additional 37,974 square feet ("Additional Space") on November 26, 2006. Under the lease for the Additional Space, we are obligated to make monthly rent payments of approximately $39,265 for the first year, beginning in January 2008, with annual increases of approximately 3% to a maximum of approximately $56,608 in the fifteenth year. Except for the Commencement Date, the lease term for the Additional Space is coterminous with the Original Lease. On May 3, 2006, we executed a lease termination agreement related to 915 Secaucus Road, which was to be effective upon our move to Emerson Lane. However, on November 27, 2006 we rescinded the termination agreement and reinstated the 915 Secaucus Road lease.

We originally planned to move our corporate headquarters into the Emerson Lane Space after completing its design and construction at an estimated cost of approximately $65.0 million. However, we are currently reviewing the project to determine if there is a more cost effective plan to construct this administrative facility.

Cash flows provided by financing activities were $38.2 million and $29.9 million during the thirty-nine weeks ended October 28, 2006 and the thirty-nine weeks ended October 29, 2005, respectively. Cash flows provided by financing activities during the thirty-nine weeks ended October 28, 2006 represented funds received and the tax benefit from the exercise of employee stock options and employee stock purchases. During the thirty-nine weeks ended October 29, 2005, cash flows provided by financing activities primarily reflected net borrowings from our credit facilities and funds received from the exercise of employee stock options and employee stock purchases.

Prior to the adoption of SFAS 123(R), we presented the tax savings resulting from tax deductions resulting from the exercise of stock options as operating cash flow, in accordance with Emerging Issues Task Force ("EITF") Issue No. 00-15 "Classification in the Statement of Cash Flows of the Income Tax Benefit Received by a Company upon Exercise of a Nonqualified Employee Stock Option." SFAS 123(R) requires us to reflect the tax savings resulting from tax deductions in excess of expense reflected in our financial statements as a financing cash flow. For the thirty-nine weeks ended October 28, 2006, our excess tax benefit received upon exercise of nonqualified stock options totaled approximately $11.0 million.

We believe that cash generated from operations and funds available under our amended credit facilities will be sufficient to fund our capital and other cash flow requirements for at least the next 12 months. Our ability to meet our capital requirements will depend on our ability to generate cash from operations. In addition, we will consider additional sources of financing to fund our long-term growth.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

In the normal course of business, the Company's financial position and results of operations are routinely subject to market risk associated with interest rate movements on borrowings and investments and currency rate movements on non-U.S. dollar denominated assets, liabilities and income. The Company utilizes cash from operations and short-term borrowings to fund its working capital and investment needs.

Cash, cash equivalents and investments are normally invested in financial instruments that will be used in operations within a year of the balance sheet date. Because of the short-term nature of these investments, changes in interest rates would not materially affect the fair value of these financial instruments.

The Company's credit facilities with Wells Fargo provide a source of financing for its working capital requirements. The Company's credit facilities bear interest at either a floating rate equal to the prime rate or a floating rate equal to the prime rate plus a pre-determined spread. At the Company's option, it could also borrow at a LIBOR rate plus a pre-determined spread. As of October 28, 2006, the Company had no borrowings outstanding under its credit facilities. The Company amended its Wells Fargo credit facilities in June 2007. For a discussion of the amended facilities, please refer to Note 16—Subsequent Events in the accompanying condensed consolidated financial statements.

Assets and liabilities outside the United States are primarily located in Canada and Hong Kong. The Company's investment in foreign subsidiaries with a functional currency other than the U.S. dollar are generally considered long-term. The Company generally does not hedge these net investments. As of October 28, 2006, the Company is not a party to any derivative financial investments.

As of October 28, 2006, the Company had approximately $66.3 million of its cash and investment balances held in foreign countries, of which approximately $42.8 million was in Canada and approximately $23.5 million in Hong Kong. While the Company does not have substantial financial assets in China, it imports a large percentage of its merchandise from that country. Consequently, any significant or sudden change in China's political, foreign trade, financial, banking or currency policies and practices could have a material adverse impact on the Company's financial position or results of operations.

In addition to the Company's Asian operations, the Company has a growing business in Canada. While currency rates with the Canadian dollar moved generally in the Company's favor during the thirty-nine weeks ended October 28, 2006, there can be no guarantee that the exchange rate will move in the Company's favor in the future. Foreign currency fluctuations could have a material adverse effect on our business and results of operation.

The Company is sensitive to customers' spending patterns which are subject to prevailing regional and national economic conditions such as consumer confidence, recession, interest rates, energy prices, taxation, and unemployment to name a few. The Company is, and will continue to be, susceptible to changes in weather conditions, national and regional economic conditions, raw material costs, demographic and population characteristics, hourly wage legislation, consumer preferences and other regional factors.

As is the case with many retailers, the Company experiences seasonal fluctuations in net sales and net income. Net sales and net income are generally weakest during the first two fiscal quarters, and are lower during the second fiscal quarter than during the first fiscal quarter. First quarter results at The Children's Place are heavily dependent upon sales leading up to the Easter holiday. Third quarter results are heavily dependent on back-to-school sales at The Children's Place stores and the Disney Store is heavily dependent on Halloween sales. Fourth quarter results are heavily dependent upon sales during the holiday season. Weak sales during any of these periods could have a material adverse effect on the Company.

The Company's quarterly results of operations may also fluctuate significantly from quarter to quarter as a result of a variety of other factors, including:

- Increases or decreases in comparable stores sales,
- Changes in our merchandise mix or pricing strategy,
- Weather conditions,
- Overall macro-economic conditions,
- The timing of new store openings and related pre-opening and other start-up costs,
- Net sales contributed by new stores, and
- Shifts in the timing of certain holidays.

Moreover, a significant portion of Disney Store net sales are generated during the third and fourth quarters of the fiscal year, which may, therefore, make the seasonality of the total Company more heavily weighted to those quarters. Any failure to meet the Company's business plans for, in particular, the third and fourth quarter of any fiscal year would have a material adverse effect on full year earnings, which in all likelihood would not be offset by satisfactory results achieved in other quarters of the same fiscal year. In addition, because the Company's expense levels are based in part on expectations of future sales levels, a shortfall in expected sales could result in a disproportionate decrease in net income.

Under the provisions of SFAS 123(R), the Company is required to record compensation costs for its various equity plans for employees and directors. Under the measurement provisions of SFAS 123(R), interest rates, the Company's stock price and the volatility of the Company's stock price each have a significant impact on the determination of equity value; changes in these factors could have a material adverse impact on the determination of equity compensation costs and, therefore, impact future results of operations. The Company's risk mitigation for these factors is to limit or cease its equity compensation plans, which the Company does not feel is reasonable given the competition for highly talented and qualified employees.

Item 4. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures

Management, including our principal executive officers (our interim CEO and our Executive Vice President — Finance and Administration, who is also our interim CFO), evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) of the Exchange Act, as of the end of the third quarter of fiscal 2006. Based on this review, our principal executive officers concluded that our disclosure controls and procedures were not effective as of October 28, 2006 because of three material weaknesses in our internal control over financial reporting identified by management. One material weakness involves our controls over the granting of stock options and related documentation, one involves our maintenance of a fully effective control environment, and one involves the period-end financial close and reporting process. The Company's Annual Report on Form 10-K for the period ended February 3, 2007, which is being filed concurrently with this Quarterly Report on Form 10-Q, contains additional information related to these material weaknesses in Management's Report on Internal Controls Over Financial Reporting in Item 9A—Controls and Procedures.

(b) Changes in Internal Control Over Financial Reporting

There have been no significant changes in our internal control over financial reporting that occurred during our third fiscal quarter ended October 28, 2006 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. However, on or about September 14, 2006, the Company suspended the granting of stock options or other equity awards to employees and directors and the exercise of outstanding options until it implements new practices for equity awards and becomes current in its periodic reporting to the SEC. This suspension continues currently.

To address the material weaknesses we have identified in our internal control over financial reporting, management and the Board have developed and implemented initiatives to improve our governance, internal controls and option granting practices. Subsequent to October 28, 2006 and through the date of this report, the following governance and management changes were implemented:

- The positions of Chair of the Board and CEO have been separated. Our Lead Director will continue in such position and serve as acting Chair until a permanent Chair is selected.

- The new position of Executive Vice President, Finance and Administration has been established, reporting to the CEO and the Board. Our former Senior Vice President and CFO has been elected to this position and currently also serves on an interim basis as our principal financial and accounting officer. Responsibilities of this position include supervising our finance, treasury, accounting, legal and human resource functions and serving along with our CEO as a principal executive officer for purposes of certifying our SEC reports and similar matters.

- At our Board's request, our former Chief Administrative Officer, General Counsel and Secretary resigned from such positions. However, he continued as a Senior Vice President with supervisory responsibility for our real estate, construction and facilities, store design, and non-merchandise purchasing until he mutually agreed with the Company to resign such position in July 2007.

- We have hired a new Senior Vice President, Finance, who is expected to become Chief Financial Officer shortly after this filing, and have hired a new General Counsel.

The following additional measures have been implemented or are in process:

- Our Board is conducting a search for at least two new independent directors. It is anticipated that, after this expansion of our Board, an independent director will be selected to serve as our Chair of the Board on an ongoing basis.

- Our Board has commenced a comprehensive review, with the assistance of independent counsel, of our governance system and processes and the Company's internal controls. As a result, amendments to several committee charters and to our Corporate Governance Guidelines were adopted. In addition, improvements in our internal policies and procedures were instituted, including amendments to the Code of Business Conduct, Insider Trading Policy and Related Party Transaction Control procedures. Additional improvements are under review.

We are also instituting more rigorous policies, procedures and practices governing the granting of stock options and other equity incentive awards and related accounting and internal controls. The Board in June 2007 adopted a formal Policy Regarding Awards of Equity-Based Incentives to Executive Officers and Other Employees and, consistent with that policy, procedures, to the following effect will generally be applied to all such grants:

- Grants will be dated on the date that all required approvals have been obtained or a future date, not later than one month after the approval date, specified when approval is given. The exercise price for each option granted will not be less than the closing price of our stock on the date of grant.

- Equity grants will generally be approved only at duly convened, regularly scheduled meetings of our Compensation Committee or pursuant to a formal, limited delegation by the committee of grant-making authority to a committee of specified senior officers, as discussed below. Minutes of such meetings will be kept which shall reflect the specifics of any equity grants approved at the meeting. If in extenuating circumstances grants are to be made by written consent of the Compensation Committee, the grant date will be no earlier than the date the last member signs the consent and consent is received by the Company. We will no longer use "as of" dating for written consents approving equity grants.

- All grants made to executive officers will be specifically approved by our Compensation Committee as will grants to employees in other positions designated by the committee.

- If the making of any grants to non-executives is to be delegated to a committee of senior officers, the overall terms of such grants will be approved in advance by the Committee. Terms will include annual limits as to the number of shares subject to all such delegated grants including a limit as to the number of shares available for grant to any particular employee and may include guidelines for grants that may be made to specified levels of employees. Actions taken pursuant to delegated authority will be required to be in writing, dated and signed by the executive delegated authority to make the grant and will be regularly reported to the Committee.

- Annual grants will be considered and approved by our Compensation Committee at its meeting most closely preceding or following the first meeting of the Board following the filing of the Company's Annual Report on Form 10-K. The same grant date will apply to annual grants made to executive officers and other employees.

- Designated members of our legal and accounting staffs will oversee the documentation, accounting and disclosure of all equity awards. Standard forms will be established and used for grant documentation (e.g., option agreements and award notices).

- Recipients will be advised of awards within a reasonable time period after the grant date.

- There will be no changes to grants after approval, other than to withdraw a grant to an individual in its entirety to reflect changes in circumstances between approval and issuance. Any other changes will require approval in accordance with the requirements for making new grants.

No further equity grants will be made until the new policies, procedures and controls are instituted.

Significant to our identification of a material weakness in our maintenance of a fully effective control environment were separate violations of our Code of Business Conduct during 2006 by the then Chief Creative Officer of The Children's Place Division and our former CEO. These violations were identified and investigated in the summer of 2007 and the following actions were taken:

- The Board imposed significant sanctions on the former Chief Creative Officer for expense report improprieties, including requiring refund of amounts erroneously charged to the Company, changing her position so that she will no longer be an officer of the Company and requiring

reimbursement of the Company's out-of-pocket costs incurred in connection with its investigation of the matter. In addition, management is reassigning certain control-related functions from this individual and developing new procedures with regard to the processing of expense reimbursements in her department, including improved personnel training. Although our investigation indicated that the problems which arose were limited to circumstances peculiar to that department, we will also review the practices utilized in other departments to determine if any changes are needed in their procedures.

- The Board imposed significant sanctions on the former CEO for violations of our internal securities transaction reporting and approval policies, including imposing new requirements pertaining to his securities transactions and requiring that he reimburse the Company for its out-of-pocket costs in investigating the violations. In addition, his outside counsel was required to review all securities transactions in which this individual has engaged in recent years to ensure proper reporting thereof by the individual.

In addition, as directed by the Board, the Company is instituting a formal training program for management and all corporate personnel regarding compliance with the Company's Code of Business Conduct.

With regard to the material weakness in the financial closing and reporting function, the Company has hired a Senior Vice President, Finance, who is expected to become the Chief Financial Officer shortly after this filing, and has filled substantially all open positions in the accounting department, which the Company expects will help to remediate this material weakness. In addition, the Company's management and its Audit Committee are taking steps to:

- Conduct a review of accounting processes to incorporate technology enhancements and strengthen the design and operation of controls;

- Formalize the process, analytics and documentation around the monthly analysis of actual results against forecasts conducted within the finance department;

- Document and communicate a detailed comprehensive financial reporting timeline and checklist process to assist in the timely gathering and review of financial information;

- Improve quality control reviews within the accounting function to ensure reconciliations are completed accurately, in a timely manner and with proper management review;

- Reinforce the thresholds required for management review and approval of account reconciliations and journal entries; and

- Formalize and expand the documentation of certain of the Company's procedures with respect to review and oversight of financial reporting.

These remediation steps are currently being implemented.

PART II -OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS.

The Company is involved in various legal proceedings arising in the normal course of its business and reserves for litigation settlements and contingencies when it can determine the probability of outcome and can estimate losses. Estimates are adjusted as facts and circumstances require. In the opinion of management, any ultimate liability arising out of such proceedings will not have a material adverse effect on the Company's financial position or results of operations.

On September 29, 2006, the Division of Enforcement of the SEC informed us that it had initiated an informal investigation into our stock option granting practices. In addition, the Office of the U.S. Attorney for the District of New Jersey advised us that it had commenced an investigation into the same matter. We have cooperated with these investigations and have briefed both authorities on the results of the Special Committee's investigation. There have been no developments in these matters since that time.

On January 17, 2007, a stockholder derivative action was filed in the United States District Court, District of New Jersey against certain current members of the Board and certain current and former senior executives. The Company has been named as a nominal defendant. The complaint alleges, among other things, that certain of our current and former officers and directors (i) breached their fiduciary duties to the Company and its stockholders and were unjustly enriched by improperly backdating certain grants of stock options to officers and directors of the Company, (ii) caused the Company to file false and misleading reports with the SEC, (iii) violated the Exchange Act and common law, (iv) caused the Company to issue false and misleading public statements, and (v) were negligent and abdicated their responsibilities to the Company and its stockholders. The complaint seeks money damages, an accounting by the defendants for the proceeds of sales of any allegedly backdated stock options, and the costs and disbursements of the lawsuit, as well as equitable relief. The defendants have moved to dismiss the action, and on or about June 15, 2007, the plaintiff filed an amended complaint adding, among other things, a claim for securities fraud under SEC rule 10b-5.

On September 21, 2007 a second stockholder class action was filed in the United States District Court, Southern District of New York against the Company and certain of its current and former senior executives. The complaint alleges, among other things, that certain of the Company's current and former officers made statements to the investing public which misrepresented material facts about the business and operations of the Company, or omitted to state material facts required in order for the statements made by them not to be misleading, causing the price of the Company's stock to be artificially inflated in violation of provisions of the Exchange Act, as amended. It alleges that more recent disclosures establish the misleading nature of these earlier disclosures. The complaint seeks money damages plus interest as well as costs and disbursements of the lawsuit.

On October 10, 2007, a third stockholder class action was filed in the United States District Court, Southern District of New York, against the Company and certain of its current and former senior executives. The complaint alleges, among other things, that certain of the Company's current and former officers made statements to the investing public which misrepresented material facts about the business and operations of the Company, or omitted to state material facts required in order for the statements made by them not to be misleading, thereby causing the price of the Company's stock to be artificially inflated in violation of provisions of the Exchange Act, as amended. According to the complaint, more recent disclosures establish the misleading nature of these earlier disclosures. The complaint seeks, among other relief, class certification of the lawsuit, compensatory damages plus interest, and costs and expenses of the lawsuit, including counsel and expert fees.

On or about July 12, 2006, Joy Fong, a former Disney Store manager in the San Francisco district, filed a lawsuit against the Company in the Superior Court of California, County of Los Angeles. The lawsuit alleges violations of the California Labor Code and California Business and Professions Code and seeks class action status on behalf of Ms. Fong and other individuals similarly situated. We filed our Answer on August 11, 2006 denying any and all liability, and on January 14, 2007, Ms. Fong filed an amended complaint, adding a subsidiary of Disney as a defendant.

On or about September 28, 2007, Meghan Ruggiero filed a complaint against the Company and its subsidiary, Hoop Retail Stores, LLC, in the United States District Court, Northern District of Ohio on behalf of herself and other similarly situated individuals. The lawsuit alleges violations of the Fair and Accurate Credit Transactions Act ("FACTA") and seeks class certification, an award of statutory and punitive damages, attorneys' fees and costs, and injunctive relief.

The outcome of these litigations is uncertain; while we believe there are valid defenses to the claims and we will defend ourselves vigorously, no assurance can be given as to the outcome of these matters. The litigations could distract our management and directors from the Company's affairs, the costs and expenses of the litigations could unfavorably affect our net earnings and an unfavorable outcome could adversely affect the reputation of the Company.

On or about February 15, 2005, Michael Scott Smith, a former co-sales manager for The Children's Place in the San Diego district, filed a lawsuit against the Company in the Superior Court of California, County of Los Angeles. The lawsuit alleges violations of the California Labor Code and California Business and Professions Code and seeks class action on behalf of Mr. Smith and other individuals similarly situated. On October 19, 2007, the Company entered into a class action settlement with the plaintiff's counsel and signed a memorandum of understanding providing for, among other things, a maximum total payment of $2.1 million, inclusive of attorneys' fees, costs, and expenses, service payments to the class representative, and administration costs, in exchange for a full release of all claims and dismissal of the lawsuit. The court granted preliminary approval of the settlement on November 29, 2007. The settlement was recorded in the thirteen weeks ended July 29, 2006.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

Item 6. Exhibits.

Exhibits

Exhibit No.	Description of Document
10.1(+)	Hardware and Engineering Services Agreement between The Children's Place Services Company, LLC and Dematic Corp. (Material Handling System for the Fort Payne Distribution Center) dated September 29, 2006.
10.2(+)	Mechanical Installation and Electrical Installation Services Agreement between The Children's Place Services Company, LLC and Dematic Corp. (Material Handling System for the Fort Payne Distribution Center) dated September 29, 2006.
10.3(*)	Employment agreement dated July 28, 2006 with Tara Poseley filed as Exhibit 10.5 to registrant's Quarterly Report on Form 10-Q for the period ended July 29, 2006 is incorporated by reference herein.
31(+)	Section 302 Certifications
32(+)	Section 906 Certifications

(+) Filed herewith

(*) Compensation Arrangement

SIGNATURES

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, thereunto duly authorized.

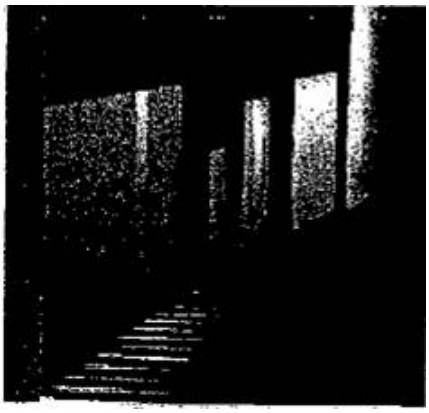
THE CHILDREN'S PLACE
RETAIL STORES, INC.

Date: December 5, 2007

By: /S/ CHARLES CROVITZ
CHARLES CROVITZ
Interim Chief Executive Officer
(A Principal Executive Officer)

Date: December 5, 2007

By: /S/ SUSAN RILEY
SUSAN RILEY
Executive Vice President, Finance and Administration and Interim Chief Financial Officer
(A Principal Executive Officer and Principal Financial and Accounting Officer)



The Children's Place
Fort Payne, Alabama

Project 103522
Material Handling System and Engineering Services
2006-September-27

Creating Logistics Results **Dematic**

THE CHILDREN'S PLACE

Proposal for Conveyor System

Introduction

Dematic's goal is to provide The Children's Place with the best system solution available, including cost-effective technologies, control systems, software, visualization systems, integration and services. This will help The Children's Place to optimize service to its customers, reduce distribution lead-time, enhance material tracking, and support reduction of overall operating costs. We look forward to working together with The Children's Place to build this innovative Material Handling System.

Executive Summary

This Proposal covers a Material Handling System encompassing conveyor equipment, controls, software, commissioning and training and is summarized with the following tasks.

Project Management

Project Management assures that the material handling system is delivered on time according to the Schedule and coordinates the final design that meets the operational requirements defined in this Proposal. A successful project management plan is accomplished through interactions between Dematic and The Children's Place Personnel.

Mechanical Engineering

Mechanical Engineering refines the layout drawings that are submitted with this Proposal. They also prepare installation drawings, design nonstandard equipment components, and integrate the standard and nonstandard equipment into an operational system.

Controls Engineering

Controls Engineering provides the development of an electrical controls scheme, selection of controls components, preparation of schematic wiring diagrams, and preparation of detailed Descriptions of Operation(s).

Software Engineering

Software Engineering implements the information technology portion of the system, including programming, integration, testing, training, and Functional Description documentation. Operator manuals are created for the training.

Training and Support

- Dematic provides in-depth training to enable Personnel to properly operate and maintain the system
- Dematic provides technical and operational support for the first week of The Children's Place's operations
- Extended maintenance support packages are available
- Dematic has an Engineering staff that understands The Children's Place's expectations and has the resources to meet The Children's Place's needs

- Dematic provides detailed Operations and Maintenance training tailored to The Children's Place's specific needs
- Dematic has Customer Service Emergency Support available 24 hours a day, 7 days a week by way of a toll free number

ISO 9001:2000 Registered

Dematic is registered to the ISO-9001:2000 International Standard for Quality Management Systems.

The registration applies to all Dematic Manufacturing, Engineering, Project Management and Customer Service processes.

Revisions

Revision Level	Date of Revision	Detail of Revision
	2006-September-27	Initial Release.

Table of Contents

1 Title Page

Dematic Corp. (hereinafter referred to as "Dematic") with offices located at:

6 Powder Horn Drive
Warren, New Jersey 07059

Submits this Proposal to:
The Children's Place Services Company, LLC
(Hereinafter referred to as "The Children's Place")
915 Secaucus Road
Secaucus, New Jersey 07094
Don Whiteford

Equipment to be installed at:
The Children's Place

Airport Road West
Fort Payne, Alabama 35968
Don Whiteford

This Proposal consists of the following:

1. Sales Agreement No. 103522, including General Terms and Conditions - Exhibit A.

2. Sections 1 through 13.

3. Dematic drawings: Q103522-C010, Rev. C, Sheets 1 and 2, Dated September 6, 2006.

4. Other documents: None.

If information in any document conflicts with that in another, governing priority shall be given to documents in the order listed above.

This Proposal is submitted by:

/s/ Thomas R Dancer	Business Development Manager	732 563-1330 ext. 300
Thomas Dancer	Title	Phone
/s/ John Van Walleghem	General Manager	732 563-1330 ext. 500
John Van Walleghem	Title	Phone

The Offer Period for this Proposal shall terminate 30 days from the date of this Proposal. Dematic may extend the Offer Period; however, the price, schedule, and other portions of this Proposal may be subject to change. Extensions of the Offer Period shall be valid only if in writing and signed by an authorized Dematic representative. This Proposal shall become binding only upon full execution of the Sales Agreement by duly authorized agents of the parties.

1.1 Proposal Content

This Proposal is provided to furnish all of the necessary Hardware and Engineering Services for The Children's Place material handling system. This Proposal must be purchased with Dematic Proposal Number 104846, which provides all of the necessary Third-party commodities, Mechanical Installation, and Electrical Installation.

This Proposal is summarized as follows:

- **Mechanical Design -** The refinement of layout drawings submitted with this Proposal, preparation of installation drawings, design of nonstandard equipment components and the integration of the standard and nonstandard equipment into an operational system.
- **Air Piping Design -** Mechanical drawings will include air-piping diagrams as applicable.
- **Control Design -** The development of control scheme, selection of control components, preparation of schematic wiring diagrams and preparation of detailed descriptions of operations.
- **Computer Design -** Development of the computer level of system management scheme, selection of computer components and development of functional specifications.
- **Manufacture of Mechanical Equipment** - Supplied as specified in the Mechanical Equipment List.
- **Manufacture of Controls Equipment** - Supplied as specified in Electrical Equipment List.
- **Air Piping -** Supply field devices such as filters, regulators and piping. Piping to be copper tubing connected to existing air supply system.

2 Scope of Work

The following scope of work is intended to be comprehensive, based on Dematic's knowledge and understanding of the project. The Engineering and Design effort is expected to be a confirmation of the scope listed below. In general, The Children's Place is responsible for any scope not specifically identified as Dematic's responsibility.

2.1 Design and Engineering

Dematic Deliverables	Comments
Project Management	Coordinate all disciplines and schedule all phases of the project. See the "Project Management" Section for specific details.
Engineering	Layout, design, and proper application of equipment to furnish the Material Handling System described in this Proposal.

2.2 Material Handling System

Dematic Deliverables	Comments
Mechanical Hardware	Consists of the following equipment: · (10) Receiving Lines · (1) Receiving Slapper Line · Receiving Merge and SKU Sorter · (32) SKU Divert Lines

- (4) SKU Sorter Divert Lines To LPA Merge
- LPA Merge To Shipping Sorter
  - (8) LPA Lines
  - (4) Taper/LPA Lines
- Tote Build Area With (24) Work Stations
- Tote Build Take-away Lines To Tote Build Merge
- Tote Build Merge and Tote Sorter
- (40) Tote Sorter Divert Lines

Dematic Deliverables	Comments
Mechanical Hardware	· (20) PTL Take-away Lines To Shipping Merge · Shipping Merge and Sorter · (42) Ship Lines · (2) New Store Loops · (4) Slapper Lines See the “Mechanical Equipment Details” Section for specific details.
Control Hardware	Consists of the following equipment: · PLC based conveyor control components necessary to operate the conveyor system. · RapidSORT Controllers for carton routing on sorters. · GSM*i* Visualization System application software. See the “Controls Equipment Details” Section for specific details
Integrated Computer System	Interface to The Children’s Place’s WMS · SortDirector and PickDirector applications Software. See the “Computer Information Systems” Section for specific details.

2.3 Integration

Dematic Deliverables	Comments
Complete check-out and integration of all Dematic Deliverables	See the “Project Management” Section for full details and description.

2.4 Training

Dematic Deliverables	Comments
Operator and Maintenance Training for all equipment.	Each training session will include classroom and hands-on instruction, and will be conducted during the first shift. See the “Project Management” Section for full details and description.
Operator and System Administrator Training for all Computer Hardware and Software	Each training session will include classroom and hands-on instruction, and will be conducted during the first shift. See the “Project Management” Section for full details and description.

2.5 Documentation

Dematic Deliverables	Comments
System Functional Design Document (1) CD-ROM electronic copy and (1) hard copy	Includes a complete description and narrative of the system controls and a step-by-step walk-through of all system functionality.
System Operator Manuals (1) CD-ROM electronic copy and (1) hard copy	Detailed description of equipment and system operation, including handling of anomaly conditions and error recovery procedures. Standard Dematic documentation for hardware and software will be provided.
Equipment Maintenance Manuals (1) CD-ROM electronic copy and (1) hard copy	Includes a complete description of equipment operation, troubleshooting, diagnostics, preventive maintenance, and repair procedures. Also included are equipment drawings and electrical schematics as required for maintenance purposes, as well as spare parts listings.

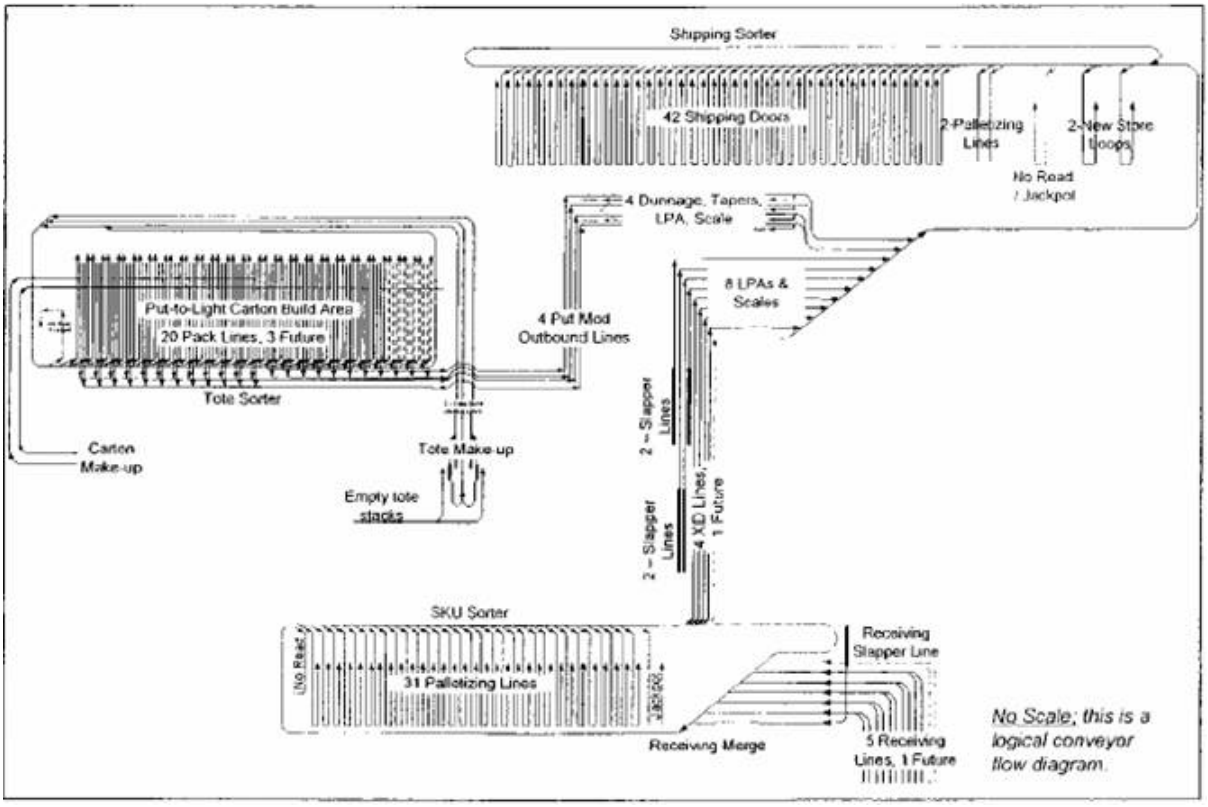
Software Functional Specification	An approval document for defined software scope to be delivered.
(1) CD-ROM electronic copy and (1) hard copy	Includes a description of all features, functions, platform, operating systems, and computer hardware to be provided.

3 System Overview

3.1 System Material Flows

A logical sketch of the proposed system is provided below. The primary purpose of the sketch is to show how product flows throughout the system and identify the major functional areas of the system.

Figure 1 System Flow Diagram



3.2 Receiving

There are 10 receiving doors (2 future doors) and a slapper line. Each pair of receiving doors is serviced by a traversing powered trailer unloader that transports cartons to incline belt conveyor. From the ground level, belt conveyors

transport received cartons up to the mezzanine level. When a trailer has been completely unloaded the unloading associate moves the traversing trailer unloader to the other door. The slapper line transports cartons to the Receiving merge from the floor level near the SKU sorter.

Before received cartons and cartons from the slapper line reach the mezzanine level they are transported to a scanner/scale (one for each pair of receiving doors and one for the slapper line). The barcode information and the weight of the received carton are received by SortDirector. SortDirector notifies PkMS the carton has been scanned and supplies the weight of the carton. PkMS in turn sends SortDirector a Divert Directive message that provides the destination of the carton. The possible destinations are:

- A palletizing lane on the SKU sorter
- A palletizing lane on the Shipping sorter
- A store lane on the shipping sorter
- A new store lane on the shipping sorter

The carton continues down the receiving lane to the Receiving merge.

The scanners at receiving are programmed so that if the 4-digit quantity barcode is not correctly scanned the whole label is treated as a no-read.

3.3 Receiving Merge

The receiving merge combines cartons into a single line before induction into the SKU sorter. This merge consists of six (6) induction lines that exit the six (6) scanner/scales and a recirculation line. The scanner/scales receive cartons from the receiving doors and the slapper line. An additional receiving line may be added in the future.

3.4 SKU Sorter

Cartons are released from the Receiving merge onto the SKU sorter. When the carton arrives at the SKU sorter it is scanned by the SKU sorter scanner. The cartons arriving at the SKU sorter have labels with case number barcode and quantity barcode or a shipping label. SortDirector in collaboration with the sorter diverts the carton based on the Divert Directive from PkMS. Upon receiving a divert confirmation form the sorter, SortDirector sends a Divert Confirm message to PkMS.

The cartons are sorted to one of the 31 palletizing lanes or to one of the four cross-dock lanes. The cartons diverted to the cross-dock lanes proceed to the label print and apply (LPA) area. The cartons diverted to the palletizing lanes proceed down to palletizing stations at the end of the lane. The operator at the

end of the lane will build one to three SKU pallets. Building pallets and storing them when they are complete is manual and is controlled by PkMS.

Cartons whose label could not be successfully read are diverted to the no-read divert. Cartons that are unknown to SortDirector are routed to the jackpot divert.

3.5 Tote Make-up

There are 24 operator stations in the Tote make-up area. These operator stations are used to fill totes for use in the Put-To-Light area. The 24 stations are arranged in two banks of 12 stations each. Operators remove stacks of empty totes from the empty tote conveyor that is about 5-foot above floor level. Empty totes are scanned and filled with merchandise from corrugate cartons under the direction of PkMS using PkMS controlled equipment. The filled totes are placed on a conveyor that is eighteen-inches in elevation and transported to the tote sorter. There are three conveyors to take away filled totes from each bank of operator stations. When a tote has been filled, PkMS creates and downloads order-putting instructions to the PickDirector System and routing instructions to SortDirector.

There is an empty corrugate (trash) conveyor above the empty tote conveyor. When a carton is emptied of merchandise the operator places the empty corrugate carton onto the empty corrugate conveyor which is at an 87-inch elevation. The empty corrugate conveyor transports corrugate to a compactor. The empty corrugate conveyor will be started each morning and turned off from a pushbutton start/stop switch on the cabinet within line-of-sight of the empty corrugate conveyor system. The conveyor will operate continuously at a fixed speed.

Pallets of product are brought to the tote make-up area under the direction of PkMS. The pallets are deposited on pallet flow rails. The pallets flow toward the operator stations. A metal ramp is provided which allows using a pallet jack to deliver the pallets.

When the empty corrugate conveyor is stopped no additional empty corrugate is to be placed on the conveyor. If the empty corrugate conveyor is loaded when it is stopped motor overloads will occur.

The empty corrugate conveyor is interlocked with the bailer. Specifically the bailer must be on for the empty corrugate conveyor to run. If the bailer is stopped the empty corrugate conveyor stops.

3.6 Carton Make-up

An automatic carton erector builds and labels shipping cartons. Immediately after the carton erector, a pair of scanners verify the labels on each side of the carton match. A red beacon is illuminated if both labels on the carton do not match (or

one is a no-read). Operators place the cartons onto one of the two empty carton monorail systems that lead to the Put-to-Light Carton Build Area.

3.7 Tote Sorter

Totes from the six (6) conveyors exiting the Tote Make-up Area merge into three (3) conveyors that feed the Tote Sorter Merge. The recirculation lane from the Tote Sorter Merges with one of the three (3) lanes that feed the Tote Sorter Merge.

The Tote Sorter Merge releases totes onto the tote sorter. When the tote arrives at the tote sorter it is scanned by Tote Sorter Scanner. Totes arriving at the tote sorter have labels contain an 18-character license plate label that will always start with a “T” (Capital T). SortDirector in collaboration with the sorter diverts the tote to the correct pack line based on the Divert Directive from PkMS. Upon receiving a divert confirmation form the sorter, SortDirector sends a Divert Confirm message to PkMS.

3.8 Put-to-Light Carton Build Area

Before operators can work in the put area inbound totes must be built in the make-up tote area. Once a tote’s build process is complete, PkMS sends a message to PickDirector with the inbound tote’s contents and store requirements. The totes are then routed to the pack lines where they are grabbed by the operator and pulled onto the side conveyor spur for processing.

3.8.1 Put Operations

To initiate the put process the operator must first log into their assigned zone by the using the zone’s wireless hand held scanner and personal identification barcode. Next the operator pulls a make-up tote from the infeed line and scans the make-up tote’s barcode label. The associated BayDisplay device in the zone informs the put operator of the tote’s barcode and the number of locations requiring puts the zone. Additionally, the MaxiPick devices will identify the locations and quantities required. The put operator proceeds to each identified location and puts the displayed quantity from the make-up tote to the shipping carton and confirms their action by pressing the “OK” button on the MaxiPick. As the puts are acknowledged PickDirector sends messages to PkMS for each line item put to a shipping carton. The message contains the inbound tote ID, the shipping carton ID, the logical location, quantity requested, quantity put, and the operator.

Where there is insufficient stock at a location to fill the order, the put operator must notify a supervisor to short the location. The supervisor decrements the displayed quantity on the MaxiPick until the display reads the actual quantity put and then must scan a special SHORT barcode to actually short the put. All other lit locations requiring product from the inbound tote will be shorted. If an operator

decrements the quantity and presses the “OK” button on the MaxiPick, PickDirector will suspend the make-up tote and the location will not be shorted. Re-scanning the same make-up tote will relight the remaining quantity.

3.8.2 Carton Closing

When a shipping carton has been closed, PickDirector sends PkMS a carton closed message with the store number, shipping carton ID, and status. The put operator pushes the shipping carton out of the put slot onto the outbound conveyor for transport to the Put Label Print and Apply area. The filled shipping carton is transported to the routing sorter. PkMS sends the Print and Apply system the shipping label information and sends SortDirector the destination for the carton. Lastly the put operator assigns an empty shipping carton (obtained from the overhead monorail) to the now empty slot.

When all zones in the put line have been visited the make-up tote should be empty. The empty make-up tote is nested with other make-up totes (up to 4 high) and are placed on the outbound conveyor and transported to the Tapers.

3.9 Tapers and Dunnage

There are tapers and dunnage fill machines on the four conveyor lines that exit the Put-to-Light Carton Build area. Conveyors transport cartons to the dunnage fill and tapers. Operators assist in the operation of the tapers and dunnage fill machines. After the shipping carton is closed and sealed it is transported to the Label Print and Apply area. Stacks of empty totes placed on the conveyors in the put lines are diverted off and routed to the tote make up area prior to the dunnage fill area.

3.10 Label Print and Apply Area

There are two areas of label print and apply. The label print and apply area downstream of the put area has four (4) print and apply line. The label print and apply area receiving product from the SKU sorter, the slapper lines and the cross dock lines have eight (8) print and apply lines.

Cartons arriving at the Print and Apply area from the put area have a case number label pre-applied at Carton Make-up. This case label number is scanned by the Print and Apply Scanner. The Print and Apply System uses its database to determine the shipping label to apply, then prints and applies the label. Immediately down stream of the printer label applicator a verification scanner (a component of the Print and Apply System) reads the label. If the scanned label matches the label that was to be printed the carton continues on to the scanner/scales.

NOTE if the carton is not known to the Print and Apply System a special label will be generated that routes the carton to the jackpot line on the shipping sorter.

For the four lines exiting the Put-to-Light Carton Build area, if the label scanned does not match the label that was to be printed, the carton is diverted to the error spur for that print and apply line. An operator removes the carton and determines the nature of the error. If there is a printer problem it is corrected and the carton is placed on a conveyor upstream of the print and apply scanner. If the problem is not caused by a printer problem, the operator must use the PkMS system to determine the nature of the problem and the corrective action to take.

The cross dock lines from the SKU sorter, the slapper lines and the cross dock lines transporting cartons to the Shipping shorter have an LPA area. However these lines to not have separate error correction lines; cartons with incorrect/missing labels will be diverted to the No Read/Jackpot line at the Shipping sorter.

Scales are located after the Print and Apply System and before the shipping merge. The barcode information and the weight of the shipping carton are received by SortDirector. SortDirector notifies PkMS the carton has been scanned and supplies the weight of the carton. PkMS in turn sends SortDirector a Divert Directive message that provides the destination of the carton. The possible destinations are:

- The shipping no read/jackpot lane
- A store lane on the shipping sorter
- A new store lane on the shipping sorter
- A palletizing lane on the shipping sorter

The carton continues down the receiving lane to the shipping sorter merge.

3.11 Shipping Sorter

Totes and cartons from the four (4) conveyors exiting Put-to-Light Carton Build area merge into two (2) lines, the four (4) cross dock lines, and the four (4) slapper lines feed the shipping sorter merge. The recirculation line of the shipping sorter merges with the line exiting the merge.

When a carton arrives at the shipping sorter it is scanned by the Shipping Sorter Scanner. The cartons arriving at the shipping sorter have either a shipping label or a UPS tracking number barcode label. SortDirector in collaboration with the sorter diverts the carton to the correct lane based on the Divert Directive from PkMS. Upon receiving a divert confirmation form the sorter, SortDirector sends a Divert Confirm message to PkMS.

The cartons are sorted to one of the 42 shipping lanes, two (2) palletizing lanes, two (2) new store lanes or the no-read /jackpot lane. The cartons diverted to the new store lanes proceed to the new store loop. The operator at the new store loop will build pallets containing cartons for only a single store. When the pallet is

‘complete’ it is stored in the conventional warehouse under the direction of PkMS.

3.12 Startup-Procedure (Typical)

When the main disconnect switch is turned to the “On” position, the conveyors are energized from “Start” pushbutton(s) mounted on the main control panel(s). When a “Start pushbutton is pressed a start-up warning horn sounds for 10 seconds prior to any equipment movement. This is to warn Personnel to stand clear of the equipment. When the horn stops sounding, the equipment will be energized.

3.13 Emergency Stop Procedure (Typical)

Manually actuated emergency stops have been provided at various points along the conveyor system to de-energize the conveyors if an emergency occurs. The emergency stop pushbutton is “Push to Stop” and “Pull to Reset”. The emergency stop pull cords are “Pull to Stop” and must be reset manually at the actuated switch. When actuated, the emergency stops are maintained contact-manual reset and will remain in the actuated position until reset. When the problem has been cleared, the actuated stop must be reset and the conveyor equipment must be restarted at the control panel(s) as previously described.

3.14 Accumulation Flow Control (Typical)

In each area where an accumulation conveyor may be loaded with product by another conveyor, a photoelectric controller with time delay relay is included to stop the preceding conveyor(s) or activate an air operated stop when the accumulation conveyor is fully loaded and the controller is blocked for a preset time. When the accumulation conveyor is allowed to begin discharging its load, the controller will be cleared indicating that space is again available on the accumulation conveyor. When this occurs, the stopped conveyor(s) will be restarted automatically or the air-operated stop will be lowered.

4 Project Management

Dematic is committed to the value of effective Project Management in cooperation with The Children’s Place. Each party shares an equal responsibility in quality management of the implementation process. The primary benefit and purpose of effective Project Management is to contain risk for both The Children’s Place and Dematic. Risk will be mutually contained by delivering a system that:

- Meets Specified System Performance

- Imposes Minimal Interruption to Existing Operations
- Provides Reliability and Support

Effective and timely project implementation is heavily influenced by quality Project Management. The fundamental requirements of successful project management are:

- Cooperation
- Communication
- Teamwork

Dematic believes in providing the best products available, unparalleled service, and undivided attention to each Customer's needs. All Dematic products are manufactured under strict quality procedures. Dematic is registered to the ISO 9001:2000 International Standard for Quality Management Systems. Engineering and Project Management methodologies are also controlled under Dematic's Quality Management System, ensuring all projects are well managed and stay on schedule.

4.1 Project Team Organization

Upon award of contract, a Project Team will be assigned to the project. The team will have the responsibility for the management and implementation of the entire project from receipt of order through Customer acceptance testing and launch support. The team will be directed by a Project Manager. The Project Manager will have full responsibility for the entire project and will be the Dematic representative for all matters relating to the implementation of the System.

4.2 Project Scheduling

In order to effectively co-ordinate the activities of the project implementation, the Project Manager will prepare a detailed Project Schedule. The Project Schedule will be based upon the overall delivery requirements of the schedule outlined in the Proposal document.

During implementation the Project Manager will update the Project Schedule regularly to identify critical activities and ensure proper implementation scheduling. Updates to the Project Schedule are reviewed with The Children's Place's Project Manager.

4.2.1 Acceptance Testing

The Dematic Project Manager along with The Children's Place's Project Manager will create a System Acceptance Test Plan. The Test Plan defines a systematic approach for each level of required sub-system testing, and the expectations of the specific tests. The Test Plan additionally defines the time periods, personnel, equipment, and test loads that are required for each test.

4.2.1.1 Operational Acceptance

- Conducted under actual or simulated working conditions with The Children's Place packaging, and labels, and The Children's Place Supervision, Operational, and Maintenance Personnel operating the system.
- Duration not to exceed five (5) days.
- It should be recognized that during the Operational Acceptance phase, it is likely that adjustments will be required and malfunctions or failures may occur. Any defect in material or workmanship, found during the Operational Acceptance Testing, will be remedied by Dematic as expeditiously as possible.
- It should be recognized that during this Operational Acceptance period, it may not be possible for the mechanized system to function at normal operating levels. This can be due to conditions, beyond Dematic's control and related to the unavailability of product, skills of Maintenance and Operations Personnel, or the status of supporting logistics. Such conditions will be taken into account in evaluating the results of the testing period.
- Dematic will be on-site during this Operational Acceptance Testing period for the purpose of monitoring results and to provide assistance as conditions dictate.

4.2.2 Final Acceptance

After completion of the Acceptance Procedures, Dematic's Project Manager will furnish The Children's Place a letter which will address the following:

- The subject system has been accepted. Acceptance may include an agreed to punch-list or set of conditions. Issues not resolved during the acceptance proceedings can be noted in an Action Item List and rectified within an agreed period.

- Confirmation of the commencement of the warranty period.
- Final payment required and due date.

4.3 Training

This section outlines training provided by Dematic for The Children's Place's facility. Training will be provided to cover the Automated Material Handling System functional areas, including Operations, Maintenance, and Information Technology.

4.3.1 Business-Linked Learning

Dematic uses a business-linked learning approach in its training design, development, delivery, and evaluation efforts.

4.3.1.1 Dematic's Approach

Dematic's business-linked learning approach is shaped by our experience in helping Customers to use learning as a powerful tool to achieve critical business results. Dematic's learning systems are based on the following principles:

- Learning must be tightly linked to desired business outcomes.
- Business linkage is explicitly understood by learners and made evident by the facilitators of learning.
- The content of learning should be "just-in-time" so that learners can apply their new knowledge and skill soon after learning.
- The content of learning should be "just-enough" providing the correct and right amount of learning content to each audience.
- There must be systems and processes in place to provide timely and constructive feedback to those using new skills on the job.

4.3.1.2 Dematic's Process

To consistently and reliably produce desired business results, Dematic follows an established process for creating learning that is specific to The Children's Place's installation and application of Dematic systems (see the following Figure). The following is the outcome for each phase of the business-linked development process.

Analyze – Clearly defined business goals and environmental context

Design – Blended learning solution that is aligned with business goals

Develop – Learning content, activities, and exercises aimed at critical skills and knowledge

Implement – Practice and feedback on performance that mirrors real world performance requirements

Evaluate – Assessment of learner performance and training effectiveness at meeting key business results

Figure 2 Business-Linked Learning Development Process

Analyzer	Design	Develop	Implement	Evaluate
· Identify Customer business goals	· Customize learning solution	· Review learning solutions with Dematic subject matter experts	· Pilot design and learning solution	· Assess learner performance
· Assess Customer work environment and workforce attributes	· Manuals	· Validate learning solution with customer	· Finalize design and learning solution	· Assess learning solution effectiveness
· Assess Customer learning systems	· Classes		· Deliver learning solution	· Assess business impact of learning
	· Placards			
	· Job Aids			
	· Simulations			
	· Videos			

Using this approach, Managers, Supervisors and Operators should feel highly empowered and confident, learning should be viewed as a valuable tool for success, and individual and team learning should be maximized.

4.3.2 Training Program

4.3.2.1 Operations Training

Dematic's business-linked learning systems provide critical learning opportunities and experiences for The Children's Place's employees. Dematic's operations learning solutions are directed at three levels within The Children's Place's organization — Management, Supervisors and Leads, and Operators. Dematic provides a blended learning solution that covers product flow, design considerations and decisions, system layout and operations, and control devices.

System Operations training is provided to give participants an understanding of their assigned area from an operational perspective. Dematic targets critical operations in the assigned functional area while explaining flow control, equipment operation, and control devices. Additionally, discussions focus on upstream and downstream customers, and how individual and area performance can impact those customers.

At the end of this training, Operators should understand the operations of their functional area, the area devices, their upstream and downstream customers, and should be able to start/stop their portion of the system.

Target Audience

Dematic will train ten (10) DC Personnel.

Audiences generally include DC Managers, Operations Supervisors, Operators, and Maintenance Personnel.

Courses

Dematic will provide the following operations courses.

1. Six (6) sessions, approximately 3 hours per session, conducted over two consecutive days — Operations Management Training.

4.3.2.2 Maintenance Training

The maintenance curriculum is designed to cover the mechanical, electrical, and controls aspects of the installed equipment. Topics include safety, equipment construction and installation, equipment operation, maintenance and repair procedures, and technical documentation.

Dematic recommends that all Personnel responsible for maintaining the system be assigned to work with the installation and commissioning crews during their final weeks on-site.

Dematic will conduct formal training courses for the Maintenance Personnel prior to system startup. These training classes will include classroom lectures, audio-visual presentations, and hands-on demonstrations on the installed equipment. Site tours will be conducted to point out common operational issues that affect equipment uptime.

Knowledge gained on common system anomalies can be used to increase system efficiencies.

Target Audience

Dematic will train ten (10) DC Maintenance Personnel.

These Personnel must have existing knowledge in mechanical and electrical fundamentals, as well as a solid understanding of maintenance practices and procedures. It is strongly recommended that participants be in attendance for the entire session of each course.

Courses

Dematic will provide the following maintenance courses:

1. One (1) session, approximately 3 days per session, conducted over three consecutive days, first shift only – Conveyor Maintenance – Mechanical.

2. One (1) session, approximately 3 days per session, conducted over three consecutive days, first shift only – Conveyor Maintenance – Electrical Controls.

4.3.2.3 Information Systems Training

Information System training is provided to cover the computer hardware and software aspects of The Children’s Place’s Automated Material Handling System. Software Application Engineering (SAE) topics include system administration, data storage, computer system operation, and other computer related tasks.

Participants can use the skills and knowledge gained in this curriculum to perform administration, support, and troubleshooting procedures on computer system equipment and applications. Knowledge gained in computer system areas can be used to increase system uptime and fault recovery.

Target Audience

Dematic will train ten (10) DC Personnel.

Audiences generally include Network Administrators, Operations Supervisors, Key Operators, and Maintenance Supervisors.

Courses

Dematic will provide the following information systems courses:

1. Six (6) sessions, conducted over two (2) consecutive days, first shift only, (2 hours per session) – SortDirector Administrator.

4.3.3 The Children's Place Requirements

The Children's Place is to provide the following to support the training program:

4.3.3.1 Learner Availability

4.3.3.1.1 Management Responsibility

It is important for DC management to ensure that Learners and their Supervisors are informed of scheduled training dates and times. Dematic looks to DC Management to support us in Dematic's coordination efforts by communicating the importance of training to their staff.

4.3.3.1.2 Learner Responsibility

It is important that Learners are prepared and at the training location on time. Supervisors should understand, in advance, that their Personnel will be unavailable for work during training periods. This prevents the disruption of training and ensures that all Learners have the opportunity to learn critical conveyor system related job skills.

4.3.4 Facilities and Equipment

4.3.4.1 Training Room

For all training sessions, Dematic requires The Children's Place to provide a well-lit training room. Sufficient space and seating arrangements should be made based on the number of people attending.

- Operations Training – seating for 10
- Maintenance Training – seating for 10
- Information Systems Training – seating for 10

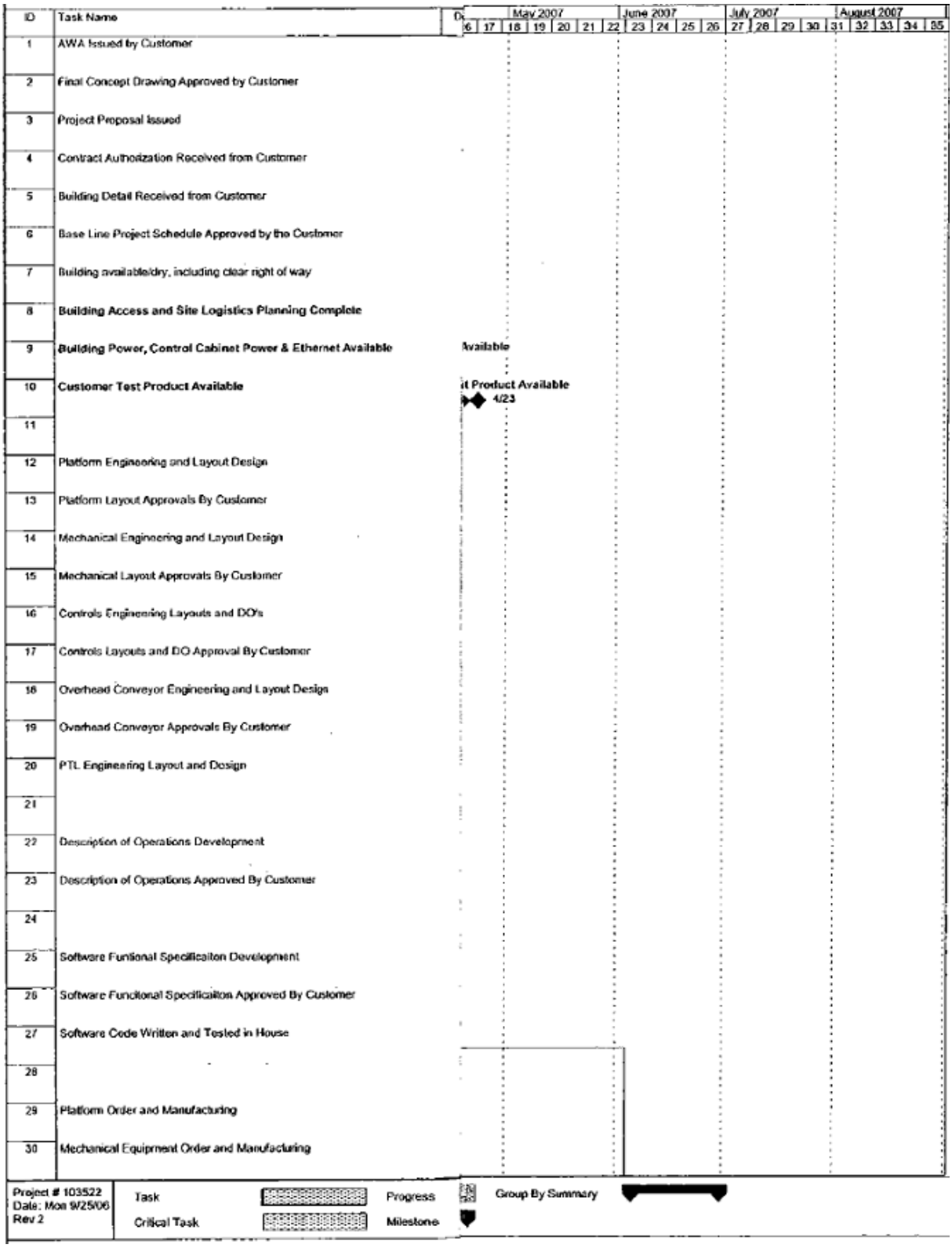
4.3.4.2 Equipment

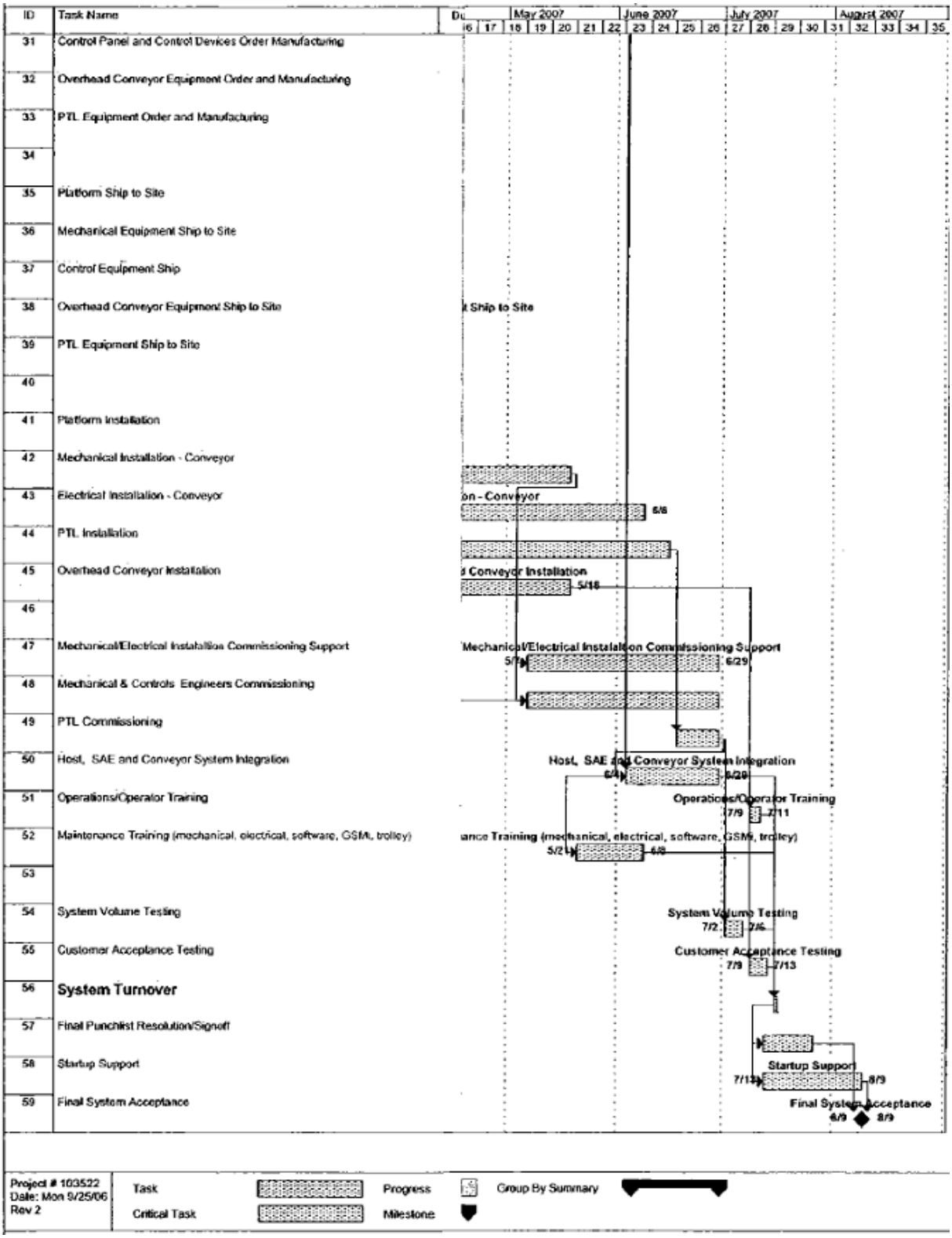
For all training sessions, Dematic requires The Children's Place to provide the following equipment:

- Television and VCR
- White board
- Dry-erase markers and eraser
- Safety equipment (if necessary) for site tours

4.4 Schedule

The Preliminary Project Schedule indicating milestone dates is provided on the following page.


ID
Task Name
May 2007
June 2007
July 2007
August 2007
6 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35
1 AWA Issued by Customer
2 Final Concept Drawing Approved by Customer
3 Project Proposal Issued
4 Contract Authorization Received from Customer
5 Building Detail Received from Customer
6 Base Line Project Schedule Approved by the Customer
7 Building available/dry, including clear right of way
8 Building Access and Site Logistics Planning Complete
9 Building Power, Control Cabinet Power & Ethernet Available
Available
10 Customer Test Product Available
t Product Available
4/23
11
12 Platform Engineering and Layout Design
13 Platform Layout Approvals By Customer
14 Mechanical Engineering and Layout Design
15 Mechanical Layout Approvals By Customer
16 Controls Engineering Layouts and DO's
17 Controls Layouts and DO Approval By Customer
18 Overhead Conveyor Engineering and Layout Design
19 Overhead Conveyor Approvals By Customer
20 PTL Engineering Layout and Design
21
22 Description of Operations Development
23 Description of Operations Approved By Customer
24
25 Software Funtional Specificaiton Development
26 Software Functional Specificaiton Approved By Customer
27 Software Code Written and Tested in House
28
29 Platform Order and Manufacturing
30 Mechanical Equipment Order and Manufacturing
Project # 103522
Date: Mon 9/25/06
Rev 2
Task
Critical Task
Progress
Milestone
Group By Summary



5 Material Handling System

The equipment will perform as described in this Proposal, when properly managed, operated, and maintained. Please refer to the Dematic drawings referenced on the Title Page of this Proposal while reviewing the rate and equipment listings.

5.1 Materials to be Handled

The system design is based on the following material and rate specifications.

5.1.1 Physical Load Characteristics

The equipment will convey materials having the dimensions, weights, shapes, surfaces and other characteristics, as set forth in this Section. The equipment will have the mechanical capability to convey such materials at the rates specified in this Section.

The items to be conveyed will have the following physical properties:

5.1.1.1 Carton Parameters

	Length (inches)	Width (inches)	Height (inches)	Weight (pounds)
Shipping Carton	18.5”	16.25”	15.5”	40 lbs.
Vendor Carton				
Minimum	9”	7”	4.5”	2 lbs.
Standard	22”	16”	15”	25 lbs.
Maximum	34”	22”	16”	70 lbs.

* Package weight cannot exceed 33 pounds per lineal foot, and cannot exceed 110 pounds per package.

NOTE 1. The shipping carton has 8” top flaps that will be tabbed down.

2. Vendor carton information is from the Dayton, New Jersey facility conveyor drawings.

5.1.1.2 Put Tote Parameters

	Length (inches)	Width (inches)	Height (inches)	Weight (pounds)
Top	24”	20”	12”	30 lbs.
Bottom	21”	17.5”	12”	30 lbs.

5.1.1.3 Pallet Parameters

Pallets are not handled by the mechanized material handling system.

	Length (inches)	Width (inches)	Height (inches)	Weight (pounds)
Receiving Pallet	40”	48”	4” (empty)	450 lbs.
Storage Pallet	40”	48”	4” (empty)	450 lbs.
Shipping Pallet	40”	48”	4” (empty)	450 lbs.

NOTES

1. The weights and sizes listed in the Table are for equipment design only and are not to be used to determine what The Children’s Place’s Personnel can lift, carry, or move.

2. The materials being conveyed are to be presented with the maximum dimension in the direction of travel and the minimum dimension perpendicular to the conveyor surface.

3. The materials to be conveyed must be in a condition to allow for proper conveyance. The bottom surface, in contact with the conveyor, must be firm and flat, free of distortion, and of sufficient strength to support its own weight.

4. Items which may not convey reliably are those with the following characteristics:

   · Uneven bottoms, soft bottoms, or bottoms with banding or strapping

   · Open or improperly sealed containers

   · Imperfections of the conveyed product

   · Side or bottom which has concave or convex distortion

   · Protrusions on the sides or bottom

   · Uneven weight distribution or shifting center of gravity

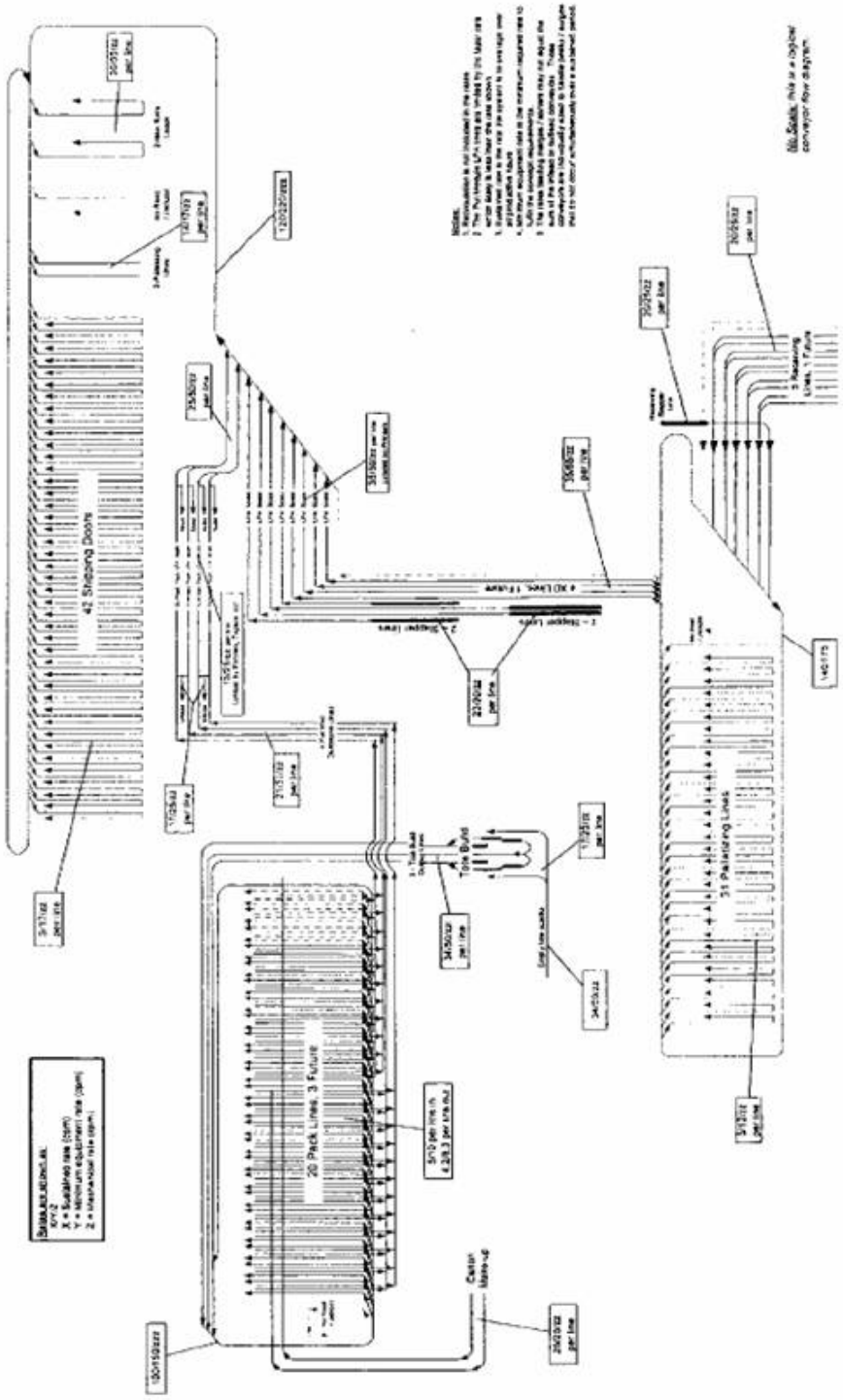
5.1.2 Product Flow Rate

It is the responsibility of Dematic to provide equipment that is mechanically capable of conveying the specified units per minute through the sortation system. The ability to obtain these rates is predicated on The Children’s Place’s equipment and Personnel being able to load and unload product to achieve these rates.

The following flow diagram represents the contract equipment rates, using the average for the material which will flow through the area.

NOTE

- The equipment will perform as described when properly operated, maintained and managed by The Children's Place.
- Manual assistance may be required to initiate and/or maintain the flow of product on gravity conveyor. It is understood that due to the inherent characteristics of gravity conveyor, free flow of product may not occur at all times.



6 Mechanical Equipment Details

This Section contains technical descriptions of the Material Handling Equipment that will be provided as part of the material handling system supplied to The Children's Place on both the 103522 and 104846 projects.

The following items are described in this Section:

1. C-L Conveyor Components
2. Detailed Mechanical Equipment List
3. Detail Sheets
4. Mechanical Specifications
5. Platform Specifications

6.1 C-L Conveyor Components

6.1.1 Conveyor Sides

The C-L100 Conveyor sides are made up of two parts; a common extruded aluminum guide channel, and a common extruded aluminum side channel. The guide channel is stacked over the side channel and held together by metal spring clips. This creates an upper and lower section. The conveyor side accepts plastic covers which cover and protect the control components mounted in the side channel.

6.1.2 Conveyor Frame

Two common conveyor sides are connected together with cross members. The Conveyors are available in three different frame widths: 550 mm (22 inches), 750mm (30 inches), and 900mm (35 inches). This dimension is measured outside to outside. The actual conveyor width is 80mm (3 inches) less than each frame.

6.1.3 Interrupter Plates

The Interrupter plates are high density plastic plates that attach to the conveyor sides. Interrupter plates are located at bed joints and at a maximum of every three meters. Interrupter plates have several pre-set knockouts to allow the mounting and wiring of control stations, beacons, and other field devices on to the side of the conveyor.

6.1.4 T-Bar Connectors

Steel T-Bar Connectors are used to connect the conveyor frames together. There are two types of T-Bar connectors—Long T-Bars bars and Short T-Bars. The Long T-Bar Connectors slide into the upper section of the guide channels and the lower section of the side channels. The short T-Bar Connectors are used in the upper section of the side channels (middle), and on curves. Both types of connectors are locked into place with stamped steel set screws. The connectors have serrated ridges milled into the upper surface of the Ts to ensure that the T-Bar will bite into the aluminum conveyor channel to hold the sections securely together. This connection also provides electrical continuity between the conveyor sections.

6.2 Detailed Mechanical Equipment List

The Mechanical Equipment List for your system follows in its entirely.

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
				Area: RECIEVING LINES TO RECIEVING MERGE.									
5	TU+ 100001	100081	3050	Traversing Cantilevered Extendable Unloader	24	F	2/1		80'-0"	80	3'-6"/4'-0"	N	Traversing Cantilevered Extendable Unloader: 25'-0" Retracted - 80'-0" Extended Including Track Piggy Back Belt Incline To 10'-0" Discharge
5	BT+ 100002	100082	410	Belt-on-Roller Incline	24	P	1	B	21'-9"	90	4'-0"/10'-0"	G22 -	With Noseover - Power Tail Not Req'd.
1	BA+ 100003		GPC.01	50mm Segmented BOR Accumulation	29.5		1		10'-3"90°	120.00	10'-0"	F22 -	w/ [1] 90º Curve
1	BT+ 100004		GPC.09	BOS End Drive	29.5		1		17'-3"	120.00	10'-0"	F22 -	
1	BA+ 100005		GPC.01	50mm Segmented BOR Accumulation	29.5		1		11'-0"45°	120.00	10'-0"	F22 -	w/ [1] 45 º Curves & Junction
1	BT+ 100006		CL200BOR	Belt on Roller	29.5	C/P	3	B	38'-5"	120.00	10'-0"/20'-6"	F22 -	w/ Power Tail & Noseover
1	RA+ 100007		CL200RA	Roller Accumulation	29.5	P	2		68'-0"	120.00	20'-6"	F11 -	w/ Aligner Bed, DZC
5	BA+ 100008	100088	GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		9'-10"	120.00	20'-6"	F11 -	
5	AP+ 100009	100089	Scale	In-Line Scale W/ Conveyor Deck	24				4'-0"		20'-6"	G11 -	Gravity: 3" Roller Ctrs Mounted On Scale Includes Receiving Scale & Controller
1	RA+ 100010		CL200RA	Roller Accumulation	29.5	P	2		130'-0"	180.00	20'-6"	F11 -	w/ Aligner Bed, DZC
5	BA+ 100011	100091	GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		9'-10"	180.00	20'-6"	F11 -	
5	BT+ 100012	100092	CL200BOR	Belt on Roller	29.5	P	2		48'-1"	180.00	20'-6"	F11 -	w/ Power Tail
5	RT+ 100013	100093	2490	SSLI Live Roller Wedge	30	P	1		7'-6"	180	20'-6"	G11 -	
1	BA+ 100023		GPC.01	50mm Segmented BOR Accumulation	29.5		1		15'-8"90°	120.00	10'-0"	F22 -	w/ [1] 90° Curve

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 100024		GPC.09	BOS End Drive	29.5		1		17'-3"	120.00	10'-0"	F22 -	
1	BT+ 100025		GPC.09	BOS End Drive	29.5		1		12'-4"	120.00	10'-0"	F22 -	
1	BA+ 100026		GPC.01	50mm Segmented BOR Accumulation	29.5		1		16'-5"45°	120.00	10'-0"	F22 -	w/ [1] 45° Curve & Junction
1	BT+ 100027		CL200BOR	Belt on Roller	29.5	C/P	3	B	38'-5"	120.00	10-0"/20'-6"	F22 -	w/ Power Tail & Noseover
1	RA+ 100028		CL200RA	Roller Accumulation	29.5	P	2		50'-0"		20'-6"	F11 -	w/ Aligner Bed, DZC
1	RA+ 100031		CL200RA	Roller Accumulation	29.5	P	2		168'-0"	180.00	20'-6"	F11 -	w/ Aligner Bed, DZC
1	BA+ 100043		GPC.01	50mm Segmented BOR Accumulation	29.5		2		20'-11"90°	120.00	10'-0"	F22 -	w/ [1] 90° Curve
1	BT+ 100044		GPC.09	BOS End Drive	29.5		1		17'-3"	120.00	10'-0"	F22 -	
1	BA+ 100045		GPC.01	50mm Segmented BOR Accumulation	29.5		2		21'-8"45°	120.00	10'-0"	F22 -	w/ [1] 45° Curve & Junction
1	BT+ 100046		CL200BOR	Belt on Roller	29.5	C/P	3	B	39'-8"	120.00	9'-7"/20'-6"	F22 -	w/ Power Tail & Noseover
1	RA+ 100047		CL200RA	Roller Accumulation	29.5	P	2		60'-0"		20'-6"	F11 -	w/ Aligner Bed, DZC
1	RA+ 100050		CL200RA	Roller Accumulation	29.5	P	2		189'-0"	180.00	20'-6"	F11 -	w/ Aligner Bed, DZC
1	BA+ 100063		GPC.01	50mm Segmented BOR Accumulation	29.5		3		27'-6"90°	120.00	10'-0"	F22 -	w/ [1] 90° Curve
1	BT+ 100064		GPC.09	BOS End Drive	29.5		1		17'-3"	120.00	10'-0"	F22 -	
1	BA+ 100065		GPC.01	50mm Segmented BOR Accumulation	29.5		2		28'-3"45°	120.00	10'-0"	F22 -	w/ [1] 45° Curve & Junction
1	BT+ 100066		CL200BOR	Belt on Roller	29.5	C/P	3	B	40'-7"	120.00	10'-0"/20'-6"	F22 -	w/ Power Tail & Noseover
1	RA+ 100067		CL200RA	Roller Accumulation	29.5	P	2		70'-0"		20'-6"	F11 -	w/ Aligner Bed, DZC
1	RA+ 100070		CL200RA	Roller Accumulation	29.5	P	2		196'-0"	180.00	20'-6"	F11 -	w/ Aligner Bed, DZC
1	BA+ 100083		GPC.01	50mm Segmented BOR Accumulation	29.5		4		32'-10"90°	120.00	10'-0"	F22 -	w/ [1] 90° Curve

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 100084		GPC.09	BOS End Drive	29.5		1		17'-3"	120.00	10'-0"	F22 -	
1	BA+ 100085		GPC.01	50mm Segmented BOR Accumulation	29.5		3		33'-7"45°	120.00	10'-0"	F22 -	w/ [1] 45° Curve & Junction
1	BT+ 100086		CL200BOR	Belt on Roller	29.5	C/P	3	B	40'-8"	120.00	10'-0"/20'-6"	F22 -	w/ Power Tail & Noseover
1	RA+ 100087		CL200RA	Roller Accumulation	29.5	P	2		69'-0"		20'-6"	F11 -	w/ Aligner Bed, DZC
1	RA+ 100090		CL200RA	Roller Accumulation	29.5	P	2		217'-0"	180.00	20'-6"	F11 -	w/ Aligner Bed, DZC
				Area: RECIEVING SLAPPER LINE.									
1	RT+ 100101		1102	Belt-Driven LR	24	F	1		30'-0"	90	2'-6"	G1L -	
1	BT+ 100102		CL200BOR	Belt on Roller	29.5	C/F	5	B	58'-4"	120.00	2'-6"/17'-4"	F22 -	w/ Power Feeder & Noseover
1	RA+ 100103		GPC.02	50mm O-Ring Accumulation	29.5	C	4		16'-6"180°	120.00	17'-4"	F22 -	w/ [2] 90° Curves
1	BT+ 100104		CL200BOR	Belt on Roller	29.5	C	1	B	21'-4"	120.00	17'-4"/20'-6"	F22 -	w/ Power Tail & Noseover
1	BA+ 100105		GPC.01	50mm Segmented BOR Accumulation	29.5	P	3		10'-9"90°		20'-6"	F11 -	w/ 90° Curve
1	RA+ 100106		CL200RA	Roller Accumulation	29.5	P	2		60'-0"	120.00	20'-6"	F11 -	w/ Aligner Bed, DZC
1	BA+ 100107		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		9'-10"	120.00	20'-6"	F11 -	
1	AP+ 100108			In-Line Scale W/ Conveyor Deck	24				4'-0"		20'-6"	G11 -	Gravity: 3" Roller Ctrs Mounted On Scale Includes Receiving Scale & Controller
1	RA+ 100109		CL200RA	Roller Accumulation	29.5	P	2		91'-0"	180.00	20'-6"	F11 -	w/ Aligner Bed, DZC
1	BA+ 100110		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		9'-10"	180.00	20'-6"	F11 -	
1	BT+ 100111		CL200BOR	Belt on Roller	29.5	P	2		48'-1"	180.00	20'-6"	F11 -	w/ Power Tail
1	RT+ 100112		2490	SSLI Live Roller Wedge	30	P	1		7'-6"	180	20'-6"	G11 -	

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
				Area: RECIEVING MERGE THRU SKU SORTER.									
1	BT+ 100200		405	Slider Bed - High Speed	30	P	3		50'-0"	240	20'-6"	G11 -	With [6] Inputs
1	BT+ 100201		405	Slider Bed - High Speed	30	P	3		50'-0"	240	20'-6"	G11 -	With [2] Inputs
1	BT+ 100202		977	Flat Belt Turn	30	C	3	SS	45°	240	20'-6"	P12 -	
1	BT+ 100203		410	Belt-on-Roller Horizontal	24	C	3		104'-0"	180	20'-6"	G22 -	
1	BT+ 100204		410	Belt-on-Roller Incline	24	C	3		116'-9"	180	20'-6"/15'-0"	G22 -	With Power Tail & Noseover
1	BT+ 100205		977	Flat Belt Turn	24	C	3	SS	90°	180	15'-0"	P12 -	
1	RA+ 100206		CL200RA	Roller Accumulation	27.5	P	2		48'-0"	180.00	20'-6"	F11 -	w/ Aligner Bed, Dynamic Photo Eye Accumulation
1	BI+ 100207		2311	4 Belt Servo Induct Belts 1+2	24	P	10		14'-0"		15'-0"	G11 -	
1	BI+ 100208		2311	4 Belt Servo Induct Belts 3+4	24	P	10		14'-0"		15'-0"	G11 -	
1	BI+ 100209		2311	Fixed Speed Last Induct	24	P	2		6'-0"		15'-0"	G11 -	
1	BT+ 100210		977	Flat Belt Turn	30	P	3		90°	540	15'-0"	P22 -	
1	SS+ 100211		2421	RS200 Magnetic Divert Switch Sorter	51	P	25		474'-0"	540	15'-0"		(38) Right Hand Diverts
1	RT+ 100212		2490	High Speed LR Curves & Junctions	30	P	1		10'-6"0°	540	15'-0"	G22 -	
1	BT+ 100213		CL200BOR	Belt on Roller	29.5	P	3	B	46'-3"	180.00	15'-0"/20'-6"	F22 -	w/ Power Tail & Noseover
1	BA+ 100214		GPC.01	50mm Segmented BOR Accumulation	29.5	P	4		17'-3"180°	180.00	20'-6"	F11 -	w/ (2) 90° Curves
1	RA+ 100215		CL200RA	Roller Accumulation	29.5	P	2		180'-6"	180.00	20'-6"	F11 -	w/ Aligner Bed, DZC
1	BA+ 100216		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		9'-10"	180.00	20'-6"	F11 -	
1	BT+ 100217		CL200BOR	Belt on Roller	29.5	P	2		48'-1"	180.00	20'-6"	F11 -	w/ Power Tail
1	RT+ 100218		2490	SSLI Live Roller Wedge	30	P	1		7'-6"	180	20'-6"	G11 -	

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
				Area: SKU DIVERT LINES.									
32	GW+ 100301	100332	2485	High Speed Gravity Wheel	30	P			7'-6"70°		15'-0"/13'-10"	G22 -	
32	RG+ 100401	100432	200	Control Gravity Roller	24	C/F			55'-0"		13'-10"/6'-3"	G22 -	1.9" Dia. Roller-3" c/c
32	BA+ 100501	100532	GPC.01	50mm Segmented BOR Accumulation	29.5	F	1		10'-7"	120.00	6'-3"/5'-10"	F22 -	w/ Roller Hinge & Slider Hinge
32	BA+ 100601	100632	GPC.01	50rnm Segmented BOR Accumulation	29.5	F	1		14'-11"	120.00	5'-10"	F22 -	W/ (2) 90° Curves
32	RG+ 100701	100732	200	Control Gravity Roller	24	F			40'-0"		5'-10"/2'-6"	G11 -	1.9" Dia. Roller-3" c/c Fixed End Stop
				Area: SKU SORTER NO READ LINE.									
1	RT+ 100801		2490	High Speed LR Curves & Junctions	30	P	1		7'-6"70°	635	15'-0"	G22 -	

1	RA+ 100802		CL200RA	Roller Accumulation	29.5	C	1		48'-0"	180.00	15'-0"/14'-0"	F22 -	W/Aligner Bed, DZC
1	BA+ 100803		GPC.01	50mm Segmented BOR Accumulation	29.5	C	4		46'-1"	180.00	14'-0"	F22 -	W/ (2) 90° Curves
1	RG+ 100804		200	Gravity Roller	24	F			40'-0"		14'-0"/2'-6"		W/1.9" Dia Rollers -3" c/c Fixed End Stop
				Area: CROSSDOCK LINE TO LPA MERGE									
4	RT+ 101101	101401	2490	High Speed Sorter Take-away	30	P	1		7'-6"0°	635	15'-0"	G22 -	
1	BT+ 101102		CL200BOR	Belt on Roller	29.5	C	1	B	46'-4"	180.00	15'-0"/18'-0"	F22 -	W/ Power Feeder & Noseover
1	RA+ 101103		GPC.02	50mm O-Ring Accumulation	29.5	C	3		25'-9"120°	180.00	18'-0"	F22 -	W/ 30° & 90° Curves
1	BT+ 101104		CL200BOR	Belt on Roller	29.5	C	0		42'-9"	180.00	18'-0"/29'-0"	F22 -	W/ Power Feeder & Noseover
1	RA+ 101105		CL200RA	Roller Accumulation	29.5	C	0		168'-0"	180.00	29'-0"	F22 -	W/Aligner Bed, DZC
1	RA+ 101106		CL200RA	Roller Accumulation	29.5	C	0		169'-0"	180.00	29'-0"	F22 -	W/Aligner Bed, DZC
1	RA+ 101107		GPC.02	50mm O-Ring Accumulation	29.5	C	2		8'-3"90°	180.00	29'-0"	F22 -	W/ 90° Curve

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 101108		CL200BOR	Belt on Roller	29.5	C/P	1	B	27'-1"	180.00	29'-0"/24'-6"	F22 -	w/ Noseover, Power Tail
1	RA+ 101109		CL200RA	Roller Accumulation	29.5	P	1		67'-0"	180.00	24'-6"	F11 -	w/ Aligner Bed, DZC
4	BA+ 101110	101410	GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		12'-4"	180.00	24'-6"	F11 -	
4	BT+ 101111	101411	CL200BOS	Belt on Slider	29.5	P	1		23'-3"	180.00	24'-6"	F11 -	w/ [2] Station LPA System
4	AP+ 101112	101412	Scale	In-Line Scale W/ Conveyor Deck	30	P	1		5'-0"		24'-6"	None	In-Line Scale w/ Conveyor Deck
4	BT+ 101113	101413	CL200BOR	Belt on Roller	29.5	P	1		17'-9"	180.00	24'-6"/28'-6"	F22 -	w/ Power Feeder & Noseover
12	BA+ 101114	101416	GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	28'-6"	F22 -	
4	BA+ 101117	101417	GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		15'-2"	180.00	28'-6"	F22 -	
4	BT+ 101118	101418	CL200BOR	Belt on Roller	29.5	P	2		43'-9"	180.00	28'-6"	F22 -	
4	RT+ 101119	101419	2490	SSLI Live Roller Wedge	30	P	1		7'-6"	180	28'-6"	G22 -	
1	BT+ 101202		CL200BOR	Belt on Roller	29.5	C	1	B	38'-9"	180.00	15'-0"/18'-0"	F22 -	w/ Power Feeder & Noseover
1	RA+ 101203		GPC.02	50mm O-Ring Accumulation	29.5	C	4		20'-0"120°	180.00	18'-0"	F22 -	w/ 30° & 90° Curves
1	BT+ 101204		CL200BOR	Belt on Roller	29.5	C	0		41'-4"	180.00	18'-0"/29'-0"	F22 -	w/ Power Feeder & Noseover
1	RA+ 101205		CL200RA	Roller Accumulation	29.5	C	0		168'-0"	180.00	29'-0"	F22 -	w/ Aligner Bed, DZC
1	RA+ 101206		CL200RA	Roller Accumulation	29.5	C	0		174'-0"	180.00	29'-0"	F22 -	w/Aligner Bed, DZC
1	RA+ 101207		GPC.02	50mm O-Ring Accumulation	29.5	C	2		8'-3"90°	180.00	29'-0"	F22 -	w/ 90° Curve
1	BT+ 101208		CL200BOR	Belt on Roller	29.5	C/P	1	B	27'-1"	180.00	29-0"/24'-6"	F22 -	w/ Noseover, Power Tail
1	RA+ 101209		CL200RA	Roller Accumulation	29.5	P	1		72'-0"	180.00	24'-6"	F11 -	w/Aligner Bed, DZC

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 101302		CL200BOR	Belt on Roller	29.5	C	1	B	29'-11"	180.00	15'-0"/18'-0"	F22 -	w/ Power Feeder & Noseover
1	RA+ 101303		GPC.02	50mm O-Ring Accumulation	29.5	C	2		17'-7"120°	180.00	18'-0"	F22 -	w/ 30° & 90° Curves
1	BT+ 101304		CL200BOR	Belt on Roller	29.5	C	0		49'-2"	180.00	18'-0"/29'-0"	F22 -	w/ Power Feeder & Noseover
1	RA+ 101305		CL200RA	Roller Accumulation	29.5	C	0		168'-0"	180.00	29'-0"	F22 -	w/ Aligner Bed, DZC
1	RA+ 101306		CL200RA	Roller Accumulation	29.5	C	0		169'-0"	180.00	29'-0"	F22 -	w/ Aligner Bed, DZC
1	RA+ 101307		GPC.02	50mm O-Ring Accumulation	29.5	C	2		8'-3"90°	180.00	29'-0"	F22 -	w/ 90° Curve
1	BT+ 101308		CL200BOR	Belt on Roller	29.5	C/P	1	B	27'-1"	180.00	29'-0"/24'-6"	F22 -	w/ Noseover, Power Tail
1	RA+ 101309		CL200RA	Roller Accumulation	29.5	P	1		75'-0"	180.00	24'-6"	F11 -	w/ Aligner Bed, DZC
1	BT+ 101402		CL200BOR	Bett on Roller	29.5	C	1	B	21'-3"	180.00	15'-0"/18'-0"	F22 -	w/ Power Feeder & Noseover
1	RA+ 101403		GPC.02	50mm O-Ring Accumulation	29.5	C	2		12'-8"120°	180.00	18'-0"	F22 -	w/ 30° & 90° Curves
1	BT+ 101404		CL200BOR	Belt on Roller	29.5	C	0		47'-6"	180.00	18'-0/29'-0"	F22 -	w/ Power Feeder & Noseover
1	RA+ 101405		CL200RA	Roller Accumulation	29.5	C	0		168'-0"	180.00	29'-0"	F22 -	w/ Aligner Bed, DZC
1	RA+ 101406		CL200RA	Roller Accumulation	29.5	C	0		176'-0"	180.00	29'-0"	F22 -	w/ Aligner Bed, DZC
1	RA+ 101407		GPC.02	50mm O-Ring Accumulation	29.5	C	2		8'-3"90°	180.00	29'-0"	F22 -	w/ 90° Curve
1	BT+ 101408		CL200BOR	Belt on Roller	29.5	C/P	1	B	27'-1"	180.00	29'-0"/24'-6"	F22 -	w/ Noseover, Power Tail
1	RA+ 101409		CL200RA	Roller Accumulation	29.5	P	1		80'-0"	180.00	24'-6"	F11 -	w/ Aligner Bed, DZC
				Area: SLAPPER LINE NO. 1 TO LPA MERGE									
9	200101	200109		Fabricated Steel Pallet Ramp		F							Fabricated Steel Pallet Ramp
9	200111	200119	3010	Flow Track and Flow Rack	48	F			15'-0"		6"		Pair Of Pallet Flow Tracks
1	RT+ 200130		1102	Belt-Driven LR	24	F	1		90'-0"	80	2'-6"	F21 -	

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 200132		CL200BOR	Belt on Roller	29.5	F	1	B	15'-6"	90.00	2'-6"/5'-6"	F22 -	w/ Power Feeder & Noseover
1	RA+ 200134		GPC.02	50mm O-Ring Accumulation	29.5	F	2		16'-6"180°	90.00	5'-6"	F22 -	w/ (2) 90° Curves
1	BT+ 200136		CL200BOR	Belt on Roller	29.5	F/C	5	B	70'-9"	120.00	5'-6"/24'-6"	F22 -	w/ Power Feeder & Noseover
1	BA+ 200138		GPC.01	50mm Segmented BOR Accumulation	29.5	C	3		18'-1"90°	120.00	24'-6"	F22 -	w/ (2) 90° Curves
1	RA+ 200140		CL200RA	Roller Accumulation	29.5	C	3		257'-0"	180.00	16'-0"	F22 -	w/ Aligner Bed, DZC
1	RA+ 200142		GPC.02	50mm O-Ring Accumulation	29.5	P	1		5'-10"	180.00	24'-6"	F11 -	w/ (1) 90° Curve
1	RA+ 200144		CL200RA	Roller Accumulation	29.5	P	2		101'-0"	180.00	24'-6"	F11 -	w/ Ailgner Bed, DZC
1	BA+ 200148		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		12'-4"	180.00	24'-6"	F11 -	
1	BT+ 200150		CL200BOS	Belt on Slider	29.5	P	1		23'-3"	180.00	24'-6"	F11 -	w/ [2] Station LPA System
1	AP+ 200152			In-Line Scale W/ Conveyor Deck	30	P	1		5'-0"		24'-6"	None	In-Line Scale w/ Conveyor Deck
1	BT+ 200154		CL200BOR	Belt on Roller	29.5	P	1		17'-9"	180.00	24'-6"/28'-6"	F22 -	w/ Power Feeder & Noseover
3	BA+ 200156	200160	GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	28'-6"	F22 -	
1	BA+ 200162		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		15'-2"	180.00	28'-6"	F22 -	
1	BT+ 200164		CL200BOR	Belt on Roller	29.5	P	2		43'-9"	180.00	28'-6"	F22 -	
1	RT+ 200166		2490	SSLI Live Roller Wedge	30	P	1		7'-6"	180	28'-6"	G22 -	
				Area: SLAPPER LINE NO. 2 TO LPA MERGE									
9	200201	200209		Fabricated Steel Pallet Ramp		F							Fabricated Steel Pallet Ramp
9	200211	200219	3010	Flow Track and Flow Rack	48	F			15'-0"		6"		Pair Of Pallet Flow Tracks
1	RT+ 200230		1102	Belt-Driven LR	24	F	1		90'-0"	80	2'-6"	F21 -	

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment

1	BT+ 200232		CL200BOR	Belt on Roller	29.5	F	1	B	15'-6"	90.00	2'-6"/5'-6"	F22 -	w/ Power Feeder & Noseover
1	RA+ 200234		GPC.02	50mm O-Ring Accumulation	29.5	F	2		16'-6"180°	90.00	5'-6"	F22 -	w/ (2) 90° Curves
1	BT+ 200236		CL200BOR	Belt on Roller	29.5	F/C	5	B	70'-9"	120.00	5'-6"/24'-6"	F22 -	w/ Power Feeder & Noseover
1	BA+ 200238		GPC.01	50mm Segmented BOR Accumulation	29.5	C	3		18'-1"90°	120.00	24'-6"	F22 -	w/ (2) 90° Curves
1	RA+ 200240		CL200RA	Roller Accumulation	29.5	C	3		264'-0"	180.00	16'-0"	F22 -	w/ Aligner Bed, DZC
1	RA+ 200242		GPC.02	50mm O-Ring Accumulation	29.5	P	1		5'-10°	180.00	24'-6"	F11 -	w/ (1) 90° Curve
1	RA+ 200244		CL200RA	Roller Accumulation	29.5	P	2		105'-0"	180.00	24'-6"	F11 -	w/ Ailgner Bed, DZC
1	BA+ 200248		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		12'-4"	180.00	24'-6"	F11 -	
1	BT+ 200250		CL200BOS	Belt on Slider	29.5	P	1		23'-3"	180.00	24'-6"	F11 -	w/ [2] Station LPA System
1	AP+ 200252			In-Line Scale W/ Conveyor Deck	30	P	1		5'-0"		24'-6"	None	In-Line Scale w/ Conveyor Deck
1	BT+ 200254		CL200BOR	Belt on Roller	29.5	P	1		17'-9"	180.00	24'-6"/28'-6"	F22 -	w/ Power Feeder & Noseover
3	BA+ 200256	200260	GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	28'-5"	F22 -	
1	BA+ 200262		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		15'-2"	180.00	28'-6"	F22 -	
1	BT+ 200264		CL200BOR	Belt on Roller	29.5	P	2		43'-9"	180.00	28'-6"	F22 -	
1	RT+ 200266		2490	SSLI Live Roller Wedge	30	P	1		7'-5"	180	28'-6"	G22 -	
				Area: SLAPPER LINE NO. 3 TO LPA MERGE.									
9	200301	200309		Fabricated Steel Pallet Ramp		F							Fabricated Steel Pallet Ramp
9	200311	200319	3010	Flow Track and Flow Rack	48	F			15'-0"		6"		Pair Of Pallet Flow Tracks
1	RT+ 200330		1102	Belt-Driven LR	24	F	1		90'-0"	80	2'-6"	F21 -	

Qty	Unit number from	thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 200332		CL200BOR	Belt on Roller	29.5	F	1	B	15'-6"	90.00	2'-6"/5'-6"	F22 -	w/ Power Feeder & Noseover
1	RA+ 200334		GPC.02	50mm O-Ring Accumulation	35.4	F	4		23'-6"	90.00	5'-6"	F22 -	w/ [2] 90° Curves & [2] 45° Curves
1	BT+ 200336		CL200BOR	Belt on Roller	35.4	F/C	5	B	70'-9"	120.00	5'-6"/24'-6"	F22 -	w/ Power Feeder & Noseover
1	RA+ 200340		CL200RA	Roller Accumulation	29.5	C	3		128'-0"	180.00	16'-0"	F22 -	w/ Aligner Bed, DZC
1	RA+ 200342		GPC.02	50mm O-Ring Accumulation	29.5	P	1		5'-10"	180.00	24'-6"	F11 -	w/ (1) 90° Curve
1	RA+ 200344		CL200RA	Roller Accumulation	29.5	P	2		96'-0"	180.00	24'-6"	F11 -	w/ Ailgner Bed, DZC
1	BA+ 200348		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		12'-4"	180.00	24'-6"	F11 -	
1	BT+ 200350		CL200BOS	Belt on Slider	29.5	P	1		23'-3"	180.00	24'-6"	F11 -	w/ [2] Station LPA System
1	AP+ 200352			In-Line Scale W/ Conveyor Deck	30	P	1		5'-0"		24'-6"	None	In-Line Scale w/ Conveyor Deck
1	BT+ 200354		CL200BOR	Belt on Roller	29.5	P	1		17'- 9"	180.00	24'-6"/28'-6"	F22 -	w/ Power Feeder & Noseover
3	BA+ 200356	200360	GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	28'-6"	F22 -	
1	BA+ 200362		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		15'-2"	180.00	28'-6"	F22 -	
1	BT+ 200364		CL200BOR	Belt on Roller	29.5	P	2		43'-9"	180.00	28'-6"	F22 -	
1	RT+ 200366		2490	SSLI Live Roller Wedge	30	P	1		7'-6"	180	28'-6"	G22 -	
				Area: SLAPPER LINE NO. 4 TO LPA MERGE.									
9	200401	200409		Fabricated Steel Pallet Ramp		F							Fabricated Steel Pallet Ramp
9	200411	200419	3010	Flow Track and Flow Rack	48	F			15'-0"		6"		Pair Of Pallet Flow Tracks
1	RT+ 200430		1102	Belt-Driven LR	30	F	1		90'-0"	80	2'-6"	F21 -	
1	BT+ 200432		CL200BOR	Belt on Roller	29.5	F	1	B	15'-6"	90.00	2'-6"/5'-6"	F22 -	w/ Power Feeder & Noseover

Qty	Unit number from	thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	RA+ 200434		GPC.02	50mm O-Ring Accumulation	35.4	F	4		23'-6"	90.00	5'-6"	F22 -	w/ [2] 90° Curves & [2] 45° Curves
1	BT+ 200436		CL200BOR	Belt on Roller	35.4	F/C	5	B	70'-9"	120.00	5'-6"/24'-6"	F22 -	w/ Power Feeder & Noseover
1	RA+ 200440		CL200RA	Roller Accumulation	29.5	C	3		148'-0"	180.00	16'-0"	F22 -	w/ Aligner Bed, DZC
1	RA+ 200442		GPC.02	50mm O-Ring Accumulation	29.5	P	1		5'-10"	180.00	24'-6"	F11 -	w/ (1) 90° Curve
1	RA+ 200444		CL200RA	Roller Accumulation	29.5	P	2		110'-0"	180.00	24'-6"	F11 -	w/ Ailgner Bed, DZC
1	BA+ 200448		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		12'-4"	180.00	24'-6"	F11 -	
1	BT+ 200450		CL200BOS	Belt on Slider	29.5	P	1		23'-3"	180.00	24'-6"	F11 -	w/ [2] Station LPA System
1	AP+ 200452			In-Line Scale W/ Conveyor Deck	30	P	1		5'-0"		24'-6"	None	In-Line Scale w/ Conveyor Deck
1	BT+ 200454		CL200BOR	Belt on Roller	29.5	P	1		17'-9"	180.00	24'-6"/28'-6"	F22 -	w/ Power Feeder & Noseover
3	BA+ 200456	200460	GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	28'-6"	F22 -	
1	BA+ 200462		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		15'-2"	180.00	28'-6"	F22 -	
1	BT+ 200464		CL200BOR	Belt on Roller	29.5	P	2		43'-9"	180.00	28'-6"	F22 -	
1	RT+ 200466		2490	SSLI Live Roller Wedge	30	P	1		7'-6"	180	28'-6"	G22 -	
				Area: TOTE BUILD AREA.									
24	300101	300124		Fabricated Steel Pallet Ramp		F							Fabricated Steel Pallet Ramp
24	300131	300154	3010	Flow Track and Flow Rack	48	F			15'-0"		6"		Pair Of Pallet Flow Tracks
24	RG+ 300161	300184	200	Gravity Roller	24	F			10'-0"		2'-6"	G1L -	1.9" Dia. Roller- 3" c/c
24	AP+ 300201	300224	Table	Work Table	30				6'-0"		2'-6"		Tote Build Work Table: 30" Wide x 6'-0" Long Dematic Installation Set In Place

Qty	Unit number from	thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
				Area: TOTE BUILD TAKE-AWAY LINE NO.1									
2	BA+ 300300	300302	GPC.01	50mm Segmented BOR Accumulation	29.5	F	1		14'-9"	120.00	2'-6"	F11 -	Double Deck Supports w/ Empty Tote Line
1	BA+ 300304		GPC.01	50mm Segmented BOR Accumulation	29.5	F	3		11'-6"90°	120.00	2'-6"	F11 -	w/ 90° Curve
1	BT+ 300306		CL200BOR	Belt on Roller	29.5	F/C	3	B	54'-3"	120.00	1'-6"/11'-0"	F22 -	w/ Power Feeder & Noseover
1	BA+ 300308		GPC.01	50mm Segmented BOR Accumulation	29.5	C	2		9'-1"90°	120.00	11'-0"	F22 -	w/ 90° Curve
1	BA+ 300310		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		14'-9"	120.00	1'-6"	F22 -	
1	BT+ 300312		GPC.09	BOS End Drive	29.5	C	1		6'-7"	120,00	11'-0"	F22 -	
1	RA+ 300314		CL200RA	Roller Accumulation	29.5	C	1		131'-0"	150.00	11'-0"	F22 -	w/ Aligner Bed, DZC w/ Brake
1	RA+ 300316		GPC.02	50mm O-Ring Accumulation	29.5	C	2		8'-3"90°	150.00	11'-0"	F22 -	w/ 90° Curve
1	BT+ 300318		CL200BOR	Belt on Roller	29.5	C	3	B	53'-5"	150.00	11'-0"/15'-0"	F22 -	w/ Power Feeder & Noseover
1	BT+ 300320		CL200BOR	Belt on Roller	29.5	C	5	B	65'-6"	150.00	15'-0"/30'-0"	F22 -	w/ Power Feeder & Noseover
1	BA+ 300322		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		14'-9"	150.00	30'-0"	F22 -	
1	BA+ 300324		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		14'-9"	150.00	30'-0"	F22 -	
1	BA+ 300326		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		14'-9"	150.00	30'-0"	F22 -	
1	BA+ 300328		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		14'-9"	150.00	30'-0"	F22 -	
1	BT+ 300330		CL200BOR	Belt on Roller	29.5	C	1		35'-1"	180.00	30'-0"	F22 -	
5	BT+ 300332	300340	CL200BOR	Belt on Roller	29.5	C	2		66'-0"	180.00	30'-0"	F22 -	
1	RT+ 300342		2490	SSLI Live Roller Wedge	30	C	1		7'-6"	180	30'-0"	G22 -	

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
				Area: TOTE BUILD TAKE-AWAY LINE NO. 2.									
2	BA+ 300400	300402	GPC.01	50mm Segmented BOR Accumulation	29.5	F	1		14'-9"	120.00	2'-6"	F11 -	Double Deck Supports w/ Empty Tote Line
1	BA+ 300404		GPC.01	50mm Segmented BOR Accumulation	29.5	F	3		11'-6"90º	120.00	2'-6"	F11 -	w/ 90° Curve
1	BT+ 300406		CL200BOR	Belt on Roller	29.5	F	3	B	48'-7"	120.00	2'-6"/11'-0"	F22 -	w/ Power Feeder & Noseover
1	BA+ 300408		GPC.01	50mm Segmented BOR Accumulation	29.5	C	2		14'-0"90º	120.00	11'-0"	F22 -	w/ 90° Curve
1	BA+ 300410		GPC.01	50mm Segmented BOR Accumulation	29.5	C	2		16'-6"30º	120.00	11'-0"	F22 -	w/ 30° Curve & 30° Wedge
				Area: TOTE BUILD TAKE-AWAY LINE NO. 3.									
4	BA+ 300500	300512	GPC.01	50mm Segmented BOR Accumulation	29.5	F	1		14'-9"	120.00	2'-6"	F11 -	Double Deck Supports w/ Empty Tote Line
1	BA+ 300502		GPC.01	50mm Segmented BOR Accumulation	29.5	F	2		12'-4"	120.00	2'-6"	F11 -	
1	BA+ 300504		GPC.01	50mm Segmented BOR Accumulation	29.5	F	5		12'-11"60º	120.00	2'-6"	F11 -	w/ (2) 30° Curves
1	BA+ 300508		GPC.01	50mm Segmented BOR Accumulation	29.5	F	2		16'-6"30º	120.00	2'-6"	F11 -	w/ 30° Curve & 30° Wedge
1	BT+ 300514		GPC.09	BOS End Drive	29.5	F	1		6'-7"	120.00	2'-6"	F11 -	
1	BT+ 300516		CL200BOR	Belt on Roller	29.5	F/C	3	B	41'-2"	120.00	2'-6"/11'-0"	F22 -	w/ Power Feeder & Noseover
1	BA+ 300518		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		5'-10"90º	150.00	11'-0"	F22 -	w/ 90° Curve
1	BT+ 300520		CL200BOR	Belt on Roller	29.5	C	5	B	65'-6"	150.00	11'-0"/30'-0"	F22 -	w/ Power Feeder & Noseover
1	BA+ 300522		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		14'-9"	150.00	30'-0"	F22 -	

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BA+ 300524		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		14'-9"	150.00	30'-0"	F22 -	
1	BA+ 300526		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		14'-9"	150.00	30'-0"	F22 -	
1	BA+ 300528		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		13'-1"	150.00	30'-0"	F22 -	
2	BT+ 300530	300532	CL200BOR	Belt on Roller	29.5	C	0		33'-0"	180.00	30'-0"	F22 -	
4	BT+ 300534	300540	CL200BOR	Belt on Roller	29.5	C	0		66'-0"	180.00	30'-0"	F22 -	
1	RT+ 300542		2490	SSLI Live Roller Wedge	30	C	1		7'-6"	180	30'-0"	G22 -	
				Area: TOTE BUILD TAKE-AWAY LINE NO. 4.									
4	BA+ 300600	300612	GPC.01	50mm Segmented BOR Accumulation	29.5	F	1		14'-9"	120.00	2'-6"	F11 -	Double Deck Supports w/ Empty Tote Line
1	BA+ 300602		GPC.01	50mm Segmented BOR Accumulation	29.5	F	2		12'-4"	120.00	2'-6"	F11 -	
1	BA+ 300604		GPC.01	50mm Segmented BOR Accumulation	29.5	F	5		12'-11"60°	120.00	2'-6"	F11 -	w/ (2) 30° Curves
1	BA+ 300608		GPC.01	50mm Segmented BOR Accumulation	29.5	F	2		16'-6"30°	120.00	2'-6"	F11 -	w/ 30° Curve & 30° Wedge
1	BT+ 300614		GPC.09	BOS End Drive	29.5	F	1		6'-7"	120.00	2'-6"	F11 -	
1	BT+ 300616		CL200BOR	Belt on Roller	29.5	F/C	3	B	50'-2"	120.00	2'-6"/11'-0"	F22 -	w/ Power Feeder & Noseover
1	BA+ 300618		GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		5'-10"90°	150.00	11'-0"	F22 -	w/ 90° Curve
1	BT+ 300620		CL200BOR	Belt on Roller	29.5	C	3	B	119'-11"	150.00	11'-0"/15'-0"	F22 -	w/ Power Feeder & Noseover
1	BT+ 300622		CL200BOR	Belt on Roller	29.5	C	5	B	65'-6"	150.00	15'-0"/32'-0"	F22 -	w/ Power Feeder & Noseover
4	BA+ 300624	300630	GPC.01	50mm Segmented BOR Accumulation	29.5	C	1		14'-9"	150.00	30'-0"	F22 -	

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 300632		CL200BOR	Belt on Roller	29.5	C	2		34'-3"	150.00	30'-0"	F22 -	
5	BT+ 300634	300642	CL200BOR	Belt on Roller	29.5	C	2		66'-0"	150.00	30'-0"	F22 -	
1	BT+ 300644		977	Flat Belt Turn	30	C	2		45°	180	30'-6"	P22 -	
				Area: PTL MERGE THRU SORTER & RECIRCULATION.									
1	BT+ 400100		405	Slider Bed - High Speed	30	P	3		18'-11"	240	30'-0"	G11 -	With [3] Inputs
1	BT+ 400101		977	Flat Belt Turn	30	P	3	SS	45º	240	30'-0"	P12 -	
1	RA+ 400102		CL200RA	Roller Accumulation Eye Accumulation	27.5	P	2		80'-0"	180.00	30'-0"	F11 -	w/ Aligner Bed, Dynamic Photo
1	BI+ 400103		2311	4 Belt Servo Induct Belts 1+2	30	P	10		14'-0"		30'-0"	F11 -	
1	BI+ 400104		2311	4 Belt Servo Induct Belts 3+4	30	P	10		14'-0"		30'-0"	F11 -	
1	BI+ 400105		2311	Fixed Speed Last Induct	30	P	2		6'-0"		30'-0"	F11 -	
1	BT+ 400106		977	Flat Belt Turn	30	P	3		90º	540	30'-0"	P22 -	
1	SS+ 400107		2421	RS200 Magnetic Divert Switch Sorter	51	P	25		512'-6"	540	30'-0"		(41) Left Hand Divert [6] Future Diverts
1	RT+ 400108		2490	High Speed LR Curves & Junctions	30	P	1		10'-6"0º	540	30'-0"	G11 -	
1	RA+ 400109		CL200RA	Roller Accumulation	29.5	P	2		104'-0"	180.00	30'-0"	F11 -	w/ Aligner Bed, DZC
1	BA+ 400110		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		5'-10"90º	150.00	30'-0"	F22 -	w/ 90º Curve
3	BA+ 400111	400113	GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	150.00	30'-0"	F22 -	
2	BT+ 400114	400115	CL200BOR	Belt on Roller	29.5	P	1		33'-8"	180.00	30'-0"	F22 -	
3	BT+ 400116	400118	CL200BOR	Belt on Roller	29.5	P	2		66'-0"	180.00	30'-0"	F22 -	
1	BA+ 400119		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		6'-7"30º	180.00	30'-0"	F22 -	w/ 30º Curve & 30º Wedge

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
				Area: PTL SORTER NO READ-JACKPOT LINE.									
1	RT+ 400200		2490	High Speed Sorter Take-away	30	C	1		16'-5"70°	635	30'-0"	G22 -	
1	RA+ 400201		CL200RA	Roller Accumulation	21.6	C	1		49'-0"	180.00	30'-0"	F22 -	w/ Aligner Bed, DZC
1	BA+ 400202		GPC.01	50mm Segmented BOR Accumulation	21.6	C	2		8'-7"90°	180.00	30'-0"	F22 -	w/ (1) 90° Curve
1	BT+ 400203		CL200BOS	Belt on Slider	21.6	C/P	1	B	24'-3"	150.00	30'-0"/25'-0"	F22 -	w/ Noseover & Power Tail
1	BA+ 400204		GPC.01	50mm Segmented BOR Accumulation	21.6	P	3		10'-2"90°	150.00	25'-0"	F11 -	w/ (1) 90° Curve
1	RA+ 400205		CL200RA	Roller Accumulation	21.6	P	1		18'-0"	150.00	25'-0"	F11 -	w/ Aligner Bed, Fixed End Stop
				Area: PTL SORTER DIVERT LINES.									
20	GW+ 400211	400230	2485	High Speed Gravity Wheel	24	P			8'-8"70°		30'-0"/28'-6"	G22 -	
20	GW+ 400231	400250	2485	High Speed Gravity Wheel	24	P			16'-5"70°		30'-0"/28'-6"	G22 -	
40	WG+ 400311	400350	100	Gravity Wheel Conveyor	24	P			60'-0"		28'-6"/24'-0"	G22 -	
40	RG+ 400351	400390	200	Control Gravity Roller	24	P			30'-0"		24'-0"	G11 -	1.9" Dia. Roller- 3" c/c
40	RG+ 400401	400440	200	Control Gravity Roller	24	P			80'-0"		24'-0"	G11 -	1.9" Dia. Roller- 3" c/c
				Area: TOTE BUILD PTL LINES.									
20	RT+ 401101	401120	1102	Belt-Driven LR	24	P	2		85'-0"	60	22'-7"	None	w/Side Mounted Drive
20	RT+ 401121	401140	1102	Belt-Driven LR	24	P	2		85'-0"	60	25'-11"	None	w/Side-Mounted Drive
20	SH+ 401141	401160		Tilt Shelving Two Levels per PTL Mod. 80'-0" Lg. Each Shelf	18	P			160'-0"		25'-11"		Upper Level Shelves Both Sides
20	SH+ 401161	401180		Tilt Shelving Two Levels per PTL Mod. 80'-0" Lg. Each Shelf	18	P			160'-0"		22'-11"		Lower Level Shelves Both Sides
20	RA+ 401181	401200	GPC.02	50mm O-Ring Accumulation	29.5	P	3		13'-6"	180.00	22'-7"	F11 -	w/ 60° Curve & 30° Wedge
20	RA+ 401201	401220	GPC.02	50mm O-Ring Accumulation	29.5	P	3		13'-6"	180.00	25'-11"	F11 -	w/ 60° Curve & 30° Wedge

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
				Area: PTL TAKE-AWAY LINE NO. 1									
1	RA+ 401300		CL200RA	Roller Accumulation	29.5	P	3		246'-0"	180.00	22'-7"	F11 -	w/ DZC
1	BT+ 401302		GPC.09	BOS End Drive	29.5	P	1	B	11'-6"	180.00	22'-7"/23'10"	F11 -	
1	RA+ 401304		CL200RA	Roller Accumulation	29.5	P	3		229'-0"	180.00	23'-10"	F11 -	w/ Aligner Bed, DZC
1	BA+ 401306		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		8'-6"90°	180.00	23'-10"	F11 -	w/ (1) 90° Curve
1	BT+ 401308		GPC.09	BOS End Drive	29.5	P	1		13'-11"	180.00	23'-10"/24'-0"	F11 -	
1	RA+ 401310		CL200RA	Roller Accumulation	29.5	P	1		50'-0"	180.00	24'-0"	F11 -	w/ Aligner Bed, DZC
1	BA+ 401312		GPC.01	50mm Segmented BOR Accumulation	29.5	P	4		32'-1"90°	180.00	24'-0"	F11 -	w/ (1) 90° Curve
2	BT+ 401314	401316	GPC.07	GPC Right Angle Transfer	29.5	P	1		7'-5"	180.00	24'-0"	F11 -	
1	BA+ 401318		GPC.01	50mm Segmented BOR Accumulation	35.4	P	1		7'-5"	180.00	24'-0"	F11 -	
1	RA + 401326		CL200RA	Roller Accumulation	29.5	P	0		60'-0"	180.00	24'-0"	F11 -	w/ Aligner Bed, DZC
1	BA + 401328		GPC.01	50mm Segmented BOR Accumulation	29.5	F	1		7'-5"	180.00	24'-0"	F11 -	
1	BT+ 401330		CL200BOR	Belt on Roller	29.5	P	1		23'-3"	180.00	24'-0"		
1	AP+ 401332		Scale	In-Line Scale W/ Conveyor Deck	30	P	1		5'-0"		24'-0"		In-Line Scale W/ Conveyor Deck
1	BT+ 401334		GPC.07	GPC Right Angle Transfer	29.5	P	1		7'-5"	180.00	24'-0"	F11 -	
1	RA+ 401336		GPC.02	50mm O-Ring Accumulation	29.5	P	2		16'-5"	180.00	24'-0"	F11 -	
1	BT+ 401338		CL200BOR	Belt on Roller	29.5	P	1	B	24'-3"	180.00	24'-0"/28'-6"	F11 -	w/ Power Feeder & Noseover
1	BA+ 401340		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		20'-10"	180.00	28'-6"	F22 -	w/ 60° Curve & 30° Wedge
				Area: PTL TAKE-AWAY LINE NO. 2.									
1	RA+ 401400		CL200RA	Roller Accumulation	29.5	P	3		246'-0"	180.00	25'-11"	F11 -	w/ DZC

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	RA+ 401404		CL200RA	Roller Accumulation	29.5	P	3		239'-6"	180.00	25'-l1"	F11 -	w/ Aligner Bed, DZC
1	RA+ 401406		GPC.02	50mm O-Ring Accumulation	29.5	P	1		5'-10"90°	180.00	25'-l1"	F11 -	w/ (1) 90° Curve
1	RA+ 401408		CL200RA	Roller Accumulation	29.5	P	1		74'-0"	180.00	25'-l1"	F11 -	w/ Aligner Bed, DZC
1	BA+ 401410		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		13'-2"90°	180.00	25'-l1"	F11 -	w/ (1) 90° Curve
1	BT+ 401412		CL200BOS	Belt on Slider	29.5	P	1	B	25'-9"	180.00	25'-11"/24'-0"	F11 -	w/ Noseover & Power Tail
2	BT+ 401414	401416	GPC.07	GPC Right Angle Transfer	29.5	P	1		7'-5"	180.00	24'-0"	F11 -	
1	RA+ 401418		CL200RA	Roller Accumulation	29.5	P	0		60'-0"	180.00	24'-0"	F11 -	w/ Aligner Bed, DZC
1	BA+ 401420		GPC.01	50mm Segmented BOR Accumulation	29.5	F	1		7'-5"	180.00	24'-0"	F11 -	
1	BT+ 401422		CL200BOR	Belt on Roller	29.5	P	1		23'-3"	180.00	24'-0"		
1	AP+ 401424		Scale	In-Line Scale W/ Conveyor Deck	30	P	1		5'-0"		24'-0"		In-Line Scale W/ Conveyor Deck
1	BT+ 401426		GPC. 07	GPC Right Angle Transfer	29.5	P	1		7'-5"	180.00	24'-0"	F11 -	
1	RA+ 401428		GPC.02	50mm O-Ring Accumulation	29.5	P	2		16'-5"	180.00	24'-0"	F11 -	
1	BT+ 401430		CL200BOR	Belt on Roller	29.5	P	1	B	24'-3"	180.00	24'-0"/28'-6"	F11 -	w/ Power Feeder & Noseover
1	BA+ 401432		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		20'-7"90°	180.00	24'-0"	F11 -	w/ (1) 90° Curve
1	BA+ 401434		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	24'-0"	F11 -	
1	BA+ 401436		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		12'-4"	180.00	24'-0"	F11 -	
1	BA+ 401438		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		5'-10"90°	180.00	24'-0"	F11 -	w/ (1)90° Curve
1	BA+ 401440		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		7'-5"	180.00	24'-0"	F11 -	

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BA+ 401442		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	24'-0"	F11 -	
1	BA+ 401444		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	24'-0"	F11 -	
1	BA+ 401446		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		15'-2"45°	180.00	24'-0"	F11 -	w/ 45° Curve
1	BT+ 401448		CL200BOR	Belt on Roller	29.5	P	2		43'-9"	180.00	24'-0"/28'-6"	F22 -	w/ Noseover
1	RT+ 401449		2490	SSLI Live Roller Wedge	30	P	1		7'-6"	180	28'-6"	G22 -	
				Area: PTL TAKE-AWAY LINE NO. 3.									
1	RA+ 401500		CL200RA	Roller Accumulation	29.5	P	3		231'-0"	180.00	23'-10"	F11 -	w/DZC
1	RA+ 401502		GPC.02	50mm O-Ring Accumulation	29.5	P	1		5'-10"90°	180.00	23'-10"	F11 -	w/ 90° Curve

1	BT+ 401504		GPC.09	BOS End Drive	29.5	P	1	B	13'-11"	180.00	23'-10"/24'-0"	F11 -	
1	RA+ 401506		CL200RA	Roller Accumulation	29.5	P	1		66'-0"	180.00	24'-0"	F11 -	w/ Aligner Bed, DZC
1	BA+ 401508		GPC.01	50mm Segmented BOR Accumulation	29.5	P	4		32'-1"90°	180.00	24'-0"	F11 -	w/ 90° Curve
2	BT+ 401510	401512	GPC.07	GPC Right Angle Transfer	29.5	P	1		7'-5"	180.00	24'-0"	F11 -	
1	BA+ 401514		GPC.01	50mm Segmented BOR Accumulation	35.4	P	1		7'-5"	180.00	24'-0"	F11 -	
1	RA+401522		CL200RA	Roller Accumulation	29.5	P	1		78'-0"	180.00	24'-7"	F11 -	w/Aligner Bed, DZC
1	BA+ 401524		GPC.01	50mm Segmented BOR Accumulation	29.5	F	1		7'-5"	180.00	24'-0"	F11 -	
1	BT+ 401526		CL200BOR	Belt on Roller	29.5	P	1		23'-3"	180.00	24'-0"		
1	AP+ 401528		Scale	In-Line Scale W/ Conveyor Deck	30	P	1		5'-0"		24'-0"		In-Line Scale W/ Conveyor Deck
1	BT+ 401530		GPC.07	GPC Right Angle Transfer	29.5	P	1		7'-5"	180.00	24'-0"	F11 -	
1	RA+ 401532		GPC.02	50mm O-Ring Accumulation	29.5	P	2		16'-5"	180.00	24'-0"	F11 -	

Qty	Unit number from	thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 401534		CL200BOR	Belt on Roller	29.5	P	1	B	24'-3"	180.00	24'-0"/28'-6"	F11 -	w/ Power Feeder & Noseover
1	BA+ 401536		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		20'-10"60°	180.00	28'-6"	F11 -	w/ 60° Curve & 30° Wedge
						Area: PTL TAKE-AWAY LINE NO. 4.							
1	RA+ 401600		CL200RA	Roller Accumulation	29.5		3		227'-0"	180.00	25'-11"	F11 -	w/ DZC
1	RA+ 401602		GPC.02	50mm O-Ring Accumulation	29.5	P	1		5'-10"	180.00	25'-11"	F11 -	
1	RA+ 401604		CL200RA	Roller Accumulation	29.5	P	1		91'-0"	180.00	25'-11"	F11 -	w/Aligner Bed, DZC
1	RA+ 401606		GPC.02	50mm O-Ring Accumulation	29.5	P	2		13'-2"90°	180.00	25'-11"	F11 -	w/ 90° Curve
1	BT+ 401608		CL200BOS	Belt on Slider	29.5	P	1	B	25'-9"	180.00	25'-11"/24'-0"	F11 -	w/ Noseover & Power Tail
2	BT+ 401610	401612	GPC.07	GPC Right Angle Transfer	29.5	P	1		7'-5"	180.00	24'-0"	F11 -	
1	RA+ 401614		CL200RA	Roller Accumulation	29.5	P	1		78'-0"	180.00	24'-0"	F11 -	w/Aligner Bed, DZC
1	BA+ 401616		GPC.01	50mm Segmented BOR Accumulation	29.5	F	1		7'-5"	180.00	24'-0°	F11-	
1	BT+ 401618		CL200BOR	Belt on Roller	29.5	P	1		23'-3"	180.00	24'-0"		
1	AP+ 401620			In-Line Scale W/ Conveyor Deck	30	P	1		5'-0"		24'-0"		In-Line Scale W/ Conveyor Deck
1	BT+ 401622		GPC.07	GPC Right Angle Transfer	29.5	P	1		7'-5"	180.00	24'-0"	F11 -	
1	RA+ 401624		GPC.02	50mm O-Ring Accumulation	29.5	P	2		16'-5"	180.00	24'-0"	F11 -	
1	BT+ 401626		CL200BOR	Belt on Roller	29.5	P	1	B	24'-3"	180.00	24'-0"/28'-6"	F11 -	w/ Power Feeder & Noseover
1	BA+ 401628		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		20'-7"90°	180.00	24'-0"	F11 -	w/ 90° Curve
1	BA+ 401630		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	24'-0"	F11 -	
1	BA+ 401632		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	24'-0"	F11 -	

Qty	Unit number from	thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BA+ 401634		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		12'-4"	180.00	24'-0"	F11 -	
1	BA+ 401636		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		5'-10"90°	180.00	24'-0"	F11 -	w/ 90° Curve
1	BA+ 401638		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	24'-0"	F11 -	
1	BA+ 401640		GPC.01	50mm Segmented BOR Accumulation	29.5	P	1		14'-9"	180.00	24'-0"	F11 -	
1	BA+ 401642		GPC.01	50mm Segmented BOR Accumulation	29.5	P	2		15'-2"45°	180.00	24'-0"	F11 -	w/ 45° Curve
1	BT+ 401644		CL200BOR	Belt on Roller	29.5	P	2		43'-9"	180.00	24'-0"/28'-6"	F22 -	w/ Noseover
1	RT+ 401646		2490	SSLI Live Roller Wedge	30	P	1		7'-6"	180	28'-6"	G22 -	
						Area: EMPTY TOTE DELIVERY TO TOTE BUILD - LINE NO. 1.							
1	RA+ 401320		GPC.02	50mm O-Ring Accumulation	29.5	P	3		17'-3"	180.00	24'-0"	F11 -	w/ 30° Curve & 30° Wedge
1	RA+ 401322		GPC.02	50mm O-Ring Accumulation	29.5	P	2		17'-3"	180.00	24'-0"	F11 -	
1	BT+ 401324		CL200BOS	Belt on Slider	29.5	C/P	2	B	46'-2"	180.00	24'-0"/15'-0"	F22 -	w/ Noseover, Power Tail
1	RA+ 402200		GPC.02	50mm O-Ring Accumulation	29.5	C	2		8'-3"90°	180.00	15'-0"	F22 -	w/ 90° Curve
1	RA+ 402202		CL200RA	Roller Accumulation	29.5	C	0/1		75'-0"	180.00	15'-0"	F22 -	w/ Aligner Bed, DZC w/ Brake
1	RA+ 402204		GPC.02	50mm O-Ring Accumulation	29.5	C	1		5'-10"90°	180.00	15'-0"	F22 -	w/ 90° Curve
1	RA+ 402206		CL200RA	Roller Accumulation	29.5	C	3		213'-0"	180.00	15'-0"	F22 -	w/ Aligner Bed, DZC
1	BA+ 402208		GPC.01	50mm Segmented BOR Accumulation	29.5	C	3		17'-3"30°	180.00	15'-0"	F22 -	w/ 30° Curve & 30° Wedge
1	BA+ 402210		GPC.01	50mm Segmented BOR Accumulation	29.5	C	2		11'-0"45°	180.00	15'-0"	F22 -	w/ 45° Wedge & 45° Curve
1	RA+ 402212		CL200RA	Roller Accumulation	29.5	C	1		62'-0"	180.00	15'-0"	F22 -	w/ Aligner Bed, DZC w/ Brake
1	RA+ 402214		GPC.02	50mm O-Ring Accumulation	29.5	C	2		8'-3"90°	180.00	15'-0"	F22 -	w/ 90° Curve

Qty	Unit number from	thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 402216		CL200BOS	Belt on Slider	29.5	C/F	1	B	53'-4"	180.00	15'-0"/4'-6"	F22 -	w/ Noseover & Power Tail
1	BA+ 402218		GPC.01	50mm Segmented BOR Accumulation	29.5	F	2		9'-1"90°	180.00	4'-6"	F11 -	w/ 90° Curve
1	BA+ 402220		GPC.01	50mm Segmented BOR Accumulation	29.5	F	21		51'-8"	180.00	4'-6"	F11 -	
1	BA+ 402222		GPC.01	50mm Segmented BOR Accumulation	29.5	F	23		56'-7"	180.00	4'-6"	F11 -	
						Area: EMPTY TOTE DELIVERY TO TOTE BUILD - LINE 2.							
1	RA+ 401516		GPC.02	50mm O-Ring Accumulation	29.5	P	3		17'-3"	180.00	24'-0"	F11 -	w/ 30° Curve & 30° Wedge
1	RA+ 401518		GPC.02	50mm O-Ring Accumulation	29.5	P	2		17'-3"	180.00	24'-0"	F11 -	
1	BT+ 401520		CL200BOS	Belt on Slider	29.5	C/P	2	B	46'-2"	180.00	24'-0"/15'-0"	F22 -	w/ Noseover, Power Tail
1	RA+ 402100		GPC.02	50mm O-Ring Accumulation	29.5	C	2		17'-3"90°	180.00	15'-0"	F22 -	w/ 90° Curve
1	RA+ 402102		CL200RA	Roller Accumulation	29.5	C	1		86'-0"	180.00	15'-0"	F22 -	w/ Alignment Bed, DZC
1	RA+ 402104		GPC.02	50mm O-Ring Accumulation	29.5	C	1		5'-10"90°	180.00	15'-0"	F22 -	w/ 90° Curve
1	RA+ 402106		CL200RA	Roller Accumulation	29.5	C	3		226'-0"	180.00	15'-0"	F22 -	w/ Aligner Bed, DZC
1	RA+ 402108		GPC.02	50mm O-Ring Accumulation	29.5	C	3		14'-1"180°	180.00	15'-0"	F22 -	w/ (2) 90° Curves
1	RA+ 402110		CL200RA	Roller Accumulation Air Operated Pivot Arm Divert - Discharge End	29.5	C	3		297'-0"	180.00	15'-0"	F22 -	w/ Aligner Bed, DZC w/ Brake
1	RA+ 402112		GPC.02	50mm O-Ring Accumulation	29.5	C	1		5'-10"90°	180.00	15'-0"	F22 -	w/ 90° Curve
1	RA+ 402114		CL200RA	Roller Accumulation	29.5	C	1		65'-0"	180.00	15'-0"	F22 -	w/ Aligner Bed, DZC w/ Brake
1	RA+ 402116		GPC.02	50mm O-Ring Accumulation	29.5	C	2		8'-3"90°	180.00	15'-0"	F22 -	w/ 90° Curve
1	BT+ 402118		CL200BOS	Belt on Slider	29.5	C/F	1	B	46'-9"	180.00	15'-0"/4'-6"	F22 -	w/ Noseover & Power Tail
1	BA+ 402120		GPC.01	50mm Segmented BOR Accumulation	29.5	F	2		9'-1"90°	180.00	4'-6"	F11 -	w/ 90° Curve

Qty	Unit number from	thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment

1	BA+	402122	GPC.01	50mm Segmented BOR Accumulation	29.5	F	10		51'-8"	180.00	4'-6"	F11 -	
1	BA+	402124	GPC.01	50mm Segmented BOR Accumulation	29.5	F	12		56'-7"	180.00	4'-6"	F11 -	
				Area: LPA MERGE THRU SHIPPING SORTER & RECIRCULATION.									
1	BT+	500100	405	Slider Bed - High Speed	30	P	3		45'-1"	240	28'-6"	G11 -	With [6] Inputs
1	BT+	500102	405	Slider Bed - High Speed	30	P	3		45'-1"	240	28'-6"	G11 -	With [5] Inputs
1	BT+	500104	977	Flat Belt Turn	30	P	3	SS	90°	240	28'-6"	P12 -	
1	BT+	500106	CL200BOR	Belt on Roller	29.5	C	3		125'-6"	180	28'-6"	F22 -	
1	BT+	500108	CL200BOS	Belt on Slider	29.5	C/P	2	B	77'-5"	180	28'-6"/14'-10"	F22 -	w/ Power Tail & Noseover
1	BT+	500110	977	Flat Belt Turn	24	C	3	SS	90°	180	15'-2"	P12 -	
1	BT+	500112	977	Flat Belt Turn	24	C	3	SS	90°	180	15'-2"	P12 -	
1	RA+	500114	CL200RA	Roller Accumulation Eye Accumulation	29.5	C	2		60'-0"	180	15'-2"	F21 -	w/ Aligner Bed, Dynamic Photo
1	BI+	500116	2311	4 Belt Servo Induct Belts 1+2	24	C	10		14'-0"		15'-2"	G11 -	
1	BI+	500118	2311	4 Belt Servo Induct Belts 3+4	24	C	10		14'-0"		15'-2"	G11 -	
1	BI-	500120	2311	Fixed Speed Last Induct	24	C	2		6'-0"		15'-2"	G11 -	
1	SS+	500122	2421	RS200 Magnetic Divert Switch Sorter	51	P	25		310'-0"	540	15'-2"		(21) Left Hand Diverts
1	BT+	500124	405	Slider Bed - High Speed	24	C	3		72'-6"	540	15'-2"	G22 -	
1	BT+	500126	405	Slider Bed - High Speed	24	C	3		72'-6"	540	15'-2"	G22 -	
1	SS+	500128	2421	RS200 Magnetic Divert Switch Sorter	51	P	25		383'-0"	540	15'-2"		(26) Left Hand Diverts
1	RT+	500130	2490	High Speed LR Curves & Junctions	30	P	1		2'-0"90°	450	15'-2"	G22 -	End Drive HQ Bearings

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	RT+	500132	2490	High Speed LR Curves & Junctions	30	C	1		4'-0"180°	360	15'-2"	G22-	Center Drive HQ Bearings
1	RA+	500134	CL200RA	Roller Accumulation	35.4	C	3	VFD	240'-0"	350.00	15'-2"	F22-	w/Aligner Bed, DZC
1	BT+	500136	CL200BOR	Belt on Roller	35.4	C	3		70'-7"	180.00	15'-2"	F22-	
1	RA+	500138	GPC.02	50mm O-Ring Accumulation	35.4	C	5		18'-6"90°	180.00	15'-2"	F22-	w/ (2) 45° Curves
1	BT+	500140	CL200BOR	Belt on Roller	35.4	C	3		49'-9"	180.00	15'-2"	F22-	
1	RA+	500142	GPC.02	50mm O-Ring Accumulation	35.4	C	5		20'-2"90°	180.00	15'-2"	F22-	w/ (2) 45° Curves
1	BT+	500144	CL200BOR	Belt on Roller	35.4	C	3		79'-3"		15'-2"	F22-	
1	RA+	500146	GPC.02	50mm O-Ring Accumulation	35.4	C	5		15'-2"90°	180.00	15'-2"	F22-	w/ (2) 45° Curves
1	BT+	500148	CL200BOR	Belt on Roller	35.4	C	3		84'-6"	180.00	15'-2"	F22-	
1	RA+	500150	CL200RA	Roller Accumulation	35.4	C	3		139'-0"	180.00	15'-2"	F22-	w/Aligner Bed, DZC
1	BT+	500152	CL200BOR	Belt on Roller	35.4	C	2	B	41'-2"	180.00	15'-2"/24'-0"	F22-	w/ Power Feeder & Noseover
1	RA+	500154	GPC.02	50mm O-Ring Accumulation	35.4	C	4		17'-3"180°	180.00	24'-0"	F22-	w/ (2) 90° Curves
1	BT+	500156	CL200BOR	Belt on Roller	35.4	C/P	2	B	23'-10"	180.00	24'-0"/28'-6"	F22-	w/ Power Feeder & Noseover
1	BA+	500158	GPC.01	50mm Segmented BOR Accumulation	35.4	P	3		11'-1"90°	180.00	28'-6"	F22-	w/ (1) 90° Curve
1	BA+	500160	GPC.01	50mm Segmented BOR Accumulation	35.4	P	1		14'-9"	180.00	28'-6"	F22-	
1	BA+	500162	GPC.01	50mm Segmented BOR Accumulation	35.4	P	1		14'-9"	180.00	28'-6"	F22-	
1	BA+	500164	GPC.01	50mm Segmented BOR Accumulation	35.4	P	1		14'-9"	180.00	28'-6"	F22-	
1	BT+	500166	CL200BOR	Belt on Roller	35.4	P	1		36'-1"	180.00	28'-6"	F22-	
1	RT+	500168	2490	High Speed LR Curves & Junctions	30	P	1		3'-6"180°	180	28'-6"	G22-	w/ End Drive, (2) 90° Curves

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
				Area: NEW STORE LOOP NO. 1.									
1	WG+ 500200		2485	High Speed Gravity Wheel	30	P			8'-11"70°		15'-2"/13'-9"	G22 -	
1	RA+ 500202		CL200RA	Roller Accumulation	35.4	C	1		69'-0"	180.00	13'-9"	F22 -	w/ Aligner Bed, DZC
1	BA+ 500204		GPC.01	50mm Segmented BOR Accumulation	35.4	C	4		34'-6"180°	150.00	13'-9"	F22 -	w/ (2) 90° Curves
1	RA+ 500206		CL200RA	Roller Accumulation	35.4	C	1		57'-0"	180.00	13'-9"	F22 -	w/ Aligner Bed, DZC
1	BA+ 500208		GPC.01	50mm Segmented BOR Accumulation	35.4	C	4		17'-3"180°	150.00	13'-9"	F22 -	w/ (2) 90° Curves
1	BT+ 500210		CL200BOS	Belt on Slider	35.4	F/C	1	B	46'-6"	150.00	13'-9"/2'-6"	F22 -	w/ Noseover & Power Tail
1	BA+ 500212		GPC.01	50mm Segmented BOR Accumulation	35.4	F	2		17'-5"	150.00	2'-6"	F11 -	w/ 30° Curve & 30° Wedge
1	RA+ 500214		CL200RA	Roller Accumulation	35.4	F	2		68'-0"	180.00	2'-6"	F11 -	w/ Aligner Bed, DZC
1	BA+ 500216		GPC.01	50mm Segmented BOR Accumulation	35.4	F	2		12'-4"180°	150.00	2'-6"	F11 -	w/ (2) 90° Curves
1	RA+ 500218		CL200RA	Roller Accumulation	35.4	F	2		68'-0"	180.00	2'-6"	F11 -	w/ Aligner Bed, DZC
1	BA+ 500220		GPC.01	50mm Segmented BOR Accumulation	35.4	F	2		12'-4"180°	150.00	2'-6"	F11 -	w/ (2) 90° Curves
				Area: NEW STORE LOOP NO. 3.									
1	WG+ 500300		2485	High Speed Gravity Wheel	30	P			8'-11"70°		15'-2"/13'-9"	G22 -	
1	RA+ 500302		CL200RA	Roller Accumulation	35.4	C	1		69'-0"	180.00	13'-9"	F22 -	w/ Aligner Bed, DZC
1	BA+ 500304		GPC.01	50mm Segmented BOR Accumulation	35.4	C	3		19'-9"180°	150.00	13'-9"	F22 -	w/ (2) 90° Curves
1	RA+ 500306		CL200RA	Roller Accumulation	35.4	C	1		57'-0"	180.00	13'-9"	F22 -	w/ Aligner Bed, DZC
1	BA+ 500308		GPC.01	50mm Segmented BOR Accumulation	35.4	C	4		17'-3"180°	150.00	13'-9"	F22 -	w/ (2) 90° Curves

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 500310		CL200BOS	Belt on Slider	35.4	F/C	1	B	46'-6"	150.00	13'-9"/2'-6"	F22 -	w/ Noseover & Power Tail
1	BA+ 500312		GPC.01	50mm Segmented BOR Accumulation	35.4	F	2		17'-5"	150.00	2'-6"	F11 -	w/ 30° Curve & 30° Wedge
1	RA+ 500314		CL200RA	Roller Accumulation	35.4	F	2		68'-0"	180.00	2'-6"	F11 -	w/ Aligner Bed, DZC
1	BA+ 500316		GPC.01	50mm Segmented BOR Accumulation	35.4	F	2		12'-4"180°	150.00	2'-6"	F11 -	w/ (2) 90° Curves
1	RA+ 500318		CL200RA	Roller Accumulation	35.4	F	2		68'-0"	180.00	2'-6"	F11 -	w/ Aligner Bed, DZC
1	BA+ 500320		GPC.01	50mm Segmented BOR Accumulation	35.4	F	2		12'-4"180°	150.00	2'-6"	F11 -	w/ (2) 90° Curves
				Area: SHIP LINES.									
42	WG+ 501101	501142	2485	High Speed Gravity Wheel	30	P			8'-6"70°		15'-2"/13'-10"	G22 -	
42	RA+ 501201	501242	CL200RA	Roller Accumulation	35.4	C	2		75'-0"	180.00	13'-10"	F22 -	w/ Aligner Bed, DZC w/ Brake
42	RA+ 501301	501342	GPC.02	50mm O-Ring Accumulation	35.4	C	2		12'-4"180°	180.00	13'-10"	F22 -	w/ (2) 90° Curves
42	RA+ 501401	501442	CL200RA	Roller Accumulation	35.4	C	2		54'-0"	180.00	13'-10"	F22 -	w/ Aligner Bed, DZC
42	BT+ 501501	501542	405	Slider Bed Decline	30	C/F	2	B	40'-7"	80	13'-10"/5'-6"	G22 -	w/ Herringbone Pivot Ramp
42	BE+ 501601	501642	3050	Cantelivered Extendable	36	F	2/1		80'-0"	50	3'-6"	N	Model 3050 Cantelivered Extendable: 25'-0" Retracted 80'-0' Extended
				Area: SHIPPING SORTER DIVERT TO PTL PALLET BUILD.									
2	WG+ 502100	502112	2485	High Speed Gravity Wheel	30	P			8'-11"70°		15'-2"/13'-9"	G22 -	
1	RA+ 502102		CL200RA	Roller Accumulation	35.4	C	1		83'-0"	180.00	13'-9"	F22 -	w/ Aligner Bed, DZC w/ Brake
1	CC+ 502104		CL100L	Loose Parts	35.4	C	2		8'-8"90°	180.00	13'-9"	F22 -	w/ 90° Curve
1	BT+ 502106		CL200BOS	Belt on Slider	35.4	C/F	1	B	46'-6"	180.00	13'-9"/2'-6"	F22 -	w/ Noseover & Power Tail
1	RA+ 502108		GPC.02	50mm O-Ring Accumulation	35.4	F	2		8'-8"90°	180.00	2'-6"	F11 -	w/ 90° Curve

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	RG+ 502110		200	Gravity Roller	30	F			12'-0"		2'-6"	G11 -	1.9" Dia Roller & 3" c/c
1	RA+ 502114		CL200RA	Roller Accumulation	35.4	C	1		79'-0"	180.00	13'-9"	F22 -	w/ Aligner Bed, DZC w/ Brake
1	RA+ 502116		GPC.02	50mm O-Ring Accumulation	35.4	C	2		8'-8"90°	180.00	13'-9"	F22 -	w/ 90° Curve
1	BT+ 502118		CL200BOS	Belt on Slider	35.4	C/F	1	B	46'-6"	180.00	13'-9"/2'-6"	F22 -	w/ Noseover & Power Tail
1	RA+ 502120		GPC.02	50mm O-Ring Accumulation	35.4	F	2		8'-8"90°	180.00	2'-6"	F11 -	w/ 90° Cuve
1	RG+ 502122		200	Gravity Roller	30	F			18'-0"		2'-6"	G11 -	1.9" Dia Roller & 3" c/c
						Area: SHIPPING NO READ LINE TO LPA.							
1	WG+ 503100		2485	High Speed Gravity Wheel	30	P			8'-11" 70°		15'-2"/13'-9"	G22 -	
1	RA+ 503102		CL200RA	Roller Accumulation	35.4	C	1		75'-0"	180.00	13'-9"	F22 -	w/ Aligner Bed, DZC w/ Brake
1	BA+ 503104		GPC.01	50mm Segmented BOR Accumulation	35.4	C	3		29'-7"180°	180.00	13'-9"	F22 -	w/ (2) 90° Curves
1	BT+ 503106		CL200BOR	Belt on Roller	35.4	F/C	3	B	42'-9"	150.00	13'-9"/24'-0"	F22 -	w/ Power Feeder & Noseover
1	RA+ 503108		GPC.02	50mm O-Ring Accumulation	35.4	P	5		30'-10"270°	150.00	24'-0"	F11 -	w/ (3) 90° Curves
1	RA+ 503110		CL200RA	Roller Accumulation	35.4	P	1		80'-0"	150.00	24'-0"	F11 -	w/ Aligner Bed
						Area: CARTON ERECTOR DISCHARGE CONVEYOR.							
2	BT+ 504105	504115	CL200BOR	Belt on Roller	29.5	F	1		15'-3"	90.00	2'-6"	F11 -	w/ [2] LPA - One Each Side
2	RG+ 504110	504120	200	Gravity Roller	24	F			10'-0"		2'-6"	None	1.9" Dia Roller & 3" c/c
						Area: EMPTY CARTON LINE TO BALER.							
1	BT+ 800100		460	Empty Carton	48	C	2		116'-9"	80	7'-1"	T11 -	
1	BT+ 800102		460	Empty Carton	48	C	2		97'-2"	80	4'-1"/14'-0"	T22 -	
1	BT+ 800104		460	Empty Carton	48	C	2		127'-9"	80	8'-0"/10'-4"	T22 -	
1	BT+ 800106		460	Empty Carton	48	C	2		116'-9"	80	7'-1"/11'-0"	T11 -	

Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	BT+ 800108		460	Empty Carton	48	C	2		150'-0"	80	10'-4"	T11 -	
1	BT+ 800110		460	Empty Carton	48	C	2		150'-0"	80	10'-4"	T11 -	
1	BT+ 800112		460	Empty Carton	48	C	1		17'-6"	80	8'-0"	T11 -	Reversing Drive
						Area; Miscellaneous Equipment.							
1	NP+ 900001			Support Grid									[6] Area's 12'-0"x 40'-0" 480 SF Each - Install By Dematic
1	NP+ 900002			PTL - Platform									PTL Platform 21'-6 TOD Approx. 119,000 SF - Install By Dematic
1	NP+ 900003			Shipping Platform "A"									Shipping Platform "A" 11' -6 TOD Approx. 4,725 SF - Install By Dematic
1	NP+ 900004			Shipping Platform "B"									Shipping Platform "B" 11' -6 TOD Approx. 6,075 SF - Install By Dematic
1	NP+ 900005			Receiving Merge Platform									Receiving Merge Platform 18'-0 TOD Approx. 14,706 SF - Install By Dematic
1	NP+ 900006			SKU Sorter Platform									SKU Sorter Platform 11' -6" TOD Approx. 9,400 SF - Install By Dematic
1	NP+ 900010			Corregate Baler									[2] Corregate Balers: International NA-1296 Install By Dematic
1	NP+ 900012			Monorail System									Overhead Monorail System: Complete Installed & Controlled

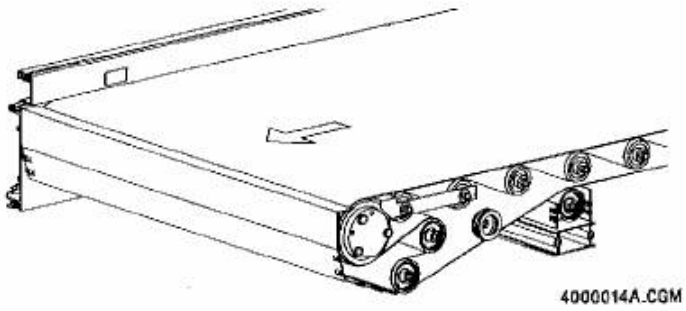
Qty	Unit number from	Unit number thru	Model	Description	W (in)	Sppt Typ	Mtr (HP)	Mtr Opt	OAL (ft-in/deg)	Speed (fpm)	Elevation IN / OUT (ft-in)	G.R. rows	Comment
1	900014			Carton Erector									[2] Carton Erectors: Fully Automatic Carton Erector Install By Dematic
1	AC+ 900016			Air Compressor	60								Dual Package System Compressor System.
1	900017			Framed Graphic									
1	900018			Dunnage Machine's									[4] CPI CushionFill Macines: No cost for the machine. Customer Purchases Consumables [1] Pallet of Cushin Fill Film Included
1	900020			LPA Stations									[12] LPA Stations @ Label Print & Apply [2] LPA Stations @ Carton Erectors
1	CR+ 900800		XOVR	Crossover									[3] Multi-Stair Type Crossovers [12] Single Single Crossovers
1	CW+ 900901		CATW	Catwalk - No Handrail	24				1000'-0"				
1	CW+ 900902		CATW	Catwalk - One Handrail	24				805'-0"				

6.3 Detail Sheets

The Detail Sheets for the equipment in your system follow.

Dematic C-L 100-ST Belt on Roller

In a Dematic C-L 100-ST Belt on Roller (BOR) section, the belt spans the whole length of the section, is driven by a 110 mm powered roller, and suspended on 50 mm idler rollers. End pulley rollers are used to keep the belt tensioned and properly aligned

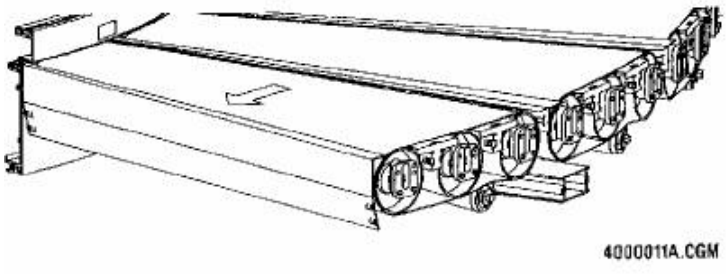


Characteristic	Description
Operating position	Horizontal, Incline (0° - 20°), or Decline (0° - 20°)
Operating mode	Transportation
Operating speed	3.0 m/s
Physical bed length	.75 m to 6 m in .25 m increments
Physical zone configuration	Operates as one zone
Physical controls location	Left or right side channel
Powered roller	110 mm powered roller One per section located at the discharge end of the section
Idler roller	50 mm with stub axle bearing cartridge Quantity varies by bed length
End pulley roller	55 mm with through axle with high load bearings Three located at each end of the section
Belt	Single ply belt including scrim Top side of the belt: longitudinal ribs for incline/decline applications Top side of the belt: needle fabric/fleece for horizontal applications Bottom side of the belt: needle fabric/fleece for all applications Splicing: finger splice for production, spiral lacing for replacement belts
Minimum package requirements	Width 75 mm (dimension perpendicular to flow) Length 150 mm (dimension parallel to flow) Height 5 mm Weight 0.1 kg
Maximum package dimensions	Width 800 mm (dimension perpendicular to flow) Length 1350 mm (dimension parallel to flow) Height 800 mm Weight 50 kg

Rev 2004-September-20

Dematic C-L100-CS Segmented Belt on Roller

In a Dematic C-L100-CS Segmented Belt on Roller (SBOR) section, each zone has one belt. The belt is driven by a 50 mm tapered powered roller and suspended on 50 mm tapered idler rollers.

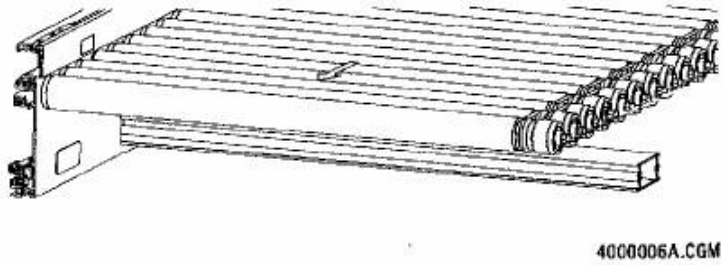


Characteristic	Description	
Operating position	Horizontal	
Operating mode	Transportation, Zero Pressure Accumulation	
Operating speed	0.35 m/s - 2.4 m/s	
Physical curve direction	Left or Right	
Physical curve angle	30°, 45°, 60°, or 90° (inside radius = 750 mm)	
Physical zone configuration	30° curve angle = 2 zones, 45° curve angle = 3 zone, 60° curve angle = 4 zones, 90° curve angle = 6 zones Each zone requires one powered roller	
Physical controls location	Outer side channel	
Powered roller	50 mm tapered with high-load bearing cartridge One per zone located at discharge end of zone	
Idler roller	50 mm tapered with stub axle bearing cartridge One per zone located at discharge end of zone	
Belt	1.7 mm thick PVC belt	
Minimum package requirements	Width	75 mm (dimension perpendicular to flow)
	Length	150 mm (dimension parallel to flow)
	Height	5 mm
	Weight	0.1 kg
Maximum package dimensions	Width	800 mm (dimension perpendicular to flow)
	Length	1350 mm (dimension parallel to flow)
	Height	800 mm
	Weight	50 kg

Rev 2004-August-17

Dematic C-L100-ST O-ring Drive Roller

In a Dematic C-L100-ST O-ring Drive Roller (ODR) section, each zone has one 50 mm powered roller that drives all the idler rollers in the zone via interleaved o-rings.

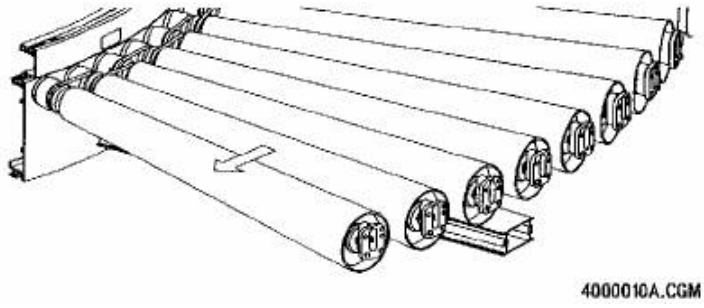


Characteristic	Description
Operating position	Horizontal
Operating mode	Transportation, Zero Pressure Accumulation, Reverse Slug Accumulation
Operating speed	0.35 m/s - 1.0 m/s
Physical bed length	.5 m to 6 m in based on zone length
Physical zone configuration	.5 m, .75 m, and 1 m zones
Physical controls location	Left or right side channel
Powered roller	50 mm double-grooved with high-load bearing cartridge One per zone located at the center of the zone
Idler roller	50 mm double-grooved with stub axle bearing cartridge Quantity varies by zone configuration
O-ring	Polyurethane belt, 4.75 mm thick, 62.5 mm pitch
Minimum package requirements	Width 75 mm (dimension perpendicular to flow) Length 190 mm (dimension parallel to flow) Height 5 mm Weight 0.1 kg
Maximum package dimensions	Width 800 mm (dimension perpendicular to flow) Length 1350 mm (dimension parallel to flow) Height 800 mm Weight 30 kg

Rev 2004-September-20

Dematic C-L100-CS O-ring Drive Roller

In a Dematic C-L100-CS O-ring Drive Roller (ODR) section, each zone has one 50 mm powered roller that drives all the idler rollers in the zone via interleaved o-rings.



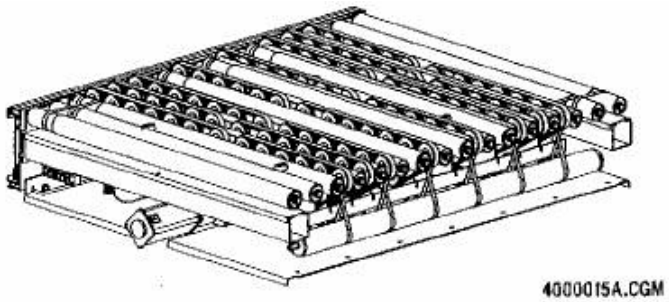
Characteristic	Description
Operating Position	Horizontal
Operating Mode	Transportation, Zero Pressure Accumulation, Zero Gap Accumulation

Operating Speed	0.35 m/s - 1.0 m/s
Physical Curve Direction	Left or Right
Physical Curve Angle	30°, 45°, 60°, or 90° (inside radius = 750 mm)
Physical Zone Configuration	30° curve angle = 2 zones, 45° curve angle = 3 zones, 60° curve angle = 4 zones, 90° curve angle = 6 zones Each zone requires one powered roller
Physical Controls Location	Outer side channel
Powered Roller	50 mm double-grooved and tapered with high-load bearing cartridge One per zone located at the center of the zone
Idler Rollers	50 mm double-grooved and tapered with stub axle bearing cartridge Quantity varies by zone configuration
O-ring	Polyurethane belt, 4.75 mm thick, 72.5 mm pitch
Minimum package requirements	Width 75 mm (dimension perpendicular to flow) Length 190 mm (dimension parallel to flow) Height 5 mm Weight 0.1 kg
Maximum package dimensions	Width 800 mm (dimension perpendicular to flow) Length 1350 mm (dimension parallel to flow) Height 800 mm Weight 30 kg

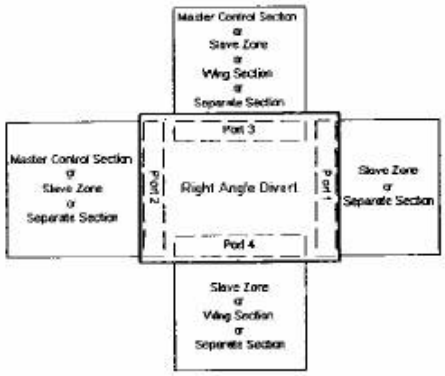
Rev 2004-August-17

Dematic C-L100-RT Right Angle Transfer

The Dematic C-L100-RT Right Angle Transfer section provides perpendicular package transfers to the left or right in low throughput applications. The RT is available in light and heavy duty configurations.



Characteristic	Description
Operating position	Horizontal
Operating speed	2.4 m/s (maximum)
Operating raise/lower cycle time	194 msec
Operating throughput per hour	1800 u/h (maximum) Based on a standard 600 mm by 400 mm by 37.5 kg carton
Operating throughput per minute	30 cpm (maximum) Based on a standard 600 mm by 400 mm by 37.5 kg carton
Operating destinations served	Maximum of 3 (straight forward, 90° right, and 90° left)
Physical bed length	1 m
Physical zone configuration	Operates as one zone

Physical controls location	
	A master control section must be connected to either Port 2 or 3.
Powered roller	50 mm powered roller with high-load bearing cartridge
	2 for light duty configuration, 4 for heavy duty configuration
Idler roller	41 mm idler rollers
Drive and transfer belt	Flat urethane

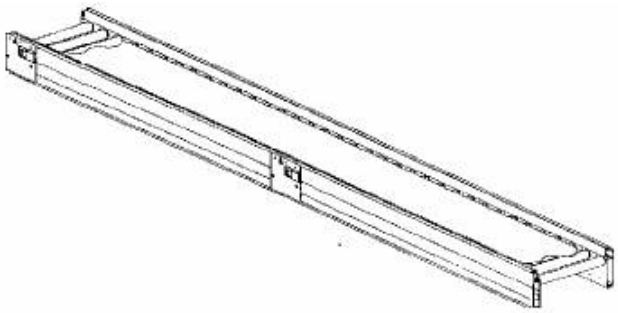
Minimum package requirements	Width	75 mm (dimension perpendicular to flow)
	Length	190 mm (dimension parallel to flow)
	Height	5 mm
	Weight	0.1 kg
Maximum package dimensions	Width	800 mm (dimension perpendicular to flow)
	Length	800 mm (dimension parallel to flow)
	Height	800 mm
	Weight	50 kg

Rev 2004-November-16

C-L200 BOR Description

- **Fully compatible with Dematic C-L100**
- **Single drive for long runs**
- **Extruded aluminum side channels**
- **Widely varying product loads**
- **Excellent for inclines**

C-L200 BOR belt conveyor complements C-L100 and offers the efficiency of a single drive for long belt conveyor runs. It provides a cost-effective option to motorized rollers



Characteristic	Description
Operation	Two-way, horizontal or incline, no accumulation

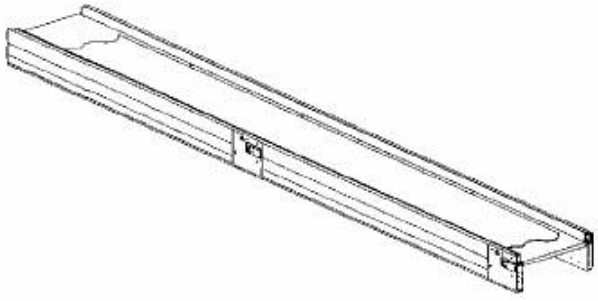
Maximum incline/decline	20 degrees, with applicable brake motor
Maximum product width	820 mm (32")
Minimum product length	250 mm (10")
Capacity	65 kg/m (45 lb/ft); 50 kg (110 lb) product maximum
Speeds	.20 m/s – 1.27 m/s in approx. .05 m/s increments (40-250 fpm in approx. 10 fpm increments)
Temperature Range	+2°C to +40°C (+35°F to +104°F)
Drives	522 lb. center drive
Motor and Reducer	.37 kW through 3.73 kW (1/2 through 5 hp), C-face
Belt	FS x FS (horizontal), RT x FS (inclines)
Bed	Extruded aluminum side channels with extruded crossmembers · C-L200 BOR EB: End bed · C-L200 BOR IB: Intermediate bed · C-L200 BOR DB: Drive bed
Bed Lengths	500 mm (20"), 750 mm (29"), 1000 mm (39"), 1500 mm (59"), 2000 mm (79"), 2250 mm (89"), 3000 mm (118"), 4500 mm (177"), 6000 mm (236")
Return Rollers	50 mm (1.97") dia. galvanized with 11 mm (7/16") hex HQ bearings
Snubber Rollers	56 mm (2-3/16") diameter with HQ bearings
Carrier Rollers	50 mm (1.97") dia. galvanized with 11 mm (7/16") hex HQ bearings
Roller Centers	125 mm (5") or 187.5 mm (7-3/8")
End Pulley	100 mm (4") diameter with 37 mm (1-7/16") diameter fixed shaft
Power Feeder	C-L200 PT, box bed with 100 mm (4") diameter end and drive pulleys
Noseover Hinge	C-L200 NO, with two T-bars and two 56 mm (2-3/16") snubber rollers

Rev 2006-June 1

C-L200 BOS Description

- **Fully compatible with Dematic C-L100**
- **Single drive for long runs**
- **Extruded aluminum side channels**
- **Widely varying product loads**
- **Excellent for declines**

C-L200 BOS conveyor complements C-L100, offers the efficiency of a single drive for long runs, and provides a cost-effective option to motorized rollers.



Characteristic	Description
Operation	Two-way, horizontal or incline, no accumulation
Maximum incline/decline	20 degrees, with applicable brake motor
Maximum product width	820 mm (32")
Minimum product length	None

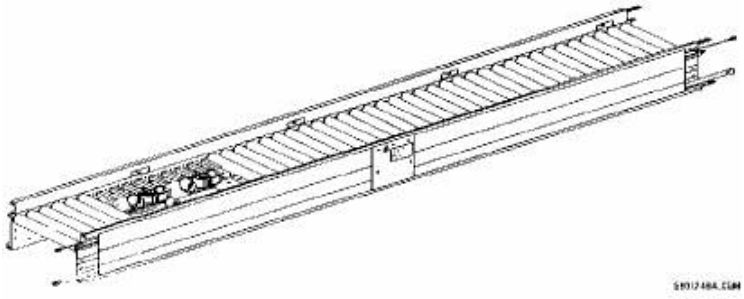
Capacity	65 kg/m (45 lb/ft); 50 kg (110 lb) product maximum
Speeds	.20 m/s – 1.27 m/s in approx. .05 m/s increments (40-250 fpm in approx. 10 fpm increments)
Temperature Range	+2°C to +40°C (+35°F to +104°F)
Drive	522 lb. center drive
Motor and Reducer	.37 kW through 3.73 kW (1/2 through 5 hp), C-face
Belt	FS x FS (horizontal), RT x FS (inclines)
Bed	10-gage steel pan and extruded crossmembers bolted between extruded aluminum side channels. Available bed heights of 179 mm (7') (standard) or 173 mm (6-13/16") (merge points) · C-L200 BOS EB: End bed · C-L200 BOS IB: Intermediate bed · C-L200 BOS DB: Drive bed
Bed Lengths	500 mm (20"), 750 mm (29"), 1000 mm (39"), 1500 mm (59"), 2000 mm (79"), 2250 mm (89"), 3000 mm (118"), 4500 mm (177"), 6000 mm (236")
Return Rollers	50 mm (1.97") dia. galvanized with 11mm (7/16") hex HQ bearings
Snubber Rollers	56 mm (2-3/16") diameter with HQ bearings
End Pulley	100 mm (4") diameter with 37 mm (1-7/16") diameter fixed shaft
Power Feeder	C-L200 PT, box bed with 100 mm (4") dia. end and drive pulleys
Noseover Hinge	C-L200 NO, with two T-bars and two 56 mm (2-3/16") snubber rollers
Roller Box Bed	Rollers spaced under the belt for reduced suction and friction

Rev 2006-June 1

C-L200 RA Description

- **Fully compatible with Dematic C-L100**
- **Single drive for long runs**
- **Extruded aluminum side channels**
- **Zero line pressure**
- **Quiet at low and high speeds**

C-L200 RA Roller Accumulation Conveyor complements C-L100 and offers the efficiency of using a single drive for long conveyor runs. It provides a cost-effective option to motorized rollers.



Characteristic	Description
Operation	One-way, horizontal, accumulation
Accumulation	Zero line pressure accumulation with electronic sensing
Maximum product width	900mm (35")
Minimum product length	None
Capacity	65 kg/m (45 lb/ft); 50 kg (110 lb) product maximum

Speeds	.25 m/s — 2 m/s in approx. 05 m/s increments (50-400 fpm in approx. 10 fpm increments)
Discharge Rates (3” roller centers)	With no reflector offset, at .85 m/s (168 fpm): · 50% w/ singulation discharge · 90% w/ dynamic accumulation With 152 mm (6") reflector offset: 65% w/ dynamic accumulation
Operating Temperature Range	+2°C to +40°C (+35°F to +104°F); 5% to 95% relative non-condensing humidity
Drives	C-L200 RA DR Drive Assembly Standard: End drive with 158 kg (350 lb) maximum pull, with 1.1m (44") belt take-up Center drive available for when more clearance is needed under charge end
Motor and Reducer	Totally enclosed .75 kW to 3.73 kW (1 to 5 hp) C-face motor and 90° shaft gear reducer
Drive Belt	Flat polyurethane body with aramid fiber reinforcement and anti-static nylon back
Bed	Extruded aluminum 175mm (7") deep side channels, bolted construction · C-L200 RA EB: End bed · C-L200 RA IB: Intermediate bed · C-L200 RA DB: Drive bed

C-L200 RA Description

Skewed Roller Bed	C-L200 RA SB: Provides 51 mm or 76 mm (2" or 3") skew for edge alignment of products to a specific side. Available with 3.66 m (12') long beds only
Bed Lengths	Intermediate: 1.52 m (5'), 1.83 m (6'), 2.13 m (7'), 3.05 m (10'), 3.66 m (12'), 4.57 m (15'), 5.49 m (18') Charge: 3.66 m (12') Discharge: 1.83 m (6') and 3.66 m (12')
Carrier Rollers	50mm (1.97") dia. galvanized steel captured rollers with 11 mm (7/16") hex HQ bearings, 76 mm (3") centers
Sensor Assembly	Photoeye and matching reflector fit in the guide channels
Drive Pulley	Solid Steel in 134 mm (5-9/32") to 167 mm (6-9/16") diameter, depending on speed
End Pulley	140 mm (5-1/2") diameter at charge and discharge ends
Controlled End Cap and Intermediate	Engages / disengages drive in the zone on a charge / discharge bed.
Bed Assembly for Controlled Charge and Discharge	Also available with a brake that stops rotation of carrier rollers near end of discharge bed
Slug Discharge (via electrical signal)	Activates selected or all zones to live roller mode
Photoeye	Up to 100 ma, 30 VDC 120 VAC and 24 VDC output
ES Valve and Control Assy	21-28 VDC at 40 to 80 ma DC, sleep mode
Solenoid Air Valve (End Assy w/o or w/brake)	3- or 4-way, 120 VAC and 24 VDC.
Slug Discharge and Dynamic Accumulation	Optional valve kits available in 120 VAC and 24 VDC.
Air operating pressure	3.16 kg/cm (45-psi) Recommended minimum for air source: 4.92 kg/cm (70-psi)
Belt Take-up pressure	3.16 kg/cm (45-psi)
Control air pressure	.49 kg/cm (7 psi)

Model 0100 Gravity Wheel Conveyor

- **High Strength-To-Weight Ratio**
- **Wide Wheel Face**
- **Hardened Raceways**

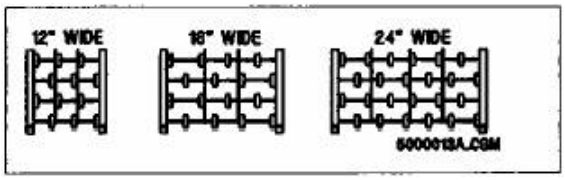
Light and portable gravity wheel conveyors are the first choice for materials with a reasonably firm bottom surface and moderate weight.

10' Bed Capacities (pounds)

Width (in.)	Steel Frame 2-1/2" Steel Wheels	Steel Frame 4" Steel Wheels	Aluminum Frame 2-1/2" Steel Wheels	Aluminum Frame 2-1/2" Aluminum Wheels
12	730	1165	475	485
18	705	1145	460	470
24	680	1120	440	460
One Wheel	25			12

Axle Centers: 3 inches.

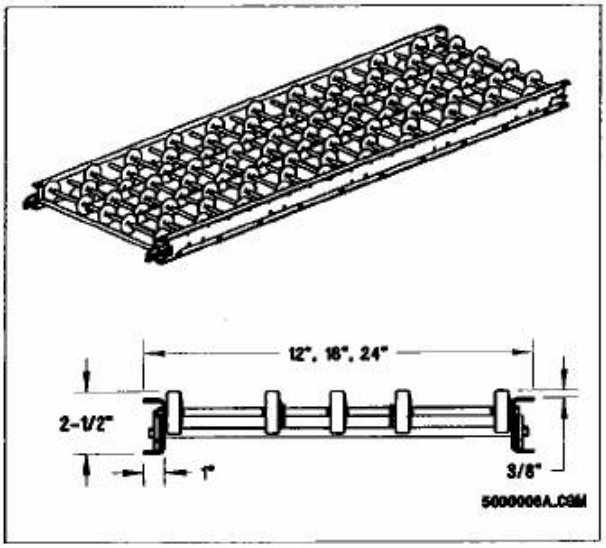
Wheels Per Foot: Other wheel patterns than shown are available.



Standard Wheels per Foot

Width	3" c-c	1-1/2" c-c
12"	10 and 12	24
18"	16 and 18	36
24"	20 and 24	48

Steel Beds: 12 gage, 2-1/2” deep, galvanized, bolted-in crossmembers.



Aluminum Beds: 1/8" thick, 2-1/2" deep, bolted-in crossmembers.

Wheels: Steel or aluminum, 1-15/16" diameter, 5/8" wide face and 1/4" diameter axle. Greased steel bearings. Baffle cone construction keeps grease in and dirt out.

Weights per Foot (pounds)*

Description Frame-Wheels	Widths (in.) 12	18	24
Steel - Steel	10.3	11.9	15.0
Alum - Steel	8.3	9.8	12.7

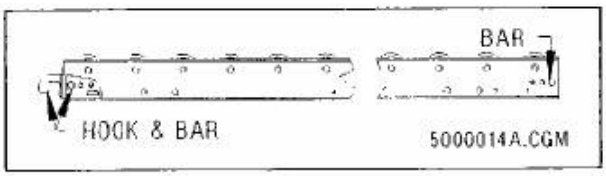
Alum - Alum	7.2	8.2	9.9

* Weights include 3 lb/ft for supports.

Bed Lengths: 5' and 10'. Also available in 1'-12' lengths in 3" increments.

Curve Degrees: 45 and 90.

Connectors: Straight section has hooks on one end and bar at other end.



Rev 2005-March-11

Curve Capacities: All curve capacities are equal to or in excess of corresponding 10’ straight sections.

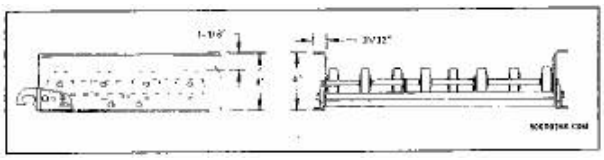
90 Degree Curve Weights (pounds)**

Description Frame - Wheels	Widths (in.) 12	 18	 24
Steel - Aluminum (lb)	104	110	121
Aluminum - Steel (lb)	91	97	104
Aluminum - Aluminum (lb)	84	86	93

** Weights include 60 Ib/curve for supports.

Options

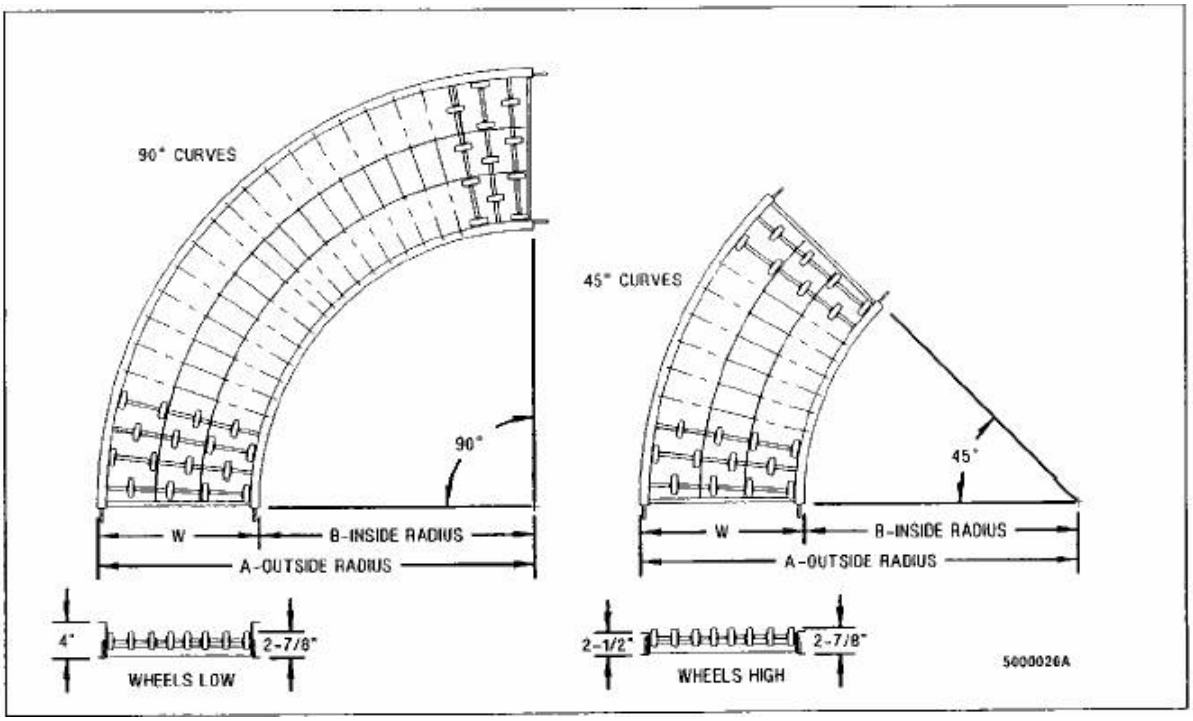
Wheels Low: With 4" deep steel frame.



Axle Centers: 1-1/2"

Wheels: Wheels with oiled or dry bearings. Nylon wheels (capacity 6 lb), PVC coating, black or non-marking gray neoprene tires. PVC coating and tires are used only on the outer third of curves and cannot be used with 1-1/2" axle centers.

Connectors: Hooks and bars at both ends.



Normal Width (in)	Radius Feet (Nom.)	Degree	W (in.) Width	A (in.) Outer Radius	B (in.) Inner Radius
12	3	45		37	25, 36-1/2, 48-1/2, 60-1/2
12	4	and	11-15/16	48-1/2	
18	5	90	17-15/16	60-1/2	30-1/2, 42-1/2, 54-1/2
24	6		23-15/16	72-1/2	24-1/2, 36-1/2, 48-1/2

Rev 2005-March-11

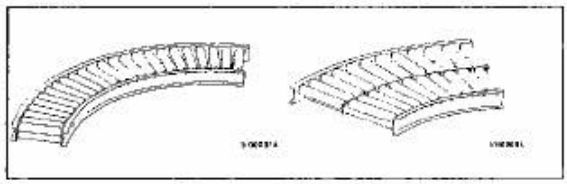
Model 0200 Gravity Roller Conveyor 1.9 Hex

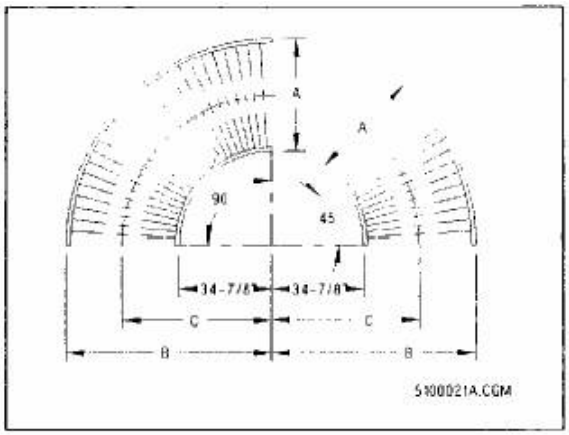
- **Five Widths**
- **Single/Double Lane Curves**
- **45 and 90 Degree Curves**

Gravity conveyor mechanizes an operation that doesn't justify powered equipment. Gravity conveyor quickly and effortlessly moves thousands of items in almost any direction with minimal operating and maintenance costs.

Bed: 10 gage, 3-1/2" deep, galvanized, welded construction. 5' and 10' long. Other lengths available.

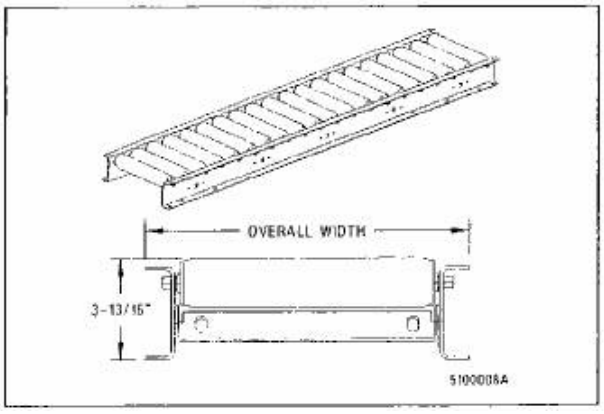
Curves: Single and double lane. Double lane is not available in 12" and 18" widths. 45 and 90 degrees.





Straight and Curve Dimensions

A (Overall Width) (in.)	C (in.)	B(in.)
12-1/4	41	47-1/8
18-1/4	44	53-1/8
24-1/4	47	59-1/8
30-1/4	50	65-1/8
36-1/4	53	71-1/8



10 Foot Bed Capacities (pounds)

Width (in.)	Roller Centers	
	3" c-c	4" c-c
12	1260	1280
18	1225	1250
24	1185	1220
30	1145	1190
36	1105	1160
One Roller		250

NOTE 5-foot sections are at least twice the capacity amount of a 10-foot section (subject to the capacity of the rollers supporting the load).

Rollers: 16-gage galvanized, 7/16” hex SR bearings, and 3” and 4” roller centers.

Curve Capacities: Equal to or in excess of 10’ straight sections.

Weights per Foot (pounds) with SR Bearings*

Roller Centers	Widths (in.)				
	12"	18"	24"	30"	36"
3" c-c	15.6	19.6	23.9	27.6	31.7
4" c-c	13.8	16.9	20.4	23.3	26.5

* Weights include 3 lb/ft for supports.

Options: Rollers Low, 14 gage, and 2-1/4" centers.

Optional Widths: 42" through 54" in 6" increments.

90 Degree Curve Weights (pounds)**

Width	12"	18"	24"	30"	36"
Weight	140	174	205	239	269

** Weights include 60 lb/curve for supports.

Rev 2005-March-12

Model 0405 Slider Bed Conveyor

- **Rugged**
- **Versatile**
- **Wide Range of Widths**
- **E-Z Trac® Pulleys**

Model 0405 Slider Bed conveyor is an economical choice for widely varying load sizes and shapes. In addition to mixed loads, slider beds can handle hard-to-convey products such as crates, bags, bundles, rolls, and unpackaged goods.

Operation: Two-way, horizontal, incline, or decline. No accumulation.

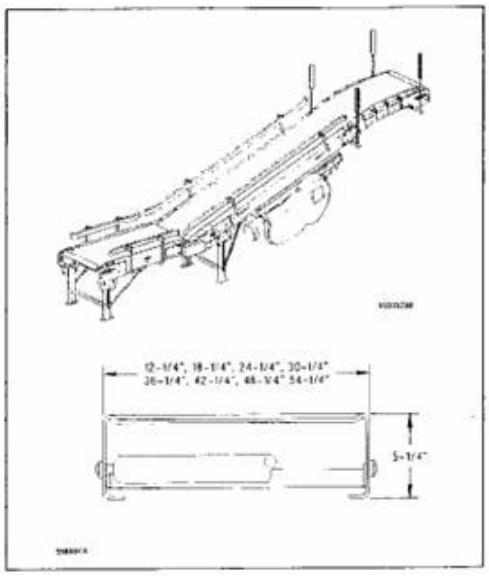
Capacity: 158 lb/ft max. with 12-1/4" wide bed.

Speeds: 40-200 fpm fixed in 10-fpm increments.

Drives: 500 lb series drives (520 lb and 522 lb pull center drives) with 8" diameter pulley on a 2-7/16" diameter shaft with 1-3/16" diameter bearings and input (520) or 1-7/16" bearings & 1-3/16" input (522). Chain final drive (520) or cog belt final drive (522). 1050 lb pull center drive with 12" diameter pulley on 2-7/16" diameter shaft with 1-15/16" diameter bearings and input.

For each drive, pulley has molded-on, flat lagging, and self-aligning bearings in which the shaft mounts.

Take-up in Drives: 4" diameter (6" for 1050) E-Z Trac belt take-up pulley with lifetime grease packed, sealed ball bearings mounted to a 1-7/16" diameter (1-15/16" for 1050) fixed shaft.

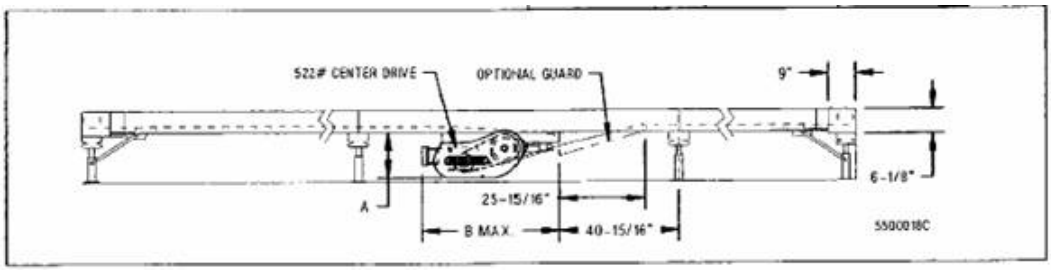


Take-up Pulley: Mounts on parallel take-up screws; adjusts manually. Maximum belt take-up:

- 26" with 520 lb (Center Drive)
- 16" with 522 lb (Center Drive)
- 24-1/2" with 1050 lb and 2050 lb Center and End Drive

Product Specifications

Drive	A	B
520 lb	14"	54"
522 lb	17"	59"
1050 lb	27"	65"



Rev 2006 February-02

Belt: PVC-impregnated polyester carcass. With horizontal, both sides low-friction surfaces. With incline/meter/brake, low-friction on bottom, rough top. Belt width is 4" less than bed width of 30" through 54".

Bed: Painted, 12-gage steel, 5-1/4" deep box type, bolted-in crossmembers.

Motor and Reducer: 1/3 through 7-1/2 hp, C-face. Brake motor on incline/decline units.

Bed Lengths: 12'. Other lengths available.

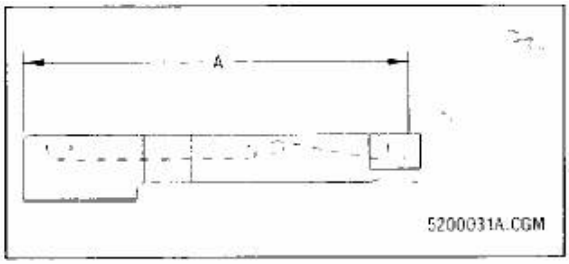
End Pulley: 4" diameter with 1-7/16" diameter fixed shaft or 6" diameter pulley with 1-15/16" diameter fixed shaft. Has precision, grease-packed ball bearings mounted in machined bores, spin formed into the ends of the pulley shell.

Return Rollers: 1.9" diameter, 16 gage, galvanized steel with 7/16" hex SR bearings.

Nose-over: Painted, 10 gage, one piece laser cut side channels, 5-1/4" deep with 2-3/16" diameter, 12-gage carrier rollers.

Power Feeder: Box type bed with 4" or 6" diameter end pulleys. A 4" or 6" diameter main line end pulley drives power feeder end pulley by chain and sprockets.

Product Specifications (Dimension A)



A

Drive Pulley Dia	Widths (Nominal)					
	12"	18-24"	30 "	36 "	42 "	48-54 "
4"	3'7-1/8"	4'1-1/8"	5'7-1/8"	6'7-1/8"	9'1-1/8"	—
6"	—	4'2"	5'8"	6'8"	9'2"	9'4-1/16"

Accessories

Gravity Wheel Feeder

Slave Drive: Model 0996 curves and junctions.

Auxiliary Horizontal Take-up: 4” diameter pulleys provide 24” or 48” of belt take-up.

Options

Speeds: Higher speeds available.

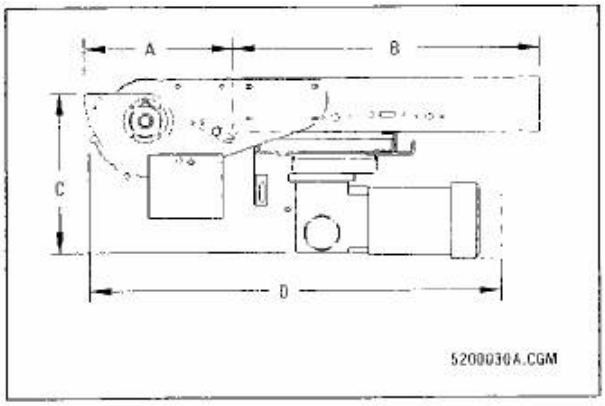
522 lb Center Drive: With chain final drive.

Beds: Galvanized roller slider has 1.9" diameter rollers projecting 7/16" above the top surface of bed, with roller centers varying from 14" to 30". Available with single or double lanes. Wheel slider also available.

Conveyor and Drive Weights: Ask your Sales Engineer for weight information.

End Pulley (underslung):

- 260 lb: 4" dia. drive pulley, 1-7/16" dia. shaft.
- 520 lb: 8" dia. drive pulley, 2-7/16" dia. shaft.
- 1050 lb: 12" dia. drive pulley, 1-15/16" dia. shaft.



Product Specifications

Drive	A (in.)	B	C(in.)	D (in.)
260 lb	7-1/16	*	19-3/4	44

520 lb	15-1/2	*	19-7/8	57
1050 lb	48-1/2	—	25	69

* 2-1/2’ or 10’ Bed

Rev 2006 February-02

Model 0410 Belt-on-Roller Conveyor

- **Rugged**
- **Versatile**
- **Wide Range of Widths .**
- **E-Z Trac® Pulleys**

This belt-on-roller conveyor allows handling loose and irregular-shaped products and relatively heavy loads over a long distance.

Operation: Two-way, horizontal, incline, or decline. No accumulation.

Capacity: 141-lb/ft max. with 12-1/4" wide bed.

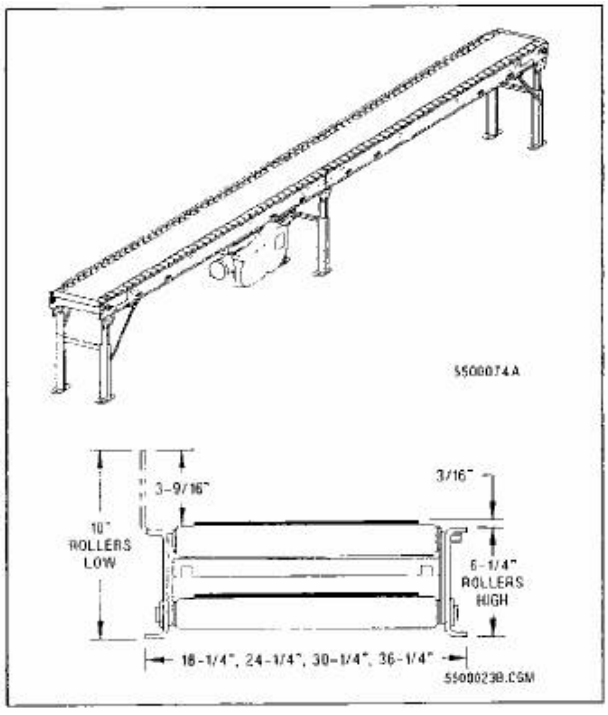
Speeds: 40-200 fpm fixed in 10-fpm increments.

Drives: 522 lb pull center drive with 8" diameter pulley on a 2-7/16" diameter shaft with 1-7/16" diameter bearings and 1-3/16" input for cog belt final drive. 1050 lb pull center drive with 12" diameter pulley on 2-7/16" diameter shaft with 1-15/16" diameter bearings and input.

Pulleys have molded-on, flat lagging, and self-aligning bearings in which the shaft mounts.

Take-up in Drives: 4" diameter (6" for 1050) E-Z Trac belt take-up pulley with lifetime grease packed, sealed ball bearings mounted to a 1-7/16” diameter (1-15/16" for 1050) fixed shaft.

Take-up pulley mounts on parallel take-up screws and adjusts manually for maximum take-up of 16" (522 lb) or 24-1/2" (1050 lb).



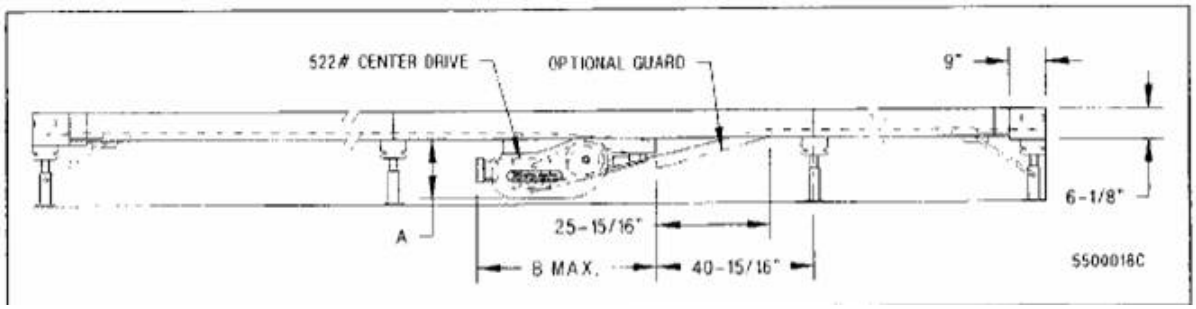
Belt: PVC-impregnated polyester carcass. With horizontal, both sides low-friction surfaces. With incline/meter/brake, low-friction on bottom, rough top. Belt width is 4" less than bed width for 12" through 24" and 6" less for 30" through 54".

Bed: Painted, 10-gage steel, 6-1/4" deep, 1-1/8" flanges, bolted construction.

Bed Lengths: 12. Other lengths available.

Product Specifications

Drive	A	B
522 lb	17"	59"
1050 lb	27"	65"



Motor and Reducer: 1/3 through 10 hp, C-face, 1750 rpm. Brake motor on incline/decline units.

End Pulley: 4” diameter with 1-7/16” diameter fixed shaft or 6” diameter pulley with 1-15/16” diameter fixed shaft. Has precision, grease-packed ball bearings mounted in ends of the pulley shell.

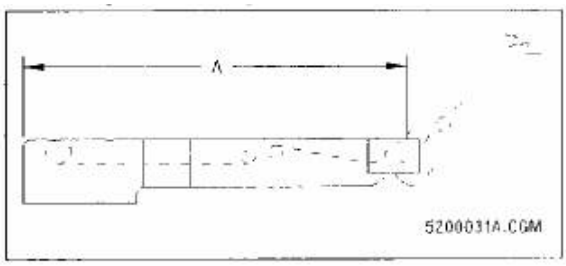
Rollers: 1.9” diameter, 16-gage, galvanized steel with 7/16” hex SR bearings. Captured rollers high.

Roller Centers: 4” or 8”.

Nose-over: Painted, 10-gage, one piece laser cut side channels, 6-1/4” deep with 2-3/16” diameter, 12-gage carrier rollers.

Power Feeder: Box type bed with 4” or 6” diameter end pulleys. A 4” or 6” diameter main line end pulley drives power feeder end pulley by chain and sprockets.

Product Specifications (Dimension A)



A

Drive Pulley Dia	Widths (Nominal)					
	12"	18-24"	30"	36"	42"	48-54"
4"	3'7-1/8"	4'1-1/8"	5'7-1/8"	6'7-1/8"	9’1-1/8"	—
6"	—	4'2"	5'8"	6’8"	9'2"	9'4-1/16"

Accessories

Gravity Wheel Feeder

Slave Drive: Model 996 curves and junctions.

Auxiliary Horizontal Take-up: 4” diameter pulleys provide 24” or 48” of belt take-up.

Options

Speeds: Other speeds available.

522 lb Center Drive: With chain final drive.

Rollers: 14-gage, high speed HQ bearings for extended conveyor life with reduced noise, and captured rollers low.

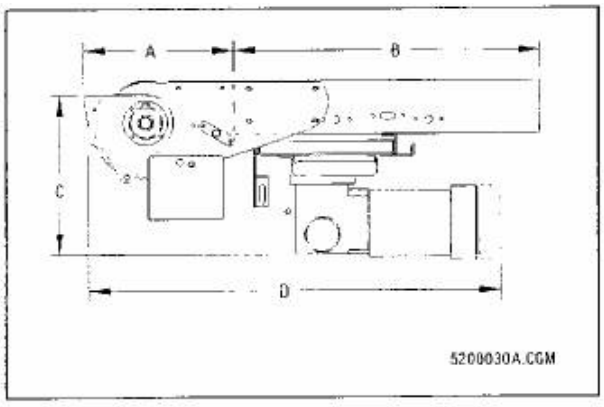
End Pulley: With 4" of take-up (8" of belt).

Widths: 12-1/4", 42-1/4", 48-1/4", and 54-1/4".

Conveyor and Drive Weights: Ask your Sales Engineer for weight information.

End Pulley (underslung):

- 260 lb: 4" dia. drive pulley, 1-7/16" dia. shaft.
- 520 lb: 8" dia. drive pulley, 2-7/16" dia. shaft.
- 1050 lb: 12" dia. drive pulley, 1-15/16" dia. shaft.



Drive	A (in.)	B	C (in.)	D (in.)
260 lb	7-1/16	*	19-3/4	44
520 lb	15-1/2	*	19-7/8	57
1050 lb	48-1/2	—	25	69

* 2-1/2’ or 10’ Bed

Model 0460 Empty Carton Conveyor
- **Reliable**
- **Economical**
- **E-Z Trac® Pulleys**

This empty carton conveyor handles empty scrap cartons, packing and wrapping materials, etc.

Operation: Two-way, horizontal, incline or decline up to 20 degrees. No accumulation.

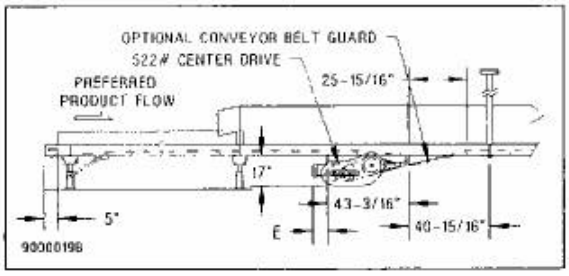
Capacity: 5 lb/ft.

Speeds: 40-90 fpm fixed in 10-fpm increments.

Drives: 522 lb pull center drive with 8" diameter pulley on a 2-7/16" diameter shaft with 1-7/16" bearings and 1-3/16" input for cog belt final drive. 1050 lb pull center drive with 12" diameter pulley on 2-7/16" diameter shaft with 1-15/16" diameter bearings and input.

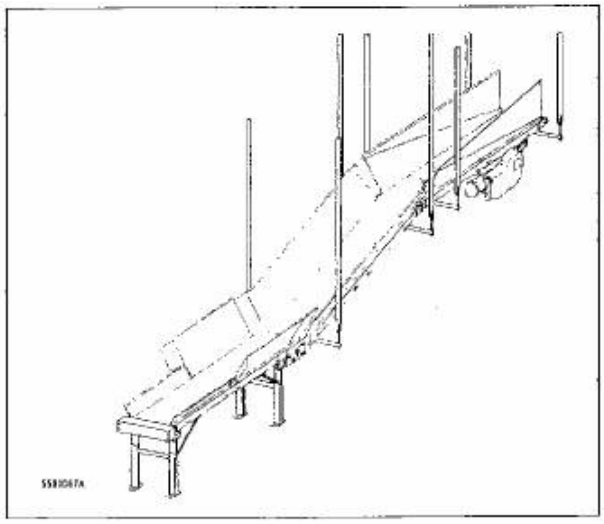
End Pulley: 4” diameter on 1-7/16” diameter shaft, with or less shroud with precision bearings.

Motor and Reducer: 1/2 through 2 hp, C-face.



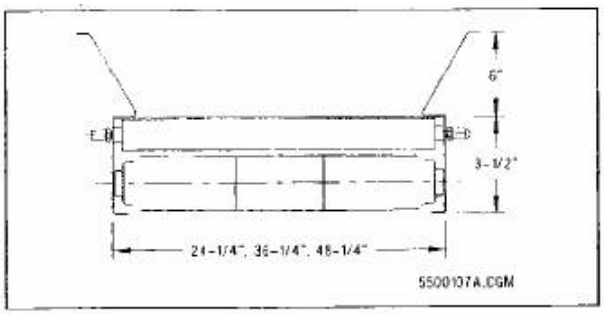
E (max. in.) Motor Length Less Brake

Reducer	Incline 0°-14°	Incline 15°-25°
175	8-5/8	11-13/16
200	7-5/8	10-5/16
262	12-1/2	15-5/16
350	13-5/8	16-5/8

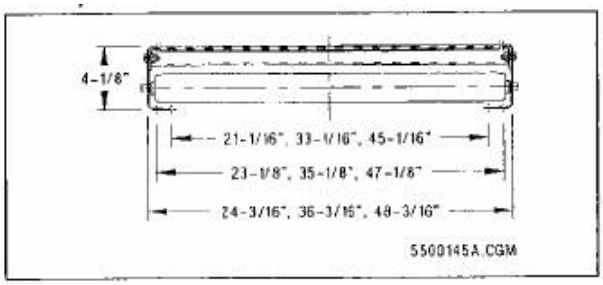


Bottom Dust Covers: 18 gage galvanized steel with stiffeners and 1/4” gap between covers:

Roller with Standard Dust Covers (with side guards shown)



Roller with Full Dust Covers (side guards not shown)



Bed: 36" and 48" wide, galvanized, 14-gage steel, 3-1/2"-deep box type, with structural angle stiffeners.

Belt: PVC-impregnated polyester carcass with horizontal, low-friction surfaces on both sides. With incline, low-friction bottom, rough top. Belt width is 6” less than bed width.

Bed Length: 10'. Other lengths are available.

Return Rollers: 1.9" diameter, 16-gage, galvanized steel with 7/16" hex SR bearings.

Side Guards: 6" high, 14 gage, and galvanized steel.

Conveyor Weights (pounds)

Bed Width	24”	36”	48”
Per Foot*	15	22	27
Drive*	346	402	460

*Includes 3 lb/ft for supports.

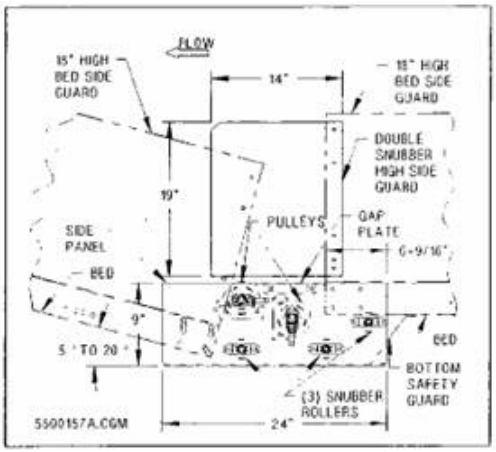
Options

522 lb Center Drive: With chain final drive.

Beds and Dust Covers: 4-1/8" deep 24" wide bed and full dust covers.

Double Snubber: 5-20 degree incline or decline.

Frame: 12-gage galvanized steel. 4" diameter pulleys, 2-3/16" 12-gage snubber rollers and 18" high side guards.



Nose-over: 5-20 degree incline. 3/16" painted side plates, 2-3/16" snubber rollers, and 18" high, 14-gage side guards.

Side Guards: 18" high, 14-gage.

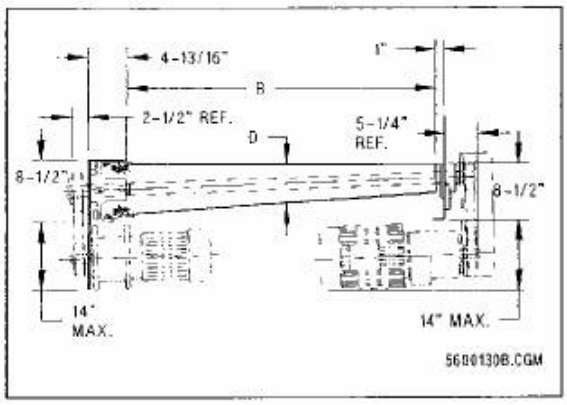
Rev 2005-March-11

Model 0977 Flat Belt Turn

- **Maintains Product Orientation**
- **Assures Positive Spacing**
- **High Speed**
- **Low Noise**

Flat belt turns are used in conveyor systems where product spacing and orientation must be maintained. The curved belt surface also allows odd-shaped and fragile products to be conveyed around bends. The Flat Belt Turn is suitable for high speed, low noise applications (up to 500 fpm with less than 75 dBA noise levels).

Degrees: 30, 45, 60, 90, 180.

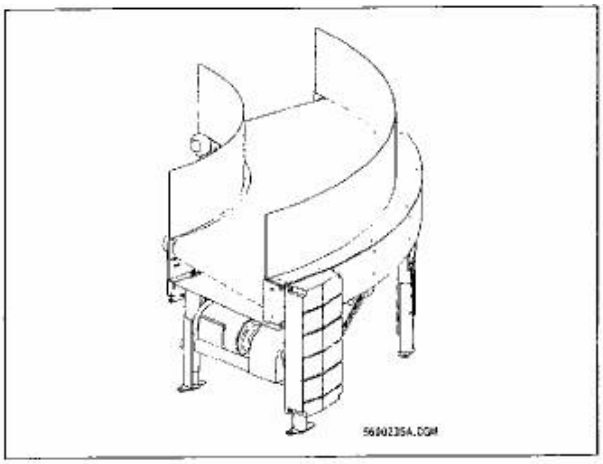


Belt: PVC 100 with smooth top and friction back. Laced belt is standard; endless is optional. Special belts also available.

Bed: Steel bolted and welded frame with steel shrouding. 10 gage inside channel track; 5/16” steel outside track and aluminum brackets.

End Pulleys: Cast aluminum tapered pulleys, precision machined. Drive pulley is lagged with friction material.

Guard Rails: 12 gage painted steel, 6”, 12”, or 18” high as required. Flange guard rail and channel guard rail available upon request.



Operation: One-way, horizontal.

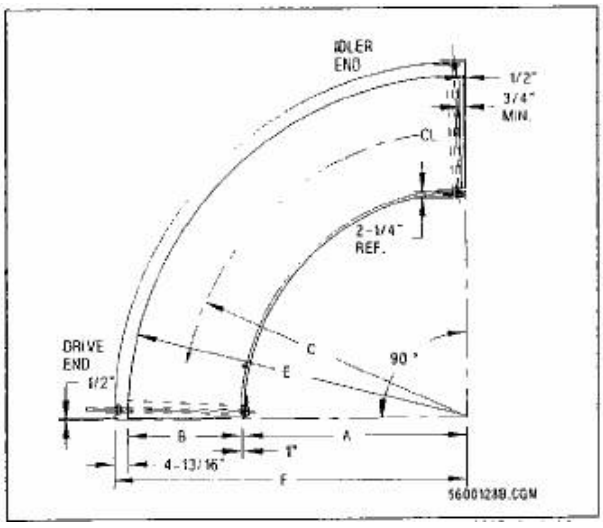
Capacity: (Maximum live loads for 90 degree turns).

- Series B: 200 lb live load.
- Series C: 280 lb live load.
- Series D: 360 lb live load.

Speeds: Up to 550 fpm at centerline of belt, fixed, depending on model and degrees.

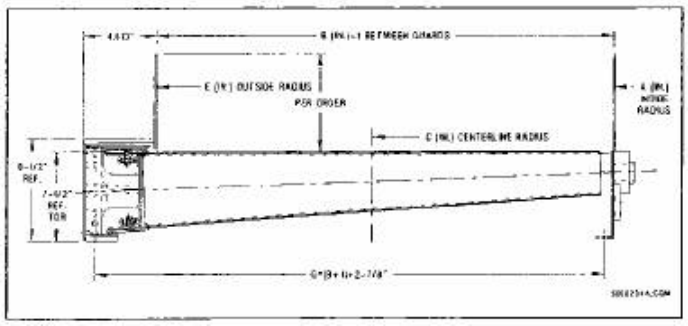
Drive: Base-mounted 3/4-5 hp gearmotor located at discharge end, preferably on outside of curve. Timing belt connection between gearmotor and drive pulley.

NOTE Shaft mounted drives are available.



Rev 2005-March-14

Replaceable Components: The motor and gearbox are made by Eurodrive, the bearings are made by Dodge, the drive belt and sprockets are made by Dodge (or an equivalent) and the belting is Georgia Duck (or an equivalent). The drive pulleys, end pulleys, take-up components, and return rollers are all custom and will be stocked in reasonable quantities.



Model No.* Radius at Outside of Belt (in.) / Exposed Belt (in.)	Degrees Available	A (in.) Inside Radius	B (in.) Exposed Belt Width	C (in.) Radius at Centerline	D (in.) Pulley Centerline Diameter	E (in.) Radius at Outside of Belt	F (in.) Radius Outside of Frame (Nom)	G (in.)
B 59 22	30,45,60,90,180	36	22	48	4.79	59	63-13/16	25-7/8
B 59 24	30,45,60,90,180	34	24	47	4.69	59	63-13/16	27-7/8
B 59 26	30,45,60,90,180	32	26	46	4.59	59	63-13/16	29-7/8
B 59 28	30,45,60,90,180	30	28	45	4.49	59	63-13/16	31-7/8
B 59 30	30,45,60,90,180	28	30	44	4.39	59	63-13/16	33-7/8
B 59 32	30,45,60,90,180	26	32	43	4.29	59	63-13/16	35-7/8
B 59 34	30,45,60,90,180	24	34	42	4.19	59	63-13/16	37-7/8
B 59 36	30,45,60,90,180	22	36	41	4.09	59	63-13/16	39-7/8
C 87 24	30,45,60,90,180	62	24	75	5.18	87	91-13/16	27-7/8
C 87 26	30,45,60,90,180	60	26	74	5.11	87	91-13/16	29-7/8
C 87 28	30,45,60,90,180	58	28	73	5.04	87	91-13/16	31-7/8
C 87 30	30,45,60,90,180	56	30	72	4.97	87	91-13/16	33-7/8
C 87 32	30,45,60,90,180	54	32	71	4.90	87	91-13/16	35-7/8
C 87 34	30,45,60,90,180	52	34	70	4.83	87	91-13/16	37-7/8
C 87 36	30,45,60,90,180	50	36	69	4.76	87	91-13/16	39-7/8
C 87 38	30,45,60,90,180	48	38	68	4.69	87	91-13/16	41-7/8
C 87 40	30,45,60,90,180	46	40	67	4.63	87	91-13/16	43-7/8
C 87 42	30,45,60,90,180	44	42	66	4.56	87	91-13/16	45-7/8
C 87 44	30,45,60,90,180	42	44	65	4.49	87	91-13/16	47-7/8
C 87 46	30,45,60,90,180	40	46	64	4.42	87	91-13/16	49-7/8
C 87 48	30,45,60,90,180	38	48	63	4.35	87	91-13/16	51-7/8
D 115 24	30,45,60,90,180	90	24	103	5.44	115	119-13/16	27-7/8
D 115 26	30,45,60,90,180	88	26	102	5.38	115	119-13/16	29-7/8
D 115 28	30,45,60,90,180	86	28	101	5.33	115	119-13/16	31-7/8
D 115 30	30,45,60,90,180	84	30	100	5.28	115	119-13/16	33-7/8
D 115 32	30,45,60,90,180	82	32	99	5.22	115	119-13/16	35-7/8
D 115 34	30,45,60,90,180	80	34	98	5.17	115	119-13/16	37-7/8
D 115 36	30,45,60,90,180	78	36	97	5.12	115	119-13/16	39-7/8
D 115 38	30,45,60,90,180	76	38	96	5.07	115	119-13/16	41-7/8
D 115 40	30,45,60,90,180	74	40	95	5.01	115	119-13/16	43-7/8
D 115 42	30,45,60,90,180	72	42	94	4.96	115	119-13/16	45-7/8
D 115 44	30,45,60,90,180	70	44	93	4.91	115	119-13/16	47-7/8
D 115 46	30,45,60,90,180	68	46	92	4.86	115	119-13/16	49-7/8
D 115 48	30,45,60,90,180	66	48	91	4.80	115	119-13/16	51-7/8

* For complete model numbers, add “977” to the beginning of this number, and add the appropriate degree (30, 45, 60, 90, or 180) to the end.

Rev 2005-March-14

Model 1102 Live Roller Conveyor

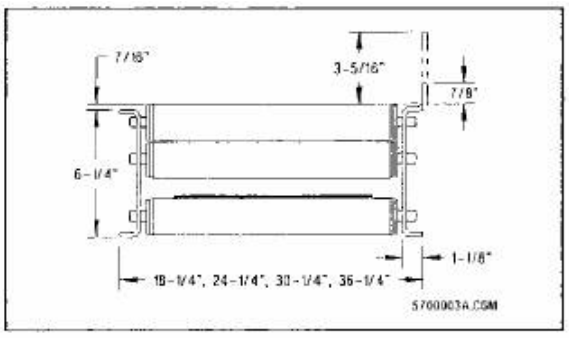
- **Adjustable Belt Pressure**
- **Pop-Out Rollers**
- **E-Z Trac Pulleys**

This transportation conveyor can be used for low-pressure accumulation when zero line pressure is not required. Carrier rollers activated from below by a drive belt provide a smooth, low friction-conveying surface. Individually adjustable pressure rollers enable varying drive pressure.

Operation: Two-way with center drive. Horizontal; inclines/declines up to 5 degrees.

Rollers: 1.9” diameter, 16-gage, galvanized steel with 7/16” hex HQ bearings. Pop-out rollers high.

Roller Centers: 3” carrier and 6” pressure centers.

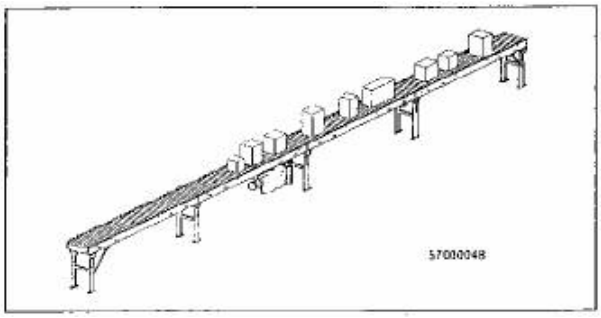


Capacity: 135 lb/ft.

Speeds: 40-200 fpm in 10-fpm increments.

Motor and Reducer: 1/2-5 hp, C-face motor.

Belt: 8” wide, PVC-impregnated polyester carcass with smooth top and bottom.



Drive: 522 lb pull center drive with 8” diameter pulley, with lagging, on a 2-7/16” diameter shaft, with 1-7/16” self-aligning pillow block bearings and 1-3/16” input for cog belt final drive. Take-up pulley 4” diameter on 1-7/16” diameter fixed shaft for 16” of belt take-up.

Bed Lengths: 12’ long. Other lengths available.

End Pulley: 4” diameter pulley on 1-7/16” diameter shaft.

Bed: 10-gage, 6-1/4” deep, painted, bolted.

Auxiliary Horizontal Take-Up: Four-inch diameter pulleys provide 24” or 48” of belt take-up.

Options

522 lb Center Drive: With chain final drive.

Rollers: 16-gage, SR bearings, and pop-out and captured rollers low.

Roller Centers: 3”-9”, 3”-12”, 4”-8”, 4”-12”.

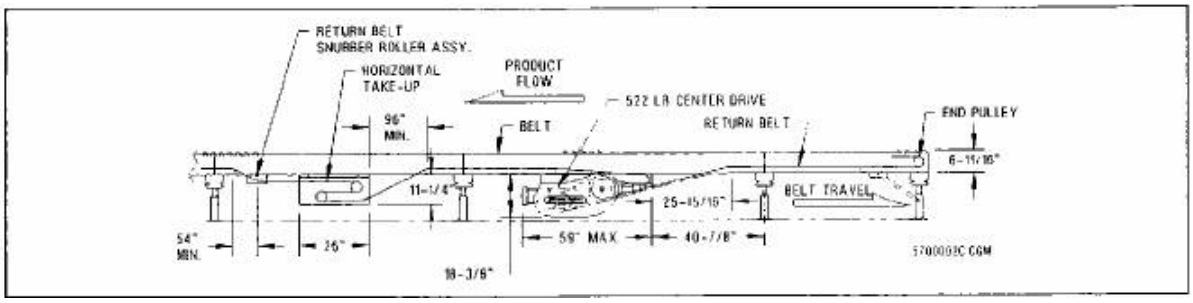
Widths: 12-1/4”, 42-1/4”, 48-1/4”, and 54-1/4”.

Accessories

End Drive: 520 lb pull with 8” diameter pulley on 2-7/16” diameter shaft. 34” of belt take-up.

Slave Drive: Model 996 curves and junctions.

Case Stop: Air, foot, hand or motor operated.



Rev 2005-April-29

Model 2310 Single Line Dual Servo Induction

- **Four Variable Speed Belts Per Line**
- **Dual Servo Control**

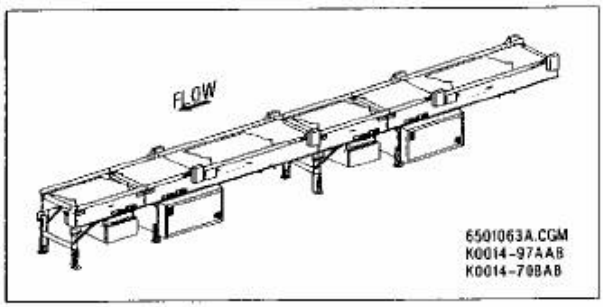
The Single Line Induct (SLI) allows low speed, economical conveyor to feed a high-speed sorter with the required spacing. The dual servo SLI operates with the RS200 PLUS sorter.

The packages enter the induction belt section. Each dual belt section has variable speed belts mechanically coupled to maintain a constant speed ratio between belts. This induct unit is designed for 20 lb/ft live load.

Drives: One AC Servomotor per pair controlled by a Dual Servo Controller.

Package Stability: Must tolerate .4g acceleration.

Control: PLC.



Quantity Variable Speed Belts: Four (belts 1, 2, 3 and 4) per induct line.

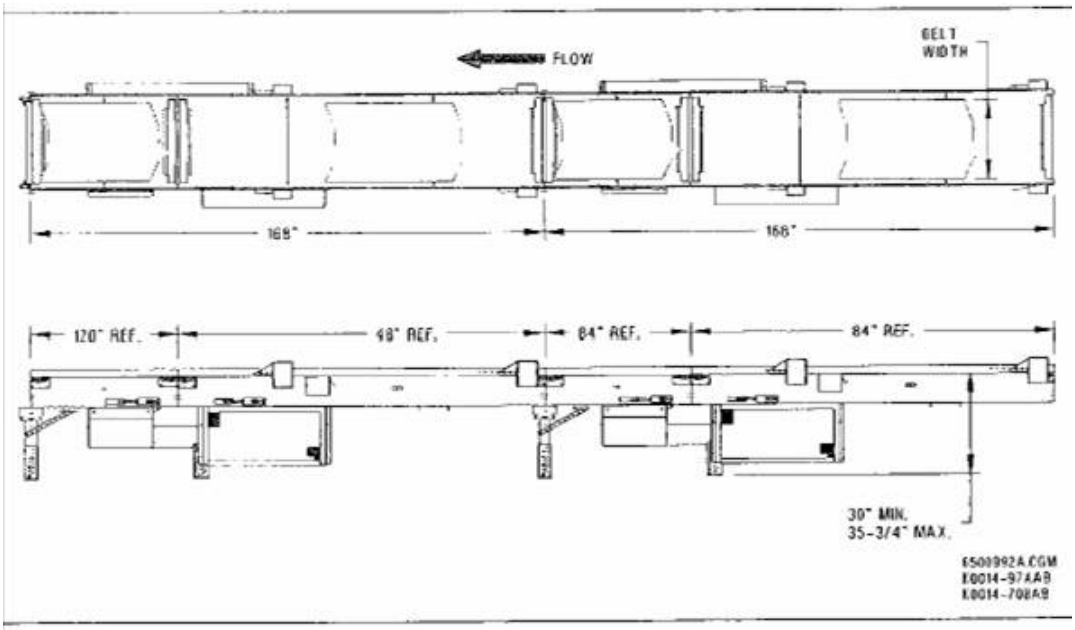
Maximum Sorter Speed: 540 fpm.

Rate: 134 cpm at average 24” long product.

Width: A 36” maximum carton width.

Lengths: 28’ total for complete induct assembly.

Safety Pull Cord: Provided along entire length of the induction conveyor for emergency shutdown.



Rev 2005-March-16

Model 2421 RS200 Magnetic High Rate Sorter

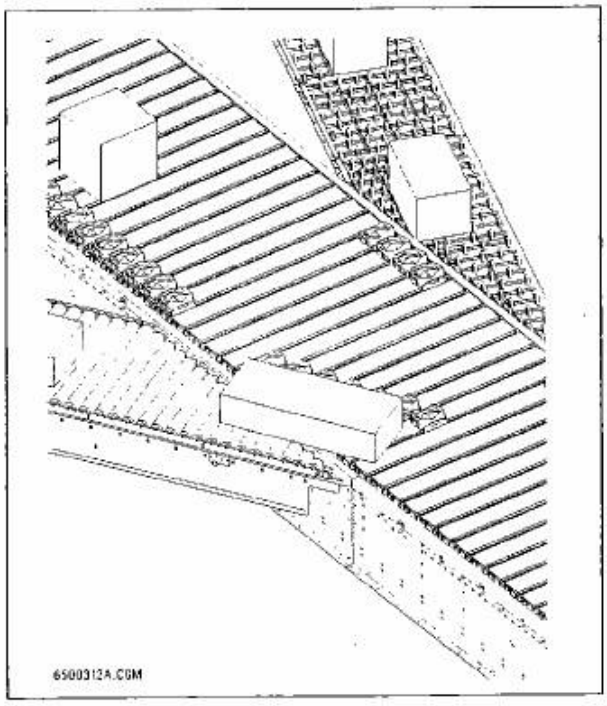
- **200 Plus Cartons Per Minute**
- **Interleaving Aluminum Slats**
- **Durable Divert Shoe**
- **Quieter Diverts**
- **Reliable, Quiet Divert Switch Module Designed for Minimum Maintenance and Long Life**

The RS200E PLUS™ sorter/conveyor provides reliable tracking and sorting of product regardless of carton size and shape. At divert points, an electromagnetic divert switch automatically activates, and a group of divert shoes slide across the conveyor flights, pushing the appropriate carton onto an outbound conveyor.

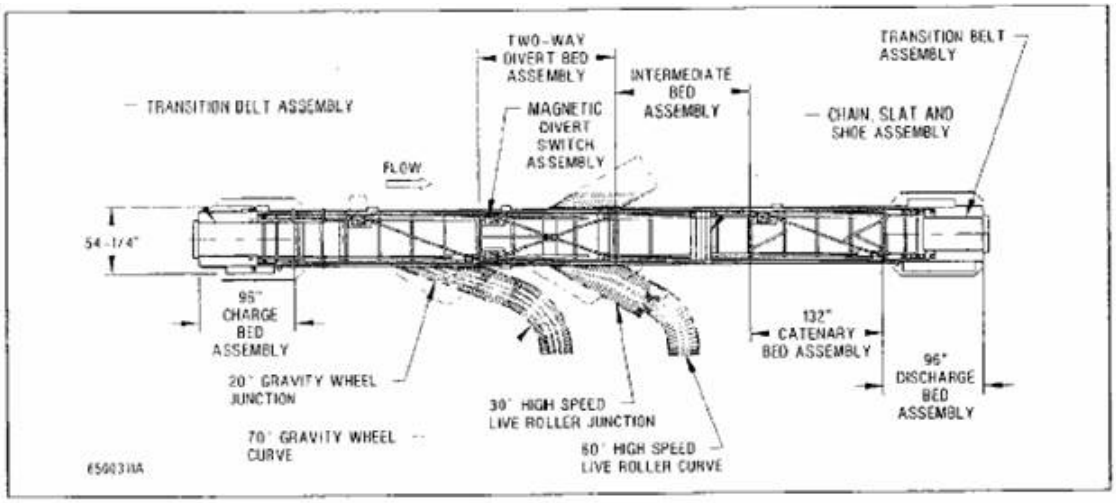
Package Weight: 100 lb maximum (50 lb. per ft.), 2 lb minimum. Applications up to 150 lb. are possible in certain applications.

Maximum Sorter Length: 650’ for single units. Multiple units may be installed end-to-end.

Standard Drives: C-face mounted 7-1/2 to 25 hp, 3-phase motor with parallel gear reducer, and cog belt drive.

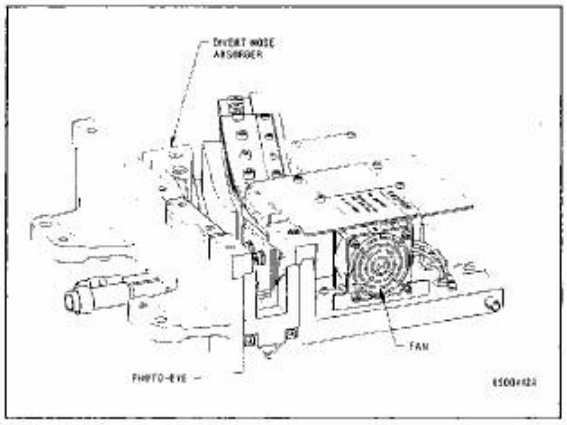


Maximum Rate: Capable of sorting more than 200 cartons per minute (average length 16”).



Rev 2005-March-22

Divert Switch: An electrically operated magnetic divert switch diverts shoes at each divert point. This divert switch uses an electromagnet to re-direct shoes to divert product when turned on by the magnetic divert switch (MDS) controller. The magnetic divert switch is easily removed through the side frame for inspection without disassembly of the sorter slats.



Standard Package Heights: 1” to 30” for photoeye read.

Standard Sorter Widths: Slat surface widths from 46-9/16” to 59-9/16”.

Speed: 275-fpm minimum speed. 540-fpm maximum speed for 20º sorter and 340-fpm maximum for 30º sorter. Speed control set for maintenance, jog and normal modes.

Divert Shoes: Attached to the slats and free to slide along the length of the slats. When shoes pass through a divert switch, they can be re-directed to slide across the slats to divert a carton. While diverting, the shoes are magnetically guided through each divert switch by rolling on a precision ball bearing, to reduce noise. On two-way diverts, a guide vane is located under the ball bearing to steer the shoe through the crossover point. Divert shoes can sort to the right, left or both sides of the conveyor at either a 20º or 30º angle.

Carrying Surface: Flat, anodized aluminum interleaving slats make up the conveying surface of the sorter. Two strands of ASA RC-100 roller chain drive the slats. A slat isolation insert connects the roller chain to the slats to reduce noise. The roller chain is carried on polyurethane wheels with shielded precision bearings.

Controls: Emergency stop pull cord, full-length jam photo eye. Microprocessor control provides lost shoe detection, slack chain detection, and missing pin detection. The MDS controller provides visible LED fault detection, and line fault output is available.

Charge Bed: Supports the tail shaft and chain sprocket. Charge bed includes a transition belt, which transfers cartons onto the sorter from the conveyor feeding it.

Intermediate Bed: Provides transition between other types of beds. 3/16” formed side channels. Bolted, formed channel cross members.

Divert Beds: One or two-way divert beds which include magnetic divert switch/switches with controls mounted near each switch. Controls equipped with quick disconnect fittings. Bed frames the same as intermediate beds. Magnetic divert curves at the end of the divert angles for noise reduction.

Catenary Bed: Includes a one-way or two-way divert and lost shoe sweep angle assembly. A catenary take-up is located in the bottom of the bed to compensate for any slack that may develop in the slat chains.

Discharge Bed: Supports the head shaft and sorter drive. Discharge bed includes a transition belt, which transfers cartons from the sorter to next downstream conveyor.

Options

- Divert left, right or two-way.
- Low Support Assemblies.
- Oil Pans.
- Sound Dampening Panels.

6.4 Mechanical Specifications

1. The conveyor equipment to be provided is designed to operate in one (1) direction only unless specified otherwise.
2. All conveyor widths indicated on the Mechanical Equipment list in this Proposal are nominal widths from outside to outside of conveyor beds.
3. Snubber Rollers are equipped with safety guarding unless guarded by location.
4. Protective guarding will be provided on Belt return rollers for slider bed, belt-on-roller, and belt driven live roller conveyors (belt widths greater than 4”) between the elevations of 2 feet - 6 inches and 8 feet - 0 inches above the floor and/or other Personnel walking surfaces as determined by Dematic Application Engineering.

5. Auxiliary take-ups or belt take out sections will be provided on all belt units that Dematic Engineering determines as necessary.

6. Drip pans will be provided under all motors furnished with gear reducers.

7. The system is intended to operate at ambient temperatures of 35 degrees Fahrenheit, to 104 degrees Fahrenheit, 5 percent to 90 percent relative humidity (non-condensing).

8. Manual assistance may be required to initiate and/or maintain the flow of product on gravity conveyor(s). It is understood that due to the inherent characteristics of gravity conveyor, free flow of product may not occur at all times.

9. The provision for header steel and related material or hardware necessary to ceiling hang the conveyors is included in this Proposal.

10. Dematic will supply point loads for ceiling hangers, but it remains The Children's Place's responsibility to validate the structural integrity of the structure that the ceiling hangers suspend from.

11. Sound Levels

    In most cases, costs are prohibitive when trying to engineer and guarantee noise levels of conveyor systems. Anticipated noise levels can be projected by area, and general noise control practices applied. Once installation is completed, specific things can be done (at an additional cost to The Children's Place) to reduce the noise of any specific area. This is the most cost effective method of noise control.

    Dematic warrants compliance of the proposed conveyor system with the U.S. Department of Labor Occupational Safety and Health Act governing acoustical noise levels within the industrial environment which is in effect at the time of this Proposal.

    Dematic does not accept responsibility for compliance of the overall sound pressure levels of the total installation when Dematic equipment is combined with other equipment not supplied or specified by Dematic; nor

does Dematic assume responsibility for noise level added to the equipment noise level by the product being conveyed unless specifically agreed to as a result of a thorough analysis and test of the specific products to be conveyed.

12. Paint

    a. The majority of this system is comprised mainly of anodized aluminum frames and components, complimented with plastic guarding covers. Conveyor equipment that is to be painted will use powder coating techniques.

    b. Powder Coating

        With this system, electrically-charged powder is applied to grounded parts. This results in a uniform, resilient finish that resists wear, corrosion, impact, and chemicals. It is a completely dry process, free of runs, drips and sags.

        - Gloss: Standard is 65, ±°, or as required
        - Hardness: Pencil 2H minimum
        - Salt Spray: 96 hours at 100 RH
        - Film Thickness: 1.8 to 2.2 Mils
        - Metal Preparation: Iron phosphate coating (5 Stage washer)
        - Powder Coating Description: Epoxy polyester hybrid
        - Color: Light grey RAL 7035

13. Dematic has included the air compressor and air distribution system in this Proposal.

14. Internal air piping of specially fabricated, air operated devices will be terminated at a solenoid valve or filter/regulator unit. All internal air piping will incorporate either barbed or compression type fittings and flexible rubber hose or plastic tubing.

7 Controls Equipment Details

The equipment will perform as described when properly managed, operated, and maintained. Please refer to the Dematic drawings referenced on the Title Page of this Proposal while reviewing the rate and equipment listings.

The Control Modules are standard modules and are the same for each conveyor section. All of the control modules are designed to fit into the aluminum side channel. These control modules are electrically activated.

The C-L100 controls software exists in a PROFInet CbA (Component Based Automation) environment and is implemented in conjunction with the C-L100 mechanical and electrical design to ensure a complete mechatronics approach to the product line.

7.1 C-L100 Integrated Conveying Solution

The Dematic C-L100 is a fully integrated automated conveying system. The software, controls, and mechanical devices are integrated into one conveying solution.

This integrated conveying solution offers faster installation, simplified reconfiguration, and control logic modification.

Common standardized controls parts allow for simplified maintenance resulting in easier part replacement and less conveyor downtime.

The Dematic C-L100 conveyor system provides Customers with a fully integrated conveying solution which allows for simplified installation, configuration, and repair.

7.1.1 Dematic C-L100 Product Transportation

7.1.1.1 Product Transportation

Transportation conveyors move cartons, totes, packages or other items from one location to another. The product moves continuously, without stopping and product spacing is maintained.

7.1.1.2 Product Accumulation

- Zero Pressure Accumulation Conveyors are conveyors which allow the product (i.e. -cartons, totes, packages or other items) to queue without

applying pressure to the preceding product. If the downstream zone is not full, the product will travel continuously. If the downstream zone is full, the product will stop in the upstream zone.

7.1.2 Controls Architecture

Dematic's C-L100 controls architecture utilizes a Distributed I/O (DIO) approach.

The conventional controls architecture incorporates devices such as motors, photoeyes, emergency stop switches, etc., which are connected to the control system by way of discrete wiring to control panels located in the general area of the conveyor equipment. One or more of the panels will contain a Programmable Logic Controller (PLC) which controls the system. In most cases, the control panels are custom designed for individual systems.

The DIO approach uses the latest industrial networks to distribute the I/O closer to the control devices and the control devices closer to the equipment. The standard control networks are Ethernet and Profibus.

With DIO, the I/O blocks are located near the control devices. This design reduces the hardware and labor cost of field wiring the devices. The devices are connected to the DIO blocks by way of multi-conductor cables with quick disconnect plugs.

Motorized Rollers are controlled using Brushless Motor Controllers (BMCs) which are located near the motorized rollers, rather than in the control panel. The BMCs are connected to the I/O network by way of multi-conductor cables with quick disconnect plugs. Power is distributed to the starters by way of a power bus feed from a Power Distribution Panel (PDP).

The PDP panels take the place of conventional control panels. PDPs are predesigned and can be stocked or built without additional engineering design time. PDPs contain a PLC, power distribution equipment, emergency stop relays, power supplies and other associated controls devices to control an area of the conveying system.

The PDP panels are connected to PBC by way of the Ethernet network, and can be connected to each other by way of Ethernet.

The Dematic DIO architecture is highly modular and configurable, using standard panel designs.

7.2 Control Devices

The Control Modules are standard modules and are the same for each conveyor section. All of the control modules are designed to fit into the aluminum side channel eliminating the need for large custom built control cabinets.

The Dematic C-L100 product line utilizes a distributed controls architecture within the mechatronic design approach. The distributed controls architecture consists of the following devices:

7.2.1 Open Network Cable

The Open Network Cable (LCON) is a PROFIbus network cable that serves two purposes, Communications and Electrical power distribution.

7.2.1.1 Communications

The LCON is a two wire communication network between the various electronic modules mounted in the side channel of the conveyor. Each module on the LCON has a Profibus address allowing for communication with other modules on the LCON. A third wire has been added to the two wire communication network to allow for auto addressing of the control modules.

7.2.1.2 Electrical Power

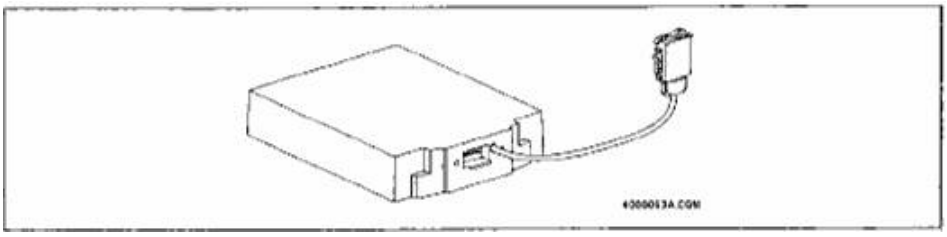
In addition to the wires used for communication there are three wires used to supply both 24 volt DC and 48 volt DC electrical power. 48 volt DC is used to power and control the powered rollers. The 24 volt DC powers the electronics inside the control modules.

7.2.2 Load Power Supply

The Load Power Supply (LPS) is connected to the AC wiring harness and supplies 48 VDC power by way of the Open Network Cable (LCON) to the powered rollers.

The LPS is mounted under the conveyor inline with one of the cross members. The LPS is supplied 480 volt AC electrical power from an external Power Distribution Panel (PDP). The LPS rectifies the 480 volt AC into 48 volt DC power and supplies this 48 volt DC power to the Brushless Motor Controller through a cable with two D shell connectors on its end. The D shell connectors help ensure that the mating PBC and BMC are properly connected.

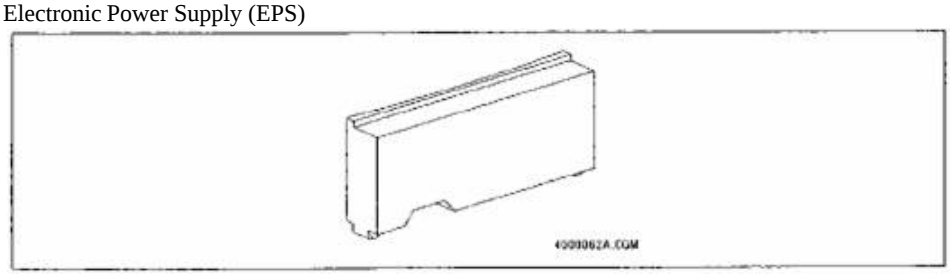
Figure 3 Load Power Supply (LPS)



7.2.3 Electronic Power Supply

The Electronic Power Supply (EPS) is an electrically isolated power supply connected to the AC wiring harness. The EPS is supplied with 230 VAC and provides 24 VDC power by way of the LCON to the other control components of the C-L100 system.

Figure 4 Electronic Power Supply (EPS)

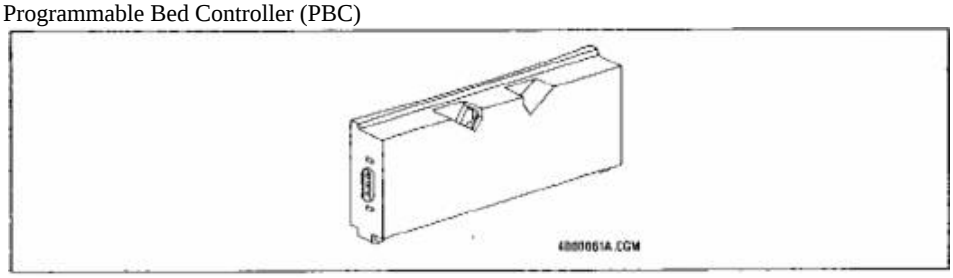


7.2.4 Programmable Bed Controller

The Programmable Bed Controller (PBC) communicates with the high level devices like the Host Controller and other PBCs by way of Ethernet/PROFInet and the lower control modules by way of the LCON.

Communication between Programmable Bed Controllers is by way of an Industrial Ethernet (PROFInet). PROFInet also allows communications with other systems like scanners, scales, and other field devices.

Figure 5 Programmable Bed Controller (PBC)

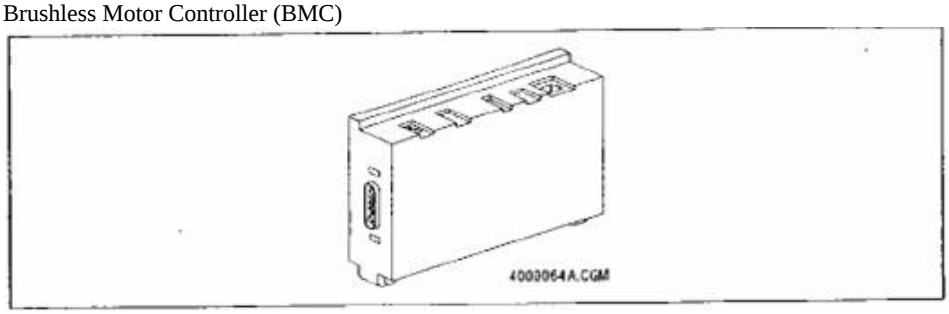


7.2.5 Brushless Motor Controller

The Brushless Motor Controller (BMC) operates the 50mm Powered Rollers and provides digital Inputs and Outputs (I/Os) to connect photoeyes, brake rollers, and external equipment to the C-L100 system.

The BMC controls the speed of the powered rollers and also monitors the motor speed, motor current, and motor voltage through Hall Effect Sensors mounted in the motor. This facilitates quick troubleshooting of problematic motors.

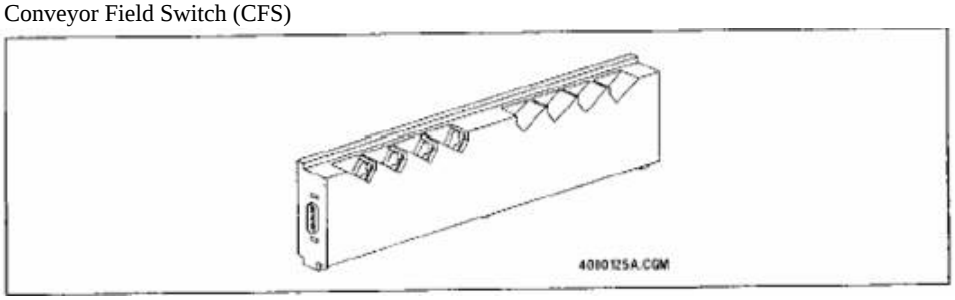
Figure 6 Brushless Motor Controller (BMC)



7.2.6 Conveyor Field Switch

The Conveyor Field Switch (CFS) makes it possible to implement additional network subsets and to connect peripheral devices to the system such as scanners, scales, and display marquees.

Figure 7 Conveyor Field Switch (CFS)

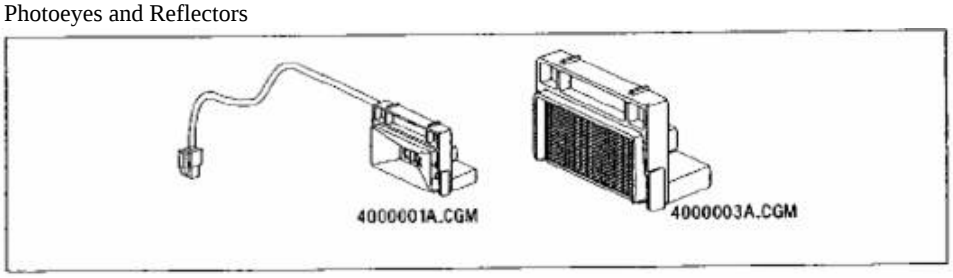


7.2.7 Photoeyes and Reflectors

Photoeyes are modular and are integrated within the guide channel. The photoeyes are placed in the guide channel along the top of the conveyor sides. Multiple eyes can be placed in multiple conveyor sections or at the corners of Right Angle Transfers.

Polarized retro-reflective photoeyes and reflectors are available as options.

Figure 8 Photoeyes and Reflectors



7.2.8 50mm Powered Roller

The 50mm powered roller incorporates a brushless permanent magnet DC motor located inside various roller shells. The shell types used are based on the application. The DC motor allows the speed of the motor to be adjusted to achieve the most effective use of the C-L100 conveyor.

The 50mm powered roller is used to drive all of the conveyor sections with the exception of the Belt on Slider and Belt on Roller Conveyors.

An internal Hall Effect Sensor allows monitoring of the motor voltage, motor current, and motor speed for motor diagnostics.

Figure 9 50mm Powered Roller

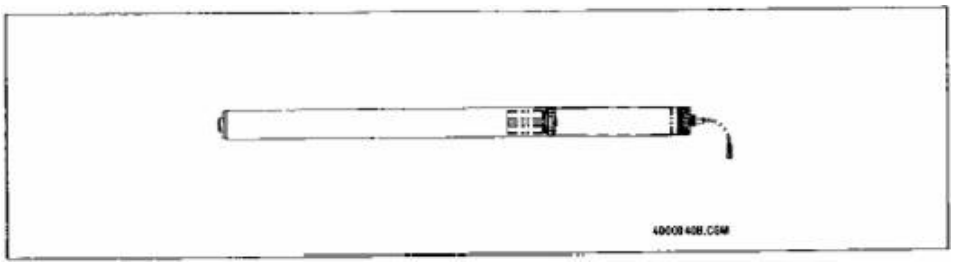
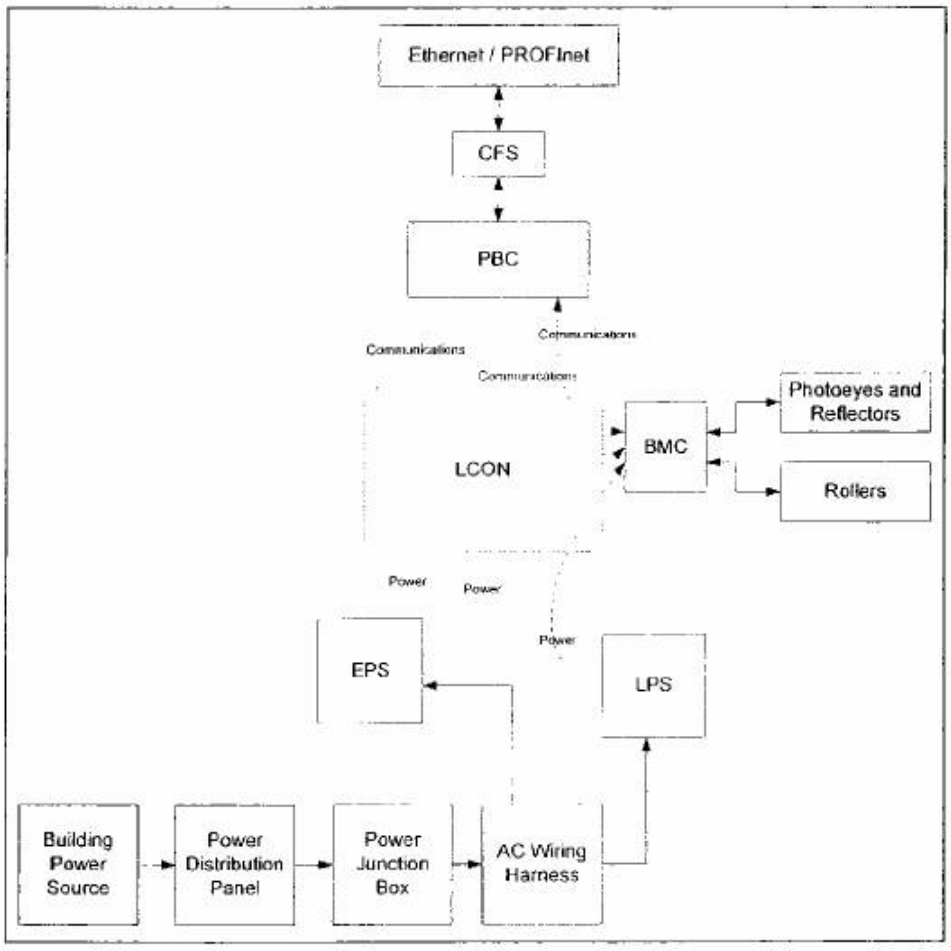
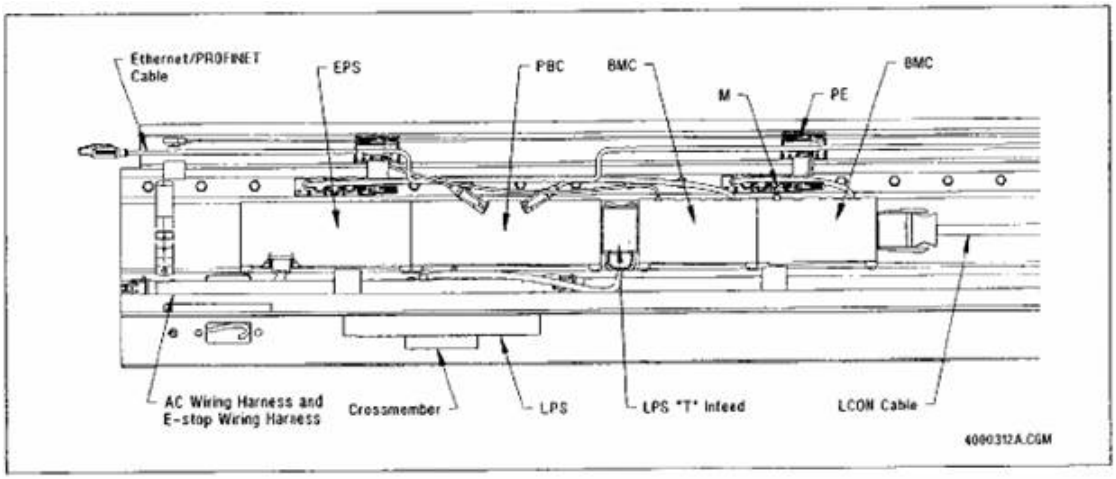


Figure 10 Control Devices Overview



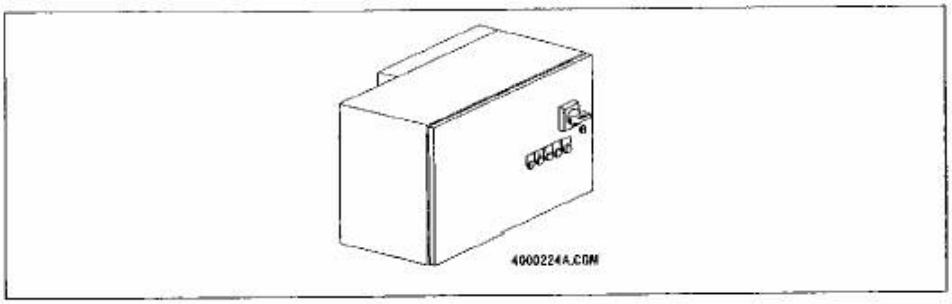
The following Figure illustrates the location of these control components.

Figure 11 Side Channel Control Device Locations



7.2.9 Power Distribution Panel

Figure 12 Power Distribution Panel (PDP)



The Power Distribution Panel (PDP) is used to power the C-L100 product line and provides six power branches consisting of high voltage (400-480 VAC, 20 amp) E-stop interrupted power, earth/ground, and low voltage (230 VAC, 3 phase, 5 amp) non-interrupted power intended to provide power to devices such as the EPS that need to maintain power though an E-stop event. The PDP uses hardwiring for all E-stop devices and all PDP interlocking.

The power branch cables are connected at the PDP and then routed to junction boxes located on the conveyor. The power branch is hard wired to the bus located inside the junction box. The junction box is then connected to the AC wiring harness located on the conveyor.

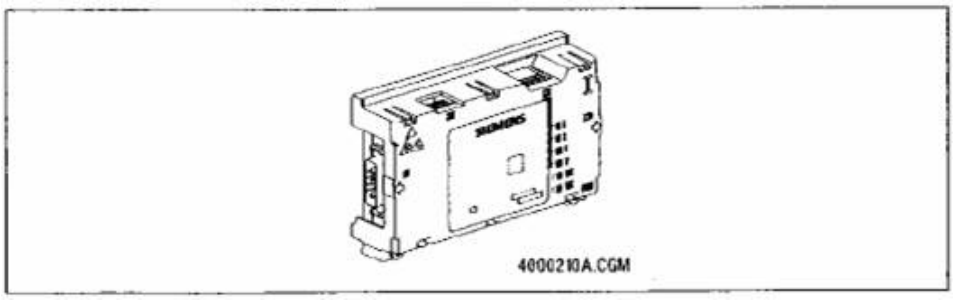
There are two E-stop zones (each zone capable of interlocking with up to three other zones) built into the PDP. Power Branches 1, 2, and 3 are controlled by zone 1 E-stops. Power branches 4, 5, and 6 are controlled by zone 2 E-stops. The PDP:

- Provides all electrical power to the C-L100.
- Provides power for both the 24 volt control modules and the 48 volt Powered Rollers.
- Has two E-stop zones. Each zone is capable of interlocking with up to three other zones.
- Has six 20 amp Power Buses, six 3 amp control busses and uses hardwiring for all E-stop devices and all PDP interlocking.
- Houses the power and E-stop capabilities. The AC and E-stop wiring harnesses distribute AC power and E-stop functionality throughout the conveyor system.
- Manages the control signals to components which implement the run-time operation including, but not limited to, Starting, Stopping, and E-stop status.
- Primary functions are the enabling of system control and E-stops within an area of a C-L100 system. The C-L100 uses a distributed controls architecture where control logic is located at the unit. When units are placed together, the units form function groups, and function groups need to be coordinated. Some of the main effects that need to be coordinated are System Enabling and E-stop.

7.2.10 Right Angle Transfer Interface Adapter

The Right Angle Transfer Interface Adapter (RIA) provides an interface between the LCON, BMC, and the servo drive used to operate the RT lift mechanism. Digital inputs and outputs from the BMC are optically isolated before being sent to the servo drive.

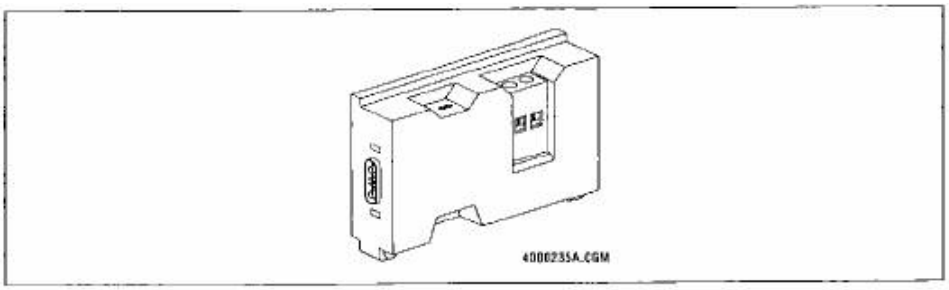
Figure 13 Right Angle Transfer Interface Adapter (RIA)



7.2.11 T-Outfeeder

The T-Outfeeder (TOF) supplies “outgoing” 24 VDC and 48 VDC as well as Profibus communication to external devices that are to be connected to the C-L 100 system. DC Outputs are filtered, and the Profibus is electrically isolated to prevent interference on the LCON network.

Figure 14 T-Outfeeder (TOF)



7.3 E-stops and Interlocking

The PDP has two E-stop zones. Each zone can be operated independently or both may be interlocked together. All E-stop devices are connected in series for each zone (typically hardwired E-stop devices). Detection by the overall system of individual E-stop actuations is not done by the PDP, but must be done by localized I/O near the device. Any PDP may be interlocked with other PDPs by hardwired connections. Limitations of the interlocking include the following:

- One zone of a PD maybe in interlocked with the other zone of the same PDP.
- One zone of a PDP may be interlocked with up to three other zones of other PDPs.
- “Cascading” E-stops are NOT allowed; each interlock action stands alone.

E-stops are hardwired into the PDP and will interrupt electrical power at the Power Bus eliminating all electrical power to the Load Power Supply and the Powered Rollers.

An E-stop does not drop the 24 volt power from the three Control Buses. Keeping power to the Electronic Power Supplies and the other control modules enables the user to keep track of the packages, jams, and other control functions during an E-stop.

7.4 Control Cabinets

The conveyor control system’s architecture is “Local Area Controlled”. This is best described as a localized area having its own control cabinet. Each area cabinet being able to communicates with other areas by way of an Ethernet interface.

These cabinets contain all of the required motor controls and PLC equipment necessary to operate the conveyor system, and will operate from a supply of 480 Volts, 60 Hertz, 3-Phase power, with a voltage variation not exceeding +/- 5 percent of nominal.

All control cabinets are NEMA 12 enclosures and carry a certified UL approval.

A typical control cabinet would contain the following hardware:

- Cabinet disconnect switches
- Fusing / Motor protection
- Motor controls such as starters, timers and control relays
- PLC, Rack, I/O and specialized modules
- Pushbuttons
- Pilot lights
- Terminals, wire ways and other miscellaneous items

All of the area’s motors, sensing devices, E-stop devices, scanners and operator interfaces will be wired back to the local control cabinets.

7.5 Standard Controls Hardware

The control system will use standard electrical hardware components. The following is a brief listing of the electrical hardware and manufacturers typically used on a project of this type. Exact components may vary from this typical listing.

Controls Component	Manufacturer
Control Cabinets	Hoffman
Transformers	Acme

Programmable Controllers	Allen-Bradley
Brushless Motor Controllers (BMCs)	Siemens
Control Relays	Square D
Pushbuttons, Pilot lights, etc	Square D
Limit switches	Square D

Controls Component	Manufacturer
Photoeyes	Sick
Horns	Federal
Beacons	Square D
Panel Disconnect Switch	Square D
E-Stop Switches	Dematic

7.5.1 Programmable Bed Controller Features

The system will utilize Windows-based programming software and documentation. The device layout drawings and I/O block schematic drawings will be developed on AutoCAD. The PLC programming software packages will be loaded onto the appropriate PLC programming terminal. The programming terminal will include a PC capable of properly loading and running the PLC programming software packages.

The system will be controlled by a Programmable Bed Controller (PBC). These PBCs will control all of the motor control equipment, sensors, and Operator interface equipment. The system being proposed will utilize Dematic's System Manager product for diagnostic notification.

Any error or operational conditions that need to be indicated to the Operator will be detected by the PLC system and then shown on the System Manager. The System Manager will monitor the status of the PLCs and report their conditions on the monitors.

7.5.2 Safety Devices

E-stop pushbuttons and pull cord switches will be located throughout the system to assist in providing a safe operating environment. Each PDP and some Operator interface stations will contain an E-stop device. All of these devices will be wired back to their respective PDPs and, by way of hardwired means, will shut off the appropriate areas of control. All E-stop pushbuttons will be of the maintained contact type. This will require the E-stop to be re-set and the system to be restarted prior to any motor control being initiated.

7.6 GSM*i* Visualization

The web-based GSM*i* Visualization System provides a centralized organizational point for monitoring a facility's automated material handling system.

The GSM*i* Visualization System uses ICONICS™ software to provide a real-time graphical display of the material handling system and status. When problems occur, system alarms generate visual signals. Alarm logs and various diagnostic displays allow further investigation into the cause of a problem.

The GSM*i* receives data from the material handling system and continually displays the data at a computer workstation. GSM*i* allows for the convenient monitoring of faults and alarms, to retrieve past alarm statistics, or to create and print reports. The GSM*i* is limited only by the configuration of the controls system and the hardware used within it.

7.6.1 System Overview

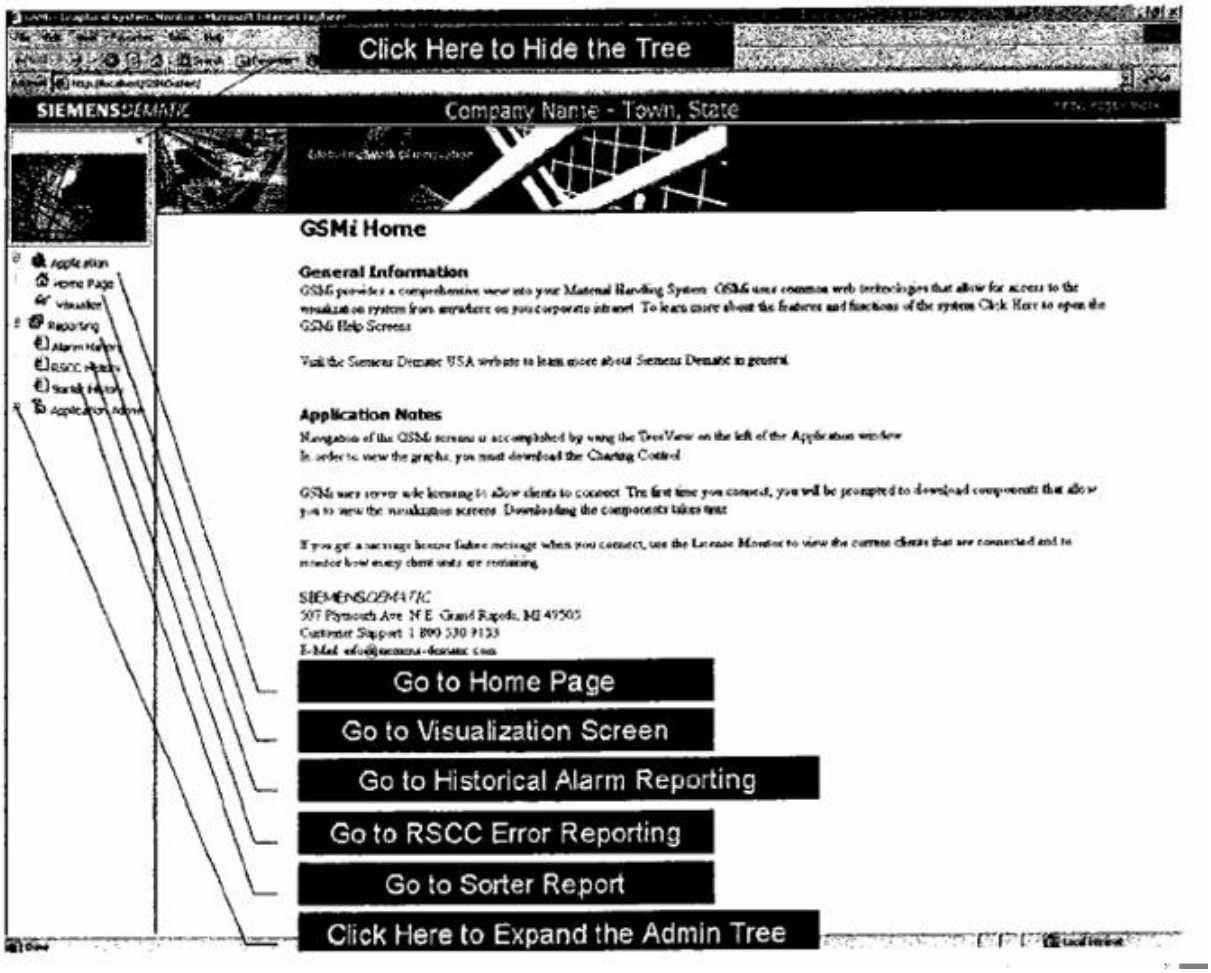
The GSM*i* Visualization System interfaces with the Programmable Logic Controllers (PLC) and the RapidSort Controller (RSC), which control the conveyor hardware. The principle function of GSM*i* is to monitor and display the state of the material handling system operation.

The GSM*i* data is accessible from any PC connected to the Distribution Center network by way of Microsoft Internet Explorer. No special equipment is needed to connect to the GSM*i* site and receive system information.

7.6.2 Home Page

After addressing the site in Internet Explorer, the GSM*i* home page appears. Shown below is a typical home page. This page has links to all the other pages.

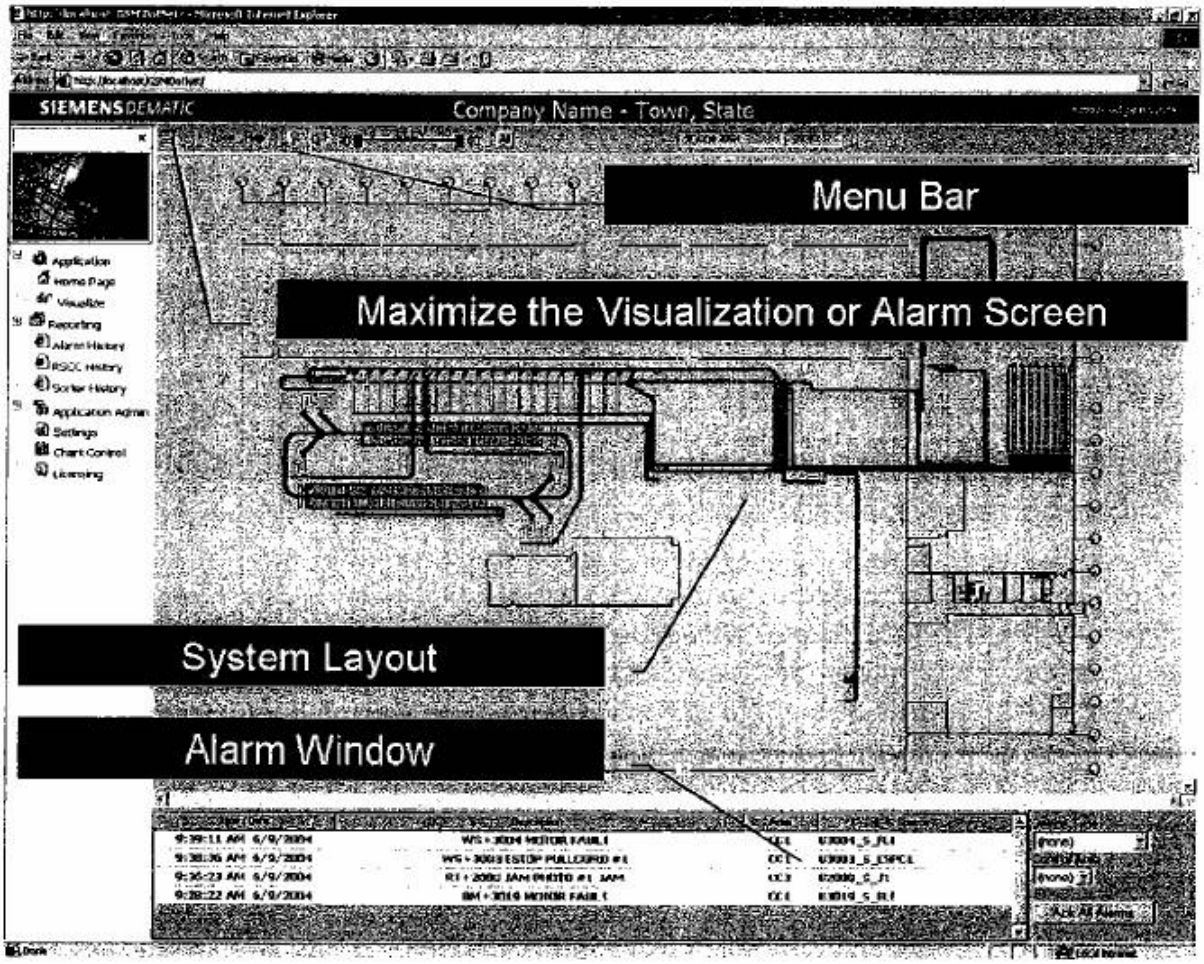
Figure 15 Typical Home Page



7.6.3 Graphical System Layout

Shown below is a typical Graphical System Layout page. There are three primary areas: menu bar, system view, and active alarm view. This animated display, along with the keyboard and mouse, provides the primary operator interface to GSM*i*.

Figure 16 Graphical System Layout Screen



7.6.3.1 System View Features

The System View occupies the largest area of the GSM*i* display screen. At startup, the System View defaults to show the entire material handling system. All conveyors and devices on all levels within the facility are shown simultaneously to provide a single view depicting the entire system status at a glance.

The operational status of conveyors and devices is depicted using color indicators. System fault and event symbols appear within this window, in a position corresponding to the actual event location in the facility.

Navigating this composite image to obtain more detailed information or enlarged views is easily accomplished using mouse or keyboard commands. The following sections give more detail on the components of the graphical system layout.

7.6.3.1.1 Menu Bar

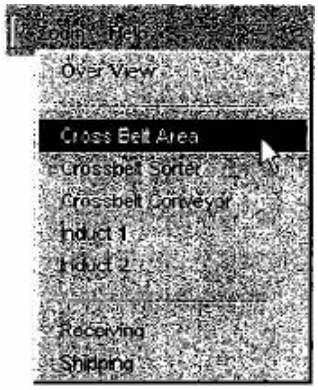
The Menu Bar lists all menu commands and any options selected for each site. This section describes each of the commands available from the Menu Bar.

Figure 17 Menu Bar

7.6.3.1.2 Zoom Commands

The Zoom commands are used to zoom to a specific area of the system. This will be specific to each project and customer.

Figure 18 Zoom Shortcut Menu



7.6.3.1.3 Help

The Help command takes you to an online copy of this manual.

7.6.3.1.4 Toolbar Buttons

The Toolbar buttons are used for navigation within the GSM*i* system.

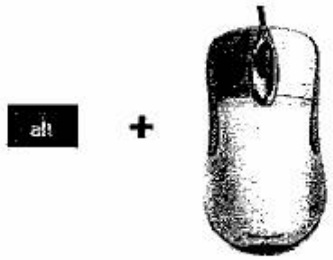
-  Box Zoom: This button will zoom to a box. By holding the left mouse button and dragging, you can zoom into a specific area.
-  Overview Zoom: This button will zoom out to show the entire system.

7.6.3.1.5 Elevation Bar

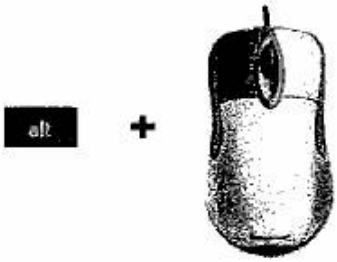
The Elevation bar is used as a filter to show only desired conveyors at a specified elevation. “Stacked” equipment may be viewed by limiting the conveyor elevations that will be displayed. The lower elevation value is set by the green slider and the upper elevation limit is set by the red slider. The “All” button resets the upper and lower limits.

7.6.3.2 Keyboard Commands

System View navigation may also be accomplished using keyboard and mouse commands.



To Pan around the layout: Hold the Alt key and Click and Drag using the Left Mouse button.



To Zoom: Hold the Alt key and spin the Mouse Wheel.

7.6.4 Conveyor Colors

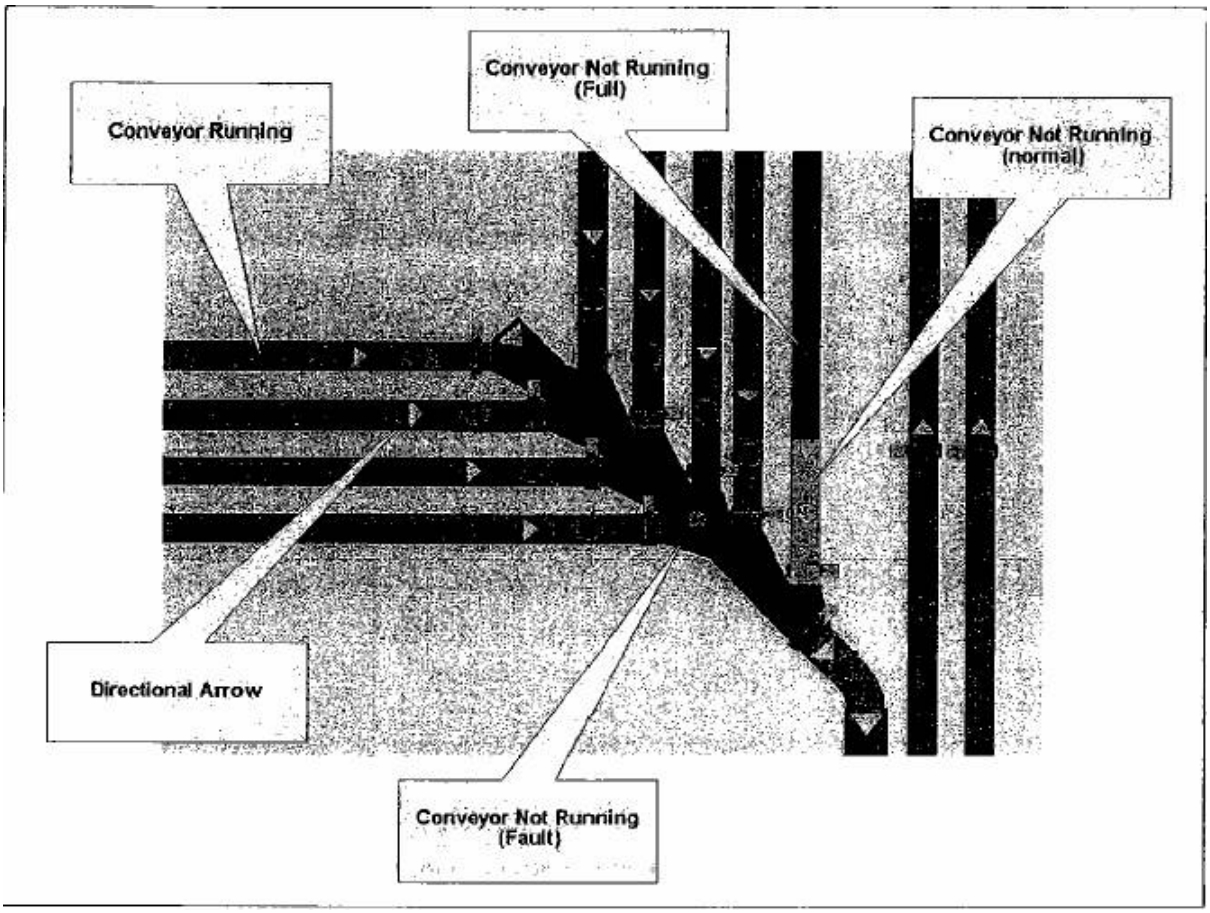
Each conveyor section has a single color that indicates its operational state. If more than one state is true at any moment, the software displays the higher priority color as defined in GSM*i*. Note that some states are specific to particular systems and may not apply.

State Type	Color	Additional Description
Non-Powered Equipment	White	
Invalid / Unavailable Data	Dk. Gray	Communication problem. Power and/or network connections could be the cause.
Off/ Inactive	Gray	
Disabled	Lt. Green	
Running / On /Active	Green	
Energy Management (If Used)	Blue	Powered off automatically due to lack of product present.
Full Status	Yellow	
Warning / 100% Full	Orange	
Alarm / Fault	Red	Alarms should be investigated.

NOTE If GSM*i* is not receiving data from the PLC for the conveyor section, GSM*i* colors the conveyor dark gray, which is the default state.

The following Figure is an example of some conveyor colors shown on a system layout.

Figure 19 System Layout Example with Conveyor Colors



7.6.5 Symbols

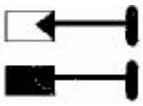
The name of a conveyor section or device may be viewed by positioning the cursor over the item. Zooming in on an area shows additional information such as conveyor unit numbers and conveyor flow direction.

Symbols are specific to each material handling system. Alarm symbols are always red. All symbols will display in the System View, showing the location of the affected device in the facility. Examples of some of the typical symbols are shown below. All of these shown may not be needed.

A red Motor Symbol indicates a motor fault has been activated. These symbols will be displayed in the System View showing the actual location of the motor on the affected conveyor in the facility.

A red Emergency Stop symbol indicates that an emergency stop button, switch, or pull-cord has been activated.

A red photo symbol indicates that a jam occurred at the symbol location. The specific type of jam (conveyor jam, chute jam, etc.) will be described in the alarm text displayed in the Alarm Window. A jam is typically associated with a photo eye.



A yellow or orange photo indicates a flow control condition on accumulation conveyor. This photo will typically be seen on a conveyor unit that is also yellow or orange.

ALARM TEXT A label in red text may be used instead of a symbol to display selected fault conditions in a custom text window, such as the PLC Status Table. The alarm text will still also appear in the standard alarm window.

7.6.6 Alarms

All alarms are listed in the Alarm Window. The information includes the Time/Date the alarm became active, the Description of the alarm condition, the Area, and the Source of the control network interface Input.

7.6.6.1 Alarm Text Colors

Active alarms are annunciated using red text on a white background. The following chart defines the color scheme for the alarm window.

Type	Acknowledged	Alarm Source	Text Color
Alarms	No	Active	Red
	Yes	Active	Blue
	No	Inactive	Orange

Figure 20 Alarm Text Example

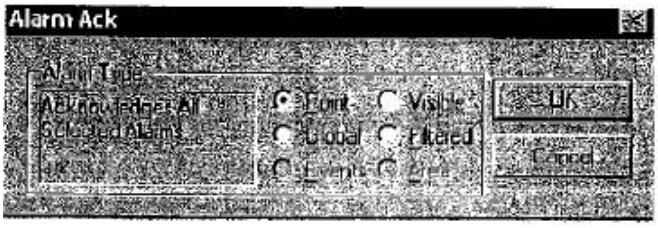
7.6.6.2 Alarm Acknowledgment

Alarms are not removed automatically. They need to be acknowledged to remove them from the alarm window. Alarms are acknowledged by either single left mouse click or by right click then choosing Ack. The following shows the menus for the right-click action.

Figure 21 Alarm Acknowledgement Shortcut Menu

The Alarm Ack dialog box allows the user to acknowledge a variety of items depending on the selections made.

Figure 22 Alarm Ack Dialog Box



Clicking the Acknowledge All Alarms button acknowledges all active alarms listed in the Alarm View. This is a one-time acknowledgement action. Refer to the Alarm Filters section, for more details on filtering.

Some alarms (jams, motor faults, E-stops, open gates, open doors, motor disconnect switches, etc.) have corresponding symbols on the screen, others have text representations only. To locate an alarm on the system map, double-click on the alarm text. GSM*i* positions the screen so the problem area is centered, enlarged, and visible.

7.6.6.3 Alarm History Reporting

When you click on the Alarm History item under the Reporting Root of the Treeview, the Historical Alarm Reporting Screen is loaded in the main window. At first, only the Header and the Report Filters are shown. Do the following to generate a report:

1. Select the **filter** criteria based on the data you want to report on. (If you do not select filters, you get all data in the Alarm Log)

2. Click on the icon on the menu that corresponds to the report you want (shown below).

3. The Report will be displayed just under the filters.

4. You may choose to change the filters based on what you got back in the report. Change the filters again and make sure that you click on the icon again to refresh the report.

5. To **print** the report, you may want to modify the appearance of the report. You can hide the filters by clicking on the filter icon on the menu. You can also close the Tree View by clicking on the “x” in the right corner of the Treeview frame. Reports print out the best in the Landscape layout. Printing is done through Internet Explorer.

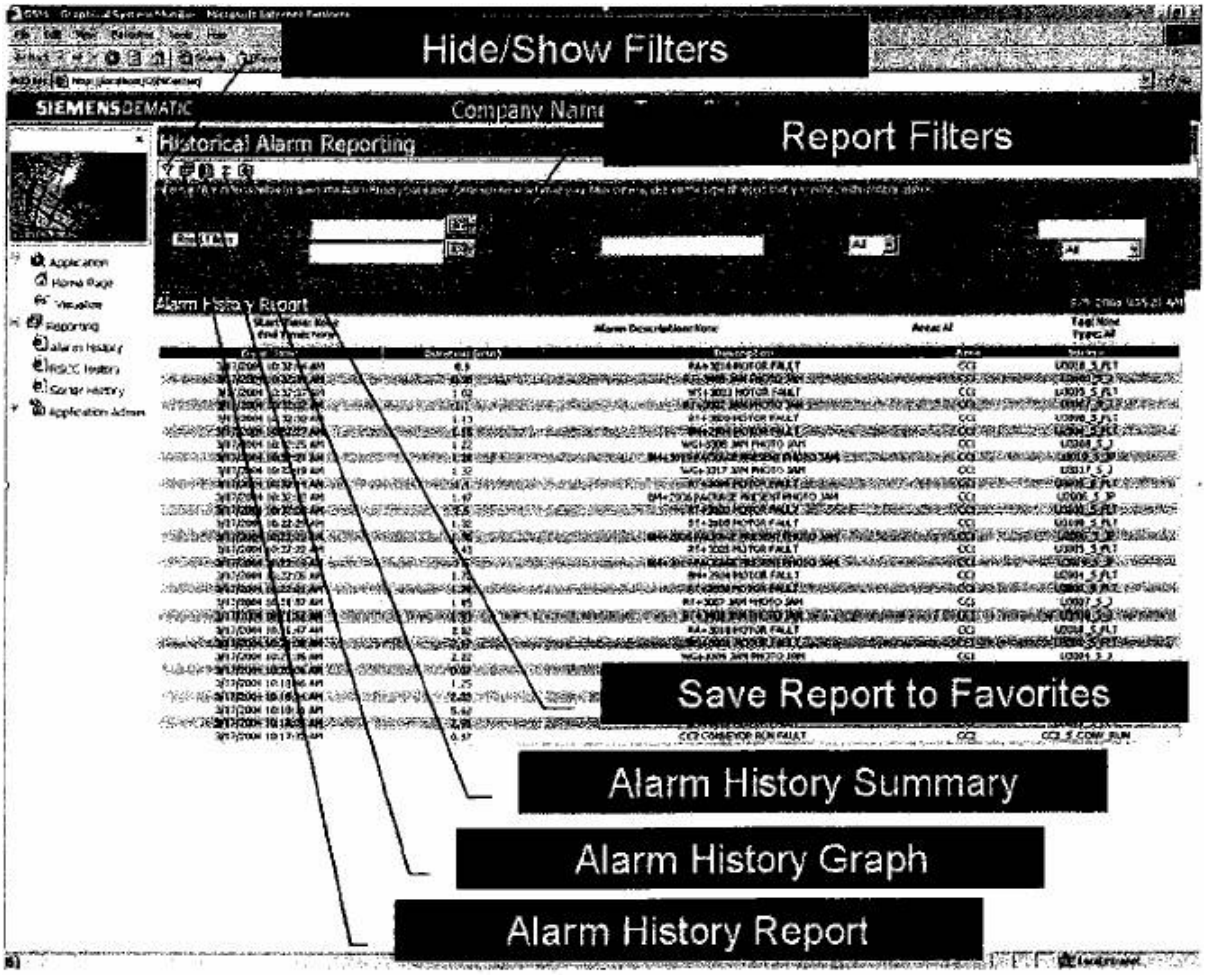
   Additionally, you can save the report to your **Favorites**. Saving a report to your favorites allows you to recall a particular report you have generated. Saving to a favorite will save the filter criteria for the report only. When a

favorite is loaded, the report is run against the active database. Therefore, once data is archived, a favorite might become invalid because the date filter is now not within the active database.

7.6.6.4 Alarm History Report

Below is the **Alarm History Report**. The information includes the Time/Date the alarm became active, the duration of the Alarm, the Description of the alarm condition, the Area, and the Source of the OPC Input.

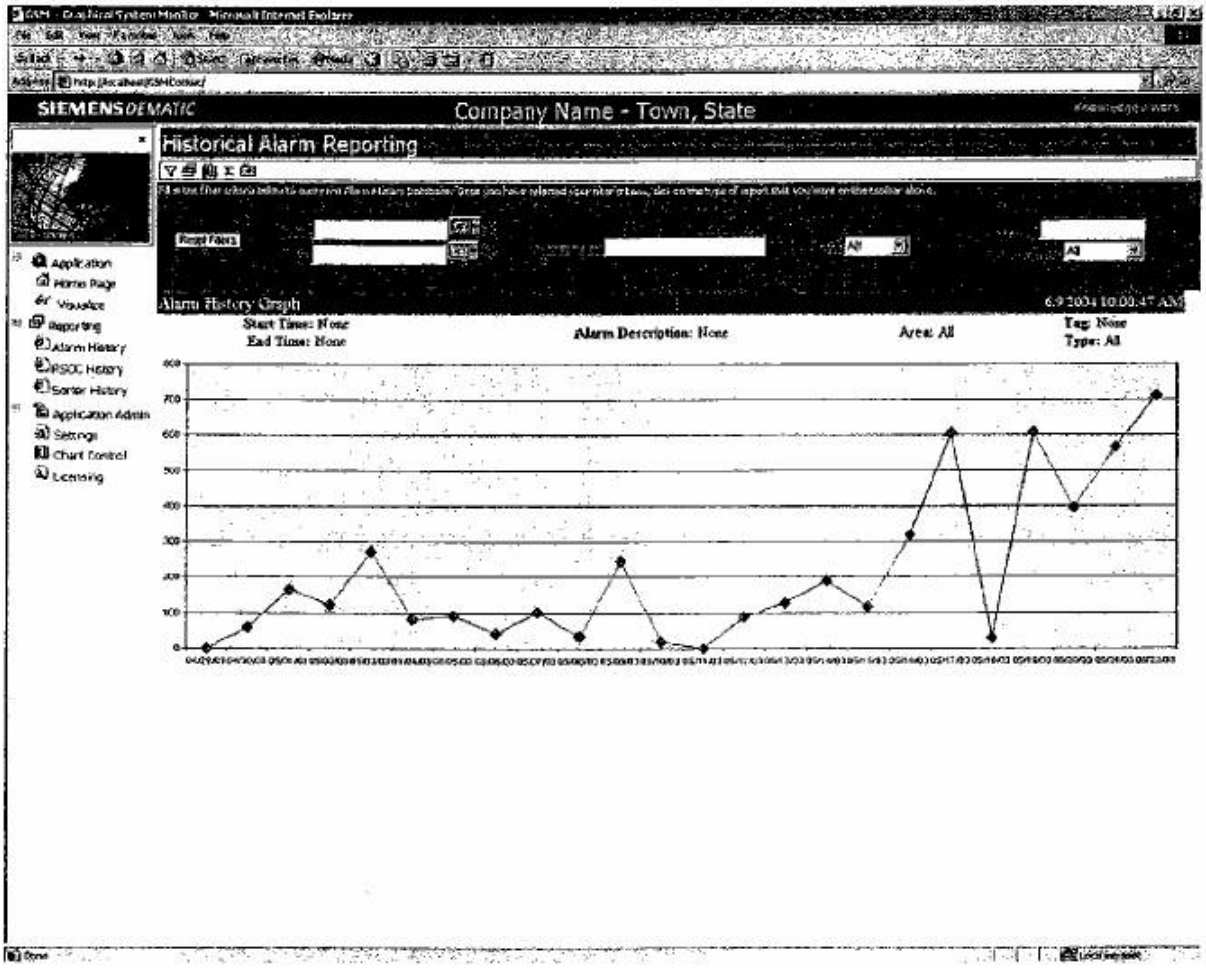
Figure 23 Alarm History Report



7.6.6.5 Alarm History Graph

In addition to the report page the history graph allows you to see a trend over time. Hovering over a point shows the alarm count for that day.

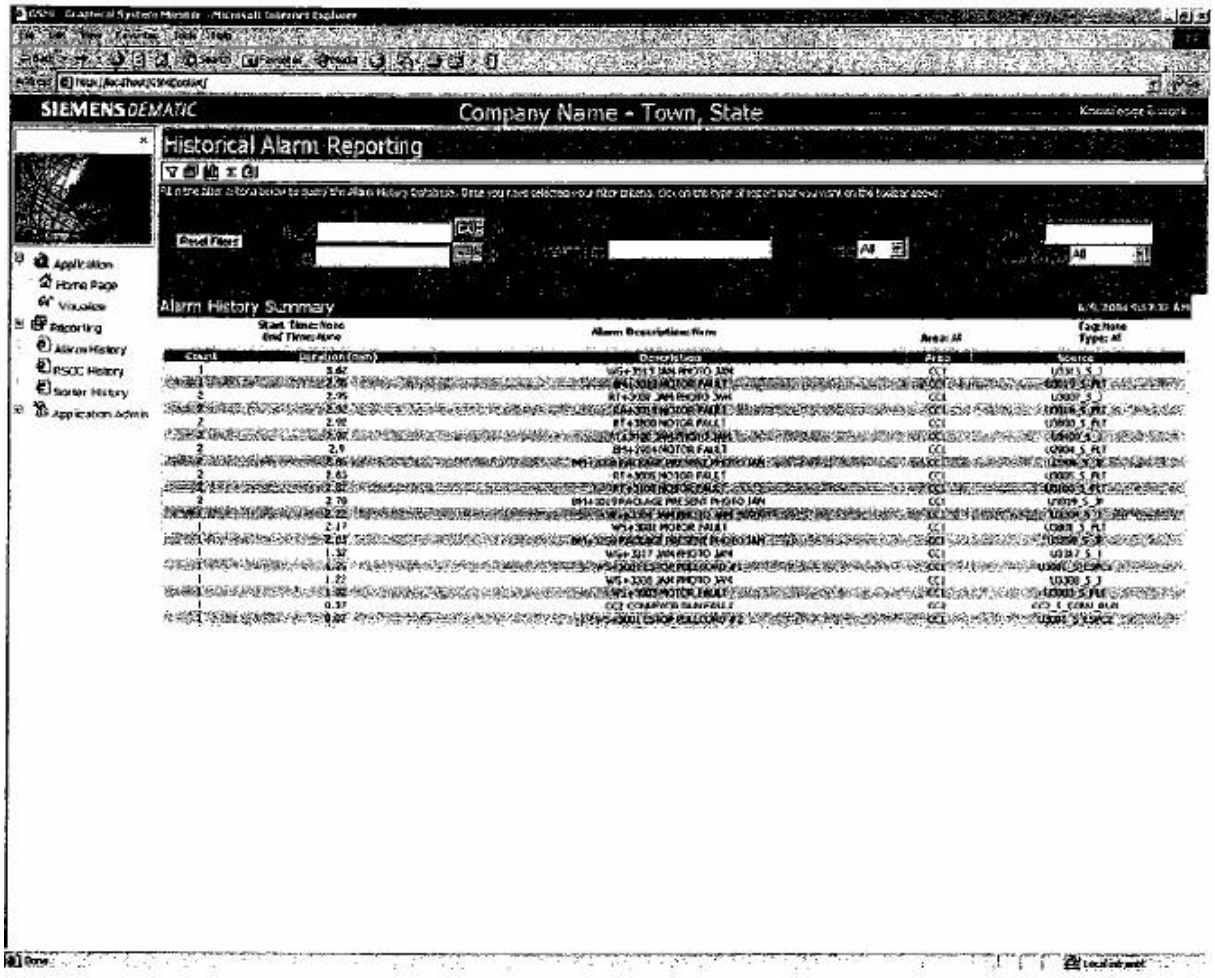
Figure 24 Alarm History Graph



7.6.6.6 Alarm History Summary

To see a summary of how often a point has been in alarm, go to the Alarm History Summary. (å) On this screen, the alarm count for each point is displayed along with the point description, area name and source symbol.

Figure 25 Alarm History Summary



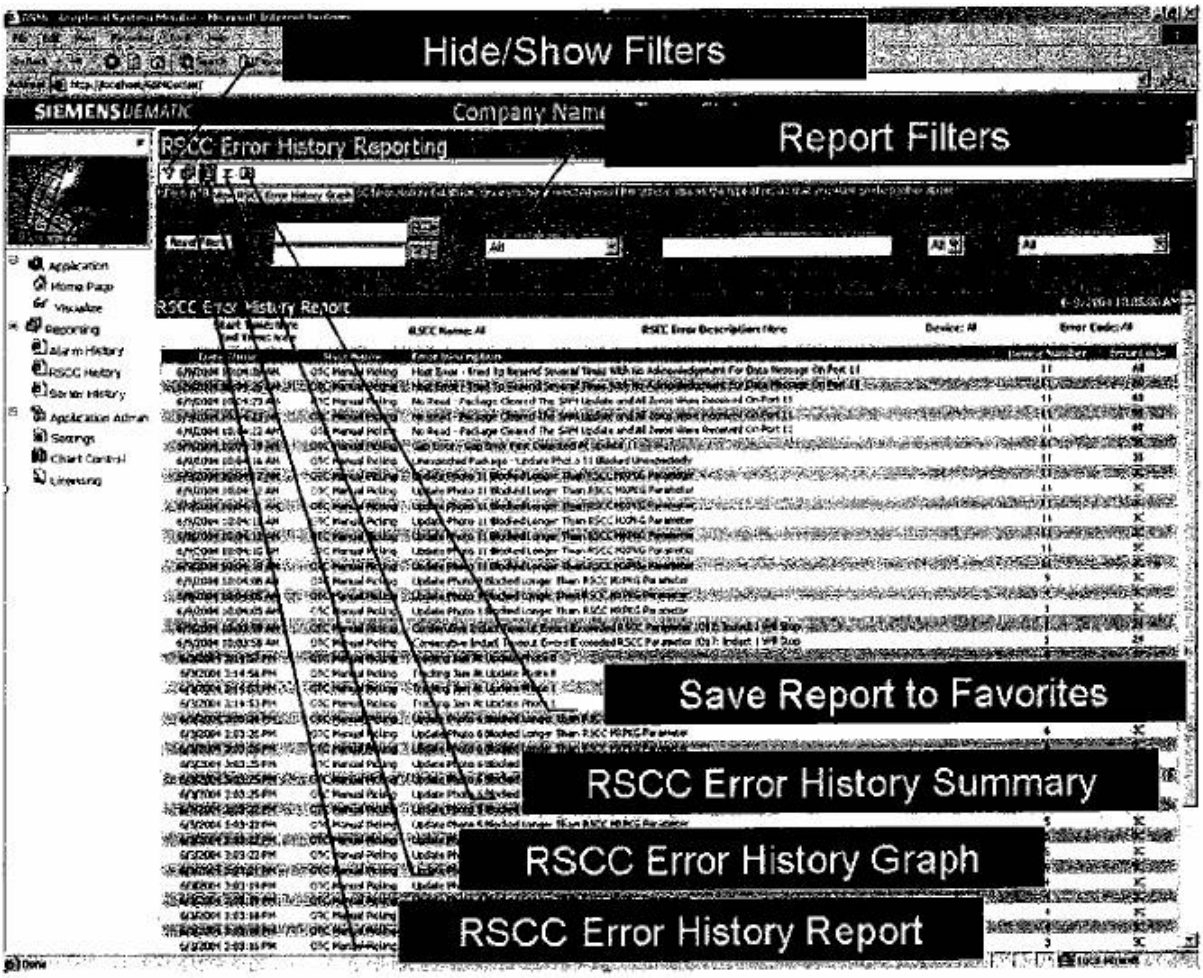
7.6.7 RSCC Sorter Errors

All errors associated with the RSCC are listed on the Sorter Error History page.

7.6.7.1 Sorter Error History

All errors are listed on the Error History page. The information includes the time/date the alarm became active, the description of the alarm condition, the area, and the source of the control network interface input.

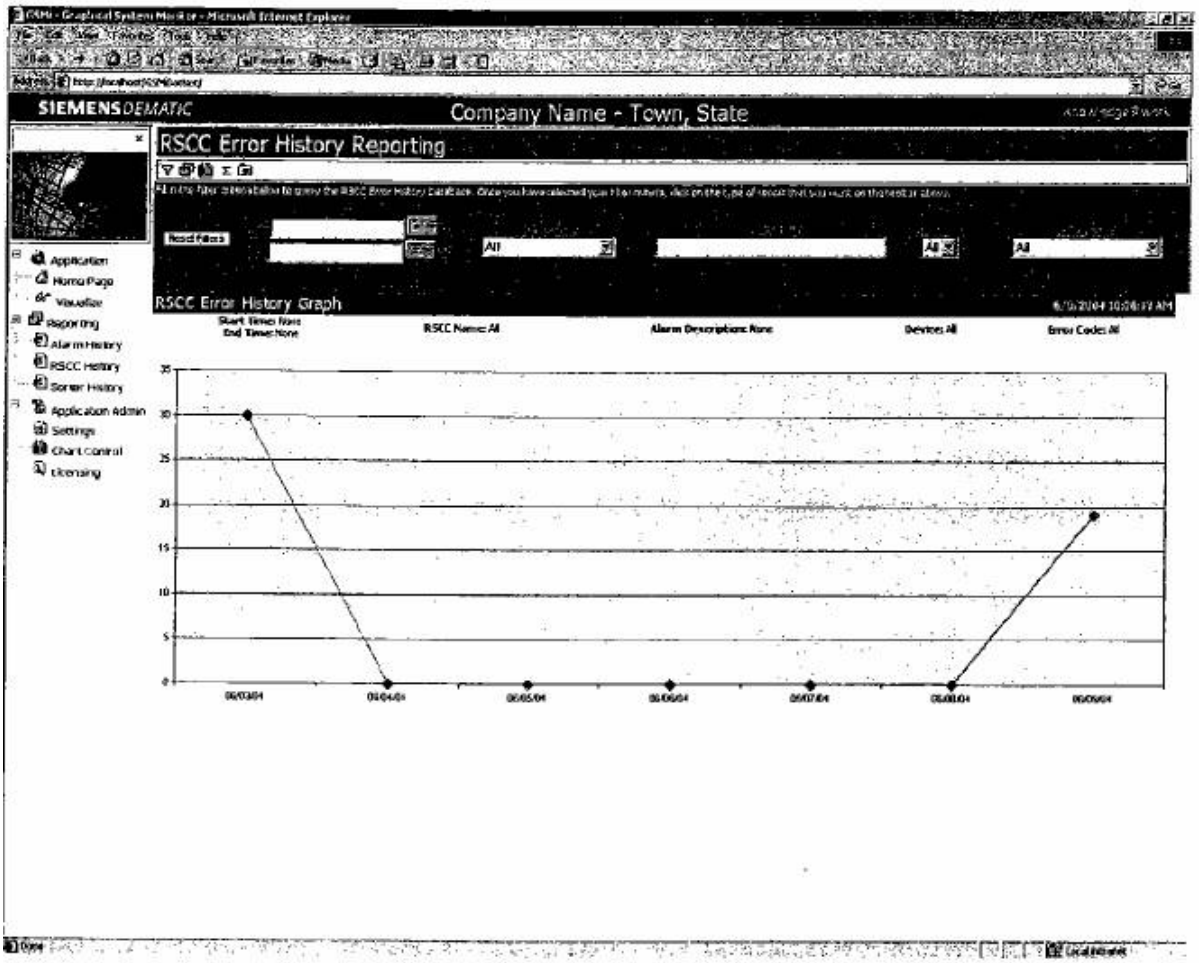
Figure 26 Sorter Error History



7.6.7.2 Sorter Error History Summary

To see a summary of how often a point has been in error, go to the Error History Summary. (å) On this screen, the error count for each point is displayed along with the point description, area name and source symbol.

Figure 27 Sorter Error History Summary



7.6.8 Deliverables

7.6.8.1 The Children's Place

- 120 VAC (isolated) 15A service to all server/workstation locations.
- 120 VAC, 15A to all environmental enclosures (if enclosures provided).
- A drain for condensate from the air conditioning units, on the environmental enclosures, if required by the customer.
- Ethernet network, including drops to all server/workstation locations.
- Dedicated analog phone line to server location unless VPN access is to be granted.

7.6.8.2 Dematic

The base system includes the hardware and software for a single GSM*i* computer. As an option, extra hardware and software can be purchased to support additional workstations.

- Configuration of software to represent the conveyor system.
- Installation, setup, and checkout of all server/workstations provided by Dematic.

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8 Computer Information System

This document is to be used as a method of communication between The Children's Place and Dematic, with regard to the computer architecture and software functionality. An overview of the proposed system is provided here for review, to ensure an accurate understanding by both parties. When this proposal is accepted, a Functional Specification document will be developed, which will contain additional detailed information.

When accepted, the proposed system is expected to be installed around 7/08.

8.1 Integrated Software System – Proposal Overview

Dematic proposes to provide an integrated software system running on an integrated server platform that manages all host communications, picking directives for both put-to-light and all sortation functions. To do this, Dematic integrates its standard Dematic IT Suite software, that is PickDirector®, SortDirector®, and OMS into one harmonized software system – specifically configured for this site's operations. The modular nature of this software provides the Dematic IT suite of software a common look-and-feel across all system components.

In brief, Dematic proposes the following for The Children's Place facility in a Ft. Payne, Alabama:

- The installation of a streamlined picking/sortation integrated computer and software solution, including a Windows based computer architecture.
- A single interface between The Children's Place host and the Dematic supplied software system. This is due to the adroit nature of the Order Management System (OMS), akin to both PickDirector & SortDirector. OMS processes the order picking information downloads from the host and determines the carton destinations within the picking module(s). Message Distributor acts as the traffic director to route picking order data to PickDirector, and carton destinations to SortDirector.
- The installation of a new PickDirector pick-to-light system, including 2640 lights in 240 picking zones.
- The installation of a new SortDirector system, working in conjunction with the conveyor system. SortDirector is responsible for routing cartons and totes on the conveyor system and managing information flow between itself, The Children's Place Host computer (via OMS), Programmable Logic Controllers (PLCs), Dematic RapidSort Controllers (RSCs), print and apply label printers, carton scales, and all associated scanners.

- Client/server based user-friendly operator interface.
- Standard interface to the RSCs.
- Standard interface to the PLCs
- Interface to scanners and printers
- Automatic startup.
- Diagnostics via system logging facilities.
- System error reporting.
- Label lookup and maintenance functions.
- View system operation.
- Single point of control which includes monitoring, access to comprehensive reports and statistics.
- Documentation and on-site training.

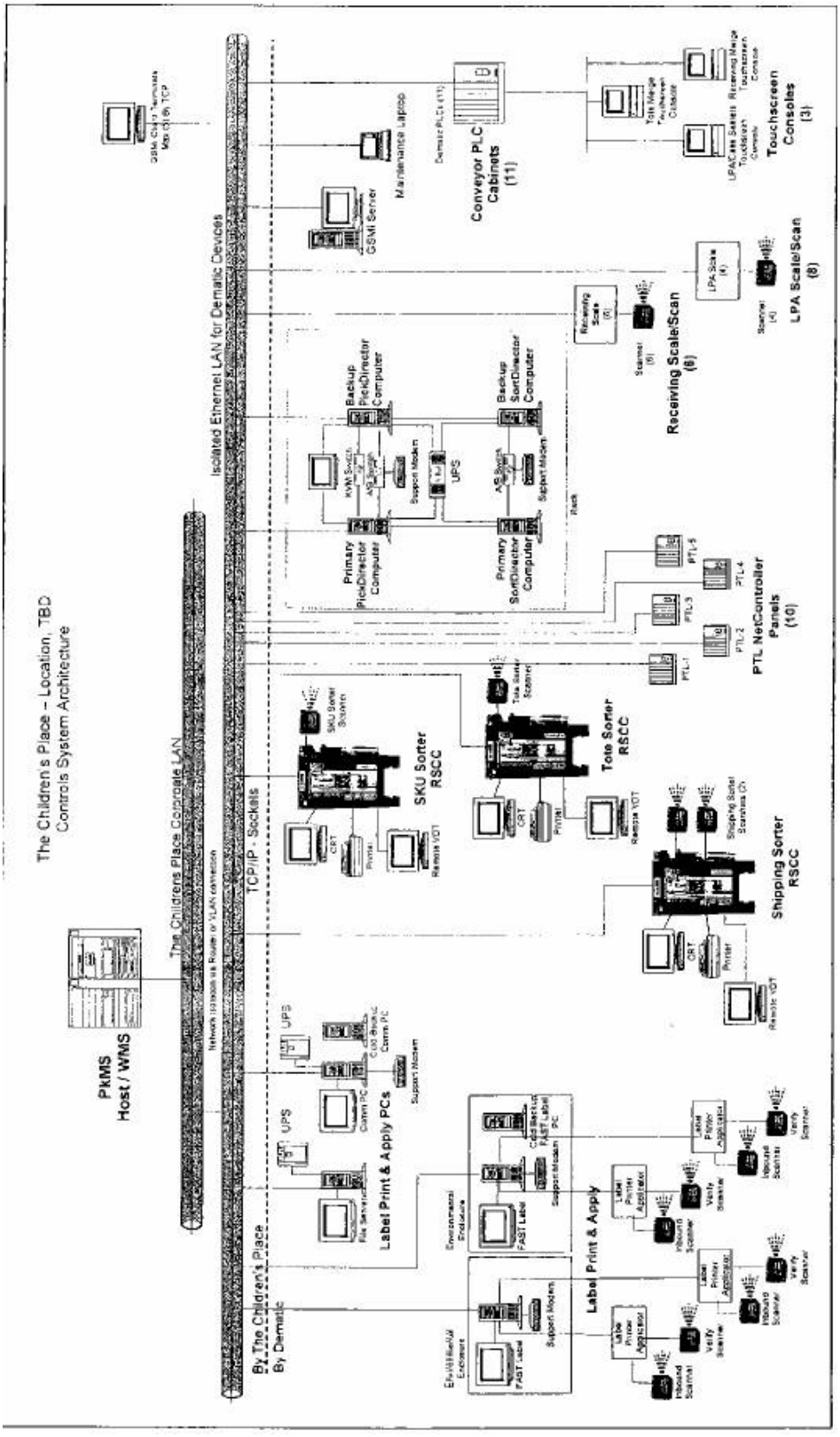
8.1.1 Summary of Main Features

- Standard PC-based architecture, with Order Management System (OMS) OMS and SortDirector provide the link between the higher-level Host Computer of Warehouse Management System (WMS) and the lower-level sort controller. OMS provides information on waves, routes, orders, and carriers (cartons/totes/containers).
- Highly flexible/configurable "out of the box" modular software design Modular components can be "shared" between products, giving the Director IT suite of Dematic software a common look-and-feel. Modular component design simplifies customization and troubleshooting activities. Sharing of components means cost efficient development and, known reliability.

8.1.2 Computer Architecture

The following Figure is a sketch of the computer architecture. Please refer to the LAN requirements section for additional pertinent information.

Figure 28 Computer Architecture



Please refer to Parameters Section regarding LAN requirements, including network isolation, network security, and service packs/antivirus protection and regarding grounding and bonding of computer and communications equipment.

OMS serves as the single communication channel between the host computer and the Dematic supplied picking/routing systems. The software interface to the Host System may be via file based FTP or connection-oriented Sockets over TCP/IP.

The details of the host interface functionality are assumed to be identical to The Children's Place distribution center in Dayton, NJ.

8.2 System Deliverables

Dematic provides the following deliverables:

- Hardware
- Third-party Software
- Dematic Application Software
- Documentation

8.3 SortDirector Overview

8.3.1 Main System Areas

The system can be divided into seven (7) main areas, which are described in further detail in the sections to follow. The list below denotes each area and some of the sub areas contained in each.

1. The Receiving Area
   - Five (5) Receiving lines
   - Five (5) Barcode Scanners and Weight Scales directly attached to SortDirector
2. Full Case
   - Palletizing area used to induct full case cartons into system
3. Put Away/SKU Sorter Area
   - Four (4) cross-dock lines to shipping sorter
   - 31 Put-Away lines
   - One (1) Straight/Recirc line
   - One (1) No-Read line
   - One (1) Barcode scanner
4. Put-To-Light (PTL)/Tote Sorter
   - 20 PTL Pack lines

   - One (1) Straight/Recirc line
   - One (1) No-Read line
   - One (1) Barcode scanner
5. The Automatic Label Print and Apply Area
   - 4-to-1 saw-tooth merge
   - Four (4) Barcode Scanners and 4 Weight Scales directly attached to SortDirector used for Weight Upload to WMS.
6. The Shipping Area
   - 40 Shipping lines
   - One (1) No-Read line
   - Two (2) New-Store loops
   - One (1) Straight/Recirc line
   - One (1) Barcode scanners

The following areas exist, but are not under SORTDIRECTOR control.

- Inbound Merge Area – sends product towards the Put Away/SKU & Routing sorters
- Outbound Merge Area – sends product towards the print and apply area

- The automatic Label Print and Apply Area

8.3.1.1 Receiving

The receiving system consists of five (5) Receiving lines and one (1) Slapper line each with an associated single-line side-read scanner located on the right-hand-side of the conveyor. Each barcode scanner is attached to a weight scale for a total of six (6) weight scales. The barcode is an input to the weight scale. The scale transmits both the barcode data and weight data to the SortDirector over a direct RS422 serial connection.

Cartons arrive with a unique 20 digit Case Number bar code as well as a four digit Quantity Number. Both of the labels are applied to the right side of the carton and the front of the carton. When a carton is unloaded and placed on one of the two receiving lanes, the associated Receiving Scanner scans the carton for the Case Number and Quantity Number. It is the responsibility of the barcode scanner to concatenate these two strings together for transmission to the SortDirector.

The SortDirector formats the scanned data into a DIVERTQUERY message and sends the message to the WMS for notification the case was received. The WMS then downloads the carton information to the SortDirector via the DIVERTDIRECTIVE message.

NOTE If the message from the receiving scanner(s) is a no-read (all zeros) and/or the weight scale is a no-weight, no message will be uploaded to the WMS. No other action is taken by the system for no-reads (i.e. the conveyor does not stop). However, as a result of this, the cartons that encounter a no-read condition on either the quantity or the carton number barcodes and/or a no-weight at Receiving may be sent to the Jackpot lane at Put Away/SKU sorter as an Untranslatable (non in database) if the barcode is successfully read at Put Away/SKU sorter.

The Receiving scanner is not expected to transmit an ID code to the SortDirector, so the SortDirector will need to know which communications port labels are received on in order to report the receiving line the label was scanned.

Table 1 Valid Receiving lane ID’s

Value sent to WMS	Receiving Lane Number
R1	Receiving lane 1a and Receiving lane 1b
R2	Receiving lane 2a and Receiving lane
R3	Receiving lane 3a and Receiving lane 3b
R4	Receiving lane 4a and Receiving lane 4b
R5	Receiving lane 5a and Receiving lane 5b
R6	Slapper Line

8.3.1.2 Put Away/SKU Sorter

The Put Away/SKU sorter consists of 31 Put Away/SKU lines and 1 Straight/Recirc line. When the carton arrives at the Put Away/SKU Sorter area it is scanned on the right-hand-side of the carton by the Put Away/SKU Sorter. The bar code is then sent to the RSC which in turn transmits the case barcode to the SortDirector. The SortDirector informs the RSC where to divert the carton based on the data received in the Divert Directive message from the WMS. Upon verifying that the carton has been diverted, the SortDirector sends the Divert Confirm message to the WMS.

When the SortDirector receives the unique tracking number and carton information from the RSC, the SortDirector will take the appropriate action based on the label information received from the WMS. The following table describes the possible actions the SortDirector can take for carton information identified at the Put Away/SKU scanner:

Table 2 Put Away/SKU Sorter

Condition	Action
The Sort Lane assignment is a valid Put Away/SKU Sorter Logical Lane number	The SORTDIRECTOR informs the RSC to divert the specified carton to the Logical Put Away/SKU sorter lane.
The “Audit/QC” Flag is set to “TRUE/YES”	Overrides the sort destination for the carton and the carton is routed to the Routing Sorter Audit line via the Put-Away/SKU sorter (round-robin diverts 1-3).
String is anomaly condition (no-read, multi-label, untranslatable/not-in-database)	Carton is routed to the Routing Sorter Audit line via the Put Away/SKU (round-robin diverts 1-3).

NOTE

- Cartons that cannot be diverted due to lane full conditions are re-circulated through the Put Away/SKU sorter line (divert 36).
- When a carton is diverted to the Jackpot/QC lane because of the QC flag being set, the SortDirector also clears the QC flag (space it out) so that it will not be continuously audited.
- Weight checking/validation will take place at PutAway/SKU sorter.

- Cartons destined to the Shipping Sorter merge will use Put Away/SKU Sorter will use the last four diverts however the SortDirector will send a divert value of 1 to the RSC. The RSC will process the divert value of 1 knowing that this is the signal to execute the Round-Robin logic between the last four diverts. The RSC is responsible for the Round-Robin sortation logic when the SortDirector sends a value of 1.

8.3.1.3 Put-To-Light/Tote Sorter

The PTL/Tote sorter consists of 20 PTL lines and 1 Straight/Recirc line. A single RSC controls the PTL/Tote inbound sortation. There is a scanner directly connected to the RSC. The scanner reads the label on the Tote and sends it to the RSC. The RSC, in turn, sends a Dispatch Request to the SortDirector. The SortDirector looks up the label in its database. If the label is found, the SortDirector directs the RSC to divert the tote to the designated destination.

Table 3 PTL/Tote Sorter

Condition	Action
String is anomaly condition (no-read, multi-label, untranslatable/not-in-database).	Carton is routed to the PTL reject line (divert 41).

NOTE

- Cartons that cannot be diverted due to lane full conditions are re-circulated through the PTL/Tote sorter line.
- A tote may only have one destination in the PTL/Tote area.
- Divert confirmations are sent to the WMS for this area.

8.3.1.4 Label Print and Apply (LPA)

The Label Print and Apply area consists of 12 Barcode Scanners and 12 Weight Scales. Of the 12 barcode scanners, all are attached to the RSC system and are used for Weight Upload to WMS. All scanners are used by the LPA system. The actual LPA function is not under SortDirector control. Cartons receive a shipping label by a system under control of The Children's Place.

NOTE The weight that is received from the LPA weight scales must be saved in the SortDirector database as the "Actual Weight" so that weight verification can be processed at the Shipping Sorter.

8.3.1.5 Shipping Area

The shipping area consists of 40 shipping lanes, two New Store loops and a Straight/Recirc line. Configured with the Shipping sorter is one barcode scanner. The scanner in Shipping communicates directly to the RSC and transmits the barcode data to the SortDirector. Both sides of the cartons are scanned for the 20 Digit Case Number Barcode. The left hand side is scanned for the divert directive and the right hand scan is the label verification scan.

The scanners can transmit to the RSC two barcodes separated by an ampersand ("@"), the first being the right side-read (Case Number), ampersand, then followed by the left side-read (Shipping Number).

8.3.1.5.1 Rules for Weight Verification

- If expected weight of Zero is downloaded by host for the carton, weight verification is performed and carton is sent to jackpot.
- If expected weight for the carton is provided by the host, then SortDirector consults the weight tolerance table for the expected weight and computes the upper and lower allowable limits. It then checks, if the measured weight

is within these computed limits, if not the carton is diverted to the QC lane (only once for this reason).

- If there isn't any "actual" weight associated with the carton, the carton should be rejected as a Weight Check Failure. This condition can occur if the weigh station scales/scanners do not transmit the data to SortDirector via the direct device connection. Additionally, for this condition, the carton should continue to be rejected until there is an actual weight available (this is an exception to the QC rule of rejecting cartons only one time).

Table 4 Shipping Sorter Label Verification Logic

Condition	Action
Both strings transmitted by the scanner are the same.	The SORTDIRECTOR performs a check of the two strings. The first 20 character string is compared to the second 20 character string. If they match, a lookup is performed in the database for the destination for that carton.

The two strings transmitted by the scanner are non-zero and do not match.	The carton is directed to the Shipping Sorter Jackpot line for a label-mismatch anomaly condition
If either the first or second string transmitted by the scanner is non-zero and the other string is all zero's (no-read).	A lookup is performed in the database for the destination for that carton. It is then directed to Jackpot.

NOTE Sortation logic business rules require that the Label Verification logic take precedence over the Weight Verification logic. Weight Verification should only take place once the Label Verification has determined that both labels match.

The SortDirector looks up the label in its database and verifies the actual weight (obtained from the LPA weight scales) against the SortDirector's configured weight tolerances. If the label is found and is within weight tolerance the SortDirector directs the RSC to divert the carton to the designated destination. If the carton is not within weight tolerance, the carton will be sorted to the designated weight check failure lane. If the carton is a no-read the carton will be sorted to the designated no-read line for the level. If the designated divert is full, the carton will recirculated.

- Label verification will take place at shipping.

- If a carton is rejected for 0 (zero) weight, the shipping label must be taken off before re-inducting the carton to the Routing sorter.

NOTE If the carton is rejected at Shipping sorter for Check-Weight-Failure (out of tolerance), the DIVERTCONFIRM message to WMS must contain the logical destination of WT, otherwise the WMS will mark the carton as "shipped".

8.3.2 Barcode Details

Cartons with this pre-applied case number barcode label are expected to be received at the two (2) Receiving lanes and the Full case lane.

Table 5 Case Barcode Details

Item Description	Comments
Barcode Length and format	20 Digits Numeric
Information contained in the Barcode	Case Number
Barcode Codification Scheme	Type 128
Seen by Scanners	Receiving Scanners, Primary Sorter, Put Away/SKU Sorter Scanner

Figure 29 Pre-applied case number barcode label

Cartons with this pre-applied quantity barcode label are expected to be received at Receiving lanes.

Table 6 Quantity Barcode Details

Item Description	Comments
Barcode Length and format	4 Digits Numeric
Information contained in the Barcode	Quantity
Barcode Codification Scheme	Type 128
Seen by Scanners	Receiving Scanners

The expected format of the transmitted string from the scanner to SortDirector is:

$CCCCCCCCCCCCCCCCCCCCQQQQ^{L}{}_{F}$

Where:

CCCCCCCCCCCCCCCCCCCC is the Case Number and QQQQ is 4-digit Quantity (e.g.: 10 qty will be sent as 0010)

And:

$^{L}_{F}$ is Carriage Return and Line Feed

8.3.3 Client Workstation Details

Dematic configures Terminal Services clients connecting to the server with access strictly to an instance of the DirectorIT™ user interface shell running on the server. When the client logs in, the user is restricted only to the DirectorIT™ application. The user has no access to any system functions and can neither by design or unintentionally reconfigure or reboot the application server from his client session. The client is further restricted by the application login as to what menu options are and are not accessible. Terminal Service sessions can also be configured for timeout by user. The server would automatically terminate client sessions that have set idle for X duration.

NOTE Computer workstations and/or related client hardware/software is not provided by Dematic as part of this project. All client workstations will be configured and run from The Children's Place computers.

In order for the client workstations to access the Dematic DirectorIT™ server, the client computers require Microsoft Operating Systems of either Windows 2000 configured with Terminal Services or Windows XP Professional configured with Remote Desktop. The client computers must also have network access to the Dematic DirectorIT™ computer.

8.4 PickDirector Overview

8.4.1 Operator Procedure

Inbound totes will be delivered to the appropriate put module by the conveyor system and must be grabbed by the operators of each of the zones for processing.

1. An operator logs into the zone using the hand held scanner and their personal identification barcode.

2. The operator scans one of the inbound tote IDs.

    a. If any of the stores that have requirements from that tote, do not have a store carton assigned the MaxiPick will light with the word FILL. The operator will scan a new carton and press the OK button of the corresponding MaxiPick or scan the location barcode. The process is repeated for all the FILL messages. (The POPULATE ALL barcode can also be used to fill any unassigned locations prior to inducting and inbound tote. All unassigned locations will be prompted with FILL

messages. The operator scans an outbound carton and presses the OK button on the MaxiPick or scans the location barcode to marry the carton.)

    b. PickDirector then lights the appropriate lights/quantities for each store location in the zone that must be filled from this inbound tote.

    c. PickDirector also displays the tote ID and total number of stores requiring puts on each BayDisplay in the zone.

    d. If the inbound tote has no work in the zone an appropriate message will be displayed to instruct the operator to pass the tote to a zone that has work.

3. The operator picks the product from the tote and places the specified amount in one of the store cartons with a lit MaxiPick. The operator informs PickDirector that the fill is complete by one of the following methods:

    a. NORMAL: Pressing the "OK" button to indicate that the put is complete and the store carton is not full.

    b. NEW CARTON WITH PARTIAL PUT: Decrementing the quantity and pressing the "Action" button, followed by the "OK" button to indicate that the tote is full, but all puts for the store from the inbound tote could not fit into the outbound carton (another carton is needed). NCAR will be displayed on the MaxiPick for a brief moment to indicate that a new carton is needed.

        1) PickDirector turns off all the lights in the zone and waits for the operator to push out the full store carton.

        2) The operator will be directed to scan a new carton ID and place it in the store slot.

        3) PickDirector lights any remaining quantity for the store that could not be put into the previous carton. Any other stores requiring puts from that tote will also relight.

    e. SHORT: Supervisor approval is required to perform a short. In the event there are not enough products to fill the requirement an operator must inform a supervisor. The supervisor decrements the quantity on the MaxiPick to the quantity put and then scans a special 'Short' barcode to indicate that there are not enough products to complete the put operation.

4) PickDirector extinguishes all lights in the zone and shorts the requirements for each store.

4. The operator continues step 3 until all store puts are complete for the inbound tote.

   a. PickDirector will display the word “COMPLETE” if the inbound tote is supposed to be empty, otherwise PickDirector will display the word “PASS” to the next zone.

5. The operator passes the inbound tote to the next zone if instructed to “PASS”. If the tote is empty and “COMPLETE” is displayed the operator will handle the tote appropriately.

6. The operator continues at step 2 until all inbound totes have been processed.

7. The operator can close outbound store cartons by one of the following methods.

   a. The operator can swap the carton when it becomes full by using the New Carton process outlined above (NCAR). This method is probably preferred if the operator want to perform a partial put. If the quantity required is 5, but only 3 will fit in the box, using the NCAR method the operator can decrement to quantity to 3, swap the container, and put the remaining 2 in the next carton. OR

   b. The operator can swap the carton when it becomes full by scanning the location barcode, pushing out the full carton, and scanning a new carton. No partial put can be done.

   c. The operator can scan the “Close All” barcode. This will light all the store locations with CLOS even if they have remaining requirements. The operator can close all locations or can choose specific locations, confirming each action by pressing the “OK” button on the MaxiPick. If the operator only chooses to close specific locations the “End Operation” barcode can be scanned to exit the function.

NOTE At any time during the put process, the put operator may suspend the operation by scanning the “Suspend” barcode. The delivery tote may once again be scanned to resume the put process for those items that have not been completed.

8.4.1.1 Reconfirm Last Put

At any time after a put has been made to a given location, but prior to the next SKU being put at the same location, an operator can relight the last put quantity simply by pressing the OK button. This procedure would be invoked when an operator needs to re-verify a put quantity after it has already been acknowledged at the pick face by pushing the “OK” button.

8.4.1.2 Audit Last Put in Zone

At any time after the last tote has been processed in a zone, but prior to the next tote being inducted in the zone, and operator can audit the last tote. The operator scans the “Audit Last Order” barcode and all locations that had puts from the previous tote will relight with the quantity to be put. Operators can then verify the contents of the outbound containers against the re-lit quantities. No changes can be made to the quantities confirmed to PickDirector. Operators can add or remove items from outbound cartons, but the quantity confirmed to PickDirector will not be updated. Once the operator is satisfied with the audit

they scan the “Cancel” barcode to exit the function. To continue operations the operator scans the next inbound tote.

NOTE While auditing, an operator may find more of a SKU in an outbound container than is lit on the MaxiPick. This product would have been put from a different inbound container than the one being audited.

8.4.1.3 Zone Changing via Scanner

During operation an operator may decide to increase or decrease the size of their zone depending on workload. The operator can adjust the size of their zone by scanning a “1 Zone”, “2 Zone”, or “3 Zone” barcode. The zones will automatically resize to a predetermined configuration per aisle. In order to use this functionality, neighboring zones must be logged out.

8.4.2 Email Notification

System Hardware will be configured to automatically email notifications when specific conditions warrant. Conditions include devices not online and shorted orders. It is required that the email system supports Simple Mail Transfer Protocol (SMTP) to accommodate this customization.

8.4.3 Barcodes

The following barcodes are required to commission, test and operate the system after Go Live.

All input barcodes must be alphanumeric, five characters in length and begin with ‘C’. The following are codes for the operations listed:

Operation	Code
Operator Login	Any Value
Operator Log Out	C1001
Suspend	C1003
Cancel Operation	C1191
End Operation	C1195
Populate All	C2022
Close All	C2030
Short	C2012
Audit Last Tote in Zone	C2041
Carton at Location	C2040

8.4.4 Quality Assurance

As totes are routed out of the put module, a random number of the totes determined by the host will be routed to an audit divert. If desired a client workstation provided by The Children’s Place can be used to query the contents of any outbound shipping container. The query will display both the required and actual quantity of each SKU in the container as well as the date and time of when the SKU was put and the operator logged into the zone at the time each SKU was put.

Query input to the tote lookup screen can either by the keyboard or by a keyboard wedge scanner. No changes can be made to the query results.

8.4.5 Client Access

For client access System Hardware supports the use of Microsoft Terminal Services. The base System Hardware install allows for 2 simultaneous client connections.

Any windows client can be set up to access the System Hardware user interface by using the terminal services portal. This includes hard network connected workstations as well as RF connected windows based PDA type devices and tablet PCs. For RF connected devices, a tablet PC is better suited for display of the System Hardware GUI Though there is nothing prohibiting the running of the System Hardware GUI on a PDA size display, sliding and scrolling of the screens may be required to access all of the available screen data and controls.

It is the responsibility of The Children’s Place to provide any System Hardware client hardware.

8.4.6 Database Access

System Hardware uses MSSQL for its underlying database. Read only access to the PickDirector database will be granted to The Children’s Place. It is the responsibility of The Children’s Place personnel to familiarize themselves with the System Hardware Database table and index structure in order to create custom SQL database queries. Dematic is not responsible for any performance degradation of the system due to the influence of The Children’s Place generated query against the System Hardware database.

8.5 Project Parameters

8.5.1 LAN Requirements

Each computer and each device requires a unique The Children’s Place supplied IP address. The LAN utilizes the TCP/IP protocol running on Category 5E (or above) network cabling according to ANSI/EIA/TIA and NFPA-70 standards. The Children’s Place is to provide all LAN drops and test each drop for all of the normal parameters, including DC loop resistance, continuity, length, attenuation, near-end cross-talk (NEXT), return loss, equal level far-end cross-talk (ELFEXT), propagation delay/delay skew, attenuation to cross-talk ratio (ACR), etc. The interface point is the media interface on the end of the Ethernet cabling with a CAT5E or better connector. This connection point must be within 3’-0” of the usage point.

8.5.1.1 Network Isolation

The Dematic network must be isolated from The Children’s Place business network in order to provide security and manage network traffic effectively.

Dematic recommends that each device be connected to a separate port on an Ethernet switch, so as to isolate collision domains and maximize system performance. Please refer to the Computer Architecture diagram. Isolation is achieved by creating a separate LAN for the Dematic supplied systems. In this example, each of the Dematic supplied servers (primary and backup) is equipped with two NICs. One of the NICs is connected to LAN A (The Children’s Place business network), and the other is connected to LAN B (Isolated LAN for

Dematic systems). This arrangement disallows any traffic from LAN A to be broadcast on LAN B, and visa versa. Note that isolation of one network from the other may be accomplished by utilizing a VLAN capable switch or switches.

With this arrangement, all The Children's Place network traffic is blocked except what is explicitly permitted to/from the Dematic provided servers, i.e. host downloads/uploads.

Implementing systems without isolation such as the method described above compromises the warranty, and does not allow Dematic to control/limit the congestion on its network segment. The added congestion and security risk may interfere with the system design, impeding the operation of the system and Dematic' ability to effectively support the system as designed.

Ultimately, The Children's Place is to be responsible for network isolation as outlined above.

8.5.1.2 Network Security

The Children's Place is responsible for managing all network security in terms of prevention, detection, and response.

Network security may include (but is not limited to): physical security, packet screening; vulnerabilities; firewalls; authentication; authorization, and other security issues that may potentially impose risks or threats.

8.5.1.3 Service Packs and Antivirus Protection

Operating systems running on Dematic supplied computers contain the most recent service packs available at the time of software development. Dematic supplied servers and computers also include antivirus software. The antivirus software is up to date and actively running on the computer at the inception of installation. After inception, there are no additional service packs or antivirus patches installed, unless specifically arranged by mutual agreement between The Children's Place and Dematic.

The warranty provided by Dematic for the installed computer/software system does not apply to any failure that may be caused by vulnerabilities in the operating system, nor does the warranty apply to any attack on the system due to a virus, worm, or other intrusion.

Ultimately, The Children's Place is responsible for service packs and antivirus protection.

8.5.2 Grounding and Bonding of Computer and Communications Equipment

Lightening strikes, electrical power faults, and other transients can cause serious damage to computer and telecommunications equipment if ground loops exist and proper grounding and bonding rules are not applied.

8.5.2.1 Grounding and Bonding Defined

"Grounding" refers to electrically connecting equipment to the earth via the electrical service ground, ground rods, and/or other methods. "Bonding" refers to the equalization of ground points between two or more points – such as between two pieces of equipment, or between a particular piece of equipment and the building's steel structure.

8.5.2.2 Electrical Grounding vs. Computer Equipment Grounding/Bonding

The purpose of grounding in power systems is to protect people and equipment, while the purpose of grounding and bonding in computer systems is to protect not only people and equipment, but also delicate signals in high speed communications. Each of these systems has specific requirements. Both systems must be installed acceptably and functioning properly, in accordance with national and local electrical codes and also ANSI/TIA/EIA 602 codes and standards. The appropriate ground bus blocks, bonding conductors, connectors, etc. in and between all Dematic supplied racks, enclosures, cabinets, and equipment where communications between subsystems takes place must be installed.

8.5.2.3 Principles Behind Communications Bonding

The majority of distribution center building structures today already have low overall impedance and a lightning protection system to safely conduct direct lightning strikes to ground. However, due to ground loops, significant differences in ground potentials can exist throughout a building during electrical transients. Additional bonding conductors are an effective way to improve marginal situations, especially in buildings that lack an effective overall bonded structure.

A ground loop creates a current across conductors when a difference in potential exists between two grounded points. An example would be two ground points in two separate buildings connected by the same data line. In this scenario, there is a difference in voltage potential between the two points. Current flows through the cable from the higher voltage to the lower voltage. If the voltage potential is large enough, the equipment is not able to handle the excess voltage and one or more parts may be damaged, sometimes severely. Ground loops cannot be tested. Unfortunately, it cannot be known that they exist until a vital component fails.

If continuous structural steel already exists nearby along the same path, there may be little actual improvement. But even in this case, a certain assurance is gained by having explicit bonding conductors that can be verified by inspection.

Building Industry Consulting Services International (BICSI®) outlines three of the most important scientific principles behind communications bonding conductors. They are as follows:

1. Equalization: Potentials between different ground points are very dependent on the impedance between them. Ground equalization improves because the additional bonding lowers the impedance between different ground points. The shortest and most direct path using large conductors provides low impedance (both resistive and inductive). Multiple conductors or wide strips provide even lower impedance.

2. Diversion: Because the bonding conductor follow the communications cable and is directly connected to system grounds at each end, electrical transients that are forced down the cable path may be diverted (carried) by the bonding conductor and less likely to influence the communications conductors.

3. Coupling: The closer the bonding conductor is to the communications cable, the greater the mutual electromagnetic coupling. During electrical transients, this coupling tends to partially cancel the transient when it reaches the communications equipment at the end.

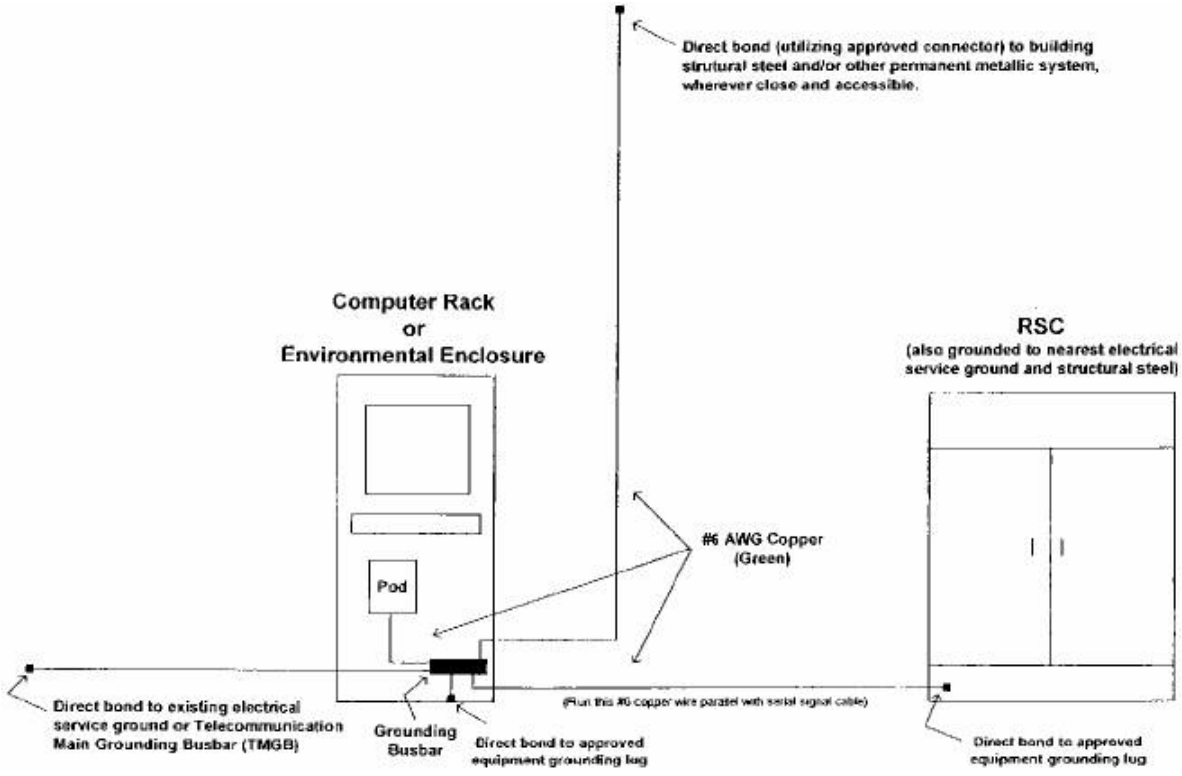
Each of these three effects is achieved in varying degrees, depending on a wide range of factors. It is often difficult to predict or measure specific results, but any combination of all three is usually beneficial to computer and communications equipment.

Plainly, the only guard against equipment failure due to lightening strikes and power faults is prevention.

8.5.3 Example - Grounding and Bonding of Dematic Systems

The following Figure is a basic sketch of a properly grounded and bonded sortation system. In this scenario, the sortation system consists of a computer rack (or environmental enclosure) and a Dematic RapidSORT Controller (RSC). This concept may be applied to many other applications wherever computer and/or communications equipment chassis, enclosures, and cabinets are involved.

Figure 30 Sketch of Grounding and Bonding of Computer Rack/Enclosure and RSC



8.5.3.1 Responsibilities

8.5.3.1.1 The Children's Place's Responsibilities

- Ensure the integrity of the electrical service ground. This may require the services of a licensed electrician and may involve testing.

- Ensure appropriate grounding and lightening protection for telecommunications circuits (phone lines), network infrastructure, and serial communications systems in accordance with ANSI/TIA/EIA 602 standards.

- Specifically, bond all pertinent cabinets, racks, and equipment to the grounding electrode system (equipment to electrical service ground, equipment to structural steel, and equipment to equipment) utilizing the appropriate bus bars, approved connectors, and #6 AWG copper stranded cable (wire jacket must be green in color).

- Note: Direct attachment to the closest point in the building's electrical service grounding electrode system is preferred because the communications systems are powered from that service and

communications cabling and power cabling must be effectively equalized (Ref.: NEC 80-40).

- Clean all pertinent copper and copper alloy connections (bolt/crimp connectors, clamps, or lugs), and coat with antioxidant prior to connection.

8.5.3.1.2 Dematic Responsibilities

- Provide proper grounding bars and lugs in all Dematic supplied racks, enclosures, and/or cabinets.

- Assess the site for proper grounding and bonding of all equipment during the commissioning period and prior to system acceptance.

8.5.3.2 Grounding and Bonding References

Following is a list of pertinent topics and their associated references. Copies of the National Electrical Code (NEC) code book and information on other standards may be obtained locally at any electrical supply house in most U.S. cities):

- Lightening Protection System (ANSI/NFPA 780)

- Grounding Electrode system (NEC Article 250 Part H, NEC 350-54, & NEC 250-71b)

- Electrical Bonding and Grounding (NEC 250)

- Electrical Power Protection (NEC, Chapter 2)

- Communications Bonding and Grounding (ANSI/NFPA 780, NEC 250, NEC 800-40, and ANSI/TIA/EIA-607)

- Telecommunications Circuit Protectors (NEC 800C, UL 497)

- Specific Equipment Grounding (NEC 250-45, NEC 250-59)

9 Proposal Specifications

9.1 General

1. This Proposal is presented as a total package and, with the exception of any proposed options, must be purchased as such.

2. Dematic in no event shall be liable for incidental or consequential damages (including loss of profits).

3. The Children's Place will approve and return Dematic's approval documents within a reasonable time such that the project schedule can be maintained without delay.

4. The concept, design, and drawings for standard and specially fabricated or modified equipment will remain the property of Dematic. Dematic will provide assembly level drawings, including a bill of material, for specially fabricated equipment and Dematic's standard service/parts manual pages for standard equipment. Detail drawings of weldments, sub-assemblies or individual components are proprietary and will not be provided.

5. Only those items listed in the specific equipment lists in this Proposal will be provided. All other items are presumed to be provided by The Children's Place.

6. A recommended spare parts list for the equipment under this Proposal will be furnished to The Children's Place prior to Commissioning. This will allow The Children's Place to select and purchase spare parts early enough for the spare parts to be on-site for the commissioning process. This spare parts list will include:

    a. Item Number

    b. Item Description

c. Manufacturer

d. Part Number

e. Price

f. Recommended Inventory Quantity

7. Unless otherwise noted, Dematic has priced this project with the intent to utilize The Children's Place's purchased spare parts on an as needed basis during the commissioning phase. Dematic will document all spare parts consumed, and will replenish these parts as quickly as possible.

8. CAD Drawings are included in this Proposal.

9. This Proposal does include travel to the site by the Dematic Software Engineers. The software portion of the project is expected to be performed in-house and commissioned by way of modem.

10. Dematic will provide Maintenance and Operation documentation for the equipment installed by Dematic under this Proposal.

11. Full service maintenance of equipment, commencing with the operation of a portion or all of the equipment, is not included in this Proposal but can be quoted separately.

12. Only those work stations, catwalks, platforms, or crossovers specified in this Proposal are included.

13. Fork truck barriers to protect the equipment from damage are not included in this Proposal.

14. This Proposal includes only those interfaces with other equipment specifically noted.

9.2 The Children's Place Deliverables

The Children's Place is responsible for the following:

1. Immediate availability of a Project Engineer / Manager authorized to represent The Children's Place, such that the project schedule may be maintained through the duration of the project.

2. All necessary federal, state, and local government licenses, taxes, permits, and fees as may be required. If required, The Children's Place is responsible for the costs associated with Dematic obtaining the PE stamp of approval.

3. Ample product for system testing during the installation, commissioning, and testing periods. The Children's Place will have the equipment and Personnel available, as required, to handle the loading and off-loading of product to the conveyor system. Also, The Children's Place will have fork trucks and Personnel available, as required, to bring product from its final destination back to its loading point during the installation testing phase.

   NOTE A large quantity of product may be necessary, based upon the final system design, system rate, accessibility, etc.

4. Staging of all loads prior to testing which is to include product labeling (machine and/or human-readable).

5. Unique barcode ID's for all totes and cartons.

6. Training classrooms.

7. Secure storage for backup media.

10 Safety

10.1 Mutual Commitment to Safety

Dematic and The Children's Place recognize that accidents can be reduced by following safe practices in the design, construction, installation, operation, and maintenance of the equipment. Therefore, in a mutual effort to minimize the possibility of accidents, Dematic and The Children's Place agree as follows:

1. Dematic furnished equipment will be designed, manufactured, and installed under the guidance of the appropriate ANSI/ASME Standards. Likewise, The Children's Place will apply appropriate ANSI/ASME Standards as they incorporate user instructions into their operations, and will enforce these operating standards and instructions. In particular, The Children's Place will place into

standard operating procedure those instructions contained within the Dematic supplied Conveyor Safety Guidelines Form Number 5100 (9/02).

2. When Dematic provides on-site installation services, Dematic will provide operational and maintenance instructions and training prior to the completion of Commissioning. The Children's Place will provide the appropriate Operational and Maintenance Personnel for such instructions and training. The Children's Place will retain a record of attendees.

3. Dematic will provide written instructions relating to the safe use of the equipment. These materials will include such items as manuals, safety instructions, posters, user instructions, etc. The Children's Place will make such instructions available on a continuous basis to its Operational and Maintenance Personnel.

4. The Children's Place will periodically conduct safety programs, as required, to keep its Operational and Maintenance Personnel, including new hires, constantly knowledgeable with respect to the safe use of the equipment.

5. The Children's Place will maintain a dress code which requires all Personnel around the equipment to wear hair protection (or short hair), snug fitting clothes and heavy duty work shoes. The wearing of tennis shoes, baggy cuffs, neckties, jewelry and similar apparel will not be permitted. Hard hats will be worn where Personnel could be subjected to injury because of obstructions or falling objects.

6. The Children's Place will provide man lifts, platforms or similar devices for the safe maintenance servicing of elevated equipment where catwalks, platforms or similar means of access are not provided.

10.2 OSHA Lockout / Tagout Rules

NOTE An important note to The Children's Place.

On August 28, 1989, the U.S. Department of Labor amended the Occupational Safety and Health Standards to incorporate lockout / tagout requirements. This standard applies to most employers and covers, among other things, "the servicing and maintenance of machines and equipment in which the unexpected energization or start-up of the machines or equipment...could cause injury to employee." The standard states that servicing and maintenance covers various workplace activities including "lubrication, cleaning or un-jamming of machines or equipment...where the employee may be exposed to the unexpected energization or start-up of the equipment....."

In Dematic's opinion, this standard applies to most workplaces utilizing powered conveyor. Dematic is bringing this to the attention of The Children's Place in the event The Children's Place is not aware of the standard. Dematic urges The Children's Place to review the applicability and requirements of the standard with respect to The Children's Place's facilities. In general, the standard requires employers to establish an ongoing program of control procedures and employee training (regardless of training provided by the equipment vendor at the time of sale) to ensure that equipment is rendered inoperative before any servicing or maintenance is performed.

The referenced standard (as may be amended) can be found at 29 CFR Part 1910, Section 1910.147; it was published in the Federal Register, Volume 54, No. 169 on September 1, 1989. Also, copies may be requested from the Dematic Contracts Administration Department. This and other pertinent OSHA safety standards may be found at WWW.osha.gov.

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11 Service Support

Dematic offers a complete range of services to meet The Children's Place's needs - from Emergency Service to comprehensive Resident Maintenance Programs. Service options are also available within each service support offering, to tailor the product to best meet The Children's Place's specific needs. Material handling system services are one of Dematic's most important core competencies and have been for decades. This extensive background enables Dematic to provide the highest quality services at competitive prices.

Dematic includes basic service and support as part of every system it sells and installs. These services are designed to make the beginning stages of system start-up and operation simple and efficient for The Children's Place. The Dematic Service and Support group can help The Children's Place by answering technical questions, providing training for Operators and Maintenance Staff, and by helping The Children's Place ensure that the Material Handling system is being properly maintained. The services included with a new Dematic material handling system are:

- Initial Spare Parts Set-up
- Initial Operator and Maintenance Training
- Technical Documentation and E-Manuals
- 1 Year of 24/7 Technical Phone Support
- 1 Year Technical Phone Support Monthly Call Log

- 1 Year Technical Phone Support Annual Call Analysis Report
- 16 Hours of On-site Engineering Support during the 1-year Warranty Period (Can be used for Launch Support, Preventive Maintenance, Assessments, or Training.)

11.1 Additional Optional Services Available from Dematic

The programs outlined below can be offered as options to the base system.

11.1.1 Extended Technical Phone Support

Technical Phone Support is available 24 hours a day, 7 days a week and is a critical support service available from Dematic. The Dematic support desk, also known as the Uptime Center, is staffed by qualified Dematic Personnel, not call center operators. These Engineers are knowledgeable experts in the fields of mechanical, electrical, and software applications as they apply to Dematic integrated systems. They have comprehensive knowledge of material handling systems and access to The Children's Place's Material Handling system CAD drawings and Operation and Maintenance manuals. This allows Dematic to troubleshoot a wide variety of problems over the phone (over 95% of issues are resolved by phone annually).

NOTE During the original warranty period, Dematic's Technical Telephone Support (1-800-530-9153) is available 24 hours per day, 7 days per week, at no charge. After the warranty period expires this same high quality support can be continued through a separate support agreement.

11.1.2 Spare and Replacement Parts

To keep Material Handling Systems operating at peak efficiency it is important to replace worn parts with high quality replacements. Dematic uses only top-of-the-line parts. Each part must meet or surpass a series of critical performance standards. With high-quality Dematic replacement parts installed, The Children's Place should realize longer equipment life, optimized uptime, greater efficiency, maximum productivity, and lower overall life-cycle cost.

Dematic stocks more than 25,000 spare parts in its world-class distribution center, with same-day shipping on most parts. Customers can order parts by phone, fax, EDI or online, 24 hours a day, 7 days a week.

11.1.3 Remote System Monitoring

Remote System Monitoring is a proactive and predictive maintenance program where Dematic Engineers periodically monitor The Children's Place's system operating characteristics from a remote location and review error reports using sophisticated visualization software.

If any deviations are detected, Dematic will contact The Children's Place so that corrective action can be taken. If issues, trends or potential problems are becoming evident, Dematic will proactively alert The Children's Place so that

corrective measures can be taken to avoid serious problems that could affect system uptime and performance.

Dematic will review error logs and faults such as photoeye malfunctions, servo belt errors, scale and scanner issues, and product "no reads". Dematic will then suggest a course of action to help remedy the problem to avoid future occurrences. Remote System Monitoring also allows us to more accurately analyze system data and measure overall system performance using a variety of KPIs (Key Performance Indicators).

11.1.4 Preventive Maintenance

Correctly performed routine Preventive Maintenance (PM) has been proven to maximize system life, significantly reduce total maintenance costs and dramatically increase system uptime. This program helps provides Return-on-Investment for The Children's Place's maintenance dollars by balancing the cost of preventive maintenance against the cost of unscheduled repairs and downtime.

When performing preventive maintenance, Dematic Technicians follow a detailed checklist of tasks specific to each equipment type. Components are inspected, tested, lubricated or adjusted to help ensure quality performance. Any equipment found in need of repair or replacement parts is identified and included in a summary report.

Preventive Maintenance work is scheduled at set intervals throughout the year and at a pre-determined cost. It is completed by Dematic Technicians who are specifically trained to keep The Children's Place's system in top mechanical and electrical condition. PM programs are scheduled ahead of time, and since the cost is fixed it is easy to fit into The Children's Place's maintenance budget.

11.1.5 Emergency Service

Dematic maintains a staff of Service Personnel who are on-call 24 hours a day, 7 days a week. These professionals are highly skilled at solving mechanical, electrical and software problems, and are strategically located across the country. Dematic Service Personnel are equipped with service vehicles and the tools and equipment necessary to diagnose any The Children's Place problems quickly and make repairs efficiently. This helps ensure that The Children's Place's system is back online with minimal downtime.

11.1.6 On-Site Support

The On-Site Support service program at Dematic provides a team of trained Mechanical and/or Electrical Technicians at The Children's Place's site – usually on a short-term basis – to perform specific technical maintenance or training activities. On-Site Support Technicians can help during system launch, a major

system overhaul, or to help The Children's Place establish a site-specific maintenance program. This team of skilled professionals provides technical support, preventive, corrective, and emergency maintenance, and general troubleshooting, as needed, on a daily basis.

Since these individuals are fully trained experts in Dematic systems, they can also provide hands-on training to The Children's Place operational staff to help ensure peak system performance. The Children's Place staff is given the opportunity to observe and participate in the regular maintenance of the The Children's Place system. Dematic Technicians can also assist The Children's Place staff in periods of special need, such as emergency shutdown and start-up.

Team size and composition can be tailored to meet The Children's Place's specific maintenance and budget objectives. This customized program helps create superior support and exceptional system reliability.

11.1.7 Customer Training

Properly trained Maintenance and Operational staff members are a key factor in maintaining optimum system performance. Training programs are available as individually tailored, on-site classroom and equipment instruction taught by the company that designed and engineered The Children's Place's individual system.

Dematic's training approach is different from other companies in that it integrates individual performance into The Children's Place's business goals. The training goes beyond demonstrations in starting, stopping, and maintaining equipment. It goes beyond tightening a belt, adjusting a drive chain or replacing a pulley and looks at the full system. Dematic reviews product flow and explains how system performance affects productivity which, in turn, affects The Children's Place's internal customers, both upstream and downstream. It places emphasis on how The Children's Place's material handling system profoundly impacts its business. Dematic training systems are based on these principles:

- Business goals, such as increased system uptime, reduced costs, and improved productivity, are reviewed to help ensure that each staff person clearly understands his/her role and how their job affects the end-result
- Learning is tightly linked to desired business outcomes
- Each person has numerous opportunities to participate in exercises and hands-on activities

11.1.8 Resident Maintenance Programs

Resident Maintenance Programs provide for The Children's Place to contract with Dematic for custom, on-site maintenance services for The Children's Place's system. This program provides for optimization of The Children's Place's system

by weighing preventive maintenance costs against the cost of unscheduled repairs and downtime. A team of professional Dematic Technicians will work full-time at The Children's Place's site to provide mechanical and electrical system support. This support can be geared for preventive, predictive, corrective, and emergency maintenance, as well as troubleshooting on a regular basis.

The number of employees, number of hours worked, job requirements, and scheduling will be tailored to meet The Children's Place's requirements. Resident Technicians can be provided for work in accordance with The Children's Place's scheduling. The contract can be designed to provide any level of operations or maintenance that The Children's Place needs to meet its operational objectives.

Resident Maintenance professionals can be provided to operate equipment, provide routine, corrective, or emergency maintenance as needed, and to troubleshoot The Children's Place's system as necessary. They can also be provided to help monitor and maintain material flow throughout the system, and help to ensure that productivity goals are met.

Dematic's Resident Maintenance Teams provide the best Material Handling contract maintenance services available today. They possess the knowledge, experience, maintenance procedures, tools, and equipment needed to help give The Children's Place's operation a competitive advantage. Dematic aligns its maintenance practices with The Children's Place's business goals. This means Dematic tracks and measures all maintenance costs including labor, down time, and spare parts usage to help improve throughput and efficiency while helping lower the total cost of operation.

11.1.9 Extended Warranties

Dematic offers a variety of extended warranty programs that extend a new system warranty in yearly increments for parts and/or labor. Extended warranties can be limited to parts replacement only or can be custom tailored to meet the specific needs of The Children's Place's operation such as seasonal coverage or hostile environment coverage.

12 System Pricing

12.1 Base System

The following prices are provided for the Hardware and Engineering Services as described in Dematic Proposal 103522. The prices and the acceptance of this Agreement by Dematic are contingent upon performing the work under Proposal 103522 in conjunction with the Dematic Proposal Number 104846 dated 2006-September-27 and execution by The Children's Place of the Agreement for Dematic Proposal Number 104846 dated 2006-September-27.

The price for the performance of Dematic work described in this Proposal is as follows:

Base System Price	Total	$11,809,725

12.2 Pricing Notes

Above pricing does not include building permits, installation permits, or other project permits or fees. All permits and fees are the responsibility of The Children's Place.

All options are priced to be purchased with the Base System.

Above pricing does not include any sales, use, excise, or similar taxes - these are the responsibility of The Children's Place. If The Children's Place is tax exempt, an appropriate tax exemption certificate must be provided within 60 days of order.

Notwithstanding any of the above, within thirty (30) days of signing the Agreement the Purchaser shall have the right to terminate the Agreement upon written notice to Dematic. In the event of such termination, Purchaser shall pay Dematic the reasonable value of the equipment and services already provided to Purchaser.

All prices are in U.S. dollars.

NOTE Commodity Pricing Fluctuations – The metals (steel, aluminum, and copper) to be provided for this project were priced at rates in effect as of the date of this Proposal. Because of the volatility of market prices, any changes in the prices for these commodities from the date of this Proposal to the date on which Dematic ships the equipment, will be charged at "price in effect" on the date of shipment to the installation site. Price adjustments shall be made based upon

the changes in the following published price indicators: (1) Steel – Nucor Steel's price list and surcharges, (2) Aluminum – London Metal Exchange, (3) Copper – London Metal Exchange, which may result in an added charge or credit to The Children's Place.

12.3 Delivery and Shipping Terms

Delivery and Shipping Terms for the equipment shall be: F.O.B. Destination, Freight Prepay and Add.

12.4 Export Laws and Regulations

The Children's Place acknowledges that Dematic is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the work/equipment/services provided under the Contract, including any export license requirements. The Children's Place agrees that such work/equipment/services shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Dematic of its obligations hereunder that compliance with such export laws and regulations be maintained at all times.

The Children's Place agrees to indemnify and hold Dematic harmless from any and all costs, liabilities, penalties, sanctions and fines related to non-compliance with applicable export laws and regulations that are caused by The Children's Place's negligent actions.

12.5 Payment Terms

Dematic agrees to submit invoices and The Children's Place agrees to pay invoices in accordance with the invoice and payment schedule shown below. All payments shall be made payable net 30 days from invoice date, at the address indicated on the Dematic invoice.

A late payment charge of five one-hundredths of one percent (.05) per day (18 percent annum, based upon a 360-day year) will be added to any amount not received by Dematic on or before the invoice payment date indicated on the payment schedule. Where this rate exceeds a maximum rate permitted by applicable law, the permissible rate will apply.

If this Agreement provides for Dematic to install the Equipment, the final invoice, per the invoice and payment schedule, may be held by The Children's Place as retainer. The Children's Place will pay the retainer (final invoice) amount within thirty (30) days after Dematic completion of Installation Commissioning. However, should there be a dispute about the completion of the Installation

Commissioning, then The Children's Place shall inform Dematic of any claimed defects in the Equipment and the amount of any retainer necessary to correct claimed defects will be mutually determined. The Children's Place will then pay the final invoice less the determined amount. The Children's Place will pay the remaining retainer upon correction by Dematic of any defects in the Equipment as mutually determined.

Upon contract ratification, the following payment terms apply:

Item	Payment Terms	Time Frame
1	Twenty percent of the total project price as a down payment less any previous payments made	Upon execution of contract.
2	Monthly progress payments. (Progress payments and down payment will not exceed 50% of the contract value prior to February 1, 2007.)	Net thirty days.
3	Five percent retainer	Thirty days after system acceptance.

12.6 Commercial Terms

This Proposal is based on General Terms and Conditions - Exhibit A. Dematic's price is based on our standard practices, equipment, Terms and Conditions, and warranty.

13 Sales Agreement

This Sales Agreement, (hereinafter referred to as "Agreement"), made by and between The Children's Place Services Company, LLC, 915 Secaucus Road, Secaucus, New Jersey 07094, (hereinafter referred to as "The Children's Place") and Dematic Corp., with headquarters located at 507 Plymouth Avenue, N.E., Grand Rapids, Michigan, 49505, (hereinafter referred to as "Dematic"), constitutes the Agreement of the parties as follows:

1. Dematic agrees to sell to The Children's Place and The Children's Place agrees to purchase from Dematic, the equipment and services described in Dematic Proposal Number 103522, dated 2006-September-27, Sections 1 through 13, for the price set forth in the Proposal and on the General Terms and Conditions – Exhibit A.

2. This Agreement constitutes the entire agreement between the parties and no oral or other representation shall prevail, notwithstanding any other terms and conditions of any order submitted by The Children's Place. Any changes, modifications, or additions to this Agreement are binding and enforceable only if made in writing and signed by both parties.

Approved and Executed By:

The Children's Place Services Company, LLC	Dematic Corp.
/s/ Sal Pepitone	
Signature	Signature
Sal Pepitone	
Name (please print)	Name (please print)
VP of Logistics	
Title	Title
9-29-06	
Date	Date

13.1 General Terms and Conditions – Exhibit A

The Dematic Corp. ("Dematic") Proposal and Sales Agreement specifically incorporate the following General Terms and Conditions. Collectively the Proposal, Sales Agreement, and these General Terms and Conditions are referred to herein as the "Agreement" between Dematic and The Children's Place.

GENERAL TERMS AND CONDITIONS **Exhibit A**

The following General Terms and Conditions shall apply to any resulting order between Dematic Corp. (hereinafter referred to as "Dematic") and Purchaser.

1. **TAXES:** Unless otherwise indicated, the price does not include any sales, use, excise, or similar taxes, and Purchaser shall be responsible for all such taxes, whether or not invoiced by Dematic. If taxes are included as part of the price and the rate or base of the tax is increased or decreased, Purchaser will pay any increased taxes, and Dematic will give credit for any tax decrease. Absent written agreement to the contrary, Dematic will pay the tax and be reimbursed by the Purchaser.

In the event Purchaser is exempt from such taxes or should Purchaser elect to pay such taxes directly to the taxing authority, then within 60 days of the order, Purchaser will provide Dematic with a valid tax exemption certificate or similar document satisfactory in form to Dematic.

2. **WARRANTY:** Dematic warrants that goods sold by Dematic will be free from defects in material and workmanship for a period of two years from the date of installation or four thousand hours of operation, whichever occurs first. Dematic's obligation under this warranty is limited to repairing or replacing, at Dematic's option, F.O.B. manufacturing plant, any part of the goods found to be defective within the warranty period. This obligation is conditioned upon receipt by Dematic of prompt written notice of the claimed defect, including a description of the defect and its discovery, and the opportunity for Dematic to inspect the goods in the purchaser's facility. This obligation does not include costs of labor or other charges incurred in removing or reinstalling parts, and does not apply to goods damaged by misuse, neglect or accident or to goods which have been improperly applied, installed, adjusted, operated, maintained, repaired or altered by persons other than Dematic.

If the goods include computer hardware or software acquired from original manufacturers, Dematic's obligation will be limited to conveying and transferring to Purchaser any interest, rights and/or warranties which Dematic may obtain.

DEMATIC MAKES NO ADDITIONAL WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY GOODS, AND IN PARTICULAR DEMATIC MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

3. **INSURANCE BY DEMATIC:** Dematic will maintain insurance covering its operations as follows:

a. Worker's Compensation Insurance as required by the state having jurisdiction over Dematic and Employer's Liability with limit of $1,000,000.

b. Commercial General Liability Insurance with combined single limit for bodily injuries and property damage of $1,000,000.

c. Automotive Liability Insurance for bodily injuries, including death and property damage with combined single limit of $1,000,000.

Dematic may, at its sole option, satisfy these requirements with commercial insurance or through a program of combined self-insurance, self-insured retention, and excess insurance.

Certificates of insurance or letter of authority to self-insure will be furnished upon request.

4. **INSURANCE BY PURCHASER:** Purchaser assumes all risk of loss from damage and destruction of the material and equipment and any applicable installation charges thereof. Such risk of loss will transfer to Purchaser at the F.O.B. point pursuant to the shipping terms of the Agreement (F.O.B. destination). Purchaser agrees to acquire and maintain all risk insurance covering damage and destruction of the materials and equipment at replacement value and in no event less than the purchase price including any increases by change order(s). The insurance policy or policies shall include Dematic as an insured, shall provide for 20 days prior notification to Dematic if the insurance coverage is terminated, reduced, or otherwise materially modified, and shall provide that the insurance proceeds shall be payable to Dematic and Purchaser as their interests may appear. Payments made by an insurance carrier to Dematic as a result of such damage or destruction of the equipment will be applied against the purchase price and any other amounts owed by Purchaser under the Agreement. Purchaser shall furnish Dematic with certificates evidencing such insurance.

5. **INDEMNIFICATION:** The equipment furnished hereunder will be manufactured with Dematic safety features and furnished with user safety instructions. The operation of the equipment with safety features removed or modified and/or the disregard of the user safety instructions is outside of Dematic's control and is the responsibility of the Purchaser. Therefore, Purchaser agrees to indemnify and hold Dematic harmless from any and all claims, demands, liabilities, causes of action, suits, costs, and expenses of any kind or nature (including attorney's fees) for loss or damage which may be suffered by Dematic as a result of injury to persons arising from such removal or modification to Dematic-furnished safety features and/or the disregard of Dematic-furnished user safety instructions, including any person injured while riding, sitting, stepping, walking, or climbing on the equipment furnished hereunder; Provided that Dematic notifies Purchaser in writing, within 30 days of Dematic's knowledge of any such claim, and gives Purchaser the exclusive control of the defense and settlement of any claim.

Dematic agrees to indemnify and hold Purchaser harmless from any and all claims, demands, liabilities, causes of action, suits, costs, and expenses of any kind or nature including attorney's fees) for loss or damage which may be suffered by Purchaser as a result of injury to persons arising from defects in material and workmanship of the equipment caused by Dematic. Provided that Purchaser notifies Dematic in writing, within 30 days of Purchaser's knowledge of any such claim, and gives Dematic the exclusive control of the defense and settlement of any claim.

6. **CHANGE ORDER:** The parties may agree at any time prior to final payment of the Agreement to make additions, deletions, or other revisions by Change Order or Work Order (as defined below) without invalidating the Agreement. No such change will be performed by Dematic until an approved Change Order or Work Order is executed as provided below.

   a. When the price, schedule and other conditions relating to the change can be determined prior to the start of work under the change, a document describing this change (Change Order) will be issued for execution by the parties.

   b. When the change requires immediate action and the issuance of an executed Change Order with firm price would unreasonably delay the change, Purchaser shall place its signature upon a document authorizing Dematic to proceed with the change (Work Order). After the change under the Work Order has been completed, Dematic will calculate the firm price for the change using actual costs (including overhead and reasonable profit) current at time of performance of the

work. Completed Work Order(s) will be incorporated into a Change Order for execution by the parties.

Unless expressly modified by a Change Order or Work Order, the provisions of the Agreement will govern all work performed under such Change Order or Work Order.

7. **LIENS:** Dematic will protect Purchaser as to any lien asserted against Purchaser's property for work, material or services furnished by others at Dematic's request when Purchaser makes the payments provided for in the Agreement.

8. **RIGHTS AND REMEDIES:** If Dematic defaults in the performance of any of its obligations under the Agreement (other than its obligations under Article 2 hereof) and if Dematic has not cured the default or implemented a plan to cure the default in a diligent manner within 20 days after Purchaser shall have given Dematic written notice of the default, or such other time period as mutually agreed upon, Purchaser shall have the right to terminate the Agreement upon written notice to Dematic. In the event of such termination, Purchaser may (i) pay to Dematic the reasonable value of equipment and services already provided to Purchaser, or (ii) complete the work specified in the Agreement.

If Purchaser elects to complete the work and the reasonable costs of completion exceed the unpaid balance of the Agreement price, Dematic shall pay the difference to Purchaser. If the unpaid balance of the purchase price exceeds the reasonable cost of completion, Purchaser shall pay the difference to Dematic.

If Purchaser fails to pay the purchase price, or any installment thereof, within 10 days after it is due, or if Purchaser defaults in the performance of any of its other obligations under the Agreement and if the default continues for 20 days after Dematic gives Purchaser written notice thereof, or such other time period as mutually agreed upon, then Dematic shall have the right to (i) suspend performance of its obligation under the Agreement until the default is cured, or (ii) exercise any right or remedy provided for in the Agreement, or available to Dematic under applicable law.

9. **SECURITY INTEREST AND TITLE:**

   a. Subject to any interest that Wells Fargo Retail Finance, LLC has in the equipment pursuant to the credit facility dated November 21, 2004, as amended between the purchaser and Wells Fargo, Dematic retains a security interest in the equipment to secure the purchase price payable by Purchaser under the Agreement and all other amounts now and hereafter owing by Purchaser to Dematic hereunder. Upon request by Dematic, Purchaser will execute and deliver to Dematic a financing statement evidencing this security interest.

   b. Dematic hereby grants Purchaser a single site non-transferable and non-exclusive license to use all computer software manufactured and provided by Dematic under the Agreement. Title to the software and documentation, if any, provided hereunder shall at all times remain with Dematic. Purchaser agrees to use such software strictly in compliance with the terms of the Agreement, and for the use(s) contemplated herein, and specifically agrees not to copy, furnish, disclose, or otherwise make said software, or any portion thereof, available to any third party.

   c. The Dematic manufactured and provided software is a proprietary trade secret of Dematic. Purchaser agrees to maintain confidentiality of Dematic software, and to restrict access to Purchaser's employees or agents directly concerned with Purchaser's licensed use of same.

   d. Refer to Article 2 for provisions of title for software which Dematic acquires from original manufacturers.

10. **DELAYS:** If Dematic's performance is delayed or prevented by Purchaser or other cause uncontrolled by Dematic (such as casualty, labor trouble, governmental action, inability to obtain supplies or transportation, or any order modification by Purchaser):

   a. Purchaser agrees to pay Dematic invoices upon notification that equipment is ready for shipment in accordance with the shipping schedule and to reimburse Dematic for expenses incident to such delay including, without limitation, the cost of engineering, equipment and installation escalations; maintaining, repairing and refurbishing equipment, storage, demurrage, and pullout charges from installation site; and

   b. The time for delivery of the equipment and performance of the services will be extended accordingly, and Dematic will not be liable for any damages caused by the delay; and

   c. The stated purchase price shall be revised based upon labor wage rates and other conditions prevailing at the time of actual performance.

11. **PATENTS:** Dematic agrees to indemnify and hold Purchaser harmless from any damages (including litigation costs incurred) that may be awarded against Purchaser in any final judgment based upon a claim that the equipment or its use infringes any currently existing United States patents owned by third parties, provided that Purchaser notifies Dematic in writing, within 30 days of Purchaser's knowledge of any such claim, and gives Dematic the exclusive control of the defense and settlement of any claim, including the right to make changes in the equipment to avoid any alleged infringement, so long as such changes do not materially affect the performance of such equipment which shall be determined by the Purchaser in its

sole reasonable discretion. Purchaser is responsible for any infringement claim arising from any modifications of the equipment by Purchaser or any combining by Purchaser of the equipment with other equipment not furnished by Dematic.

12. **ASSIGNMENT/SUBCONTRACTS:** Purchaser shall not delegate the performance of any obligation hereunder, nor assign any rights arising under the Agreement, to any unaffiliated third person without the prior written consent of Dematic.

Dematic reserves the right to use subcontractors in the performance of any services to be performed by Dematic. Dematic is responsible for the acts and omissions of any subcontractor so engaged.

13. **LIMITATION OF REMEDIES/GOVERNING LAW:** The Agreement sets forth Purchaser's sole and exclusive remedies for any defect in or non-conformity of any equipment or services and for any negligent design, manufacture, or installation of the equipment, and for any breach of the Agreement by Dematic. Neither Dematic nor Purchaser shall be liable for incidental or consequential damages (including loss of profits).

The Agreement shall be interpreted and enforced in accordance with the substantive laws of the State of Michigan.

The Children's Place
Secaucus, New Jersey

Project 104846
Commodities and Installation Services
2006-September-27

Creating Logistics Results | **DEMATIC**

THE CHILDREN'S PLACE

Proposal for Conveyor System

Introduction

Dematic's goal is to provide The Children's Place with the best system solution available, including cost-effective technologies, control systems, software, visualization systems, integration and services. This will help The Children's Place to optimize service to its customers, reduce distribution lead-time, enhance material tracking, and support reduction of overall operating costs. We look forward to working together with The Children's Place to build this innovative Material Handling System.

Executive Summary

This Proposal covers a Material Handling System encompassing Third-party commodities, Mechanical Installation, and Electrical Installation and is summarized with the following tasks.

Mechanical Installation

Dematic Mechanical Installation will install the Material Handling Equipment and related accessories as specified within the Proposal. Dematic's Installation Lead will serve as the Site Manager, attending meetings, interfacing with The Children's Place representatives, and coordinating on-site activities.

The installation includes:

- Receiving and unloading of equipment
- Assembly and placement of equipment
- Hardware commissioning and run-in
- On-site representation by Project Engineer and/or Project Installation Foreman

Electrical Installation

Dematic provides the Field Wiring of the Material Handling Equipment and related accessories, as specified within this Proposal, which includes:

- Setting the control cabinets
- Control wiring from supplied cabinets to the equipment
- Remote control devices and mounting of the control devices

The Children's Place will provide wiring from the building power source to the control cabinet(s).

ISO 9001:2000 Registered

Dematic is registered to the ISO-9001:2000 International Standard for Quality Management Systems.

The registration applies to all Dematic Manufacturing, Engineering, Project Management and Customer Service processes.

Revisions

Revision Level	Date of Revision	Date of Revision
	2006-September-27	Initial Release.

Table of Contents

1 Title Page

Dematic Corp. (hereinafter referred to as “Dematic”) with offices located at:

6 Powder Horn Drive

Warren, New Jersey 07059

Submits this Proposal to:	Equipment to be installed at:
The Children’s Place Services Company, LLC (Hereinafter referred to as “The Children’s Place”)	The Children’s Place
915 Secaucus Road	Airport Road West
Secaucus, New Jersey 07094	Fort Payne, Alabama 35968
Don Whiteford	Don Whiteford

This Proposal consists of the following:

1. Sales Agreement No. 104846, including General Terms and Conditions - Exhibit A.
2. Sections 1 through 10.
3. Dematic drawings: Q103522-C010, Rev. C, Sheets 1 and 2, Dated September 6, 2006.
4. Other documents: None.

If information in any document conflicts with that in another, governing priority shall be given to documents in the order listed above.

All information in this Proposal is confidential and has been prepared for The Children’s Place’s use solely in considering the purchase of the equipment and/or services described herein. The Children’s Place’s use for any other purpose, or transmission to others of all or any part of this information, including, but not limited to, drawings, process flow diagrams, sequence of operation, and pricing, is unauthorized without Dematic’s prior written consent. All Dematic specifications and drawings remain the property of Dematic and are subject to recall at any time.

This Proposal is submitted by:

/s/ Thomas R Dancer	Business Development Manager	732 563-1330 ext. 300
Thomas Dancer	Title	Phone
/s/ John Van Walleghem	General Manager	732-563-1330 ext. 500
John Van Walleghem	Title	Phone

The Offer Period for this Proposal shall terminate 30 days from the date of this Proposal. Dematic may extend the Offer Period; however, the price, schedule, and other portions of this Proposal may be subject to change. Extensions of the Offer Period shall be valid only if in writing and signed by an authorized Dematic representative. This Proposal shall become binding only upon full execution of the Sales Agreement by duly authorized agents of the parties.

1.1 Proposal Content

This Proposal is provided to furnish all of the necessary Third-party commodities, Mechanical Installation, and Electrical Installation for The Children’s Place material handling system. This Proposal must be purchased with Dematic Proposal Number 103522, which provides all of the necessary Hardware and Engineering Services.

This Proposal is summarized as follows:

- **Supply of Third-party Mechanical Resale**
- **Supply of Third-party Controls Resale**
- **Supply of Third-party Computer Resale**

- **Mechanical Installation** - Installation of all conveyors and conveyor accessories specified in Dematic Proposal Number 103522. Receiving, unloading, rigging and placement of conveyors will be performed by Dematic.

- **Electrical Installation** - Field wiring of all conveyors and conveyor accessories specified in Dematic Proposal Number 103522. This includes setting the control cabinets, connecting the power and control wiring from these cabinets to the conveyors and remote control devices and mounting the control devices. Wiring from the power source to the control cabinet(s) to be provided by The Children's Place.

2 Scope of Work

The following scope of work is intended to be comprehensive, based on Dematic's knowledge and understanding of the project. The Engineering and Design effort is expected to be a confirmation of the scope listed below. In general, The Children's Place is responsible for any scope not specifically identified as Dematic's responsibility.

2.1 Material Handling System

Dematic Deliverables	Comments

Mechanical Resale	Consists of the following equipment:
	· Air System including:
	  · Air compressors
	  · Air piping
	  · Air drops with shut-off valves
	  · Air hookup kits to equipment
	· (2) Balers
	· (2) Carton Erectors
	· (4) Semi-Automatic Carton Sealers
	· (4) Dunnage Fill
	· (18) Weigh Scales
	· (5) Trailer Unloaders
	· (42) Trailer Loaders
	· Overhead Chain Conveyor
	· Platforms
	See the "Mechanical Resale Equipment Details" Section for specific details.

Control Resale	Consists of the following equipment:
	· Motor Control Cabinets
	· Label Print and Apply System
	  · (12) Shipping LPA Lines
	  · (2) Carton LPA Lines
	· Scanners necessary to route product.
	· RapidSORT Controllers for carton routing on sorters.
	· GSM*i* Visualization System application hardware.
	See the "Controls Resale Equipment Details" Section for specific details

Dematic Deliverables	Comments
Computer Resale	Interface to The Children's Place's WMS · SortDirector and PickDirector applications Hardware. See the "Computer Information Systems" Section for specific details.

2.2 Installation

Dematic Deliverables	Comments
Mechanical and Electrical Installation	Installation of all Dematic provided equipment. Installation will be non-union / non-prevailing wage labor. Installation includes unloading of all Dematic-supplied equipment. Changes to the project schedule or labor may effect the installation time and costs.
Installation Supervisor	Will coordinate on-site activities and supervise installation of all Dematic-provided equipment.

3 Mechanical Resale Equipment Details

The Detail Sheets for the equipment in your system follow.

3.1 Balers

Two (2) Balemaster EO-6430 Balers to Include the Following:

- All necessary feed chute to accommodate a 24’ discharge height
- (2) Balemaster EO-6430 Auto-Tie Horizontal Balers
- Air/Oil Cooler (Heat Exchanger) and Select-O-Matic Controls
- Dust tight, gasketed 22” x 22” windowed feed chute door
- Fused Electrical Disconnect Switch integrated with high voltage motor starter cabinet
- Touch Screen Control complete with screen saver
- Extra Heavy Duty Automatic Wire Tier and Inserter
- Bale Run-Out. Solid Slide Bed Conveyor per 5’ section. (1) section per baler
- Regenerative Hydraulic Circuit for up to 25% faster Baling Ram Speed
- Totally Enclosed Fan Cooled (TEFC) High Efficiency Motor
- Dual Motor/Dual Pump arrangement with Automatic Selector Controls
- SONAC High Level Eye for each feed chute
- Mechanical Installation Package

3.1.1 Mechanical installation package to include the following

- Mechanical installation labor
- Lifting and rigging equipment
- Field crew travel and living expenses
- Detailed approval and equipment layout drawings
- Single-line electrical diagrams
- Dedicated project management
- Consultation with electrical contractor and related trades
- System start-up and operator training for two days on-site
- System operation, maintenance and owner’s manual

3.2 Carton Erector / Sealer

- Carton Size: L: 18.5” W: 16.25” H: 15.5”(RSC Type Carton)

- Most important carton 18.5 x 16.25 x 15.5”
- Electrical: 110V, 60Hz, Single Phase, Omron PLC
- Air Requirements: 100 PSI, 10 + CFM, (Dry AIR) Lubrication Free

3.2.1 Standard Features:

- Carton is straight fed from the hopper / bottom pulled
- Output: 10 cartons per minute
- Hopper capacity of 70-100 cartons
- PLC logic
- Suction cup system
- Quick positive size change over
- Heavy-duty construction
- Malfunction alarm with two-colored light
- Carton is sealed form the side
- No tape on the carton alarm
- Heavy-duty castors or peg legs

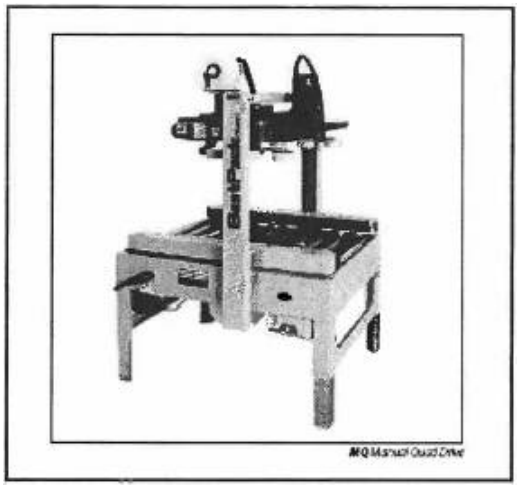
3.2.1.1 The Children’s Place needs the following before the equipment is installed:

- Dedicated 110V line 20 AMPS
- Minimum 100 PSI with 10 + CFM
- Air must be dry
- Airline to the sealer must be a minimum of ¾” I.D., 1” I.D. or larger is needed if the compressor is considerable distance from the sealer or if running multiple lines.

NOTE

- An application survey and carton samples must be submitted to confirm details; final details may affect final pricing.
- Cartons must be tested before shipment of equipment. Please send cartons for testing flat, and 50 cartons of each size.
- This carton erector will set up carton with flaps being folded down.
- Installation must be preformed by approved BestPack Representative for full warranty to be in effect.

3.3 Semi-Automatic Carton Sealer (MQ22)



3.3.1 Standard features

- Box size W: 8.5” – 21.5.” H: 6.0” - 20.5”
- Operator required to close top flaps
- Adjustable working height (24.5” – 29.5”) unless otherwise ordered
- Adjustable side pressure rollers for box top compression
- Removable top and bottom tape heads
- Four belt drive (two side and two top)
- Tape Roll Lengths: 1000 yd, 1500 yd.
- UL Approved Electrical Parts
- Electrical on/off box can be mounted on either side of machine
- Instruction / parts manual
- Three 1/5 HP gear motors 17:1 ratio at 74 ft per minute belt speed

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3.4 Dunnage Fill

CPI PACKAGING INC.
Protecting Products Through Premium Packaging

Below is the information on the Cushion Fill system as it relates to this application.

- 4- Cushion Fill™ Systems (CFSS/N)
- 4- Automated Cushion Fill™ Bins (CFB-PVC-SENSOR)
- Auto bin will start and stop on its own to keep the bin full at all times.
- 48 Rolls Per Pallet Cushion Fill Film (CF142508)
- Available sizes Width: 8.875” or 10.875” Perforations at 4”,6”,8” & 10”
- Roll lengths: 8.875”= 2500’/rl. 10.875”= 2000’/rl.
- (Custom printed film available 96 Rolls min. Plate charge applies)

3.5 Weigh Scales

Table 1 Scales

Qty.	Model	Description
12	Mettler Toledo	9477 Scale/Conveyor: 24”Wx47”Lx30”H(+/-2”) · 1/2 HP, 460 VAC, Mild Steel Black, 240 FPM for LPA Lines. · Rate: 56 pkg/min Accuracy: +/- 0.1 Ib
6	Mettler Toledo	9477 Scale/Conveyor: 24”Wx47”Lx30”H(+/-2”) · 1/2 HP, 460 VAC, Mild Steel Black, 120 FPM for Receiving Lines. · Rate: 30 pkg/min Accuracy: +/- 0.06 Ib
2	Mettler Toledo	KC277628-020: 9477 Conveyor Spares kit (1LPA/1 Rec)

Table 2 Controllers

Qty.	Model	Description
18	Mettler Toledo	C9482-0002 JagExpressweigh Controllers · 110VAC with 120VAC onboard Opto-22 for discrete I/O to Induction PLC
1	Mettler Toledo	0917-0338: 9482 Controller Spares Kit

NOTE Accuracy based on a wind and vibration-free environment

3.6 Label Print and Apply System

Accu-Sort Systems, Inc., a supplier of integrated scanning and material handling solutions for over 30 years, submits this proposal for The Children’s Place (TCP) in Fort Payne, AL. This proposal is designed to collate all relevant design issues as they relate to Accu-Sort deliverables and pricing.

This proposal will be based on current functionality of existing Accu-Sort supplied FAST Label systems already in use at three (3) TCP facilities. This new site will leverage the existing FAST Label application set along with a new functionality to handle label application at two (2) carton erector lines. Assumptions were made in the carton erector area and costing is based on current, known TCP requirements on rate, applicator approach, verification and engineering. Changes to current specifications may impact cost.

The proposed system solution includes the following primary functions:

- The design will consist of label printer applicator(s), FAST Label application software, and scanners required to meet the end-user’s requirements. In addition, this proposal will include the following options:
  - Cold Backup FAST Label application workstation
  - Cold Backup Database File Server
  - Additional On-Site Training and Standby Support (1 week after commissioning)
  - Start-Up Label Stock for 8 hours continuous use for one week
- This project consists of a print and apply labeling system for twelve (12) conveyor lines and two (2) Carton Erector lines using information captured from inbound scanners and downloaded files from The Children’s Place via PKMS (by Manhattan Associates). The system will support two (2) label printer applicators on each conveyor line. The design will support a throughput rate of 50 cartons per minute per line
- The Accu-Sort FAST Label system shall manage all real-time aspects of the print and apply process. For TCP, there are typically two identical parallel conveyor lines that are side-by side, approximately 10’-6” on center. Functionality of each line is the same. The two lines shall be controlled by a single Accu-Sort FAST Label controller.

- As a carton arrives at induction, it is gapped (by Dematic) on a two-speed belt. A photoeye detects the gaps between cartons and stops the belt for the appropriate time period, if the gap is not sufficient. The carton then flows onto the FAST Label conveyor and the inbound label is scanned for the Case Number bar code.

- Inbound scanning will be driven by an Accu-Sort Axiom 1L fixed mounted line scanner. The scanner transmits the Case Number bar code to the Accu-Sort FAST Label computer and the FAST Label computer inducts the carton into the tracking process. Via encoder and update photoeyes supplied by Accu-Sort, the FAST Label computer tracks the carton along the entire printer applicator belt.

- Outbound applied labels will be verified by and Accu-Sort Axiom 1L scanner

- The design will have an Accu-Sort FAST Comm PC and database file server with custom TCP/IP Sockets software to interface with The Children's Place computer system to populate the FAST Label system database. Prior to carton processing, the Customer HOST will download inbound receiving label data and outbound shipping label data to the FAST Label system database

- The system shall provide a statistics Report. This report shall be viewable on the screen of the FAST Label PC. There is no report printer being supplied as part of the system.

- This proposal will be a duplicate, except for an carton erector lines and increased throughput to 50 cartons per minute per line, and amount of lines of the original project for The Children's Place, located in Mississauga, Ontario, Canada purchased under Dematic Corp PO# 4500415364.

3.6.1 Operational Overview

The following section will describe the basic FAST Label system functionality as required in previous TCP application. It is our understanding that the application process required for the carton erector area will be a subset of the primary FAST Label application. It should be noted that the labeling operation in this area will be required to print, apply and verify a label to opposite panels of cartons as they move through the carton erector process. The dataset and label location for this area have not confirmed at this time but are presumed to be similar to the base requirements. Additional costs may apply if throughput rate, scanning, apply approach or engineering costs associated with this area exceed those of the standard, known TCP requirements

3.6.1.1 Operational Description

The TCP Host will download label data to the FAST Label system via TCP/IP Socket interface. The FAST Label Communication application will populate the downloaded data in the Accu-Sort supplied database via ODBC connection.

(The FAST Label system FAST Comm application and database file server should be housed in a secured room off the workroom floor. The FAST Label Computer workstations will reside in air-conditioned enclosures in the immediate vicinity of the LPA operations) Both the FAST Label Computer and the Accu-Sort Communication workstation and database file server will support an Ethernet connection and reside on the Customer's local area network (LAN). The Customer will provide the Ethernet wiring. The labeling system will be on its own segment.

Downloaded information shall include all necessary data records to allow for generating and labeling outbound shipping cartons. There shall be no upload of verified data from the FAST Label system to The Children's Place Host.

A single Axiom 1L scanner shall be mounted on the right side of the conveyor. One (1) inbound scanner shall be used on each line. The bar code shall be presented to the scanner in the Ladder orientation and shall be located on the lower six (6) inches of the carton. The Axiom 1L shall be mounted with a head tilt of 25-30 degrees to provide an effective raster of six (6) inches.

Packages shall be conveyed with leading to trailing edge spacing of eight (8) inches. The primary responsibility of the inbound scanner is to read the Case Number bar code and transmit the decoded information via a typical asynchronous serial ASCII communications port to the FAST Label controller. Floor mounting stands shall be included for these scanners.

NOTE Induct error conditions including No Read, No Data, Not in Database, Duplicate Record and Print String Error will be logged in the FAST Label Computer Event Log. Further, the FAST Label system will generate the Error Label appropriate for the given condition and transmit the data to the LPA, which will print and apply the label to the carton in error. Cartons receiving induct error labels will continue through and exit the print/apply area unless they exceed configurable thresholds for consecutive occurrences. Error label processing can be disabled, if needed.

Upon receipt of decoded data from the inbound scanner, the FAST Label computer will query the database (containing data previously downloaded from the TCP Host) for the receiving label data transmitted by the induction scanner. If the receiving label data is found, the FAST Label computer will "marry" the receiving label data to the carton at the FAST Label induct eye and track the carton through the length of the LPA conveyor.

Furthermore, the FAST Label Computer will match the receiving label to its corresponding shipping label data and transmit the shipping label data to the appropriate LPA. Each shipping conveyor line will have two (2) LPA units installed on the side of the conveyor to meet rate, and the LPA units will receive and print in an alternating, round robin format. The shipping label will be printed and applied in ladder orientation on the lower six inches of the carton's side.

The outbound shipping label will be printed and applied with a total throughput of 50 cartons per minute per conveyor line. Following label print/apply, cartons will

remain edge-justified to the side of the conveyor and will be conveyed past the verification scanner with leading to trailing edge spacing of a minimum of eight (8) inches. The verification scanner will read and decode the shipping label bar code and transmit the decoded data (via a typical serial ASCII communications port) to the FAST Label Computer.

The Outbound label verification scanning shall be handled by a Axiom 1L scanner mounted on the side of the conveyor, reading over a fixed depth of field (+/- 2”). Cartons shall be justified prior to the printer applicator (+/-1/8”). Therefore, the bar code shall be presented to the scanner in a justified, side read, Ladder orientation and shall be located on the lower six-(6) inches of the carton. The Axiom 1L shall be mounted with a head tilt of 25-30 degrees to provide an effective raster of six (6) inches. Packages shall be conveyed at a speed of 160 fpm with leading to trailing edge spacing of eight (8) inches.

The primary responsibility of this scanner is to read the outbound shipping label bar code and transmit the decoded information via a typical asynchronous serial ASCII communications port to the FAST Label computer. Floor mounted stands will be included for these units.

If a mis-match or no-read condition is detected at the verification scanner, the carton shall be diverted. A reject divert shall be supplied by Dematic. The FAST Label computer shall support an interlock (dry) signal that will close for 500 ms each time a carton is rejected. This signal shall be received in a consistent point in the conveyor’s travel. If no divert mechanism is provided, the error carton will simply stop at a consistent point on the conveyor for manual handling.

Upon receipt of the decoded data, the FAST Label Computer will compare the scanned bar code to the expected bar code. (The “expected” bar code will be the receiving label previously “married” to the carton at induct.) If the shipping label is verified, the FAST Label Computer will update the status of the receiving label record to ‘Complete’ and the carton will leave the LPA operation.

NOTE Verify error conditions including Verify No Read, No Data and Mismatch will be logged in the FAST Label Computer Event Log. Further, if a user-configurable threshold value for consecutive occurrences of any verify error is met, the FAST Label Computer will stop the conveyor for the appropriate operator resolution. (The FAST Label workstation will support an OK to Run signal, which will drop out at a consistent point in conveyor travel beyond the verify scanner.) A manual restart will be required following any verify error conveyor stop.

When the carton passes the verification bar code scanner, the shipping label bar code will be scanned, decoded and transmitted to FAST Label workstation, which will compare the scanned bar code to the expected bar code. If the labels match correctly, FAST Label workstation will update the status of the carton record to ‘Complete’. Once a label is verified, the associated data will be deleted during the following night’s ‘clean-up process. If the labels do not match, an error

will be written to the FAST Label workstation event log and the carton will be diverted or the processing line will be stopped for appropriate resolution (if the error meets the user-configurable consecutive error threshold value).

Cartons that result in error labels or cause the conveyor to stop (e.g. out of synch or mismatch) will not be verified. Accordingly, their status will not be marked as ‘Complete’ in the database. Therefore, error condition cartons resolved downstream can be reintroduced to the system without negatively affecting the status of the successfully processed cartons. Similarly, cartons that are mismatched, do not read or do not receive decoded data at verify can be reintroduced and rerun through the print/apply operation for proper completion. Any receiving label record in the database not flagged as verified (Complete) for a period in excess of fifteen (15) days, shall be automatically purged in that night’s clean-up process

3.6.1.2 Error Handling

Error conditions are defined and will be handled as follows:

Inbound No Read – The inbound Axiom 1L side-read bar code scanner does not detect a receiving label. An “Induct No-Read” error label will be printed and applied, and the carton will continue through and out of the print/apply area for resolution downstream or a return to the LPA operation. This error condition can be set to become fatal after a configurable number of consecutive cartons of this error type.

Inbound No Data – The FAST Label Computer does not receive decoded data from the inbound single-line scanner before the carton reaches the tracking systems induct photo eye. An “Induct No-Data” error label will be printed and applied, and the carton will continue through and out of the print/apply area for resolution downstream or a return to the LPA operation. This error condition can be set to become fatal after a configurable number of consecutive cartons of this error type.

Inbound Not in Database – The receiving label data read and decoded by the inbound scanner and transmitted to the FAST Label Computer is not among the data downloaded by The Customer Host. An “Induct Not in Database” error label will be printed and applied, and the carton will continue through and out of the print/apply area for resolution downstream or a return to the LPA operation. This error condition can be set to become fatal after a configurable number of consecutive cartons of this error type.

Inbound Duplicate Record – The receiving label read and decoded by the inbound scanner and transmitted to the FAST Label workstation has previously been processed and flagged as ‘Complete’: i.e. a shipping label was printed and correctly verified. A “Duplicate Record”

error label will be printed and applied, and the carton will continue through and out of the print/apply area for resolution downstream or a return to the LPA operation.

Inbound Print String Error – The Data Record Layout downloaded from the HOST contains no data or improperly formatted data (defined as no start and/or end character(s) in the print command) in the “Shipping Label print stream” field. A “Print String Error” label will be printed and applied, and the carton will continue through and out of the print/apply area for resolution downstream or a return to the LPA operation. NOTE: Resolution must involve correcting the Data Record Layout: adding or properly formatting the print string.

Mismatch at Verify Scanner – The shipping label printed and applied does not correspond to the receiving label read at induct for the carton tracked from induct to verify. This error condition can be set to become fatal after a configurable number of consecutive cartons of this error type.

No Read at Verify Scanner – The outbound scanner is unable to decode a shipping label. This error condition can be set to become fatal after a configurable number of consecutive cartons of this error type.

No Data at Verify Scanner – The FAST Label workstation does not receive decoded data from the outbound scanner. This error condition can be set to become fatal after a configurable number of consecutive cartons of this error type.

NOTE An error is considered fatal if the LPA conveyor stops as a result.

3.6.1.3 System Setup/Control Operations

Parameters for communication with TCP Host shall be set up as part of system installation. Typical operator interaction shall involve the starting and stopping of the application (booting the PC or executing the application from the Windows desktop). In addition the operator shall clear jams and restart the conveyor in selected error conditions through the Fast Label control panel screen.

3.6.1.4 Synchronous Flow

- Some time prior to processing any given carton, The FAST Label workstation will receive receiving label bar code data and preformatted printer information for the shipping label in a Label File.
- Upon receipt, the FAST Comm application will populate the local database, residing on the FAST Label system database file server, with the data from the label file.
- As each carton is scanned upon entry to the print/apply system, the FAST Label workstation will receive each successfully scanned carton’s receiving label bar code data from the scanners and use the data to look up the corresponding shipping label bar code data.
- Following a successful lookup, the FAST Label workstation will send the preformatted shipping label bar code label data to the appropriate printer/applicator.

- In the event of induct errors including No Read, No Data, Not in Database and Duplicate Label, the FAST Label workstation will send the corresponding error label to the appropriate printer/applicator(s) for the carton(s) in question, where the error label will be printed and applied. The error label should prove valuable when resolving error conditions downstream of the print/apply operation.
- Following the printer/applicator, every carton will pass before a verification scanner. For all cartons successfully scanned and decoded, FAST Label workstation will receive shipping label bar code data.
- The FAST Label workstation will use the shipping label bar code data received from the verification bar code scanner to set a flag in the database for a successfully processed receiving label (carton).
- In the absence of bar code data verifying a successfully processed receiving label (carton), the FAST Label workstation will not flag the receiving label as successfully processed (Complete).
- If any of the following errors – inbound no read, inbound no data, inbound not in database, verify scanner no read, verify scanner no data or verify scanner mismatch - meet user-configurable threshold values for consecutive occurrences, a fatal error will occur. FAST Label workstation will not continue to send data to the printer/applicators but instead will drop the run signal and stop the conveyor(s).

3.6.1.5 FAST Comm PC Operations

The FAST Comm application will provide integration between the TCP Host and the FAST Label workstations. The FAST Comm system will receive data downloads from the HOST via TCP/IP socket link and populates the database server application via ODBC connection.

The FAST Comm application requires minimal operator interface after initial installation and configuration. A system administrator shall set up and change user account security to control access to these functions. We recommend housing the FAST Comm application PC and

the database file server in a secured room located off the workroom floor.

The FAST Label workstation will communicate with the database server application, where it will have access to receiving label and shipping label data for lookup and label printing. The FAST Comm PC shall be a Windows XP based computer.

The FAST Comm application provides integration between Accu-Sort's FAST Suite and host processes and systems. This integration is performed through processing of data between the FAST Comm application and customer Host systems. Typical data processing includes product table definitions, inventory transactions and production/shipping processing results.

3.6.2 Network Overview

The system database will continue to be maintained on the existing Accu-Sort supplied database file server. A peer to peer relationship will continue to exist between the FAST Comm application and TCP Host as well as support to the database file server and the FAST Label workstations.

3.6.2.1 Host Communication Interface

This section contains the critical details of communication between the FAST Comm application and The Customer Host (HOST). Format and content for every required transaction must be completely specified and approved before interface programming can begin. However, it should be noted that communications description between TCP and FAST Label have already been developed at other sites and will be replicated in this opportunity. No changes to the existing format, frequency or type of communications are planned for in this proposal.

The download process addresses the transmission of data from the TCP Host to the Accu-Sort FAST Comm application. The TCP Host will provide label data to the Accu-Sort system, which manages the generation and application of shipping labels. This data will be provided utilizing TCP/IP Sockets.

There is one (1) type of record that shall be provided. This record will contain information that will cause a label to be added to the FAST Label system database. Label data will be provided to the FAST Label subsystem prior to the carton being inducted into the label application process. The FAST Comm application provides a point of contact between the TCP Host and the FAST Label system.

In addition the TCP Host will generate a "Heart Beat" message to the FAST Comm application utilizing TCP/IP Sockets. This message will be "ACK'd" back to the TCP Host indicating that the FAST Comm application is operational.

The FAST Comm application will be the "Client" in all TCP/IP Socket connections.

3.6.2.1.1 Communications Rules

Once a packet is sent, the TCP Host will wait for a response on the same port the packet was sent before sending another packet. The response can be an ACK for confirmation of accurate delivery, a NAK indicating a need for a retransmission, or no response, the latter indicating the FAST Comm application is not operational or the packet was lost. If no response is received within a timeout period, the packet will be resent. The timeout period is set to 3 seconds.

If the Accu-Sort FAST Comm application does not respond to the packet with an ACK or NAK, the TCP Host must resend the packet. Theoretically, it is possible that the original packet was received intact by the Accu-Sort system and the

responding ACK was lost. This would result in the FAST Comm application processing two or more copies of the same packet. The duplicate packets would be received one after the other, sequentially. These are referred to as sequential duplicates.

In most applications, the same exact packet would never intentionally be sent twice. The Accu-Sort system will discard sequential duplicates. They will be infrequent enough, if they even happen. The Accu-Sort FAST Comm application must ACK the duplicate and then discards it.

3.6.2.1.2 Receipt Procedure

Receive a packet; check the STX and ETX.

- If they are present, send an ACK.
- If they are not present, send a NAK.
- If the packet is different from the last one, process it, else, discard it.

3.6.2.1.3 Heart Beat Message

The TCP Host sends this message to the Accu-Sort FAST Comm application on a pre-defined time interval (default set to 3 seconds) to ensure that communications are active. This message is only sent during periods of inactivity.

Field	Description	Length	Type	Comment
1	STX	1	Character	Start of Text Character
2	Message #	2	Character	Unique Message ID
3	HEARTBEAT	9	Character	The word “Heartbeat”
4	ETX	1	Character	End of Text Character

3.6.2.1.4 Return Message for Heart Beat Message

The TCP Host expects an ACK or NAK from the Accu-Sort FAST Comm application within a predefined time. The TCP Host always resends the message if it receives a NAK. If the TCP Host does not receive an ACK or NAK, it resends the message a fixed number of times before disconnecting.

3.6.2.1.5 Label Download Process

The Label download contains information required by FAST Label system for the generation of the bar coded shipping label. In order for shipping labels to be printed and applied to the inbound cartons, the Accu-Sort FAST Comm application system must complete the update of the local database prior to the

inbound cartons arriving at the FAST Label subsystem system for labeling. This process is as follows:

- The HOST will initiate a TCP/IP Sockets transmission to the FAST Comm application
- When the FAST Comm application successfully receives the transmission, it shall respond with an “ACK” signifying successful receipt of the transmission

3.6.2.2 Host Interface Summary

HOST INTERFACE SUMMARY- Interface between FAST Comm Application and TCP Host

The Vendor interface PC/device	FAST Comm Application & PC
Host computer	PKMS
Host operating system	
Host interface	o Serial Communication o Virtual Drive o 5250 Emulation o 3270 Emulation o TCP/IP, Type: FTP o Network: Windows NT/2000 peer-to-peer (shared drive) x Other: TCP/IP Sockets
Host software	o None o PCOMM o Client Access o 5250 Emulation: o 3270 Emulation: o TCP/IP Emulation: o Other:
Transfer method	o File Transfer x Record By Record o Other: Shared Directory
Re-transmit protocol:	o Automatic o Request o VENDOR standard (serial communications only) x None o N/A o Other:
Error checking:	o Header Records x Real-time ack o The Vendor Standard Protocol o N/A o Other: Deletion of downloaded file

3.6.2.2.1 Interface Description – Shipping Label Record

Type	**o file** **x record**
Name of file/record (reference “interface summary”)	Shipping Label
File/Record interface type	x Downloaded From Host o Uploaded To Host
File/Record contents	
Approx. number of records per transaction	One
End of record character	(ETX ASCII 03)
Field delimiter	None
Record action	o N/A x Update Existing Record o Overwrite Existing Record
File action	o N/A o Delete File After Download o Save copy to Archive directory
Transfer frequency	x Real-Time o Preset Intervals: every X minutes o User Set-able Interval o Preset Time: o defined by customer (once per day)

3.6.2.2.2 Data Record Layout – Label

Type	**o file** **x record**
Name of file/record	Label record
File/Record interface type	x Downloaded From Host o Uploaded To Host

Field Description	Length	Field Type	Field Format
STX	1	Character	The Start of Text character
Communication Transaction Number	2	Character (Left Padded with “0” if less than 10)	This is fixed length and should always be of size two. The transaction number starts from 01 and goes up to 99. The numbers are cyclic and revert back to 01 after 99. Every new message sent from the PKMS Host keeps incrementing this number by one. No two consecutive messages have the same transaction number.
Field Separator	1	Character	Always “I”
Message Type	8	Character	It is always ADDLABEL.
Field Separator	1	Character	Always “I”
Label Type	1	Numeric	1 = Inbound 2 = Outbound (Not currently being used by the system)
Field Separator	1	Character	Always “I”

Type	o file x record		
Receiving Label	20	Character	Up to 20 Digit Number representing the bar code data on the receiving label
Field Separator	1	Character	Always “I”
Estimated Weight	5	Character	The estimated weight of the carton. There is an implied decimal point between the 3rd and 4th characters. For example, 10.25 lbs. Would be transmitted as ‘01025’.
Field Separator	1	Character	Always “I”
Sort Lane Destination	2	Character	Indicates the logical lane to which this carton should be sorted. This is a Logical lane identifier assigned by the Host.
Field Separator	1	Character	Always “I”
Shipping Label	20	Character	Data to be used for label lookup from inbound scanner
Field Separator	1	Character	Always “I”
Tracking Number	22	Character	Only populated for outbound cartons and if present (Future use)
Field Separator	1	Character	Always “I”
Tote number	18	Character	Tote # (Future use).
Field Separator	1	Character	Always “I”
QC Flag	1	Character	Y = QC N = No QC
Field Separator	1	Character	Always “I”
Date/Time Stamp	13	Character	YYYYMMDD HHMM (Military time)
Field Separator	1	Character	Always “I”
Shipping Label print stream	1550	Character	The actual label data/printer stream for the Print & Apply printer
Field Separator	1	Character	Always “I”
ETX	1	Character	End of Text character.
Record Terminator:	(ETX ASCII 03)		
Total Record Length: (excluding terminator)	1675		

3.6.2.3 Bar Code Specifications

This section contains specific details of all bar codes being scanned or printed by components within the system. Bar code parameters are based on samples provided by the customer and prior understanding of TCP requirements put forward on existing Accu-Sort FAST Label applications.

Any changes in bar code format, size, bar code quality, label stock, printing methods, data content or any other parameters could affect the performance of the scanners, printers and the entire system. It is critical that these bar code specifications be confirmed and maintained as requirements. Changes to the bar codes, which reduce scanner read rates, are not covered by scanner warranty service trips.

The bar codes pertinent to this system are as follows:

- Receiving label
- Shipping label

The following sections give details on each bar code in this system.

3.6.2.3.1 Receiving Label Bar Code

Bar code Type	Code 128
Number of Characters	20
Bar code Pattern length (inches)	2.875 inches
Minimum bar height (inches)	1.4375 inches
Checksum (Y/N, Type)	N
Minimum narrow element (mils)	.015
Maximum wide element (mils)	.050
Bar color	Black
Space color	White
Print method	o Direct thermal o Thermal transfer x Laser

Bar code Data Field Layout

Field Position	Field Description	Field length	Field Format
1	Receiving Label	20	Code 128

3.6.2.3.2 Shipping Label Bar Code

Bar code Type	Code 128
Number of Characters	20
Bar code Pattern length (inches)	? inches
Minimum bar height (inches)	1”
Checksum (Y/N, Type)	N
Minimum narrow element (mils)	0.20 mils
Maximum wide element (mils)	
Bar color	Black
Space color	White

Bar code Type	Code 128
Print method	o Direct thermal x Thermal transfer o Laser o Preprinted commercial press o Ink Jet o Dot Matrix o

Bar code Data Field Layout

Field Position	Field Description	Field length	Field Format
1	Shipping Label	20	Code 128

3.6.2.4 Package Specification

This table defines the specifications for all packages handled by the ship labeling system.

Package Sizes and Weights	
Minimum package length (inches)	9”
Maximum package length (inches)	34”
Minimum package width (inches)	7”
Maximum package width (inches)	22”
Minimum package height (inches)	4.5”
Maximum package height (inches)	16”
Minimum package weight	2 lbs.
Maximum package weight	70 lbs.
Other Package Parameters	

Package material	Carton
Package open/closed?	Closed
Package Taped (Y/N)?	Yes
Package Banded (Y/N)?	Yes/No
Package Wrapped (Y/N)?	No
If Yes, describe material	
Package/Wrapping Reflective (Y/N)?	
Irregular shape (Y/N)? (define)	N
If yes, define shape	

Package Sizes and Weights

Package Color(s)	
Labels Present on This Package	1
Locations where this box is processed	Infeed to Print and Apply area.

NOTE As noted, if requirements of the carton erector area vary from those on the table above, please notify Accu-Sort immediately; design changes maybe required.

3.6.3 Shipping Label Printer/Applicator

3.6.3.1 Printer Applicator Specifications

FILL IN THE FOLLOWING FOR ALL PRINTER TYPES

Printer manufacturer & model	ID Tech Model 250 P/A with Sato 8485 SE print engine & right-hand tamp
Type of label printer	o Manual [table top] x Printer/Applicator o Blow o Tamp x Tamp-Blow
Print method	x Direct Thermal (no ribbon) o Thermal Transfer (ribbon) o Other:
Printer communicates to (is controlled by)	LAP Computer
Label stock/size	4” X 6”
Names(s) of label(s) printed (reference LABEL section (16)	Shipping Label
Other information	

FILL IN THE FOLLOWING FOR PRINTER APPLICATOR ONLY

Application	o Top Apply x Side Apply o Front Apply
Location of printer/applicator	Left-side of conveyor
Mounting by	VENDOR
Safety cage required (Y/N)?	No
If YES, cage provided by	
Required air/tamp throw	4” inches
Compressed dry air supply	80 PSI
Positioning of label on carton (check all that apply)	o Front Side x Leading edge x Driver Side o Middle o Passenger Side o Trailing edge
Conveyor belt height at applicator	30”

The serial port assignments for the shipping label printer/applicator are as follows:

PRINTER:	Carton Printer/Applicator						
Port	Device	Type	Baud	Data	Parity	Stop	Message Format
1		RS422	19200	8	N	1	Preformatted label information from Our Customer

3.6.3.2 Label Specifications

This section contains details about label stock requirements for this system's labels and/or printers. Provision of quality label stock is the responsibility of the end user. This proposal will provide an optional quantity of 1,700,000 labels for testing/commissioning and start-up, after which the end user will provide stock for production efforts going forward.

Label gap and adhesive are significant factors contributing to optimal printer or printer/applicator operation and throughput. Accu-Sort recommends that the end user obtains label stock either through the printer/applicator vendor or through one of the vendor's approved sources at least through the warranty period. Failure to use approved or recommended stock could limit or void the equipment warranty.

The labels pertinent to this system are as follows:

- Receiving/Inbound Label – 4"x 4" (provided by others)
  - Code-128, 20 character code, receiving label
  - Code 128, 4 character code, Quantity (ignored by FAST Label system)
- Shipping/Outbound Label – 4"x 6" (printed and applied in this implementation)
  - Code-128, 20 character code, shipping label
  - Code 128, 4 character code, (ignored by FAST Label system)

NOTE: As noted, if requirements of the carton erector area vary from those described above, please notify Accu-Sort immediately; design changes to the carton erector area maybe required.

3.6.3.2.1 Receiving Label

STOCK SPECIFICATIONS

LABEL NAME	Receiving Label
Function	x Read Only o Print Only o Print & Read
Printing method	o Direct Thermal o Thermal Transfer x Laser
Label stock type	o Paper o Kraft (Cardboard) o Other:
Label size:	Width: 4" inches Height: 4" inches
Label gap	N/A
Stock color	White
Ink color	Black
Backing	Paper

3.6.3.2.2 Shipping Label

STOCK SPECIFICATIONS

LABEL NAME	Shipping Label
Function	o Read Only o Print Only x Print & Read
Printing method	o Direct Thermal x Thermal Transfer o Laser o Dot Matrix o Other:
Label stock type	x Paper o Kraft (Cardboard) o Other:
Label size:	Width: 4” inches Height: 6” inches
Label gap	Typically 3/8 – 5/8”
Stock color	White
Ink color	Black
Label feed method	x Roll o Fan-Fold o Not Applicable
Roll diameter [0.0]	Max for printer/applicator = 12”; 2,645 labels per roll
Roll core diameter [I.D.]	Typically 3”
Backing	Paper

3.6.3.3 PLC Interface

Status Information will be supplied between FAST Label workstations and the Dematic PLC. These interlocks will be via dry contact 120 VAC conveyor interlock connection to the conveyor PLC. An interlock will be provided to shut down the conveyor if the FAST Label workstation is not functioning properly (contact is closed when functional, open on error condition). The following are the interface signals to be utilized.

- “OK to Run Line x” - Signal from the FAST Label system to Conveyor system for each of the two lines the FAST Label workstation supports. The contact is closed when running and open for fault conditions or manual stoppages.
- “LPA #X Operational” - Signal from the FAST Label system to Conveyor system for each of the LPA machines. The contact is closed when the associated machine is running and operational (not out of stock/ribbon) and open for fault conditions or manual stoppages
- “Verify Fault Line x” Signal from the FAST Label system to Conveyor system for each of the LPA lines. The contact is closed for 500 ms when the associated carton fails verification. This signal must be received by the PLC in a consistent point in the carton’s travel.

3.6.4 ID Technology Model 250 Printer Applicator

The ID Technology Model 250 is truly a “next generation” label printer applicator. After extensive industry research and consultation, the IDT250 was truly designed with the demands of today’s automated lines in mind. The Model 250 features a microprocessor controlled, electronic module with digitally displayed settings. There are no potentiometers to turn and all settings are easily recalled from memory for easy set up. Optional PLC outputs can easily be configured via the front panel for simple integration with external systems. All key sub-assemblies are modular, facilitating simple stocking of spare parts and uncomplicated parts replacement. The applicator can be mounted in any orientation for top, bottom or side label application.

3.6.4.1 ID Technology Standard Features

- ID Technology Series 250 Right Hand Tamp Printer Applicator with SATO 8485se, 203 DPI Print Engine
- 3 Stage Beacon Stack Illuminating under the Following Conditions – Green, All Systems Go – Amber, Label or Ribbon Low Supply Condition – Red, System Fault/Off Line Condition
- LPA Stand, Leveling Feet, Cantilever Design
- Tamp Cylinder Stroke 4”

· Tamp-Jet Pneumatics Upgrade

· Delrin Tamp-Jet Pad – 4” x 6”

· Low Label Sensor

· Water/Air Separator Filter Kit

· Air Pressure Switch

· Product Detector Sensor

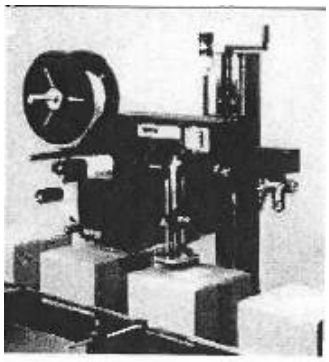
· Product Detector Sensor Mounting Hardware

· Unique Innovative Modular Design

· “Hot-Swap” Modules Drastically Reduce Downtime

· Simple Media Loading

· All Metal Construction



3.6.4.2 Printer Applicator Specifications

Products:	Corrugated Cartons
Accuracy:	+/- 1/8” exclusive of product variation – 98% consistency
Label Size:	4x6
Material:	Thermal Transfer Stock
Copy:	Bar Code w/ Human Readable
Packaging:	12” OD - 3” ID roll; 1/8” spacing, precision trim: labels rolled out; 2,645 labels per roll
Electrical:	115VAC 60 Cycle
Air:	2.5 CFM @ 60PSI

3.6.4.3 Conveyor Characteristics

Please note: The two (2) - LPA solution requires 32 feet of conveyor length. Inclusion of a push reject diverter would add an additional three (3) feet of overall length to the system footprint.

Conveyor Width	24.0”
Carton Rate Each Line	66 CPM – 33 CPM per labeler
Hours per day	8
Conveyor Speed (@ labeler)	250 FPM
Top of roller elevation	30.0”
Minimum Package Spacing	14.0”
Operating Environment	Warehouse Distribution Center (Dusty)

3.6.4.4 System Throughput

The stated throughput capability is calculated based on conveyor speeds, package pitch/spacing, and other critical functional parameters outlined by Dematic for The Children’s Place. These calculations do not imply hourly, daily or other averages that may be affected by down time or other off-line situations.

The maximum throughput requirement of the labeling system is 50 cartons per minute.

3.6.5 System Equipment

Item	Qty	Description
		FAST Label Database File Server
1	1	SERVER, POWEREDGE 6000 SERIES, TOWER POWER SUPPLY, UNINTERRUPTABLE, SMART UPS 2200VA/1980W WITH 20A RECEPTICLES, RAID, 36GB AVAIL, REDUND PS & GB NIC; MONITOR, 17 IN. SVGA,.MIDNIGHT GRAY, .28MM, 1600 X 1200; (Hardware, Dell)
2	1	PC ANYWHERE 32, HOST ONLY & SYBASE ADAPTIVE SERVER ANYWHERE, OEM/EMBEDDED, SERVER

3	1	SOFTWARE, SERVER AND 5 CLIENT ACCESS LICENSE, WINDOWS SERVER 2003 STANDARD EDITION & SOFTWARE, 5 CLIENT ACCESS LICENSE ADDON, WINDOWS SERVER 2003
		FAST Comm Application Workstation
4	1	PC, OPTIPLEX, PENTIUM 4, WIN XP, CDRW, MODEM, SM MINITOWER, 2 PCI, GB NIC; 56K EXTERNAL FAX MODEM AND CABLE ASSEMBLY
5	1	PC ANYWHERE 32, HOST & REMOTE; SYBASE ADAPTIVE SERVER ANYWHERE, OEM/EMBEDDED
		FAST, Label Shipping System 12 Lines/1 PC per 2 Lines/2-LPA per line
6	6	PC, OPTIPLEX, PENTIUM 4,W/ 17IN MONITOR, WIN XP, CDRW, MODEM, SM MINITOWER, 2 PCI, GB NIC; APC SMART UPS 700 UNINTERRUPTIBLE POWER SUPPLY
7	6	ENCLOSURE ASSEMBLY, PC WITH A/C, 31.46” DP, 2 SHELVES, AC RH MOUNT
8	1	PC ANYWHERE 32, HOST & REMOTE;, STBASE ADAPTIVE SERVER ANYWHERE, OEM/EMBEDDED
9	6	ROCKETPORT, 16 PORT CNTRLLR & INTRFCE, RS232/RS422 (Hardware, Comtrol)
10	6	PC SORT INTERFACE BRD ASSY REMOTE I/O, PCI (Hardware, Accu-Sort)
11	12	ENCLOSURE- REMOTE I/O NODES; TACHOMETERS, PHOTOEYES, RELAYS, STAND
12	2	ETHERNET SWITCH, POWER CONNECT, 16 PORT 10/100, UNMANAGED (Hardware, Dell)
13	12	INBOUND SCANNER- AXIOM 1L W/ACCESSORIES & MOUNTING STRUCTURE

Item	Qty	Description
14	12	OUTBOUND SCANNER- AXIOM 1L W/ACCESSORIES & MOUNTING STRUCTURE
15	24	PRINTER APPLICATOR, IDT SERIES 250, RIGHT HAND, SATO M-8485SE, TAMP-JET, 4” STROKE, LOW LABEL, BEACON, CANTILEVERED STAND
		Carton Erectors - Dual Sided LPA- 2 Lines/ 1-PC/2-LPA PER LINE
16	1	PC, OPTIPLEX, PENTIUM 4, W/17IN MONITOR, WIN XP, CDRW, MODEM, SM MINITOWER, 2 PCI, GB NIC; APC SMART UPS 700 UNINTERRUPTIBLE POWER SUPPLY
17	1	ENCLOSURE ASSEMBLY, PC WITH A/C, 31.46” DP, 2 SHELVES, AC RH MOUNT
18	1	PC ANYWHERE 32, HOST & REMOTE;, STBASE ADAPTIVE SERVER ANYWHERE, OEM/EMBEDDED
19	1	ROCKETPORT, 16 PORT CNTRLLR & INTRFCE, RS232/RS422 (Hardware, Comtrol)
20	1	PC SORT INTERFACE BRD ASSY REMOTE I/O, PCI (Hardware, Accu-Sort)
21	2	ENCLOSURE- REMOTE I/O NODES; TACHOMETERS, PHOTOEYES, RELAYS, STAND
22	2	INBOUND SCANNER- AXIOM 1L W/ACCESSORIES & MOUNTING STRUCTURE
23	4	OUTBOUND SCANNER- AXIOM 1L W/ACCESSORIES & MOUNTING STRUCTURE
24	4	PRINTER APPLICATOR, IDT SERIES 250, RIGHT HAND, SATO M-8485SE, TAMP-JET, 4” STROKE, LOW LABEL, BEACON, CANTILEVERED STAND
		Services
25	lot	SYSTEMS SOFTWARE AND PROJECT SERVICES (Software and Services, Accu-Sort)
26	lot	COMMISSIONING BY ACCU-SORT TECHNICAL SERVICES & LPA VENDOR
27	lot	EXTENDED 24/7 SUPPORT, FIRST YEAR (Services, Accu-Sort)

3.6.5.1 Optional Cold Back-Up Database File Server- Fully Configured

Item	Qty	Description
1	1	SERVER, POWEREDGE 6000 SERIES, TOWER POWER SUPPLY, UNINTERRUPTABLE, SMART UPS 2200VA/1980W WITH 20A RECEPTICLES, RAID, 36GB AVAIL, REDUND PS & GB NIC;
2	1	PC ANYWHERE 32, HOST ONLY & SYBASE ADAPTIVE SERVER ANYWHERE, OEM/EMBEDDED, SERVER
3	1	SOFTWARE, SERVER AND 5 CLIENT ACCESS LICENSE, WINDOWS SERVER 2003 STANDARD EDITION & SOFTWARE, 5 CLIENT ACCESS LICENSE ADDON, WINDOWS SERVER 2003
4	1	SYSTEMS SOFTWARE AND PROJECT SERVICES (Software and Services, Accu-Sort)

3.6.5.2 Optional FAST Label/Comm Cold Back-Up PC

Item	Qty	Description
1	1	DELL OPTIPLEX GX260T, WIN2K, CDRW, MODEM, MT/DT, ETHERNET
2	1	ROCKETPORT, 16 PORT CNTRLLR & INTRFCE, RS232/RS422 (Hardware, Comtrol)
3	1	PC ANYWHERE 32, HOST & REMOTE;, STBASE ADAPTIVE SERVER ANYWHERE, OEM/EMBEDDED
4	1	PC SORT INTERFACE BRD ASSY REMOTE I/O, PCI (Hardware, Accu-Sort)

3.6.5.3 Optional One- Week of Start-Up Support

Item	Qty	Description
1	LOT	Additional Week of Site Time after Commissioning and Training w/ ASI Technical Services and Software Personnel- During Normal Business Hours (Services, Accu-Sort)

3.7 Trailer Unloaders

3.7.1 Maxx Reach Telescopic Receiving Conveyors (Traversing)

Model MR-3 25/80-24 (Traversing) Qty 5

- w/ *Power Traverse* with Operator Platform
- w/ *Raised Belt Transfer* (8” RBT) to transition cartons from
- the un-loader up to the belt incline
- w/ Electrical Interface Kit to interlock the loader with decline conveyor
- (Belt Status and E-Stop Status)
- w/ Lights located at operators end
- w/ Heavy Duty Impact Zone on infeed end- Serves as landing spot
- w/ 24” Wide Belt

3.7.1.1 Optional Equipment for Traversing Units

- Traverse Track- Flush mounted with embedded restraint
- C-Track Power Festoon System
- (12 Conductor cable, 14 AWG, 40lb load, all steel, sealed bearings)
- Traverse Photo eye Safety System
- In Position Photo eye System

Application Note: The System quoted above has 55’ of overall extension. This allows the unit to set back from the wall 6’ and penetrate the trailer 48’. The set back and extension into the trailer can be confirmed once a layout is generated.

3.7.1.2 Technical Specifications

1. Length Fully Extended 80’3”
2. Retracted Length 25’3”
3. Extension 55’-0”
4. Overall Height 38.5”
5. Overall Width 47”
6. Belt Width 24”
7. Belt Type 2 Ply PVC
8. Belt Speed 60 to 120 FPM (To be Determined)
9. Belt Direction Loading

10. Belt Drive Drum motor
11. Telescopic Movement Gear Motor with dual synchronized chains
12. Extension Speed 45 FPM
13. Power Supply 3 Phase, 480 Volts 60 Hertz
14. Load Capacity 35 lbs/ft
15. Control Voltage 120 VAC
16. Color Per Customers Request
17. Electrical Interface Kit for (Belt Status & E-Stop Status)
18. Control Panels-Master control panel on left side at rear of unit and operational control panel in Face of front boom, includes safety operations bar.
19. Standard Operator Controls include- Belt Start & Stop, Belt Extend & Retract, E-Stop, Lights On/Off, & Extension Stop Bar

3.8 Trailer Loaders

3.8.1 Maxx Reach Telescopic Belt Loaders - (MR3 MODEL)

Model: MR3 25/80-24” (Fixed Base) Qty 42

- w/ Front Lights at Operators End
- w/ Electrical Interface Kit for (Belt & E-stop Status)
- w/ Photo Eye Flow Control – to control the flow of cartons
- w/ 24” Wide Belt

3.8.1.1 Optional Equipment

Herringbone Transition Qty 42

The herringbone transition assists in centering the carton while providing a smooth transition from the decline onto the belt loader.

3.8.1.2 Technical Specifications

1. Length Fully Extended 80’3”
2. Retracted Length 25’3”
3. Extension 55’-0”
4. Overall Height 38.5”
5. Overall Width 47”
6. Belt Width 24”
7. Belt Type 2 Ply PVC
8. Belt Speed 60 to 120 FPM (To be Determined)
9. Belt Direction Loading
10. Belt Drive Drum motor
11. Telescopic Movement Gear Motor with dual synchronized chains
12. Extension Speed 45 FPM

13. Power Supply 3 Phase, 480 Volts 60 Hertz

14. Load Capacity 35 lbs/ft

15. Control Voltage 120 VAC

16. Color Per Customers Request

17. Electrical Interface Kit for (Belt Status & E-Stop Status)

18. Control Panels–Master control panel on left side at rear of unit and operational control panel in Face of front boom, includes safety operations bar.

19. Standard Operator Controls include- Belt Start & Stop, Belt Extend & Retract, E-Stop, Lights On/Off, & Extension Stop Bar

3.9 Overhead Conveyor System (Pacline C-250 Enclosed Chain)

3.9.1 Items to be Handled

1. The subject system will be used to carry empty cardboard boxes, with the following sizes:

Product	Length- Min / Max (inches)	Width- Min / Max (inches)	Height- Min /Max (inches)
Empty Box	8” / 20.25”	12.25” / 15.875”	16.25” / 23.5”

2. This quotation includes 600 single-hook carriers for conveyor “A” and 550 single-hook carriers for conveyor ‘B’. Single-hook carrier type shown on drawing 13486-2 Rev. A. It is assumed that all empty cardboard boxes are conveyable on these carriers, though it is recommended that samples of these cardboard boxes be supplied to Pacline for prototype testing and approval. Any subsequent changes in design may result in a corresponding cost change to be issued to the customer in the form of a “Change Order”.

3. The carriers have been spaced at 4’-0” c-c. The spacing of the carriers and the conveyor speed will affect the throughput of the overhead system.

3.9.2 Mechanical Equipment

1. This is a multiple drive system. Care has been taken to space the drives evenly over the length of the conveyor.

2. Elevation changes of 6 & 30 degrees are included.

3. The drive unit, curves, track clamps and chain will be zinc-plated.

4. This system will operate at a variable speed range of 25 FPM to 50 FPM.

5. The conveyor chain must be properly lubricated in order to avoid premature wear. An automatic lubricator is included. A suitable maintenance schedule outlining chain-oiling intervals should be established.

6. The design of overhead chain conveyors is such that lubricant or debris may fall on products below. This may occur due to over-lubrication or a dusty environment. For this reason, Pacline has included drip trays that will safeguard against contamination of customer products.

3.9.3 Supports

1. This quotation includes floor supports and ceiling supports that consist of beam clamps, sway braces, hanger pipe and all header steel.

2. Floor support locations are for all areas under the mezzanine on the lower level. The conveyor will be supported at an elevation to provide a minimum

bottom of carrier height clearance of 6’-0”. The floor supports will typically consist of 3” x 3” H.S.S. posts with 10” x 10” base plates and 3” angle arms painted Pacline Blue.

3. The following assumptions have been made for the ceiling supports any subsequent changes in design may result in a corresponding cost change to be issued to the customer in the form of a “Change Order”:

   · Truss spacing of 6’-4”

   · Maximum truss height of 35’-6” to underside

   · Open web steel joist design

4. Pacline accepts no responsibility for building strength and integrity. Pacline will supply estimated loads and loading points to customer for approval during project engineering.

3.9.4 Safety Guarding

1. Safety guarding is included for all portions of the system above the mezzanine where the bottom of the conveyor track is at 10’- 6” elevation on the 30 deg inclines only. As safety regulations vary with country, region and customer, Pacline accepts no responsibility for meeting safety codes in regard to safety guarding. Changes in design may result in a corresponding cost change to be issued to the customer in the form of a “Change Order”.

2. Safety guarding type to be used is a nylon mesh type.

3.9.5 Installation

1. Non-union mechanical installation is included.

2. The installation will be conducted on regular hours, 7:30 a.m. until 5:30 p.m. with total access to the installation area of the system.

3. Customer to receive the equipment shipped by Pacline to site. This may include awkward items such as standard crates 3’ x 3’ x 11’, floor supports shipped loose, structural steel shipped loose, safety guarding and structural frames shipped loose, etc.

4. Pacline will supply all mobile equipment.

5. Customer to supply power for a Pacline welding machine.

6. 115V power for hand tools and lights must be made available throughout the installation area.

3.9.6 Electrical

1. Non-union electrical installation is included.

2. Electrical wiring of the panel, automatic oiler, motors and any other specified electrical devices is included.

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3. A single 3’ x 3’ electrical control panel for each system (similar to attached Pacline drawing 13486.E100 Rev. A attached) containing variable speed controllers, disconnect, line/ load reactor, etc., is included.

4. Each drive unit will be equipped with its own variable frequency drive. These VFD’s will be linked to each other to ensure that all four drives are running at the same speed.

5. Each motor will be equipped with a shock relay.

6. Devices and panels will be mounted in the most economical location.

7. The customer will be responsible for bringing 480 V/ 3 PH/ 60 Hz feed power and control signal wires (run/stop) into the single Pacline control cabinet included herein. Pacline’s conveyors will be started and stopped from the main control panel via these wires. Power will be fed to Pacline’s panel from the Roller Conveyor panel. If a roller conveyor e-stop is activated, the power will be dropped to the Pacline panel.

8. This quotation is based on having the feed power and run/ stop signals available at the time of the installation so that Pacline does not have to leave site and return later.

9. E-stops are not provided. The customer will utilize it’s e-stop pullcords and e-stop pushbuttons to drop power to the overhead chain conveyors as required.

10. The Customer will also be responsible for bringing 115/ 1/ 60 feed power (terminated by duplex receptacle) to the lubricator.

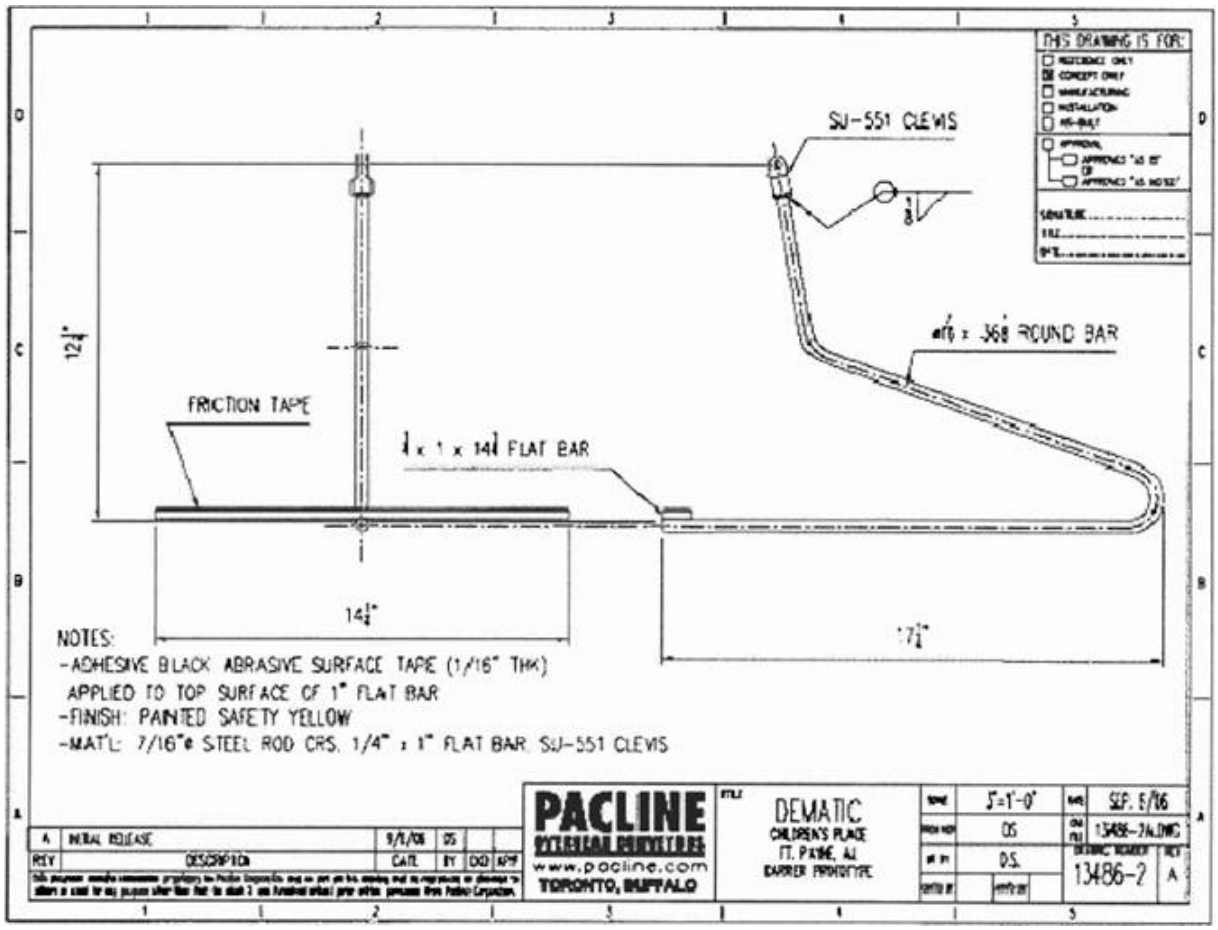
11. EMT thinwall conduit is included and will be routed in the most economical way

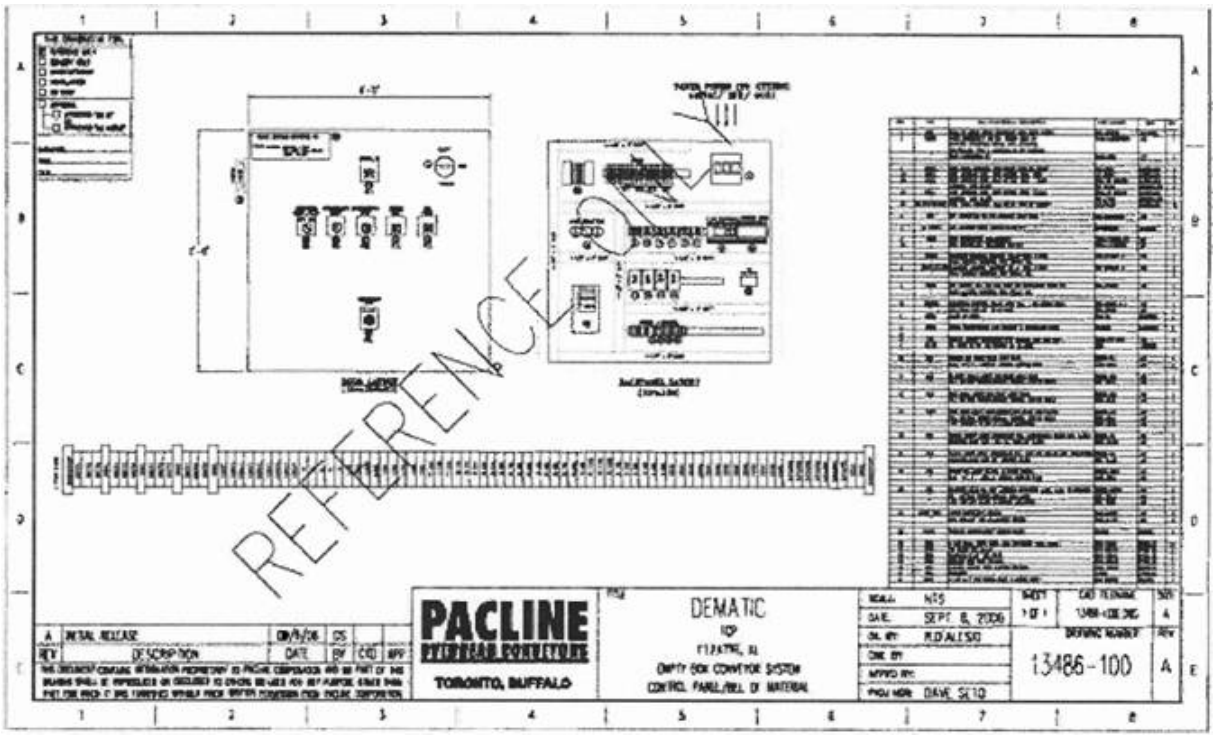
12. The installation will be conducted on regular hours, 7:30 a.m. until 5:30 p.m. with total access to the installation area of the system.

13. At the time of quoting, an electrical specification was not provided. Pacline reserves the right to re-quote the project if the customer issues an electrical specification prior to, at the time of, or after purchase order issue.

3.9.7 Additional Documents

1. Drawing 13486-Rev. A. – Carrier – Single Hook – (Preliminary)
2. Drawing 13486-E100. Rev. A. – Control Panel





3.10 Platform

Manufacturers of - Mezzanines - Vertical Lifts - - Protective Rail Systems - Custom Steel Fabrication Solutions

The quotation includes the following:

- 5 structures totaling approximately 156,000 square feet.
- 125 PSF plus under hung loads per Andy's drawings.
- 20 gauge roof deck with Resindek LD with grey finish.
- 50' x 58' foot spans to match building columns (PTL structure only).
- 20' and 25' spans on balance of structures. Final column layout to be decided by Dematic and Wildeck.
- Kick plate at all edges.
- 42" high guardrail at exposed edges not protected by conveyor.
- 12 sets of stairs to upper structures.
- 6 caged ladders to lower structures.
- All necessary hardware.
- Openings as needed. Locations to be flexible to fit framing and conveyors.
- Footings are by others. Shimming (if required) is by others.

4 Controls Resale Equipment Details

4.1 GSM*i* Visualization System

4.1.1 Hardware Requirements

The following is a list of hardware components for the GSM*i* server. Additional hardware may be necessary, depending on the OPC interface to the conveyor controllers (PLCs).

GSMi Server Hardware - minimum requirements	Quantity
Dell Desktop Mini-tower, Pentium IV, 1 GHz computer with 80 GB hard drive, 1GB RAM	1
10/100 BaseT Network Interface Card (may be on motherboard)	1
19" color monitor	1
Modem	1
UPS (Un-interruptible Power Supply)	1
Surge Suppressor	1

GSMi Client (workstation) Hardware - minimum requirements	Quantity
Pentium, with 200 MB free on hard drive, 128 MB RAM	1
10/100 BaseT Network Interface Card (may be on motherboard)	1

4.1.2 Software Requirements

The following is a list of software components for the GSM*i* server. Additional software may be necessary, depending on the OPC interface to the conveyor controllers (PLCs).

GSMi Server Software - minimum requirements	Quantity

Windows XP Pro	1
ICONICS Genesis32 Enterprise Edition	1
Control network interface software	1
Backup Software	1
Antivirus Software	1
Remote Support Software	1

GSMi Client (workstation) Software - minimum requirements	Quantity
Microsoft® Internet Explorer Version 6.0 or higher	1

4.2 Scanners

4.2.1 Specifications

4.2.1.1 Bar Code

Codes	A
Symbology	Code 128 “C”
Characters	20
Min. Narrow Element	.015”
Max. Wide Element	.060”
Pattern Height	1.38”
Pattern Length	2.75”
Print Method	Thermal Transfer
Comments	Side/Ladder

4.2.1.2 Carton Characteristics

- Minimum: 9.0”L x 7.0”W x 4.5”H
- Maximum: 34.0”L x 22.0”W x 16.0”H

4.2.1.3 Material Handling

- Type: Belt
- Width: 30.0”
- Speed: 350-540fpm
- Minimum Product Spacing: 8.0”
- Carton Orientation: non Edge Aligned

4.2.1.4 Scanning System Configuration

- Scanner: Axiom 2L/1M Line Scanner w/DRX
- Near Reading Distance: 22.0”
- Far Reading Distance: 45.0”

- Total Depth Of Field: 23.0”
- Scan Window: 22.0” @ 22.0”

4.2.1.5 Scanning System Communications

- Interface: RS-422

- Baud Rate: 9600
- Data Bits: 7
- Stop Bits: 2
- Parity: Odd
- Output Message Configuration: DATA (20) CR
- No-Read Message: 0’s in DATA Field
- Multiple Message: 9’s in DATA Field
- Relay: 1
- Relay Function: No-read

NOTE Multiple Read is identified when there is two (2) bar codes presented during a single read cycle of the same symbology and character length.

5 Computer Resale Information

5.1 SortDirector System Deliverables

5.1.1 Computer Hardware

Qty	Description
2 primary	PROLIANT ML370 G4 XEON-DP 3.2G 1GHZ 1MB Cache 1GB Array Rack
2 back-up	PROLIANT ML370 G4 XEON-DP 3.2G 1GHZ 1MB Cache 1GB Array Rack
2 primary	XEON 3.2G/1G 1MB Processor for ML370 G4
2 back-up	XEON 3.2G/1G 1MB Processor for ML370 G4
2 primary	1GB PC2700 DDR SDRAM 1X1GB
2 back-up	1GB PC2700 DDR SDRAM 1X1GB
2 primary	Wide ULTRA3 PCI Single Channel HD68 PROLIANT SCSI Controller
2 back-up	Wide ULTRA3 PCI Single Channel HD68 PROLIANT SCSI Controller
2 primary	20/40GB DDS4 DAT40I SCSI U2/LVD 3/6MB
2 back-up	20/40GB DDS4 DAT40I SCSI U2/LVD 3/6MB
12	36GB 15K U320 Pluggable Universal Hard Drive
1	DC5j000 MT dvd/cdrw
1	1.44M Floppy drive
1	17 in. LCD Flat Panel Monitor
1 Lot	Connectors, Cables, Switches, etc.
2	UPS R3000 XR Low Voltage and 6-port serial card
1	Rack system to contain all computer equipment

5.1.2 Computer Software

Both vendor supplied software and Dematic supplied software are required for the SortDirector installation. Licenses are required for vendor software and will become the property of The Children’s Place. Dematic will install and verify the vendor supplied software is operational (along with the hardware components for the server computer equipment) before shipping the equipment to The Children’s Place.

5.2 Shelf Mounted PickDirector Hardware

The following items are mounted either in the rack structure or on the rack face in the put modules:

Qty	Description
10	NetController Panel / 8 Power Supplies & 4 Converters
320	BayDisplay
2640	MaxiPick
160	ComPort
83	EndCap (Right Hand)
83	EndCap (Left Hand)
40	Terminating Resistor

5960 ft	PowerRail Assembly
160	Wireless Scanner, Symbol LS3478 with Radio-Charging Cradle and Battery
40	Symbol 4 Slot Battery Charger with Line cord and Adapter

5.2.1 Spare PickDirector Hardware

The following items are provided as spares:

Qty	Description
4	Converter
1	NetController
8	Power Supply
32	BayDisplay
50	MaxiPick
16	ComPort
3	EndCap (Right Hand)
3	EndCap (Left Hand)
8	Wireless Scanner, Symbol LS3478 with Radio-Charging Cradle and Battery
8	Wireless Scanner, Symbol LS3478 with Battery Only
17	Wireless Scanner batteries

6 Installation

1. The mechanical, electrical, controls, and field wiring installation, unless otherwise specified, will be provided by Dematic.

2. Installation is based on utilizing non-union / non-prevailing wage labor on a straight time, first shift basis, with work occurring during normal working hours (8:00 AM to 5:00 PM), Monday through Friday, excluding holidays. If payment of union or prevailing wages is required, the Base System Price will be increased and The Children's Place will be responsible for the additional charges.

3. The Children's Place acknowledges that the proposed installation may be performed on a non-union wage basis only if all building tradesmen are absent from the installation site during the period when Dematic's installation crew or its subcontractors will be on the job site.

4. Dematic will receive, unload, and move the equipment to the assigned storage area (provided by The Children's Place). The equipment is to be stored within 200 feet of its intended installation location.

5. Dematic will move equipment from storage to the installation area.

6. Installation is to be performed in accordance with the agreed upon Project Schedule. Any delay, acceleration, or other variation in the installation may involve an adjustment to the Sales Agreement price and/or the Schedule.

6.1 Mechanical Installation Practices

Proper mechanical installation is vital for the equipment to operate as described in this Proposal. The following installation standards summarize Dematic installation techniques and procedures for installing material handling equipment. The installation standards show the importance Dematic places on quality installation.

6.1.1 Dimensional Reference Points

A baseline will be established by measuring from the centerline of two building columns, one at each end of the installation site. This will be done in both the north / south, and east / west directions, as agreed upon by The Children's Place and Dematic. All subsequent centerlines for the conveyor system will be taken from these established baselines. Conveyors will be installed with the centerline of the bed matching the centerline of the conveyor path through the use of a template and plumb line or other acceptable means. All necessary dimensions will be shown on the layout drawings.

6.1.2 Elevations

Conveyors will be installed in accordance with the elevation indicated on the Approved layout drawings. After the first elevation is established, the elevation of all other points will be related to this first point. The practice of dimensioning elevations from the floor at each point of support will not be followed. When the floor level changes significantly, such as the system going to an upper or lower floor or into another building or room, a new elevation will be established from the floor at that point. This new elevation will then become the reference for subsequent elevations.

All conveyor beds will be leveled at right angles and in the direction of travel, unless otherwise specified. Conveyor elevations are measured to the top of the conveying surface.

6.1.3 Floor Mounting Conveyor

Anchoring will be accomplished by drilling into the floor and inserting an anchor bolt. Intermediate stands will be anchored with 3/8 inch diameter bolts, one in each support assembly. Support stands for drives will be anchored with 1/2 inch diameter bolts, two per support assembly and four per drive. Explosive type anchors will not be used.

6.1.4 Ceiling Hanging Conveyor

Overhead support will be accomplished by bolted connections. Intermediate structural steel members will be attached to the building structure by approved clamping methods using A325 fasteners. Threaded rod hangers that are 5/8 inch diameter will be provided to suspend the conveyor and components.

6.1.5 Welding

The Children's Place will permit Dematic and/or Dematic's subcontractors to weld or flame cut at the installation site as necessary to modify equipment for proper installation. Dematic will conform to all OSHA regulations including "Hot Work" permits if required. Copies of all required permits to be supplied to all parties prior to performance of work noted on such permits.

6.1.6 Field Painting

All exposed field steel supplied by Dematic or its subcontractors, unless otherwise specified, will be touch-up painted to match the painted finish of the equipment (Light grey RAL 7035). This includes hangers, headers, special supports, braces, etc. All painted equipment surfaces altered during the erection process will be touched up in the field.

6.2 Electrical Installation Practices

Electrical wiring of the proposed motors and control devices is included in this Proposal.

1. The field wiring installation from the proposed control cabinet(s) to Dematic's supplied motors and control devices will be provided by Dematic.

2. Dematic will provide wiring from the existing power source (by others) to the proposed control cabinet(s). The Children's Place is to ensure sufficient capacity is available and provide circuit breakers.

3. The Children's Place will provide any required interface wiring between the material handling system and equipment provided by others.

Installation of this system will be performed using Dematic standards for electrical installation. A description of Dematic electrical installation standards follows.

Installation will conform to NEC and any local and/or state codes that may apply. All material supplied for field wiring will be UL listed. All field wiring will be verified for proper termination, identification, and operation by employing installation run-in procedures.

6.2.1 Conduit and Wireways

EMT conduit fitting will be of compression type. Galvanized rigid conduit (GRS) will be used where conduit is placed on concrete floors or is subject to physical damage. Conduit and wireway will be run parallel to or perpendicular to the conveyor or building structure. Conduit will be attached to guardrails where applicable. Wireways will be used where large numbers of wires and multiple devices are to be installed. Conduit and wireways will be properly installed, supported, and terminated pursuant to NEC standards.

Conduit installed on or near equipment will not obstruct the movement of product loading and unloading, as it could cause damage to conduit and conduit supports. Conduit will not be attached to the side of picking conveyors, but rather the underside of picking conveyors or racks to avoid damage from product loading/unloading. Conduit on or near equipment will be mounted clear from mechanical and electrical adjustable brackets or hardware.

When flexible conduit is required, liquid tight flexible conduit will be used in lengths not to exceed the minimum needed to allow proper movement. No EMT, GRS, or flexible conduit will be smaller than 1/2 inch trade size. Conduit wire fill will not exceed NEC standards.

Standard wiring harnesses are used to connect the control modules

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The power harness runs in the lower side channel, the Open Network (LCON) cable runs in the middle of the side channel from control module to control module, and the PROFInet cable runs in the top of the side channel.

The physical separation of the higher voltage power cabling, the LCON, and the Ethernet help reduce Electromagnetic Interface (EMI).

By running industrial cabling in the side channel at the point of manufacture, the need for Electrical Metallic Conduit (EMC) is reduced.

6.2.2 Junction Terminal and Pull Boxes

Pull boxes or fittings will be installed at required intervals and properly supported per NEC. Junction and pull boxes will be of adequate size, pursuant to NEC standards, and will not put pressure on splices and wire insulation when such boxes are closed. A maximum of ten splices will be allowed in a junction box. When more than ten splices are necessary, terminal strips will be provided. Generally, junction boxes will be installed in lieu of conduit fittings, where practical, in order to facilitate future additions and deletions of conduit and devices.

6.2.3 Field Wiring

Color coding of field wiring will be as follows:

Wire Color	Description
Brown, Orange, and Yellow	Line and load of 480 AC motor circuits
Red	AC control circuits, 150 volts and below
Blue	DC supply circuits, 150 volts and below
Blue	DC control circuits, 150 volts and below
Yellow with red stripe	Interlock control circuits and wiring from external power sources
Green	Equipment grounding conductors (w/ or w/o yellow tracer)
White	Grounded AC circuit conductors
Gray	Grounded DC circuit conductors

NOTE Conductors, assigned by numbers, will carry the same color for the entire length of the conductor

- All single conductor control wiring will be #14 THHN or THWN stranded copper wire unless otherwise specified or distributed I/O is utilized
- All motor wiring will be a minimum of #12 THHN or THWN stranded copper wire

- All wiring will be increased in size in order to compensate for any voltage drop due to length of the conductors
- Conductors for frequency controlled circuits and clean AC or DC circuits will be isolated from other conductors as prescribed by Dematic Controls Engineering
- A minimum of ten percent spare #14 red control wires will be installed in each main conduit run and between control cabinets and associated consoles
- A minimum of six and a maximum of ten #14 control wires will be installed in each wireway run
- Spare control wires will be labeled with a “Brady Marker” designating control cabinet or console source. (For example cc1-sp1 for spare number 1 originating from control cabinet number 1)
- When three or less conductors are spliced, a “scotchlok” or equivalent wire nut connector may be used if the correct wire nut connector is used for the wire being terminated and a sound termination can be made
- All splices will be marked with printed “Brady Markers” or an equivalent permanent marker with the proper wire number per control drawings
- If “generic” numbers are used for pulling purposes, they will be replaced with the proper wire number per control drawings
- Terminal connections at control devices, control centers, and junction boxes will be marked with “Brady” markers or an equivalent marker

6.2.4 Splicing Requirements

- Splices are not allowed in conduit. Splices are allowed in wireways and wiring troughs only if splices are accessible and made in a manner as to not apply pressure to the termination (that is, a wire nut splice or termination will have adequate slack with preferably a bank of electrical tape or knot tied in order to secure all wires no less than 6 inches from the splice or termination).
- Cable will be run continuously from terminal-to-terminal without splices. Cables will be run in bridle rings when protected by building structures or equipment and will be protected by conduit where subject to physical damage, unless otherwise specified.

6.2.5 Devices

- All limit switches, photo controls, motors, solenoids, or other devices will be attached with liquid tight flexible conduit or cord
- Flexible conduit will not exceed 4 feet – 6 inches in length and will provide for 12 inch adjustment in either direction from original position, per dimensioned control layout drawings

- All photoeye, limit switch, solenoid, disconnect switch, and bracket mounted devices will have brackets bolted with hex bolts and nuts of 1/4 inch minimum
- All devices will be adjusted for proper alignment, travel, and/or position and properly tightened to avoid misalignment due to vibration
- All hole-punched or drilled-in conveyor surfaces for photoeyes, reflectors, or any other devices will be filed smooth as to not interfere with product flow
- All field devices will be properly labeled with an assigned control number per schematics unless another type label is specified
- All control and pushbutton stations will be located and properly mounted per layout drawings unless otherwise specified.
- All pull cords will be installed with eyebolts at intervals not exceeding 12 feet and will properly activate the attached limit switch without excessive force
    - Slack will be kept to a minimum, still allowing for activation of the switch
    - Two cable clamps or Dematic cable terminators are required at each cable termination
    - Turnbuckles and/or pulleys will be installed as specified by Dematic System Engineering

7 Proposal Specifications

7.1 General

1. Dematic will receive, unload, and move the equipment to the assigned storage area. The equipment is to be stored near its intended installation location. The space required to adequately store and prepare the equipment for installation will be 20,000 square feet.
2. The Children’s Place will permit Dematic and/or Dematic subcontractors to burn and weld at the installation site.

7.2 The Children’s Place Deliverables

The Children’s Place is responsible for the following:

1. The project coordination involving all contractors employed by The Children’s Place, as required, to help ensure that work is completed in accordance with the project schedule.
2. Any mechanical and electrical interface with peripheral equipment, process control, or process supplies, not specifically included in this Proposal.
3. Supply, install, connect and make operative: Host computer(s), interface and any equipment for the interface, peripherals and system software including field-located devices. Provide any required applications software, including installation, startup, debug, testing, and documentation.
4. Provide the Ethernet LAN and Ethernet LAN drops with appropriate connectors to each Dematic-supplied computer.
5. Dedicated VPN access is to be provided.
6. Two 20 Amp, 120V standard receptacles for the Dematic supplied computer(s) are required. Also, one additional 30 Amp. 120V twist lock plug receptacle on a separate circuit is required for the air conditioning unit, if purchased.
7. 120 Volt convenience outlets for all MHS equipment, computer equipment, and Dematic UPS unit(s).
8. Provide an appropriate operating environment for all computers and components. System components typically require environments as follows:
    a. **Temperature:** 15-32 degrees Centigrade (59-90 degrees Fahrenheit). (Controlled for units in environmental enclosures.)
    b. **Relative Humidity:** Humidity within the range from 20 percent to 80 percent without condensation will enable satisfactory operation of these

devices. This is controlled for all units installed in environmental enclosures.

c. **Electrical:** Input voltage required by the computers is 120V, with a tolerance of 90-130V and a frequency of 50 Hz/60 Hz with a tolerance of 48-62 Hz. Power requirements vary according to the number and types of devices included in the configuration. Considering the normal quality of power available in an industrial facility, a dedicated power regulation transformer is recommended for the computer CPU and disks to attenuate transients and to provide “in spec” power during surges and brown outs.

d. **Cleanliness:** Although a ‘computer room’ environment is not always required for mini-computers and micro-computers, the location selected for the computer should be reasonably free from grease, dirt, smoke, and other similar air contaminants. Filters for units in environmental enclosures must be maintained.

e. **Vibration and Shock:** Vibration can slowly impair mechanical parts and, when severe, may cause system errors or disk problems; hence it should be avoided or controlled. The computer equipment is built to withstand normal building vibrations.

However, conditions where vibration is likely, such as a platform where heavy machinery is operating, should be avoided. If unusual or prolonged vibration is likely, as in systems installed in a truck, ship, or aircraft, all cabinets should be securely anchored to the installation deck and/or bulkheads by mounting brackets and shock mounts.

f. **Electromagnetic Interference:** Introduction of electrical interference can cause errors in computer functions and data. Sources of electromagnetic interference such as radar, radio and television transmission, automotive ignition systems, power lines, electric tools, and appliances will be kept outside of the computer room area.

9. Suitable electric service, lighting, water, and heat as may be required for installation, test, and operation of the equipment, per OSHA specifications. Voltage supplies may not vary more than plus or minus 8 percent during installation and may not vary more than plus or minus 5 percent for permanent power. The frequency variation may not exceed plus or minus 1 percent at all times. Electrical service of 120V, 20 amperes on 100-foot centers and 480V, 3 phase, 100 amperes on 200-foot centers will be required for installation tools. The minimum lighting requirement will be not less that 10 foot candles as measured at the location where the work is actually performed.

10. Full service maintenance of equipment, commencing with The Children’s Place’s operation of a portion or all of the equipment.

11. Full compliance by The Children’s Place with the “OSHA Lockout / Tag out” rules and regulations as enacted by the U.S. Department of Labor.

12. Area guarding necessary to protect Personnel such as: warning signs, handrails, barriers, netting, floor markings, etc. will be the responsibility of The Children’s Place.

13. Guarding to protect the equipment from damage by fork trucks.

14. Qualified Operation / Maintenance Technicians, with any tools or equipment required, for full-time on-the-job training commencing at the start of system checkout on-site. Provide qualified, trained Operators in sufficient quantities for system testing.

15. After beneficial use, suitable devices for the safe maintenance or servicing of elevated equipment where catwalks, platforms, or similar means of access are not provided. These devices could include man lifts, platform ladders, or similar devices.

16. Area for tool cribs and construction trailers, and parking for lifting devices.

17. Excavations, drainage, piling, foundations, masonry and concrete work, concrete lining, steel, and other building materials necessary to the installation or operation of the equipment.

18. Any building alterations, including enclosures, floor openings, wall openings, fire doors, structural integrity and similar requirements in accordance with all applicable Federal, State, and Local laws, codes and regulations. This is to include the removal or alteration of obstructions, concrete floor cuts and/or expansion joints, existing equipment or new equipment not provided by Dematic to allow for a clear path for the installation of the equipment listed in this Proposal and depicted on the layout drawings provided. In the event Dematic is required to alter the path of the proposed system or perform other work to accommodate the building alterations or obstructions, the price and schedule impacts will be provided to The Children’s Place for review and approval.

19. Building ground and lightning protection systems.

20. All fire protection system requirements.

21. Drain lines will be provided as required for air compressor(s) and air dryer(s).

22. Appropriate Operational and Maintenance Personnel to receive on-the-job operational and maintenance instructions from Dematic prior to completion of the work required by this Proposal.

23. Security services and/or precautions sufficient to protect the worksite, construction underway, and Dematic tools/equipment.

24. Secure storage for backup media.

7.3 The Children's Place Site Conditions

The Children's Place is responsible for the following:

1. A building with adequate structural strength to support the load of the equipment, materials being handled, guarding, and all other loads being imposed upon the structure in accordance with all applicable federal, state and local laws, codes and regulations.

2. A worksite prepared to permit lay down, installation, and operation of the equipment in a time frame as required by the project schedule.

3. A worksite in a watertight condition and free of debris or obstructions other than those caused by Dematic.

4. A work site to permit installation and operation of the equipment, as required by the Project Schedule.

5. A clear path for the ingress to and the egress from the installation site for Dematic Personnel and equipment.

6. The necessary access roads and cleared dock areas suitable for receiving and unloading the equipment. Dematic will advise the approximate arrival time of delivery trucks.

7. Unless otherwise agreed to, an open and clear area above and below the equipment to be installed overhead.

8. A secure, safe, dry, convenient, and adequate storage area for Dematic equipment, tools, and materials used on the site. Adequate working space will also be provided for the Dematic Installation crew.

9. Flooring with anti-static qualities needs to be provided in the computer room area.

8 Safety

8.1 Mutual Commitment to Safety

Dematic and The Children's Place recognize that accidents can be reduced by following safe practices in the design, construction, installation, operation, and maintenance of the equipment. Therefore, in a mutual effort to minimize the possibility of accidents, Dematic and The Children's Place agree as follows:

1. Dematic furnished equipment will be designed, manufactured, and installed under the guidance of the appropriate ANSI/ASME Standards. Likewise, The Children's Place will apply appropriate ANSI/ASME Standards as they incorporate user instructions into their operations, and will enforce these operating standards and instructions. In particular, The Children's Place will place into standard operating procedure those instructions contained within the Dematic supplied Conveyor Safety Guidelines Form Number 5100 (9/02).

2. When Dematic provides on-site installation services, Dematic will provide operational and maintenance instructions and training prior to the completion of Commissioning. The Children's Place will provide the appropriate Operational and Maintenance Personnel for such instructions and training. The Children's Place will retain a record of attendees.

3. Dematic will provide written instructions relating to the safe use of the equipment. These materials will include such items as manuals, safety instructions, posters, user instructions, etc. The Children's Place will make such instructions available on a continuous basis to its Operational and Maintenance Personnel.

4. The Children's Place will periodically conduct safety programs, as required, to keep its Operational and Maintenance Personnel, including new hires, constantly knowledgeable with respect to the safe use of the equipment.

5. The Children's Place will maintain a dress code which requires all Personnel around the equipment to wear hair protection (or short hair), snug fitting clothes and heavy duty work shoes. The wearing of tennis shoes, baggy cuffs, neckties, jewelry and similar apparel will not be permitted. Hard hats will be worn where Personnel could be subjected to injury because of obstructions or falling objects.

6. The Children's Place will provide man lifts, platforms or similar devices for the safe maintenance servicing of elevated equipment where catwalks, platforms or similar means of access are not provided.

8.2 OSHA Lockout / Tagout Rules

NOTE An important note to The Children's Place.

On August 28, 1989, the U.S. Department of Labor amended the Occupational Safety and Health Standards to incorporate lockout / tagout requirements. This standard applies to most employers and covers, among other things, "the servicing and maintenance of machines and equipment in which the unexpected energization or start-up of the machines or equipment…could cause injury to employee." The standard states that servicing and maintenance covers various workplace activities including "lubrication, cleaning or un-jamming of machines or equipment...where the employee may be exposed to the unexpected energization or start-up of the equipment…."

In Dematic's opinion, this standard applies to most workplaces utilizing powered conveyor. Dematic is bringing this to the attention of The Children's Place in the event The Children's Place is not aware of the standard. Dematic urges The Children's Place to review the applicability and requirements of the standard with respect to The Children's Place's facilities. In general, the standard requires employers to establish an ongoing program of control procedures and employee training (regardless of training provided by the equipment vendor at the time of sale) to ensure that equipment is rendered inoperative before any servicing or maintenance is performed.

The referenced standard (as may be amended) can be found at 29 CFR Part 1910, Section 1910.147; it was published in the Federal Register, Volume 54, No. 169 on September 1, 1989. Also, copies may be requested from the Dematic Contracts Administration Department. This and other pertinent OSHA safety standards may be found at WWW.osha.gov.

9 System Pricing

9.1 Base System

The following prices are provided for the Third-party commodities, Mechanical Installation, and Electrical Installation services as described in Dematic Proposal 104846. The prices and the acceptance of this Agreement by Dematic are contingent upon performing the work under Proposal 104846 in conjunction with the Dematic Proposal Number 103522 dated 2006-September-27 and execution by The Children's Place Services Company, LLC ("The Children's Place") of the Agreement for Dematic Proposal Number 103522 dated 2006-September-27.

The price for the performance of Dematic work described in this Proposal is as follows:

Base System Price	Total	$ 16,756.000

9.2 Pricing Notes

Above pricing does not include building permits, installation permits, or other project permits or fees. All permits and fees are the responsibility of The Children's Place.

All options are priced to be purchased with the Base System.

Above pricing does not include any sales, use, excise, or similar taxes – these are the responsibility of The Children's Place. If The Children's Place is tax exempt, an appropriate tax exemption certificate must be provided within 60 days of order.

Notwithstanding any of the above, within thirty (30) days of signing the Agreement the Purchaser shall have the right to terminate the Agreement upon written notice to Dematic. In the event of such termination, Purchaser shall pay Dematic the reasonable value of the equipment and services already provided to Purchaser.

All prices are in U.S. dollars.

NOTE Commodity Pricing Fluctuations – The metals (steel, aluminum, and copper) to be provided for this project were priced at rates in effect as of the date of this Proposal. Because of the volatility of market prices, any changes in the prices for these commodities from the date of this Proposal to the date on which Dematic ships the equipment, will be charged at "price in effect" on the date of

shipment to the installation site. Price adjustments shall be made based upon the changes in the following published price indicators: (1) Steel - Nucor Steel's price list and surcharges, (2) Aluminum — London Metal Exchange, (3) Copper-London Metal Exchange, which may result in an added charge or credit to The Children's Place.

9.3 Delivery and Shipping Terms

Delivery and Shipping Terms for the equipment shall be: F.O.B. Destination, Freight Prepay and Add.

9.4 Export Laws and Regulations

The Children's Place acknowledges that Dematic is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the work/equipment/services provided under the Contract, including any export license requirements. The Children's Place agrees that such work/equipment/services shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Dematic of its obligations hereunder that compliance with such export laws and regulations be maintained at all times.

The Children's Place agrees to indemnify and hold Dematic harmless from any and all costs, liabilities, penalties, sanctions and fines related to non-compliance with applicable export laws and regulations that are caused by The Children's Place's negligent actions.

9.5 Payment Terms

Dematic agrees to submit invoices and The Children's Place agrees to pay invoices in accordance with the invoice and payment schedule shown below. All payments shall be made payable net 30 days from invoice date, at the address indicated on the Dematic invoice.

A late payment charge of five one-hundredths of one percent (.05) per day (18 percent annum, based upon a 360-day year) will be added to any amount not received by Dematic on or before the invoice payment date indicated on the payment schedule. Where this rate exceeds a maximum rate permitted by applicable law, the permissible rate will apply.

If this Agreement provides for Dematic to install the Equipment, the final invoice, per the invoice and payment schedule, may be held by The Children's Place as retainer. The Children's Place will pay the retainer (final invoice) amount within thirty (30) days after Dematic completion of Installation Commissioning.

However, should there be a dispute about the completion of the Installation Commissioning, then The Children's Place shall inform Dematic of any claimed defects in the Equipment and the amount of any retainer necessary to correct claimed defects will be mutually determined. The Children's Place will then pay the final invoice less the determined amount. The Children's Place will pay the remaining retainer upon correction by Dematic of any defects in the Equipment as mutually determined.

Upon contract ratification, the following payment terms apply:

Item	Payment Terms	Time Frame
1	Twenty percent of the total project price as a down payment less any previous payments made	Upon execution of contract.
2	Monthly progress payments. (Progress payments and down payment will not exceed 50% of the contract value prior to February 1, 2007.)	Net thirty days.
3	Five percent retainer	Thirty days after system acceptance.

9.6 Commercial Terms

This Proposal is based on General Terms and Conditions - - Exhibit A. Dematic's price is based on our standard practices, equipment, Terms and Conditions, and warranty.

10 Sales Agreement

This Sales Agreement, (hereinafter referred to as "Agreement"), made by and between The Children's Place Services Company, LLC, 915 Secaucus Road, Secaucus, New Jersey 07094, (hereinafter referred to as "The Children's Place") and Dematic Corp., with headquarters located at 507 Plymouth Avenue, N.E., Grand Rapids, Michigan, 49605, (hereinafter referred to as "Dematic"), constitutes the Agreement of the parties as follows:

1. Dematic agrees to sell to The Children's Place and The Children's Place agrees to purchase from Dematic, the equipment and services described in Dematic Proposal Number 104846, dated 2006-September-27, Sections 1 through 10, for the price set forth in the Proposal and on the General Terms and Conditions — Exhibit A.

2. This Agreement constitutes the entire agreement between the parties and no oral or other representation shall prevail, notwithstanding any other terms and conditions of any order submitted by The Children's Place. Any changes, modifications, or additions to this Agreement are binding and enforceable only if made in writing and signed by both parties.

Approved and Executed By:

The Children's Place Services Company, LLC	Dematic Corp.

/s/ Sal Pepitone	/s/ Illegible
Signature	Signature
SAL PEPITONE	[Illegible]
Name (please print)	Name (please print)
V. P. of LOGISTICS	V P SALES
Title	Title
9-29-06	9/29/06
Date	Date

10.1 General Terms and Conditions – Exhibit A

The Dematic Corp. ("Dematic") Proposal and Sales Agreement specifically incorporate the following General Terms and Conditions. Collectively the Proposal, Sales Agreement, and these General Terms and Conditions are referred to herein as the "Agreement" between Dematic and The Children's Place.

GENERAL TERMS AND CONDITIONS **Exhibit A**

The following General Terms and Conditions shall apply to any resulting order between Dematic Corp. (hereinafter referred to as "Dematic") and Purchaser.

1. **TAXES:** Unless otherwise indicated, the price does not include any sales, use, excise, or similar taxes, and Purchaser shall be responsible for all such taxes, whether or not invoiced by Dematic. If taxes are included as part of the price and the rate or base of the tax is increased or decreased, Purchaser will pay any increased taxes, and Dematic will give credit for any tax decrease. Absent written agreement to the contrary, Dematic will pay the tax and be reimbursed by the Purchaser.

In the event Purchaser is exempt from such taxes or should Purchaser elect to pay such taxes directly to the taxing authority, then within 60 days of the order, Purchaser will provide Dematic with a valid tax exemption certificate or similar document satisfactory in form to Dematic.

2. **WARRANTY:** Dematic warrants that goods sold by Dematic will be free from defects in material and workmanship for a period of two years from the date of installation or four thousand hours of operation, whichever occurs first. Dematic's obligation under this warranty is limited to repairing or replacing, at Dematic's option, F.O.B. manufacturing plant, any part of the goods found to be defective within the warranty period. This obligation is conditioned upon receipt by Dematic of prompt written notice of the claimed defect, including a description of the defect and its discovery, and the opportunity for Dematic to inspect the goods in the purchaser's facility. This obligation does not include costs of labor or other charges incurred in removing or reinstalling parts, and does not apply to goods damaged by misuse, neglect or accident or to goods which have been improperly applied, installed, adjusted, operated, maintained, repaired or altered by persons other than Dematic.

If the goods include computer hardware or software acquired from original manufacturers, Dematic's obligation will be limited to conveying and transferring to Purchaser any interest, rights and/or warranties which Dematic may obtain.

DEMATIC MAKES NO ADDITIONAL WARRANTIES, EXPRESS OR IMPLED, AS TO ANY GOODS, AND IN PARTICULAR DEMATIC MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

3. **INSURANCE BY DEMATIC:** Dematic will maintain insurance covering its operations as follows:

a. Worker's Compensation Insurance as required by the state having jurisdiction over Dematic and Employer's Liability with limit of $1,000,000.

b. Commercial General Liability Insurance with combined single limit for bodily injuries and property damage of $1,000,000.

c. Automotive Liability Insurance for bodily injuries, including death and property damage with combined single limit of $1,000,000.

Dematic may, at its sole option, satisfy these requirements with commercial insurance or through a program of combined self-insurance, self-insured retention, and excess insurance.

Certificates of insurance or letter of authority to self-insure will be furnished upon request.

4. **INSURANCE BY PURCHASER:** Purchaser assumes all risk of loss from damage and destruction of the material and equipment and any applicable installation charges thereof. Such risk of loss will transfer to Purchaser at the F.O.B. point pursuant to the shipping terms of the Agreement (F.O.B. destination). Purchaser agrees to acquire and maintain all risk insurance covering damage and destruction of the materials and equipment at replacement value and in no event less than the purchase price including any increases by change order(s). The insurance policy or policies shall include Dematic as an insured, shall provide for 20 days prior notification to Dematic if the insurance coverage is terminated, reduced, or otherwise

materially modified, and shall provide that the insurance proceeds shall be payable to Dematic and Purchaser as their interests may appear. Payments made by an insurance carrier to Dematic as a result of such damage or destruction of the equipment will be applied against the purchase price and any other amounts owed by Purchaser under the Agreement. Purchaser shall furnish Dematic with certificates evidencing such insurance.

5. INDEMNIFICATION: The equipment furnished hereunder will be manufactured with Dematic safety features and furnished with user safety instructions. The operation of the equipment with safety features removed or modified and/or the disregard of the user safety instructions is outside of Dematic's control and is the responsibility of the Purchaser. Therefore, Purchaser agrees to indemnify and hold Dematic harmless from any and all claims, demands, liabilities, causes of action, suits, costs, and expenses of any kind or nature (including attorney's fees) for loss or damage which may be suffered by Dematic as a result of injury to persons arising from such removal or modification to Dematic-furnished safety features and/or the disregard of Dematic-furnished user safety instructions, including any person injured while riding, sitting, stepping, walking, or climbing on the equipment furnished hereunder; Provided that Dematic notifies Purchaser in writing, within 30 days of Dematic's knowledge of any such claim, and gives Purchaser the exclusive control of the defense and settlement of any claim.

Dematic agrees to indemnify and hold Purchaser harmless from any and all claims, demands, liabilities, causes of action, suits, costs, and expenses of any kind or nature including attorney's fees) for loss or damage which may be suffered by Purchaser as a result of injury to persons arising from defects in material and workmanship of the equipment caused by Dematic. Provided that Purchaser notifies Dematic in writing, within 30 days of Purchaser's knowledge of any such claim, and gives Dematic the exclusive control of the defense and settlement of any claim.

6. CHANGE ORDER: The parties may agree at any time prior to final payment of the Agreement to make additions, deletions, or other revisions by Change Order or Work Order (as defined below) without invalidating the Agreement. No such change will be performed by Dematic until an approved Change Order or Work Order is executed as provided below.

a. When the price, schedule and other conditions relating to the change can be determined prior to the start of work under the change, a document describing this change (Change Order) will be issued for execution by the parties.

b. When the change requires immediate action and the issuance of an executed Change Order with firm price would unreasonably delay the change. Purchaser shall place its signature upon a document authorizing Dematic to proceed with the change (Work Order). After the change under the Work Order has been completed, Dematic will calculate the firm price for the change using actual costs (including overhead and reasonable profit) current at time of performance of the

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work. Completed Work Order(s) will be incorporated into a Change Order for execution by the parties.

Unless expressly modified by a Change Order or Work Order, the provisions of the Agreement will govern all work performed under such Change Order or Work Order.

7. LIENS: Dematic will protect Purchaser as to any lien asserted against Purchaser's property for work, material or services furnished by others at Dematic's request when Purchaser makes the payments provided for in the Agreement.

8. RIGHTS AND REMEDIES: If Dematic defaults in the performance of any of its obligations under the Agreement (other than its obligations under Article 2 hereof) and if Dematic has not cured the default or implemented a plan to cure the default in a diligent manner within 20 days after Purchaser shall have given Dematic written notice of the default, or such other time period as mutually agreed upon, Purchaser shall have the right to terminate the Agreement upon written notice to Dematic. In the event of such termination, Purchaser may (i) pay to Dematic the reasonable value of equipment and services already provided to Purchaser, or (ii) complete the work specified in the Agreement.

If Purchaser elects to complete the work and the reasonable costs of completion exceed the unpaid balance of the Agreement price, Dematic shall pay the difference to Purchaser. If the unpaid balance of the purchase price exceeds the reasonable cost of completion, Purchaser shall pay the difference to Dematic.

If Purchaser fails to pay the purchase price, or any installment thereof, within 10 days after it is due, or if Purchaser defaults in the performance of any of its other obligations under the Agreement and if the default continues for 20 days after Dematic gives Purchaser written notice thereof, or such other time period as mutually agreed upon, then Dematic shall have the right to (i) suspend performance of its obligation under the Agreement until the default is cured, or (ii) exercise any right or remedy provided for in the Agreement, or available to Dematic under applicable law.

9. SECURITY INTEREST AND TITLE:

a. Subject to any interest that Wells Fargo Retail Finance, LLC has in the equipment pursuant to the credit facility dated November 21, 2004, as amended between the purchaser and Wells Fargo, Dematic retains a security interest in the equipment to secure the purchase price payable by Purchaser under the Agreement and all other amounts now and hereafter owing by Purchaser to Dematic hereunder. Upon request by Dematic, Purchaser will execute and deliver to Dematic a financing statement evidencing this security interest.

b. Dematic hereby grants Purchaser a single site non-transferable and non-exclusive license to use all computer software manufactured and provided by Dematic under the Agreement. Title to the software and documentation, if any, provided hereunder shall at all times remain with Dematic. Purchaser agrees to use such software strictly in compliance with the terms of the Agreement, and for the use(s) contemplated herein, and specifically agrees not to copy, furnish, disclose, or otherwise make said software, or any portion thereof, available to any third party.

c. The Dematic manufactured and provided software is a proprietary trade secret of Dematic. Purchaser agrees to maintain confidentiality of Dematic software, and to restrict access to Purchaser's employees or agents directly concerned with Purchaser's licensed use of same.

d. Refer to Article 2 for provisions of title for software which Dematic acquires from original manufacturers.

10. **DELAYS:** If Dematic's performance is delayed or prevented by Purchaser or other cause uncontrolled by Dematic (such as casualty, labor trouble, governmental action, inability to obtain supplies or transportation, or any order modification by Purchaser):

a. Purchaser agrees to pay Dematic Invoices upon notification that equipment is ready for shipment in accordance with the shipping schedule and to reimburse Dematic for expenses incident to such delay including, without limitation, the cost of engineering, equipment and installation escalations; maintaining, repairing and refurbishing equipment; storage, demurrage, and pullout charges from installation site; and

b. The time for delivery of the equipment and performance of the services will be extended accordingly, and Dematic will not be liable for any damages caused by the delay; and

c. The stated purchase price shall be revised based upon labor wage rates and other conditions prevailing at the time of actual performance.

11. **PATENTS:** Dematic agrees to indemnify and hold Purchaser harmless from any damages (including litigation costs incurred) that may be awarded against Purchaser in any final judgment based upon a claim that the equipment or its use infringes any currently existing United States patents owned by third parties, provided that Purchaser notifies Dematic in writing, within 30 days of Purchaser's knowledge of any such claim, and gives Dematic the exclusive control of the defense and settlement of any claim, including the right to make changes in the equipment to avoid any alleged infringement, so long as such changes do not materially affect the performance of such equipment which shall be determined by the Purchaser in its sole reasonable discretion. Purchaser is responsible for any infringement claim arising from any modifications of the equipment by Purchaser or any combining by Purchaser of the equipment with other equipment not furnished by Dematic.

12. **ASSIGNMENT/SUBCONTRACTS:** Purchaser shall not delegate the performance of any obligation hereunder, nor assign any rights arising under the Agreement, to any unaffiliated third person without the prior written consent of Dematic.

Dematic reserves the right to use subcontractors in the performance of any services to be performed by Dematic. Dematic is responsible for the acts and omissions of any subcontractor so engaged.

13. **LIMITATION OF REMEDIES/GOVERNING LAW:** The Agreement sets forth Purchaser's sole and exclusive remedies for any defect in or non-conformity of any equipment or services and for any negligent design, manufacture, or installation of the equipment, and for any breach of the Agreement by Dematic. Neither Dematic nor Purchaser shall be liable for incidental or consequential damages (including loss of profits).

The Agreement shall be interpreted and enforced in accordance with the substantive laws of the State of Michigan.

EXHIBIT 31

SECTION 302 CERTIFICATIONS

CERTIFICATIONS

I, Charles Crovitz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Children's Place Retail Stores, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 5, 2007

By: /S/ CHARLES CROVITZ
CHARLES CROVITZ
Interim Chief Executive Officer
(A Principal Executive Officer)

CERTIFICATIONS

I, Susan Riley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Children's Place Retail Stores, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 5, 2007

By: /S/ SUSAN RILEY
SUSAN RILEY
Executive Vice President, Finance and Administration
and Interim Chief Financial Officer
(A Principal Executive Officer and
Principal Financial and Accounting Officer)

EXHIBIT 32

SECTION 906 CERTIFICATIONS

CERTIFICATIONS

I, Charles Crovitz, Chief Executive Officer of The Children's Place Retail Stores, Inc. (the "Company"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify that to my knowledge:

1. The Quarterly Report of the Company on Form 10-Q for the period ended October 28, 2006 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in such quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, I have executed this Certification this 5th day of December, 2007.

By: /S/ CHARLES CROVITZ
CHARLES CROVITZ
Interim Chief Executive Officer
(A Principal Executive Officer)

I, Susan Riley, Executive Vice President, Finance and Administration of The Children's Place Retail Stores, Inc. (the "Company"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify that to my knowledge:

1. The Quarterly Report of the Company on Form 10-Q for the period ended October 28, 2006 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in such quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, I have executed this Certification this 5th day of December, 2007.

By: /S/ SUSAN RILEY
SUSAN RILEY
Executive Vice President, Finance and Administration
and Interim Chief Financial Officer
(A Principal Executive Officer and
Principal Financial and Accounting Officer)
