UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (D)

OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) APRIL 12, 2005

THE CHILDREN'S PLACE RETAIL STORES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	0-23071	31-1241495
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer ID Number)

915 SECAUCUS ROAD, NEW JERSEY	07094
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (201) 558-2400

NOT APPLICABLE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On April 13, 2005, The Children's Place Retail Stores, Inc. (the "Company") announced that it completed its previously announced analysis of its leases-related accounting practices and concluded that certain of these accounting practices were incorrect and should be changed. As a result, the Company announced that it is restating its financial results for fiscal 2002 and fiscal 2003, and its previously filed financial results should no longer be relied upon. In its announcement, the Company included updated financial information, giving effect to these changes, for the fourth quarter and fiscal year ended January 29, 2005 as well as certain restated financial information for the fiscal years ended January 31, 2004 and February 1, 2003. The Company stated that full financial results for these fiscal years would be included in the Company's Form 10-K for the year ended January 29, 2005 to be filed with the Securities and Exchange Commission.

Additional information about the change in the Company's accounting practices and its restatement of its financial results is set forth below in Item 4.02 and Item 8.01.

A copy of the Company's April 13, 2005 press release is attached as Exhibit 99.1.

ITEM 4.02. NON-RELIANCE ON PREVIOUSLY ISSUED FINANCIAL STATEMENTS OR A RELATED AUDIT REPORT OR COMPLETED INTERIM REVIEW.

On March 10, 2005, The Children's Place Retail Stores, Inc. (the "Company") reported preliminary unaudited financial results for the fourth quarter and fiscal year ended January 29, 2005 ("fiscal 2004"). In this report, the Company noted that such preliminary results excluded the effect of any potential corrections to the Company's lease-related accounting practices. At that time, the Company stated that, like many other companies, it was engaged in an evaluation of its lease-related accounting practices in light of a recent clarification from the Securities and Exchange Commission ("SEC") and that, while this evaluation had not been completed, and therefore no decisions had been made, management believed that a restatement of the Company's previously issued financial statements was likely.

On April 12, 2005, the Company completed its analysis and reviewed the results with its audit committee and independent registered public accounting firm. The Company has concluded that certain of its lease-related accounting practices were incorrect. Therefore, the Company is restating its financial results, and advises users that such financial results contained in the Company's prior filings with the SEC should no longer be relied upon. Restated results for the years ended January 31, 2004 and February 1, 2003 will be included in the Company's Annual Report on Form 10-K for the year ended January 29, 2005 to be filed with the SEC.

Under FASB Technical Bulletin 88-1, "Issues Related to Accounting for Leases," lease incentives such as landlord construction allowances received to defray construction costs incurred by the Company should be reflected as a deferred lease incentive, amortized over the lease term and reflected as a reduction to rent expense. The Company had previously classified landlord construction allowances as a reduction to property and equipment instead of as a deferred lease incentive. The Company has corrected its accounting policy to treat landlord construction allowances as deferred lease incentives.

In addition, under the requirements of FASB Technical Bulletin 85-3, "Accounting for Operating Leases with Scheduled Rent Increases," rent expense is required to be recognized on a straight-line basis over the lease term. In prior periods, the Company had incorrectly determined that the term of the lease begins on the commencement date of the lease, which generally coincides with the store opening date. The Company has corrected this policy to properly commence the lease for accounting purposes when the Company takes physical possession of the property to begin construction. This has the effect of including the construction period in the determination of the period over which rent is calculated. The Company continues to capitalize occupancy costs incurred prior to the commencement of store pre-opening activities. These capitalized costs are amortized over the remaining lease term. The net effect of this correction was to decrease rent expense with a corresponding increase in depreciation expense and to increase the amount of deferred rent liability with the corresponding increase in leasehold improvements.

Additional information about these restatements and corrections is contained under Item 8.01 below.

ITEM 8.01 OTHER EVENTS

As a result of the correction to its accounting for leases, the Company is revising its previously-announced preliminary unaudited fourth quarter and fiscal 2004 financial results due to the recording of additional lease incentive income of $16,000 after tax. As a result, the Company is now reporting net income of $24.0 million, or diluted net income per share of $0.85 and diluted income before extraordinary gain per share of $0.84 for the fourth quarter of fiscal 2004. For the full fiscal 2004, net income was $43.3 million, or diluted net income per share of $1.57 and diluted income before extraordinary gain per share of $1.56.

On a restated basis, net income for the year ended January 31, 2004 ("fiscal 2003") and for the year ended February 1, 2003 ("fiscal 2002") was $22.9 million, or diluted net income per share of $0.85, and $8.1 million, or diluted net income per share of $0.30, respectively.

In addition to the changes in net income, net property and equipment, total assets, total liabilities and total stockholders' equity as of January 29, 2005 were $222.7 million, $627.4 million, $315.7 million and $311.7 million, respectively. As of January 31, 2004, restated net property and equipment, total assets, total liabilities and total stockholders' equity were $211.5 million, $426.2 million, $170.1 million and $256.1 million, respectively. While the correction of the errors did not change total cash flows, changes in classification were made in the consolidated statement of cash flows from cash flows provided by investing activities to cash flows provided by operating activities. For fiscal 2004, fiscal 2003 (as restated) and fiscal 2002 (as restated), cash flows provided by operating activities approximated $212.9 million, $80.0 million and $58.3 million, respectively. Additionally, cash flows used in investing activities for fiscal 2004, fiscal 2003 (as restated) and fiscal 2002 (as restated) approximated $168.9 million, $43.5 million and $69.2 million, respectively.

The Company's revised unaudited financial information for the fourth quarter and fiscal year ended January 29, 2005 and restated financial information for the fiscal year ended January 31, 2004 are attached hereto as Exhibit 99.1.

The Company reaffirms its adjusted earnings per share guidance of $2.10 to $2.20 for the fiscal year ending January 28, 2006 ("fiscal 2005"), which excludes the effects of the remaining $1.2 million non-cash charge related to acquired Disney Store inventory, which will be reflected in the Company's first quarter of fiscal 2005 financial results, and the effect of new accounting rules requiring the expensing of stock options. The Company plans to initiate the expensing of stock options prospectively beginning in the third quarter of fiscal 2005, in accordance with the requirements of FASB Statement No. 123R. In addition, the Company is reaffirming its guidance regarding investments in capital expenditures and landlord construction allowances. The Company continues to expect to invest approximately $110 million in capital expenditures and to receive $10 million in landlord construction allowances in fiscal 2005, for net capital-related expenditures of $100 million.

FORWARD-LOOKING STATEMENTS

This Form 8-K report contains forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than those that are purely historical are forward-looking statements. Words such as "expect," "anticipate," "believe," "estimate," "intend," "plan," and similar expressions also identify forward-looking statements. Forward-looking statements include statements regarding estimated net income on a restated basis.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause the Company's actual results to differ materially from those in the forward-looking statements. These factors include, without limitation, the risk that additional information may arise from the preparation of the Company's financial statements or other subsequent events that would require the Company to make additional adjustments.

SECTION 9 FINANCIAL STATEMENTS AND EXHIBITS

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(a) Exhibits:

Exhibit 99.1 -- Press Release dated April 13, 2005

Exhibit 99.2 -- The Children's Place Retail Stores, Inc. and Subsidiaries Unaudited Financial Statements for Fourth Quarter and Fiscal Year 2004 (Revised).

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signature on following page.]

SIGNATURES

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

THE CHILDREN'S PLACE RETAIL STORES, INC.

By: /S/ SETH L. UDASIN

Name: Seth L. Udasin
Title: Vice President and Chief Financial Officer

Dated: April 13, 2005

INDEX TO EXHIBITS

Current Report on Form 8-K
dated April 12, 2005

The Children's Place Retail Stores, Inc.

Exhibit 99.1	Press Release dated April 13, 2005.
Exhibit 99.2	The Children's Place Retail Stores, Inc. and Subsidiaries Unaudited Financial Information for Fourth Quarter and Fiscal Year 2004 (Revised).

THE CHILDREN'S
PLACE

FOR IMMEDIATE RELEASE
- ---------------------

THE CHILDREN'S PLACE RETAIL STORES, INC. REPORTS RESULTS OF LEASE-RELATED ACCOUNTING ASSESSMENT
PREVIOUSLY REPORTED FOURTH QUARTER & FISCAL 2004 EARNINGS PER SHARE REMAIN UNCHANGED ~

SECAUCUS, NEW JERSEY - APRIL 13, 2005 - THE CHILDREN'S PLACE RETAIL STORES, INC. (NASDAQ: PLCE), today announced that it has completed its previously announced analysis of its lease-related accounting practices in light of an SEC clarification in February. Upon review of the results with its audit committee and independent auditors, the Company has concluded that certain of its accounting practices relating to leases were incorrect and should be changed. These accounting corrections do not materially impact fiscal 2003 net income and, as anticipated, do not materially impact fiscal 2004 net income. All related adjustments are detailed below, and final fourth quarter and fiscal year income statements and balance sheets for fiscal 2004 and fiscal 2003 are attached. Also as expected, these corrections do not impact the Company's current fiscal 2005 adjusted earnings per share guidance of $2.10 to $2.20, which excludes the effects of a non-cash item associated with the Disney Store acquisition and new accounting rules requiring the expensing of stock options. The Company continues to believe that fiscal 2005 net capital-related expenditures will approximate $100 million, comprised of capital expenditures of $110 million and landlord construction allowances of $10 million.

As a result of these corrections, the Company is restating its financial results for fiscal 2002 and fiscal 2003, and advises users that its previously filed financial results should no longer be relied upon. The Company is filing a Form 8-K today that describes the lease-related accounting corrections in more detail. Restated results for the years ended January 31, 2004 and February 1, 2003 will be included in the Company's Form 10-K for the year ended January 29, 2005 to be filed with the Securities and Exchange Commission.

LEASE-RELATED ACCOUNTING PRACTICES
Historically, when the Company received landlord construction allowances, they were classified on the balance sheet as a reduction of property and equipment and then amortized as a reduction of depreciation expense over the estimated useful life of the property. Consistent with the SEC clarification, the Company will now account for landlord construction allowances as lease incentives and record them as deferred liabilities, which are amortized as a reduction of rent expense over the lease term.

In addition, the Company has revised its treatment of occupancy costs during construction. Historically, the Company had incorrectly determined that the term of the lease begins on the commencement date of the lease, which generally coincides with the store opening date. The Company has corrected this policy to properly commence the lease once it takes physical possession of the property, which has the effect of including the construction phase in the period over which rent is calculated. The Company continues to capitalize occupancy costs incurred prior to the commencement of store pre-opening activities. These capitalized costs are amortized over the remaining lease term. The net effect was to decrease rent expense with a corresponding increase in depreciation expense, and to increase the amount of deferred rent liability with a corresponding increase in leasehold improvements.

As a result of these lease accounting corrections, the Company is increasing its previously announced fourth quarter, and therefore, fiscal 2004 net income by $16,000. As a result, there is no change to the Company's previously reported earnings per share amounts for the fourth quarter and full fiscal 2004 periods. In addition, the Company is decreasing its previously reported fiscal 2003 net income by $52,000, which does not change earnings per share for that period. Fiscal 2002 net income decreased by $853,000, or $0.03 per share.

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The impact of the lease-related accounting corrections on the Company's January 29, 2005, consolidated balance sheet is an increase in net property and equipment of approximately $69.6 million, an increase in total assets of $71.4 million, an increase in total liabilities of $72.3 million and a decrease in stockholders' equity of $0.9 million. The impact on the Company's January 31, 2004, consolidated balance sheet is an increase in net property and equipment of approximately $64.8 million, an increase in total assets of $66.5 million, an increase in total liabilities of $67.5 million, and a decrease in stockholders' equity of $0.9 million.

While the corrections did not change total cash flows, they have changed the classification of landlord construction allowances received from a reduction of cash flows used in investing activities to an increase in cash flows provided by operating activities. For the fiscal years ended January 29, 2005, January 31, 2004 (as restated), and February 1, 2003 (as restated), cash flows provided by operating activities approximated $212.9 million, $80.0 million and $58.3 million, respectively. Additionally, cash flows used in investing activities for those same fiscal years approximated $168.9 million, $43.5 million and $69.2 million, respectively.

Please refer to the attached income statements for the quarter and year and consolidated balance sheets for ABOUT THE CHILDREN'S PLACE RETAIL STORES, INC. The Children's Place Retail Stores, Inc. is a leading specialty retailer of children's merchandise. The Company designs, contracts to manufacture and sells high-quality, value-priced merchandise under the proprietary "The Children's Place" and licensed "Disney Store" brand names. As of April 1, 2005, the Company owned and operated 752 The Children's Place stores in North America, 306 Disney Stores in North America and its online store, www.childrensplace.com.

USE OF NON-GAAP MEASURES

The Company is providing adjusted financial information as an addition to, and not as a substitute for, financial measures presented in accordance with generally accepted accounting principles ("GAAP"). To facilitate the analysis of net income, the Company adjusted its fourth quarter and fiscal 2004 net income to exclude a non-cash item and an extraordinary gain, both associated with the Company's November 2004 acquisition of Disney Store North America. The Company has excluded such items because it does not believe they are indicative of the core business and believes that the adjusted presentation is a beneficial supplemental disclosure to investors in analyzing its past and future performance. Such presentation is a non-GAAP measure, and a reconciliation to net income under accounting principles generally accepted in the United States is attached. Adjusted net income and adjusted earnings per share are "Non-GAAP financial measures" as defined by the Securities and Exchange Commission, and may differ from non-GAAP financial measures used by other companies.

CONTACT: The Children's Place
Seth Udasin, Chief Financial Officer, (201) 558-2409
Heather Anthony, Director, Investor Relations, (201) 558-2865

EXHIBIT 99.2

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

	13 Weeks Ended: January 29, 2005	13 Weeks Ended: January 31, 2004 (As restated)
Net sales	$ 462,108	$ 234,569
Cost of sales	281,659	131,663
Gross profit	180,449	102,906
Selling, general and administrative expenses	128,982	65,922
Asset impairment charges	164	448
Depreciation and amortization	13,383	12,753
Operating income	37,920	23,783
Interest expense (income), net	176	(127)
Income before income taxes and extraordinary gain	37,744	23,910
Provision for income taxes	14,042	8,787
Income before extraordinary gain	23,702	15,123
Extraordinary gain (net of taxes)	273	--
Net income	$ 23,975	$ 15,123
Basic income per share	$ 0.89	$ 0.57
Basic weighted average number of shares outstanding	27,076	26,726
Diluted income per share before extraordinary gain	$ 0.84	$ 0.55
Diluted income per share	$ 0.85	$ 0.55
Diluted weighted average number of shares outstanding	28,106	27,510

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

	52 Weeks Ended: January 29, 2005	52 Weeks Ended: January 31, 2004 (As restated)
Net sales	$ 1,157,548	$ 797,938
Cost of sales	705,681	476,961
Gross profit	451,867	320,977
Selling, general and administrative expenses	329,916	235,415
Asset impairment charges	164	448
Depreciation and amortization	51,835	48,700
Operating income	69,952	36,414
Interest expense (income), net	22	(255)
Income before income taxes and extraordinary gain	69,930	36,669
Provision for income taxes	26,923	13,764
Income before extraordinary gain	43,007	22,905
Extraordinary gain (net of taxes)	273	--
Net income	$ 43,280	$ 22,905

Basic income per share	$ 1.61	$ 0.86
Basic weighted average number of shares outstanding	26,919	26,646
Diluted income per share before extraordinary gain	$ 1.56	$ 0.85
Diluted income per share	$ 1.57	$ 0.85
Diluted weighted average number of shares outstanding	27,633	27,099

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

	January 29, 2005	January 31, 2004 (As restated)
Current assets:		
Cash and cash equivalents	$ 165,196	$ 74,772
Accounts receivable	23,987	8,462
Inventories	161,969	96,128
Other current assets	41,007	20,070
Total current assets	392,159	199,432
Property and equipment, net	222,722	211,454
Other assets, net	12,507	15,317
Total assets	$ 627,388	$ 426,203
Current liabilities:		
Revolving credit facility	$ 37,268	$ 0
Accounts payable	78,106	35,173
Accrued expenses and other current liabilities	99,575	49,984
Total current liabilities	214,949	85,157
Deferred rent liabilities	91,111	81,644
Other liabilities	9,665	3,317
Total liabilities	315,725	170,118
Total Stockholders' equity	311,663	256,085
Total liabilities and stockholders' equity	$ 627,388	$ 426,203