

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): November 20, 2008

THE CHILDREN'S PLACE RETAIL STORES, INC.
(Exact Name of Registrants as Specified in Their Charters)

Delaware
(State or Other Jurisdiction of Incorporation)

0-23071
(Commission File Number)

31-1241495
(IRS Employer Identification No.)

915 Secaucus Road, Secaucus, New Jersey
(Address of Principal Executive Offices)

07094
(Zip Code)

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

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 (see General Instruction A.2. below):

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

Item 2.02 Results of Operations and Financial Condition

On November 20, 2008, The Children's Place Retail Stores, Inc. (the "Company") issued a press release containing results for the Company's third and fiscal year-to-date ended November 1, 2008. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this report is being furnished pursuant to Item 2.02 of Form 8-K, insofar as it discloses historical information regarding the Company's results of operations and financial condition as of, and for the third quarter and fiscal year-to-date ended November 1, 2008. In accordance with General Instructions B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Forward Looking Statements

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

Item 9.01 Financial Statement and Exhibits.

(d) Exhibit

Exhibit 99.1 Press release, dated November 20, 2008, issued by the Company regarding results for its third quarter and fiscal year-to-date ended November 1, 2008 (Exhibit 99.1 is furnished as part of this Current Report on Form 8-K).

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

Date: November 20, 2008

THE CHILDREN'S PLACE RETAIL STORES, INC.

By: /s/ Susan J. Riley
Name: Susan J. Riley
Title: Executive Vice President, Finance and Administration

THE CHILDREN'S PLACE

FOR IMMEDIATE RELEASE

THE CHILDREN'S PLACE RETAIL STORES, INC. REPORTS THIRD QUARTER 2008 FINANCIAL RESULTS

Secaucus, New Jersey - November 20, 2008 - The Children's Place Retail Stores, Inc. (Nasdaq: PLCE) today reported financial results for the third quarter and fiscal year-to-date ended November 1, 2008. Results from continuing operations for the third quarters and fiscal year-to-date periods ended November 1, 2008 and November 3, 2007 are based on The Children's Place business only. The Disney Store North America ("DSNA") business has been classified as a discontinued operation in accordance with generally accepted accounting principles ("GAAP") reflecting the Company's exit of the business.

Third Quarter

- Net sales from continuing operations for the third quarter increased 5% to \$450.6 million, compared to \$430.6 million in the third quarter of 2007.
- Comparable store sales increased 2% in the third quarter of 2008 on top of a 1% increase for the same period last year.
- Income from continuing operations after tax was \$28.4 million, or \$0.96 earnings per share, in the third quarter of 2008, compared to \$14.9 million, or \$0.51 per share, in the third quarter of 2007. The Company's third quarter income from continuing operations included several items which the Company deems to be unusual or one-time in nature, including:
 - In the third quarter of 2008, income of \$5.9 million pre-tax, primarily from transition services being provided to the acquirer of the DSNA business; and
 - In the third quarter of 2007, severance expense of \$4.0 million pre-tax, professional and legal fees of \$2.3 million pre-tax associated with the Company's 2006 stock option investigation and related restatements, stock option tolling expense of \$0.3 million pre-tax and fees for the review of strategic alternatives of \$0.1 million pre-tax.
- Excluding the unusual or one-time items mentioned above from the third quarters of both years, adjusted income from continuing operations after tax was \$24.9 million, or \$0.84 earnings per share, in the third quarter of 2008, compared to \$19.4 million, or \$0.66 per share, in the third quarter of 2007. The third quarter income from continuing operations excluding these items is a non-GAAP measure. The Company believes the excluded items are not indicative of the performance of its core business and that by providing this supplemental disclosure to investors it will facilitate comparisons of its past and present performance. A reconciliation of income from continuing operations as reported is included in this press release in Table 3.
- Net income, including the impact of discontinued operations, was \$24.1 million in the third quarter of 2008, or \$0.81 earnings per share, compared to \$12.3 million, or \$0.42 per share, for the same period last year.
- During the third quarter, the Company opened 19 stores and closed one.

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Fiscal Year-to-Date

- Net sales from continuing operations increased 10% to \$1,188.9 million, for fiscal year-to-date 2008, compared to \$1,077.1 million for the same period of 2007.
- Comparable store sales increased 5% year-to-date 2008 on top of a 1% increase for the same period last year.
- Income from continuing operations after tax was \$50.6 million, or \$1.72 earnings per share, year-to-date 2008, compared to \$14.2 million, or \$0.49 per share, for the same period last year.
- Excluding the unusual or one-time items from both years, income from continuing operations after tax was \$44.7 million, or \$1.52 earnings per share, year-to-date 2008, compared to \$22.1 million, or \$0.74 per share, for the same period last year. As previously noted, this is a non-GAAP measure which the Company is providing as a supplemental disclosure.
- Net income, including the impact of discontinued operations, was \$43.6 million, or \$1.48 earnings per share, year-to-date 2008, compared to a loss of \$1.1 million, or \$0.04 loss per share, for the same period last year.
- Year-to-date, the Company opened 22 stores and closed six.

Chuck Crovitz, Interim Chief Executive Officer of The Children's Place Retail Stores, Inc., commented, "We were pleased with our sales and earnings growth during the third quarter, in spite of the weakening economic conditions and reduced shopper traffic. We believe our positive results are attributable to the strength of The Children's Place brand - which offers great color, outfitting and fashion at a tremendous value - as well as the many actions the Company has taken over the past year to reduce inventory levels, right-size our cost structure, strengthen the balance sheet and refocus efforts on our core The Children's Place brand.

"We believe The Children's Place is uniquely well-positioned for this economy as we offer parents the fashion and value they are looking for, coupled with an excellent customer experience to help expedite and simplify their holiday shopping. However, we expect this holiday season to be a very challenging one as the macroeconomic environment remains weak and is impacting consumers' purchasing power."

The Children's Place will host a conference call to discuss its third quarter results today at 10:00 a.m. Eastern Time. Interested parties are invited to listen to the call by dialing 1-800-894-5910 and providing the Conference ID, PLCE. The call will also be webcast live and can be accessed via the Company's web site, www.childrensplace.com. A replay of the call will be available approximately one hour after the conclusion of the call, until midnight on November 27, 2008. To access the replay, dial 1-800-753-9146, or you may listen to the audio archive on the Company's website.

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" brand name. As of November 1, 2008, the Company owned and operated 920 stores and an online store at www.childrensplace.com.

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

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

(Tables Follow)

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

	Third Quarter Ended		Year-to-Date Ended	
	Nov. 1, 2008	Nov. 3, 2007	Nov. 1, 2008	Nov. 3, 2007
Net sales	\$ 450,623	\$ 430,572	\$ 1,188,864	\$ 1,077,065
Cost of sales	254,239	258,251	692,839	659,326
Gross profit	196,384	172,321	496,025	417,739
Selling, general and administrative expenses	126,716	131,004	351,919	347,998
Asset impairment charge	954	947	1,081	1,582
Depreciation and amortization	17,791	17,063	53,152	46,814
Income from continuing operations before interest and taxes	50,923	23,307	89,873	21,345
Interest income (expense), net	(1,912)	(796)	(2,803)	632
Income from continuing operations before income taxes	49,011	22,511	87,070	21,977
Provision for income taxes	20,563	7,586	36,466	7,789
Income from continuing operations net of income taxes	28,448	14,925	50,604	14,188
(Loss) from discontinued operations net of income taxes	(4,391)	(2,622)	(7,018)	(15,262)
Net income (loss)	<u>\$ 24,057</u>	<u>\$ 12,303</u>	<u>\$ 43,586</u>	<u>\$ (1,074)</u>
Basic income from continuing operations per common share	\$ 0.97	\$ 0.51	\$ 1.73	\$ 0.49
(Loss) from discontinued operations per common share	(0.15)	(0.09)	(0.24)	(0.52)
Basic net income (loss) per common share	<u>\$ 0.82</u>	<u>\$ 0.42</u>	<u>\$ 1.49</u>	<u>\$ (0.04)*</u>
Basic weighted average common shares outstanding	29,364	29,084	29,173	29,084
Diluted income from continuing operations per common share	\$ 0.96	\$ 0.51	\$ 1.72	\$ 0.49
(Loss) from discontinued operations per common share	(0.15)	(0.09)	(0.24)	(0.52)
Diluted net income (loss) per common share	<u>\$ 0.81</u>	<u>\$ 0.42</u>	<u>\$ 1.48</u>	<u>\$ (0.04)*</u>
Diluted weighted average common shares and common shares equivalents outstanding	29,726	29,357	29,440	29,084

* Does not add due to rounding.

Note: All periods presented above reflect the exit of the DSNA business, which has been classified as a discontinued operation in accordance with GAAP. Continuing operations, as presented above, includes the operations of The Children's Place business only.

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

	November 1, 2008	February 2, 2008	November 3, 2007
Current assets:			
Cash and investments	\$ 185,980	\$ 81,626	\$ 108,291
Accounts receivable	24,213	41,143	43,686
Inventories	232,776	196,606	263,301
Other current assets	104,218	92,910	97,003
Restricted assets in bankruptcy estate of subsidiary	78,971	--	--
Current assets held for sale	--	98,591	135,312
Total current assets	626,158	510,876	647,593
Property and equipment, net	336,921	354,141	374,432
Other assets, net	83,230	128,357	84,582
Non-current assets held for sale	--	4,163	76,065
Total assets	\$ 1,046,309	\$ 997,537	\$ 1,182,672
Current liabilities:			
Revolving credit facility	\$ --	\$ 88,976	\$ 108,886
Short term portion of term loan	30,000	--	--
Accounts payable	79,913	80,807	163,934
Accrued expenses and other current liabilities	123,179	140,712	166,602
Liabilities of the bankrupt estate of subsidiary	107,767	--	--
Total current liabilities	340,859	310,495	439,422
Long term portion of term loan	55,000	--	--
Other liabilities	140,984	214,809	207,417
Total liabilities	536,843	525,304	646,839
Stockholders' equity	509,466	472,233	535,833
Total liabilities and stockholders' equity	\$ 1,046,309	\$ 997,537	\$ 1,182,672

Note: The balance sheet as of November 1, 2008, reflects DSNA restricted assets available to settle its liabilities through bankruptcy. "Assets held for sale" on the February 2, 2008 and November 3, 2007 balance sheets reflect the assets sold to an affiliate of The Walt Disney Company. The remaining assets and liabilities of the Disney Store business are reflected in their respective balance sheet categories on the February 2, 2008 and November 3, 2007 balance sheets.

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

	Third Quarter Ended		Year-to-Date Ended	
	Nov. 1, 2008	Nov. 3, 2007	Nov. 1, 2008	Nov. 3, 2007
Income from continuing operations net of income taxes	\$ 28.4	\$ 14.9	\$ 50.6	\$ 14.2
<i>Significant one-time items pre-tax:</i>				
Net transition services (income)	(5.7)	--	(11.1)	--
Sale of store lease (income)	--	--	(2.3)	--
Tolling of stock options	--	0.3	--	2.0
Severance expense for former CEO	--	4.0	--	4.0
<i>Professional fees:</i>				
Legal fee recovery (income)	(0.2)	--	(0.2)	--
Stock option/special investigation fees	--	2.3	1.3	5.6
Strategic alternatives review	--	0.1	2.4	0.1
Aggregate (income) expense from significant items	(5.9)	6.7	(9.9)	11.7
Income tax provision for significant items	2.4	(2.2)	4.0	(3.8)
Adjusted (income) expense from significant items after taxes	(3.5)	4.5	(5.9)	7.9
Adjusted income from continuing operations net of income taxes	\$ 24.9	\$ 19.4	\$ 44.7	\$ 22.1
GAAP income from continuing operations per common share	\$ 0.96	\$ 0.51	\$ 1.72	\$ 0.49
Adjusted income from continuing operations per common share	\$ 0.84	\$ 0.66	\$ 1.52	\$ 0.74

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