

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)

August 18, 2005

THE CHILDREN'S PLACE RETAIL STORES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-23071
(Commission
File Number)

31-1241495
(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 August 18, 2005, The Children's Place Retail Stores, Inc. (the "Company") issued a press release announcing certain financial information for the fiscal quarter and six-month period ended July 30, 2005, as well as the Company's updated outlook for fiscal 2005. A copy of the Company's press release is included as Exhibit 99.1 hereto.

Item 9.01 Financial Statements and Exhibits

- (a) Financial Statements of Business Acquired: Not applicable
- (b) Pro Forma Financial Information: Not applicable
- (c) Exhibits:
 - 99.1 Press Release dated August 18, 2005.

[Remainder of page intentionally left blank;
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/ Hiten Patel

Name: Hiten Patel

Title: Senior Vice President and Chief Financial Officer

Dated: August 18, 2005

INDEX TO EXHIBITS

Current Report on Form 8-K
dated August 18, 2005

The Children's Place Retail Stores, Inc.

99.1 Press Release dated August 18, 2005.

PRESS RELEASE

THE CHILDREN'S
PLACE

FOR IMMEDIATE RELEASE

**THE CHILDREN'S PLACE REPORTS 2005 SECOND QUARTER
FINANCIAL RESULTS**

~ Loss Per Share of \$0.66, In Line With Recent \$0.67 to \$0.68 Guidance ~

~ Company Increases Fiscal 2005 Guidance to \$2.20 to \$2.30 ~

Secaucus, New Jersey - August 18, 2005 - The Children's Place Retail Stores, Inc. (Nasdaq: PLCE) today reported financial results for the second quarter and six months ended July 30, 2005.

Second Quarter

- Net sales for the second quarter increased 68% to \$318.7 million, compared with \$189.2 million a year earlier. Second quarter sales were comprised of \$215.3 million from The Children's Place, a 14% increase over last year, and \$103.4 million in sales from Disney Store.
- Comparable store sales increased 4% in the quarter, versus a 10% increase for the same period last year.
- Net loss was \$18.3 million, compared to a net loss of \$9.9 million last year.
- Loss per share was \$0.66 compared to a loss per share of \$0.37 in the fiscal 2004 period.
- The Company opened 16 Children's Place stores and closed one store during the second quarter. In addition, the Company opened one Disney Store during the second quarter.

Six-Month Period

- Net sales for the six-month period increased 66% to \$688.0 million, from \$414.9 million for the same period in 2004. Sales for the six-month period were comprised of \$496.0 million from The Children's Place, a 20% increase over last year, and \$192.0 million in sales from the Company's Disney Store business.
- Comparable store sales increased 9% for the period, compared to a 13% increase for the same period last year.
- Net loss was \$8.1 million, compared to net income of \$1.6 million in the year-ago period.
- Loss per share was \$0.29 compared to earnings of \$0.06 in the 2004 period. Six-month loss per share results reflected the remaining \$1.2 million, or \$0.03 per share, charge related to acquired Disney Store inventory.
- The Company opened 20 Children's Place stores during the six-month period, and closed two. In addition, the Company opened two Disney Stores and closed one.

"Our second quarter financial results reflect improved performance at The Children's Place and better than expected operating results at Disney Store," said Ezra Dabah, Chairman and Chief Executive Officer of The Children's Place. "The Children's Place is positioned for continued growth and success, while at the Disney Store, our strategic initiatives are gaining traction, giving us further confidence in the profitable growth potential of this brand."

The Company stated that it now anticipates consolidated fiscal 2005 earnings in the range of \$2.20 to \$2.30 per share, compared to previously issued guidance of \$2.15 to \$2.25 per share. While the Company typically does not provide quarterly guidance, it stated that third quarter consolidated earnings per share are anticipated in the range of \$0.86 to \$0.91, and fourth quarter consolidated earnings are anticipated to be in the range of \$1.61 to \$1.66, reflecting a redistribution of the Disney Store's anticipated first year contribution to earnings. The Company continues to believe that Disney Store's fiscal 2005 contribution to earnings will be approximately \$0.30 per share.

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PLCE – Second Quarter 2005 Financial Results**Page 2**

The Children's Place will host a webcast of its second quarter conference call today at 9:00 a.m., Eastern Time. Interested parties are invited to listen to the call at the Company's web site, www.childrensplace.com. An archive of the webcast will be available on the site through Thursday, August 25, 2005.

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 July 30, 2005, the Company owned and operated 768 The Children's Place stores and 307 Disney Stores in North America and its online store, www.childrensplace.com.

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 from those contemplated in such forward-looking statements including, in particular, the risks and uncertainties described in the Company's filings with the Securities and Exchange Commission. Actual results, events, and performance may differ. 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 hereof. We undertake 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 Children's Place or any other person that the events or circumstances described in such statement are material.

Contact: The Children's Place
Hiten Patel, Chief Financial Officer, 201/902-2177
Heather Anthony, Senior Director, Investor Relations, 201/558-2865

(Tables Follow)

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

	13 Weeks Ended:		26 Weeks Ended:	
	July 30, 2005	July 31, 2004 (Restated)	July 30, 2005	July 31, 2004 (Restated)
Net sales	\$ 318,750	\$ 189,165	\$ 687,967	\$ 414,944
Cost of sales	219,675	128,426	447,362	260,022
Gross profit	99,075	60,739	240,605	154,922
Selling, general and administrative expenses	115,867	64,238	227,888	126,918
Asset impairment charges	229	0	229	0
Depreciation and amortization	13,271	12,830	26,146	25,452
Operating (loss) income	(30,292)	(16,329)	(13,658)	2,552
Interest (expense) income, net	335	81	430	106
(Loss) income before income taxes	(29,957)	(16,248)	(13,228)	2,658
(Benefit) provision for income taxes	(11,683)	(6,337)	(5,159)	1,036
Net (loss) income	\$ (18,274)	\$ (9,911)	\$ (8,069)	\$ 1,622
Basic (loss) income per share	\$ (0.66)	\$ (0.37)	\$ (0.29)	\$ 0.06
Basic weighted average number of shares outstanding	27,683	26,860	27,533	26,837
Diluted (loss) income per share	\$ (0.66)	\$ (0.37)	\$ (0.29)	\$ 0.06
Diluted weighted average number of shares outstanding	27,683	26,860	27,533	27,516

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

	July 30, 2005	January 29, 2005	July 31, 2004 (Restated)
Current assets:			
Cash and investments	\$ 121,958	\$ 165,196	\$ 31,333
Accounts receivable	22,162	23,987	12,974
Inventories	180,708	161,969	136,563
Other current assets	60,551	41,007	26,631
Total current assets	385,379	392,159	207,501
Property and equipment, net	228,918	222,722	212,297
Other assets, net	12,730	12,507	16,206
Total assets	\$ 627,027	\$ 627,388	\$ 436,004
Current liabilities:			
Revolving credit facility	\$ 23,090	\$ 37,268	\$ 0
Accounts payable	82,065	78,106	46,401
Accrued expenses and other current liabilities	89,330	99,575	42,431
Total current liabilities	194,485	214,949	88,832
Other liabilities	113,640	100,776	87,460

Total liabilities	308,125	315,725	176,292
Stockholders' equity	318,902	311,663	259,712
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Total liabilities and stockholders' equity	\$ 627,027	\$ 627,388	\$ 436,004
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