

Board Risk Score[™]

GICS Category: (2550)

38.7

Low Risk

Medium Risk

High Risk

* Score scaled to 100. With 100 being least vulnerable and 0 being most vulnerable

Business Description

The Children's Place, Inc. engages in the provision of apparel, accessories and footwear for children. It also designs, contracts to manufacture and sell fashionable, high-quality, value-priced merchandise, the majority of which is under the proprietary 'The Children's Place' brand name. Its stores offer a friendly and convenient shopping environment.

Key Statistics

52 Week Range	45.35 - 69.90
Market Value (M)	\$1,400
Ent. Value (M)	\$1,174
Shares Out (M)	20.8
Float	96.0%
Top 25 Inst Holders	82.0%
Short interest (% of shares o/s)	8.5%
Target Price (Consensus Mean)	\$68.59
Average Analyst Estimate	Overweight (1.67)

Score Summary

The Board Risk Score[™] (BRS) measures a company's performance relative to its 4-digit GICS group. **The Score is based on a proprietary model which evaluates a company's relative 5-year financial and share price performance on several key metrics, namely: Total Shareholder Return (TSR), revenue growth, operating margin, Acquisition and Research & Development (R&D) spending, earnings surprise, changes in analyst estimates, the impact of cash and short-term investment on Enterprise value, Leverage (Total Debt/LTM EBITDA), and Return on Invested Capital (ROIC).**

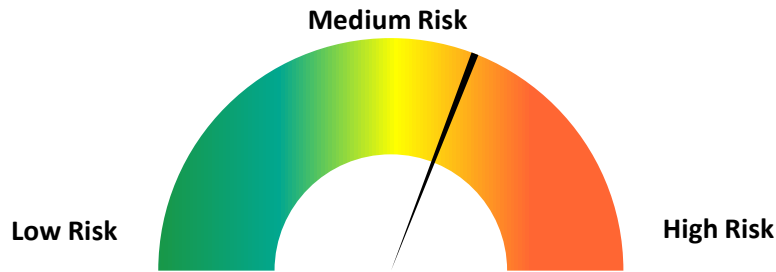
Though every proxy contest has its own unique issues, most, if not all, are based on varying level of concern with the performance of financial and TSR metrics used in the BRS model. Additionally, proxy advisory firms encompass many of the same factors in determining who to support in a contested election of directors.

Overall, BRS objectively measures the level of board's vulnerability to activist investors. The components of the Score offer insight into potential areas of contention. As the Score is dynamic (updated daily), it provides an effective tracking system to evaluate the impact of operating and share price performance on the level of board's vulnerability to shareholder activism.

The Children's Place, Inc's BRS suggests that the likelihood of an activist investor engaging in a meaningful campaign for board/management change is HIGH.

For more information, contact Waheed Hassan, CFA @ 202-549-8399 or email us at: brs@allianceadvisorsllc.com

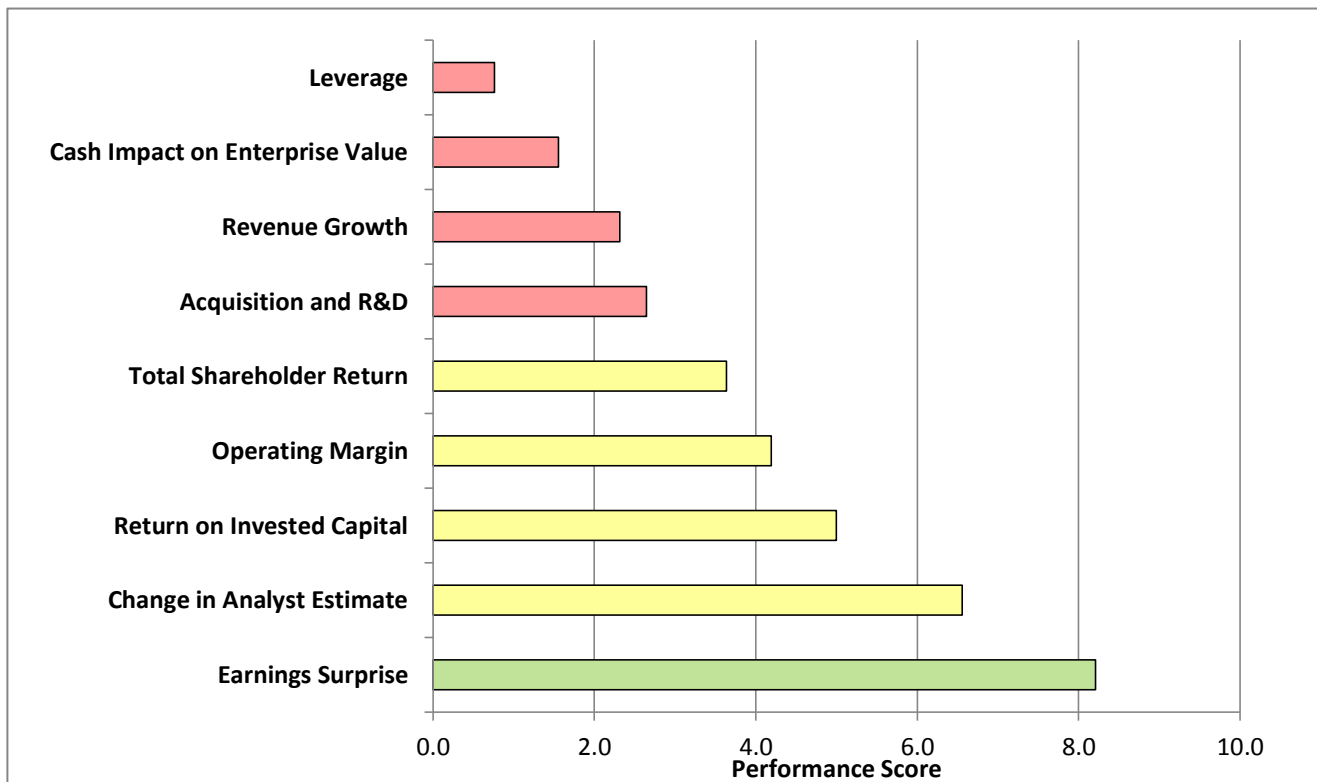
Board Risk Score Gauge

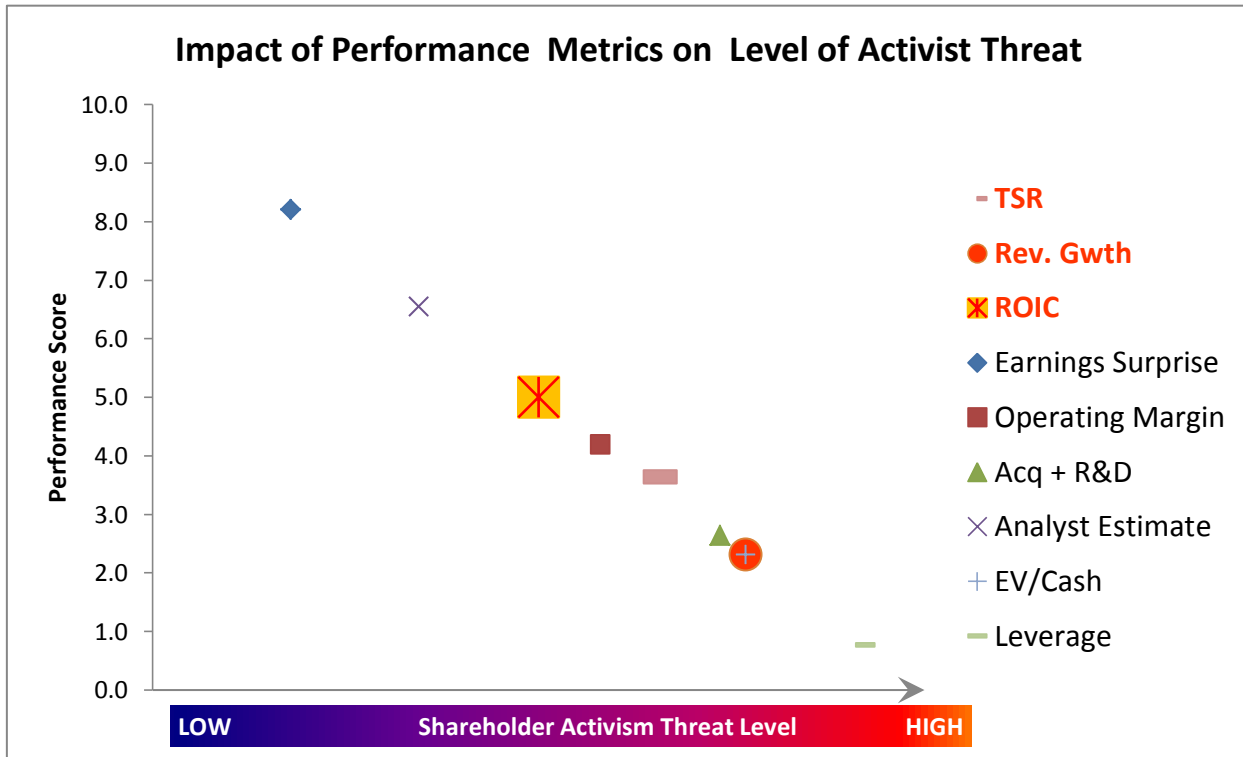


Low Risk	Score
Earnings Surprise	8.21

High and Medium Risk	Score
Leverage	0.76
Cash Impact on Enterprise Value	1.56
Revenue Growth	2.31
Acquisition and R&D	2.64
Total Shareholder Return	3.64
Operating Margin	4.19
Return on Invested Capital	5.00
Change in Analyst Estimate	6.55

Impact of Performance Metrics on Board Risk Score™



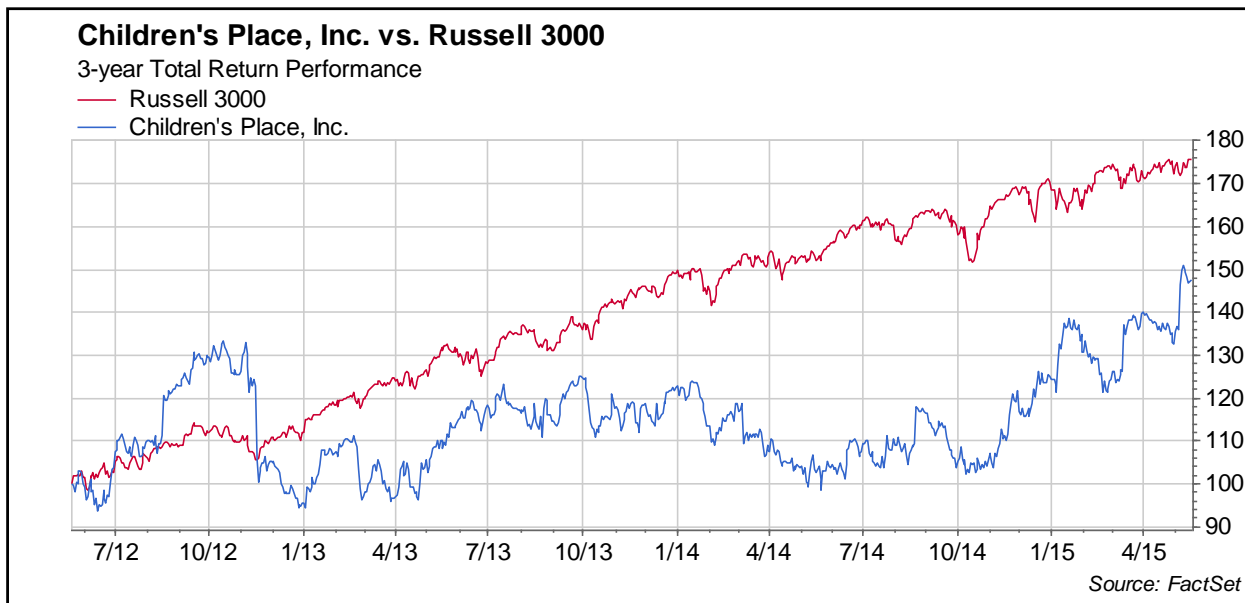


Legend:










TSR - Total Shareholder Return, E.S - Earnings Surprise, Acq+R&D - Acquisition and R&D Spending, Rev. Grwth - Revenue growth, EV/Cash - Enterprise Value to cash, Analyst Est. - change in analyst estimates, ROIC - Return on Invested Capital, Op. mgn - Operating Margin.

* Metrics in red font represent key areas of contention in proxy fights

Total Shareholder Return - The Main driver of Activist Campaigns

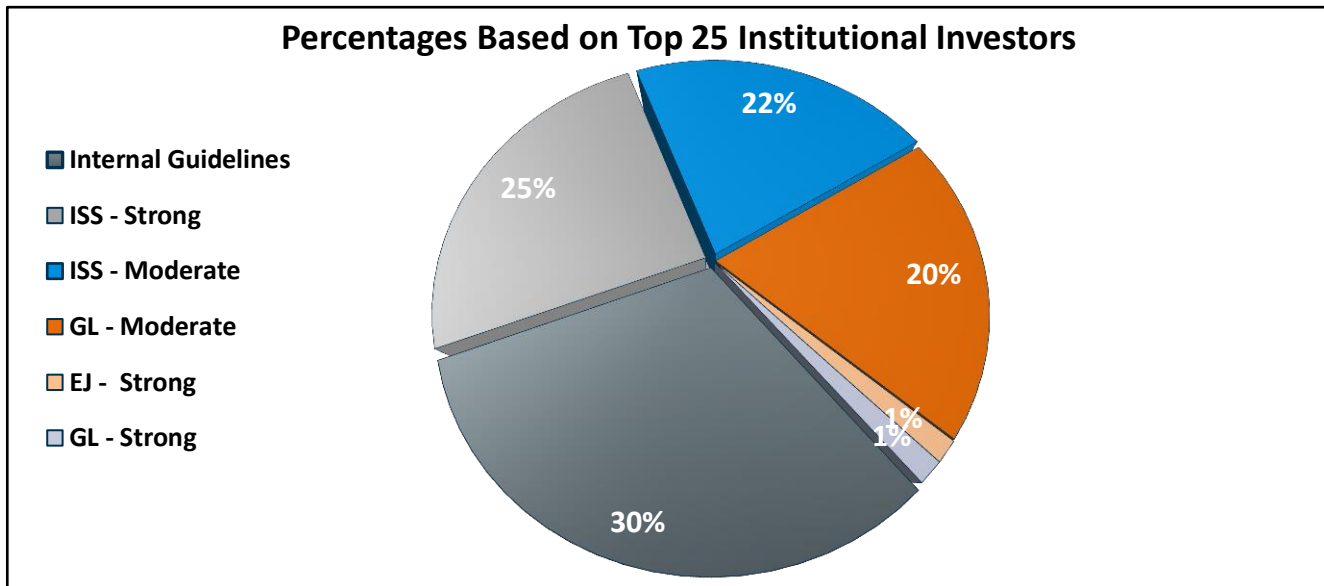


Typical Activist Arguments for Performance Metrics (may vary for PLCE)

Performance Metric	Activist Arguments
Total Shareholder Return 	Company has failed to create shareholder value and therefore change in Board/management is warranted.
Revenue Growth 	A subpar revenue growth rate, especially in a high growth sector, allows activist investors to contend that the company's strategy is flawed. Some activists argue that slower growth is due to lack of scale and as such the company should undertake a strategic review process.
Return on Invested Capital 	Activists contend that companies with low ROIC need to undertake strategic review of all alternatives, including spin-offs, sale of underperforming segments (if any), including the sale of Company.
Operating Margin 	Activists contend that low or declining operating margin is indicative of company's failure to appropriately manage expenses or benefit from economies of scale (assuming it is accompanied by top-line growth). Often, a discussion on margins is accompanied by increased focus on executive compensation, where activists look for potential disconnect between pay and performance.
Acquisition and R&D 	Activists argue that history of acquisitions and/or large R&D spending without accompanying improvement in revenue growth is indicative of a failed capital allocation strategy.
Change in Analyst Estimate 	Changes in analyst estimate measures the increase/(decrease) in Net Income estimate over the past 12 months. Improvement in Company's outlook results in higher estimates - hence a higher score. Activists contend that the current plan is not working as reflected in downward revision in analyst estimates.
Cash Impact on Enterprise Value 	A low score suggests that the market assigns little value to the core business and that the Company's valuation is largely based on by Cash + ST Investments. Activists contend that Cash+ST Invest. act as a floor to the share price, without which there is high likelihood of share price deterioration. Additionally, activists argue that a low score is indicative "excess" cash on the balance sheet - i.e. there is a need for special dividend and/or bigger share repurchase program.
Earnings Surprise 	Consistent earnings misses reflects poorly on Company's ability to forecast profits, and manage Wall Street expectation. Activist investors tend to focus on the resulting decline in share price as indicative of lack of investor trust in the management. Persistent misses also raise the question as to whether the company has necessary internal controls/systems.
Leverage 	Activists contend that under-levered companies should take advantage of low-cost debt and use proceeds from debt financing to pay a special dividend and/or increase the size of their share repurchase program.

Proxy Advisory Firm Influence Analysis

The outcome of an activist campaign that goes to a shareholder vote is often impacted by recommendation of proxy advisory firms such as the Institutional Shareholder Services (ISS), Glass Lewis (GL) and Egan Jones (EJ). Consequently, an analysis of the top shareholder base is essential in determining the potential impact of an adverse recommendation on the contested meeting.



Influence Legend:

- Moderate Influence - Institution mainly follows its own internal voting policy, but the advisory firm may exert some influence.
- Strong Influence - Institution generally is influenced by the advisory firm, while still maintaining its own proxy guidelines.

Top Investors (As of Most Recent 13F Filing)

Name of Institution	% O/S	Position	Report Date
1. Royce & Associates LLC	11.35%	2,354,800	03/31/2015
2. BlackRock Fund Advisors	8.87%	1,840,030	03/31/2015
3. AllianceBernstein LP	7.36%	1,528,366	03/31/2015
4. The Vanguard Group, Inc.	6.79%	1,409,329	03/31/2015
5. Dimensional Fund Advisors LP	6.59%	1,368,030	03/31/2015
6. JPMorgan Investment Management, Inc.	3.36%	697,615	03/31/2015
7. Voya Investment Management Co. LLC	2.99%	619,834	03/31/2015
8. SSgA Funds Management, Inc.	2.97%	616,503	03/31/2015
9. Victory Capital Management, Inc.	2.96%	615,089	03/31/2015
10. Segall, Bryant & Hamill LLC	2.72%	565,301	03/31/2015
11. Thompson, Siegel & Walmsley LLC	2.70%	559,306	03/31/2015
12. Columbia Management Investment Advisers LLC	2.68%	556,986	03/31/2015
13. Rubric Capital Management LLC	2.41%	500,000	03/31/2015
14. Gotham Asset Management LLC	2.38%	492,891	03/31/2015
15. FIL Investments International	1.96%	405,840	03/31/2015
16. Skyline Asset Management LP	1.89%	391,500	03/31/2015
17. Investment Counselors of Maryland LLC	1.59%	330,394	03/31/2015
18. Norges Bank Investment Management	1.51%	314,065	12/31/2014
19. Northern Trust Investments, Inc.	1.51%	313,411	03/31/2015
20. William Blair & Co. LLC (Investment Management)	1.32%	274,356	03/31/2015
21. Renaissance Technologies LLC	1.32%	274,160	03/31/2015
22. Palisade Capital Management LLC	1.24%	256,473	03/31/2015
23. Cramer Rosenthal McGlynn LLC	1.21%	250,729	03/31/2015
24. River Road Asset Management LLC	1.17%	241,960	03/31/2015
25. Kennedy Capital Management, Inc.	1.12%	231,734	03/31/2015
Total	82.0%	17,008,702	

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