

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): July 26, 2007

Hanesbrands Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-32891
(Commission File Number)

20-3552316
(IRS Employer
Identification No.)

1000 East Hanes Mill Road
Winston-Salem, NC
(Address of principal
executive offices)

27105
(Zip Code)

Registrant's telephone number, including area code: (336) 519-4400

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))
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Item 2.02. Results of Operations and Financial Condition

On July 26, 2007, Hanesbrands Inc. (“Hanesbrands”) issued a press release announcing its financial results for the second quarter ended June 30, 2007. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K. Exhibit 99.1 is being “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), nor shall Exhibit 99.1 be deemed incorporated by reference in any filing under the Securities Act of 1933 (the “Securities Act”) or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Exhibit 99.1 contains disclosures about operating profit excluding actions, net income excluding actions, diluted earnings per share excluding actions and EBITDA, which are considered non-GAAP performance measures, that Hanesbrands has chosen to provide to investors to enable them to perform additional analyses of past, present and future operating performance and as a supplemental means of evaluating Hanesbrands’ operations. The non-GAAP information should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from non-GAAP or other pro forma measures used by other companies.

Item 7.01. Regulation FD Disclosure

Exhibit 99.1 to this Current Report on Form 8-K includes forward-looking financial information that is expected to be discussed on the previously announced conference call with investors and analysts to be held by us at 10:00 a.m., Eastern time, today (July 26, 2007). The call may be accessed on the home page of the Hanesbrands corporate Web site, www.hanesbrands.com. Replays of the call will be available in the investors section of the Hanesbrands corporate Web site and via telephone. The telephone playback will be available from approximately noon Eastern time on July 26, 2007, until midnight Eastern time on August 2, 2007. The replay will be available by calling toll-free (800) 642-1687, or by toll call at (706) 645-9291. The replay pass code is 7028548. Exhibit 99.1 is being “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(c) [Exhibits](#)

Exhibit 99.1 Press release dated July 26, 2007

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 hereunto duly authorized.

July 26, 2007

HANESBRANDS INC.

By: /s/ E. Lee Wyatt Jr.

E. Lee Wyatt Jr.

Executive Vice President, Chief Financial Officer

Exhibits

99.1 Press release dated July 26, 2007

Hanesbrands Inc
1000 East Hanes Mill Road
Winston-Salem, NC 27105
(336) 519-4400

HANES*brands*INC
news release

FOR IMMEDIATE RELEASE

News Media, contact:
Analysts and Investors, contact:

Matt Hall, (336) 519-3386
Brian Lantz, (336) 519-7130

HANESBRANDS INC. REPORTS SECOND-QUARTER 2007 RESULTS

WINSTON-SALEM, N.C. (July 26, 2007) – Hanesbrands Inc. (NYSE: HBI), a leading marketer of innerwear, outerwear and hosiery apparel, today reported results for the 2007 second quarter.

Total net sales were \$1.12 billion, comparable to last year, and earnings per diluted share were \$0.26, which, as expected, were significantly lower than a year ago primarily because of several factors related to the company's new independent structure following its spinoff in September 2006.

"Hanesbrands continued executing its key improvement strategies in the quarter and delivered strong cash flow," Hanesbrands Chief Executive Officer Richard A. Noll said. "Sales in the quarter were comparable to a year ago, and our expanded margins for the first half were driven by strong cost controls. Our cash flow allowed us to make additional prepayments on long-term debt and repurchase shares in the quarter."

Quarter and Six-Month Financial Highlights

Financial highlights for the quarter and six-month period ended June 30, 2007, include:

- Total net sales in the quarter increased by \$2 million to \$1.12 billion from the year-ago quarter ended July 1, 2006.

The company continues to focus on driving innovation in the innerwear segment and improving the mix of products sold in the outerwear segment.

HBI

- Operating profit, based on generally accepted accounting principles, was \$88.1 million in the quarter, up from \$79.9 million a year ago, and was \$157.0 million in the first six months, compared with \$176.1 million a year ago.

The company's operating profit margin excluding actions was 11.2 percent in the quarter and 10.0 percent in the first six months. A year ago, the operating profit margin excluding actions was 8.4 percent in the second quarter and 9.1 percent in the six-month period.

"We are pleased with the operating profit margin excluding actions for the first six months of the year," Noll said. "Our ability to exert tight cost controls and execute on our improvement and streamlining plans is delivering results. We are seeing the benefits of past cost-reduction efforts, including moving production to lower-cost countries as part of our long-term supply chain globalization initiative."

- Diluted earnings per share were \$0.26 in the quarter, compared with \$0.62 a year ago. For the six-month period, diluted EPS was \$0.39 compared with \$1.39 a year ago. The decrease in earnings per share reflected increased interest expense and a higher effective income tax rate as a result of the company's independent structure, as well as higher restructuring and related charges.

Diluted EPS excluding actions was \$0.54 in the quarter compared with \$0.73 a year ago, and for the six-month period was \$0.81 versus \$1.55 a year ago.

- Using cash flow from operations, the company paid down long-term debt by \$53 million, of which \$50 million was a prepayment, and repurchased \$16 million of company stock.

(Operating profit margin excluding actions and diluted EPS excluding actions are non-GAAP measures used to better assess underlying business performance because they exclude the effect of unusual actions that are not directly related to operations. The unusual actions in the quarter and six-month period were plant closings and reorganization, amortization of gain on postretirement benefits, nonrecurring spinoff and related charges, other expenses and the tax effect on these items. See Table 4A and 4B for details and reconciliation with reported operating results.)

Other Highlights

Hanesbrands continues to build its largest and strongest brands in core categories through innovation in key items. On July 9, *Hanes* launched its latest "Look Who" national advertising campaign supporting men's underwear by featuring actor Cuba Gooding Jr. and basketball great Michael Jordan. The men's campaign follows the successful *Hanes All-Over Comfort Bra* advertising launch in March featuring celebrity Jennifer Love Hewitt that has accelerated retail sell-through of the bra.



In April, the Bali “Live Beautifully” advertising campaign launched, and outdoor advertising for *Barely There* won a 2007 OBIE Award, outdoor advertising’s greatest honor.

Hanesbrands continues to execute its long-term global supply chain strategy of moving production to lower-cost countries to increase competitiveness. In the second quarter of 2007, the company announced plans to close 12 production plants in four countries and eliminate managerial and administrative jobs by the end of the year. The company recognized \$39.6 million in restructuring and related charges in the quarter for those and previously announced actions. Of the charge, \$11.9 million was noncash.

“We are very pleased with the progress we have made in moving production to lower-cost countries and reducing costs,” Noll said. “While we continue to reap the benefits from these past actions, we are focused on executing our latest production moves and organizational streamlining to gain additional benefits. We are now slightly ahead of schedule with our cost-reduction and globalization strategy.”

Hanesbrands Policy on Guidance

Hanesbrands follows a policy of not providing quarterly or annual EPS guidance. The company plans to communicate appropriately to provide investors with an understanding of long-term goals, the trends associated with its business and current financial performance.

Webcast Conference Call

Hanesbrands will host a live Internet webcast of its quarterly investor conference call at 10 a.m. EDT today. The live Internet broadcast may be accessed on the home page of the Hanesbrands corporate Web site, www.hanesbrands.com. The call is expected to conclude by 11 a.m. EDT.

An archived replay of the conference call webcast will be available in the investors section of the Hanesbrands corporate Web site. A telephone playback will be available from approximately noon EDT today until midnight EDT on Aug. 2, 2007. The replay will be available by calling toll-free (800) 642-1687, or via toll-call at (706) 645-9291. The replay pass code is 7028548.

Cautionary Statement Concerning Forward-Looking Statements

Statements in this press release that are not statements of historical fact are forward-looking statements, including those regarding our launch as an independent company and the benefits expected from that launch, our long-term goals, and trends associated with our business. These forward-looking statements are made only as of the date of this press release and are based on our current intent, beliefs, plans and expectations. They involve risks and uncertainties that could cause actual future results, performance or developments to differ materially from those described in or implied by such forward-looking statements. These risks and uncertainties include the following: our ability to migrate our production



and manufacturing operations to lower-cost countries around the world; our ability to effectively implement other components of our business strategy; costs and adverse publicity from violations of labor or environmental laws by us or our suppliers; our ability to successfully manage adverse changes in social, political, economic, legal and other conditions affecting our foreign operations; retailer consolidation and other changes in the apparel essentials industry; our ability to keep pace with changing consumer preferences; loss of or reduction in sales to, or financial difficulties experienced by, any of our top customers; fluctuations in the price or availability of cotton or labor; our substantial debt and debt-service requirements that restrict our operating and financial flexibility and impose significant interest and financing costs; and other risks identified from time to time in our most recent Securities and Exchange Commission reports, including the 2006 Annual Report on Form 10-K, 2007 quarterly reports on Form 10-Q and current reports on Form 8-K, registration statements, press releases and other communications. The company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time.

Hanesbrands Inc.

Hanesbrands Inc. is a leading marketer of innerwear, outerwear and hosiery apparel under strong consumer brands, including *Hanes*, *Champion*, *Playtex*, *Bali*, *Just My Size*, *barely there* and *Wonderbra*. The company designs, manufactures, sources and sells T-shirts, bras, panties, men's underwear, children's underwear, socks, hosiery, casualwear and activewear. Hanesbrands has approximately 50,000 employees in 24 countries. More information may be found on the company's Web site at www.hanesbrands.com.

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TABLE 1

HANESBRANDS INC.
Condensed Consolidated Statements of Income
(Dollars in thousands, except per-share amounts)
(Unaudited)

	<u>Quarter Ended</u>		<u>% Change</u>	<u>Six Months Ended</u>		<u>% Change</u>
	<u>June 30, 2007</u>	<u>July 1, 2006</u>		<u>June 30, 2007</u>	<u>July 1, 2006</u>	
Net sales:						
Innerwear	\$ 691,504	\$ 685,479		\$ 1,281,951	\$ 1,279,099	
Outerwear	263,596	270,523		547,231	537,809	
Hosiery	51,402	56,873		125,095	134,187	
International	109,001	110,472		199,778	202,438	
Other	17,644	8,292		33,042	25,289	
Total segment net sales	<u>1,133,147</u>	<u>1,131,639</u>		<u>2,187,097</u>	<u>2,178,822</u>	
Less: Intersegment	<u>11,240</u>	<u>11,506</u>		<u>25,296</u>	<u>25,829</u>	
Total net sales	<u>1,121,907</u>	<u>1,120,133</u>	0.2%	<u>2,161,801</u>	<u>2,152,993</u>	0.4%
Cost of sales	<u>741,550</u>	<u>738,672</u>		<u>1,441,765</u>	<u>1,430,640</u>	
Gross profit	380,357	381,461	-0.3%	720,036	722,353	-0.3%
As a % of net sales	33.9%	34.1%		33.3%	33.6%	
Selling, general and administrative expenses	266,017	302,597		520,584	545,967	
As a % of net sales	23.7%	27.0%		24.1%	25.4%	
Restructuring	<u>26,225</u>	<u>(1,046)</u>		<u>42,471</u>	<u>238</u>	
Operating profit	88,115	79,910	10.3%	156,981	176,148	-10.9%
As a % of net sales	7.9%	7.1%		7.3%	8.2%	
Other expenses	551	—		551	—	
Interest expense, net	<u>51,230</u>	<u>5,768</u>		<u>102,947</u>	<u>8,868</u>	
Income before income tax expense	36,334	74,142		53,483	167,280	
Income tax expense	<u>10,900</u>	<u>14,857</u>		<u>16,045</u>	<u>33,403</u>	
Net income	<u>\$ 25,434</u>	<u>\$ 59,285</u>	-57.1%	<u>\$ 37,438</u>	<u>\$ 133,877</u>	-72.0%
Earnings per share (1):						
Basic	\$ 0.26	\$ 0.62		\$ 0.39	\$ 1.39	
Diluted	\$ 0.26	\$ 0.62		\$ 0.39	\$ 1.39	
Weighted average shares outstanding (1):						
Basic	96,254	96,306		96,343	96,306	
Diluted	97,224	96,306		97,136	96,306	

(1) For the quarter and six months ended July 1, 2006, basic and diluted EPS were computed using the number of common stock shares outstanding on the spinoff date (September 5, 2006).



TABLE 2

HANESBRANDS INC.
Condensed Consolidated Balance Sheets
(Dollars in thousands)
(Unaudited)

	<u>June 30, 2007</u>	<u>December 30, 2006</u>
Assets		
Cash and cash equivalents	\$ 176,393	\$ 155,973
Trade accounts receivable	555,875	488,629
Inventories	1,233,787	1,216,501
Other current assets	193,721	210,077
Total current assets	<u>2,159,776</u>	<u>2,071,180</u>
Property, net	503,052	556,866
Intangible assets and goodwill	420,358	418,706
Other noncurrent assets	395,275	388,868
Total assets	<u>\$ 3,478,461</u>	<u>\$ 3,435,620</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 652,469	\$ 587,542
Other current liabilities	13,291	23,639
Total current liabilities	<u>665,760</u>	<u>611,181</u>
Long-term debt	2,440,250	2,484,000
Other noncurrent liabilities	243,014	271,168
Total liabilities	<u>3,349,024</u>	<u>3,366,349</u>
Equity	129,437	69,271
Total liabilities and equity	<u>\$ 3,478,461</u>	<u>\$ 3,435,620</u>

TABLE 3

HANESBRANDS INC.
Condensed Consolidated Statements of Cash Flows
(Dollars in thousands)
(Unaudited)

	<u>Six Months Ended</u>	
	<u>June 30, 2007</u>	<u>July 1, 2006</u>
Operating activities:		
Net income	\$ 37,438	\$ 133,877
Depreciation and amortization	66,263	59,749
Changes in assets and liabilities, net, and other	(2,143)	(50,052)
Net cash from operating activities	<u>101,558</u>	<u>143,574</u>
Investing Activities:		
Purchases of property and equipment, net, and other	<u>(11,485)</u>	<u>(57,957)</u>
Financing Activities:		
Transactions with parent companies and other	<u>(70,704)</u>	<u>(300,989)</u>
Effect of changes in foreign currency exchange rates on cash	1,051	2,992
Increase (decrease) in cash and cash equivalents	20,420	(212,380)
Cash and cash equivalents at beginning of year	155,973	510,632
Cash and cash equivalents at end of period	<u>\$ 176,393</u>	<u>\$ 298,252</u>



TABLE 4

HANESBRANDS INC.
Supplemental Financial Information
(Dollars in thousands, except per-share amounts)
(Unaudited)

**Reconciliation of Reported Operating
Results with Certain Information
Excluding Actions**

	Quarter Ended		Six Months Ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
A. Operating profit excluding actions				
Operating profit as reported	\$ 88,115	\$ 79,910	\$ 156,981	\$ 176,148
Plant closings and reorganization	39,586	(1,046)	61,099	238
Amortization of gain on postretirement benefits included in SG&A	(2,012)	—	(4,025)	—
Spinoff and related charges included in SG&A	368	14,703	1,169	18,900
Operating profit excluding actions	<u>\$ 126,057</u>	<u>\$ 93,567</u>	<u>\$ 215,224</u>	<u>\$ 195,286</u>
Percentage of net sales	11.2%	8.4%	10.0%	9.1%
B. Net income excluding actions				
Net income as reported	\$ 25,434	\$ 59,285	\$ 37,438	\$ 133,877
Plant closings and reorganization	39,586	(1,046)	61,099	238
Amortization of gain on postretirement benefits included in SG&A	(2,012)	—	(4,025)	—
Spinoff and related charges included in SG&A	368	14,703	1,169	18,900
Other expenses (loss on early extinguishment of debt)	551	—	551	—
Tax effect on plant closings and reorganization, amortization of gain, spinoff and related charges and other expenses	(11,548)	(2,731)	(17,638)	(3,828)
Net income excluding actions	<u>\$ 52,379</u>	<u>\$ 70,211</u>	<u>\$ 78,594</u>	<u>\$ 149,187</u>
Diluted earnings per share excluding actions	\$ 0.54	\$ 0.73	\$ 0.81	\$ 1.55
C. Supply chain actions				
Plant closings and reorganization				
-Accelerated depreciation included in Cost of sales	\$ 12,413	\$ —	\$ 17,680	\$ —
-Accelerated depreciation included in SG&A	948	—	948	—
-Restructuring	26,225	(1,046)	42,471	238
Total	<u>\$ 39,586</u>	<u>\$ (1,046)</u>	<u>\$ 61,099</u>	<u>\$ 238</u>
Noncash amount	<u>\$ 11,919</u>	<u>\$ (3,881)</u>	<u>\$ 16,554</u>	<u>\$ (3,881)</u>
D. EBITDA				
Net income	\$ 25,434	\$ 59,285	\$ 37,438	\$ 133,877
Interest expense, net	51,230	5,768	102,947	8,868
Income tax expense	10,900	14,857	16,045	33,403
Depreciation and amortization	38,093	30,654	66,263	59,749
Total EBITDA	<u>\$ 125,657</u>	<u>\$ 110,564</u>	<u>\$ 222,693</u>	<u>\$ 235,897</u>