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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 21, 2010

**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) 519-8080

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 21, 2010, Hanesbrands Inc. (“Hanesbrands”) issued a press release announcing its financial results for the second quarter ended July 3, 2010. 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 earnings before interest, taxes, depreciation and amortization, or EBITDA, which is considered a non-GAAP financial measure. Hanesbrands has chosen to provide this financial measure 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 our previously announced conference call with investors and analysts to be held at 4:30 p.m., Eastern time, today (July 21, 2010). The call may be accessed on the home page of the Hanesbrands corporate website, [www.hanesbrands.com](http://www.hanesbrands.com). Replays of the call will be available in the investors section of the Hanesbrands corporate website and via telephone. The telephone playback will be available from approximately 7:00 p.m., Eastern time, on July 21, 2010, until midnight, Eastern time, on July 28, 2010. 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 83956551. 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 21, 2010

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**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 21, 2010

HANESBRANDS INC.

By: /s/ E. Lee Wyatt Jr.

E. Lee Wyatt Jr.  
Executive Vice President, Chief  
Financial Officer

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## **Exhibits**

99.1 Press release dated July 21, 2010

Hanesbrands Inc.  
1000 East Hanes Mill Road  
Winston-Salem, NC 27105  
(336) 519-8080

# HANES**brands**INC

news release

## FOR IMMEDIATE RELEASE

News Media, contact:

Matt Hall, (336) 519-3386

Analysts and Investors, contact:

Brian Lantz, (336) 519-7130

## HANESBRANDS INC. REPORTS SECOND-QUARTER 2010 RESULTS

*Second-Quarter Net Sales Increased by 9.1% and Earnings Per Share More Than Doubled*

*Company Raises 2010 Net Sales and EPS Guidance*

WINSTON-SALEM, N.C. (July 21, 2010) — Hanesbrands Inc. (NYSE: HBI) today raised its 2010 sales and earnings guidance after reporting that second-quarter 2010 net sales increased 9.1 percent and diluted earnings per share increased by \$0.55 to \$0.87, up from \$0.32 a year ago.

An income tax rate adjustment in the quarter increased EPS by \$0.20 compared with last year's quarter. Excluding the tax rate adjustment, EPS of \$0.67 in the quarter increased by \$0.35, driven by higher sales, improved operating profit margin, and year-ago restructuring, which added \$0.32 combined.

Net sales increased by \$90 million to \$1.08 billion with double-digit increases for the company's three largest business segments — Innerwear, Outerwear and International.

Based on performance in the first two quarters, Hanesbrands is raising its 2010 guidance. Full-year net sales growth is expected to be 8 percent to 10 percent, up from the previous guidance of 6 percent to 8 percent issued after first-quarter results. EPS is expected to be in the range of \$2.25 to \$2.35, up from previous guidance of \$2.15 to \$2.27.

"We continued our strong start in 2010," Hanesbrands Chairman and Chief Executive Officer Richard A. Noll said. "Our brands are performing well with consumers, helping drive share gains in core categories and delivering strong productivity for the new sales programs we secured for this year."

### Business Segment Summary and Highlights

The company secured numerous new sales programs that resulted in significant shelf-space gains for 2010. These programs contributed approximately 6 percentage points of the quarter's 9.1 percent sales growth. Increased retail sell through, retailer inventory restocking, and foreign currency exchange rates drove approximately 3 percentage points of growth.

The logo for Hanesbrands Inc. (HBI) features the letters "HBI" in a stylized, purple, serif font. The "H" and "B" are connected at the top, and the "I" is positioned to the right. The letters are bold and have a slight shadow effect.

Double-digit sales increases in the Innerwear, Outerwear and International segments combined for \$103 million in sales growth, partially offset by a combined \$14 million decrease in the Hosiery and Other segments. Direct to Consumer sales were up slightly.

The company's operating profit margin improved to 11.4 percent of sales in the quarter, up from 8.5 percent a year ago. The Innerwear, Outerwear and International segments generated \$21 million of increased operating profit in the quarter, partially offset by lower operating profit in the Hosiery and Direct to Consumer segments. Restructuring and related actions reduced operating profit in last year's quarter by \$13 million.

Key business segment highlights include:

- The 10 percent increase in Innerwear sales was driven by increases in all product categories except women's panties. Men's underwear recorded its second consecutive quarter of double-digit sales growth with strong share gains, while socks delivered mid-single-digit growth. The segment had operating profit growth even with increased investment in media and marketing in the quarter.

During the quarter, the *Hanes* brand launched television advertising featuring Michael Jordan for new men's underwear products, and Playtex began airing a new television ad for 18 Hour bras. Additionally, the *Barely There* and *Hanes* brands launched new Smart Size bras featuring proprietary shape-to-fit technology in mass merchants and department stores.

- Across-the-board growth in the Outerwear segment, led by the *Just My Size*, *Champion* and *Hanes* brands, resulted in a 16 percent sales increase for the quarter and a doubling of operating profit over weak levels last year. Retail casualwear sales more than doubled, fueled by growth of the company's *Just My Size* brand of plus-size apparel, while retail activewear and wholesale casualwear had mid-single-digit sales gains.
- International segment sales increased by 14 percent, with double-digit gains in all countries, except low single-digit growth in Mexico and a decline in Japan. Segment operating profit increased by nearly 50 percent.

#### Guidance

Hanesbrands has raised its 2010 net sales guidance to 8 percent to 10 percent growth, up from 6 percent to 8 percent. The company raised guidance as a result of additional new sales programs for the second half of the year, higher than expected productivity of new programs from previously announced shelf-space gains, and expectations of a continued overall increase in consumer spending and retailer inventory restocking.

Based on expected sales growth and operating margin expansion, Hanesbrands has raised its 2010 EPS guidance to \$2.25 to \$2.35, up from the previous guidance of \$2.15 to \$2.27.



Operating margin improvement for the year is expected to be at the high end of the company's previously stated goal of 50 to 100 basis points. This improvement includes the negative impact of an approximate \$25 million to \$30 million in expected incremental short-term costs to secure product, service customers and maximize potential sales growth in 2010. Interest expense for the year is expected to be approximately \$150 million to \$153 million, and the full-year tax rate, including the second-quarter adjustment, is expected to be approximately 14 percent to 15 percent, up from the 2009 rate of 12 percent.

Inventories at the end of the quarter were \$1.3 billion, up \$61 million, or 5 percent, from the end of last year's second quarter. Year-end inventories are expected to increase by up to \$100 million over last year, an increase of approximately 9 to 10 percent, which is in line with expected 2010 sales growth. Strong profit growth partially offset by working capital investment is expected to yield free cash flow of \$200 million to \$250 million in 2010. Based on the 2010 performance guidance, the company's debt-to-EBITDA leverage ratio could fall to less than 3.5 times assuming free cash flow were used entirely to pay down debt to the \$1.65 billion to \$1.7 billion level. Hanesbrands' EBITDA leverage ratio was 4.6 times at the end of 2009.

Because of systemic cost inflation, particularly for cotton, energy and labor, Hanesbrands is working with its customers to offset 2011 cost increases through joint efficiency initiatives as well as price increases. The timing and size of price increases will vary by product category. While some price increases will take effect in the third and fourth quarters of 2010, the majority of the pricing impact will begin in 2011.

#### Certain Financial Measures

Earnings before interest, taxes, depreciation and amortization is a non-GAAP financial measure. The debt-to-EBITDA leverage ratio is calculated by dividing total debt by EBITDA. Hanesbrands has chosen to provide the EBITDA measure to investors to enable additional analyses of past, present and future operating performance and as a supplemental means of evaluating Hanesbrands' operations. This non-GAAP information should not be considered a substitute for financial information presented in accordance with generally accepted accounting principles and may be different from non-GAAP or other pro forma measures used by other companies. See Table 2 for reconciliation.

#### Webcast Conference Call

Hanesbrands will host a live Internet webcast of its quarterly investor conference call at 4:30 p.m. EDT today. The broadcast may be accessed on the home page of the Hanesbrands corporate website, [www.hanesbrands.com](http://www.hanesbrands.com). The call is expected to conclude by 5:30 p.m.

An archived replay of the conference call webcast will be available in the investors section of the Hanesbrands website. A telephone playback will be available from approximately 7 p.m. EDT today through midnight July 28, 2010. 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 83956551.



**Cautionary Statement Concerning Forward-Looking Statements**

Statements in this press release that are not statements of historical fact are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including those regarding 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 successfully manage social, political, economic, legal and other conditions affecting our foreign operations and supply-chain sources; the impact of natural disasters; the impact of dramatic changes in the volatile market price of cotton and increases in prices of other materials used in our products; the impact of increases in prices of oil-related materials and other costs such as energy and utility costs; our ability to effectively manage our inventory and reduce inventory reserves; our ability to continue to effectively distribute our products through our distribution network as we continue to consolidate our distribution network; our ability to optimize our global supply chain; current economic conditions; consumer spending levels; the risk of inflation or deflation; financial difficulties experienced by, or loss of or reduction in sales to, any of our top customers or groups of customers; gains and losses in the shelf space that our customers devote to our products; the highly competitive and evolving nature of the industry in which we compete; our ability to keep pace with changing consumer preferences; our debt and debt service requirements that restrict our operating and financial flexibility and impose interest and financing costs; the financial ratios that our debt instruments require us to maintain; future financial performance, including availability, terms and deployment of capital; our ability to comply with environmental and occupational health and safety laws and regulations; costs and adverse publicity from violations of labor or environmental laws by us or our suppliers; and other risks identified from time to time in our most recent Securities and Exchange Commission reports, including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, registration statements, press releases and other communications. Except as required by law, 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 everyday apparel essentials under some of the world's strongest apparel brands, including *Hanes*, *Champion*, *Playtex*, *Bali*, *JMS/Just My Size*, *barely there* and *Wonderbra*. The company sells T-shirts, bras, panties, men's underwear, children's underwear, socks, hosiery, casualwear and activewear produced in the company's low-cost global supply chain. Hanesbrands has approximately 50,000 employees in more than 25 countries and takes pride in its strong reputation for ethical business practices. More information about the company and its corporate social responsibility initiatives, including the company's 2010 U.S. Environmental Protection Agency Energy Star Partner of the Year Award, may be found on the Hanesbrands Internet website at [www.hanesbrands.com](http://www.hanesbrands.com).

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TABLE 1

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

|  | Quarter Ended    |                  | % Change | Six Months Ended  |                  | % Change |
|--|------------------|------------------|----------|-------------------|------------------|----------|
|  | July 3, 2010     | July 4, 2009     |          | July 3, 2010      | July 4, 2009     |          |
| Net sales                                    | \$ 1,075,852     | \$ 986,022       | 9.1%     | \$ 2,003,692      | \$ 1,843,863     | 8.7%     |
| Cost of sales                                | 701,046          | 658,631          |          | 1,301,456         | 1,258,596        |          |
| Gross profit                                 | 374,806          | 327,391          | 14.5%    | 702,236           | 585,267          | 20.0%    |
| As a % of net sales                          | 34.8%            | 33.2%            |          | 35.0%             | 31.7%            |          |
| Selling, general and administrative expenses | 252,001          | 230,699          |          | 493,719           | 453,937          |          |
| As a % of net sales                          | 23.4%            | 23.4%            |          | 24.6%             | 24.6%            |          |
| Restructuring                                | —                | 12,544           |          | —                 | 31,215           |          |
| Operating profit                             | 122,805          | 84,148           | 45.9%    | 208,517           | 100,115          | 108.3%   |
| As a % of net sales                          | 11.4%            | 8.5%             |          | 10.4%             | 5.4%             |          |
| Other expenses                               | 2,628            | 168              |          | 4,034             | 4,114            |          |
| Interest expense, net                        | 36,573           | 44,807           |          | 74,068            | 81,607           |          |
| Income before income tax expense (benefit)   | 83,604           | 39,173           |          | 130,415           | 14,394           |          |
| Income tax expense (benefit)                 | (1,808)          | 8,618            |          | 8,490             | 3,167            |          |
| Net income                                   | <u>\$ 85,412</u> | <u>\$ 30,555</u> | 179.5%   | <u>\$ 121,925</u> | <u>\$ 11,227</u> | 986.0%   |
| Earnings per share:                          |                  |                  |          |                   |                  |          |
| Basic  | \$ 0.89          | \$ 0.32          |          | \$ 1.27           | \$ 0.12          |          |
| Diluted                                      | \$ 0.87          | \$ 0.32          | 171.9%   | \$ 1.25           | \$ 0.12          | 941.7%   |
| Weighted average shares outstanding:         |                  |                  |          |                   |                  |          |
| Basic  | 96,420           | 95,023           |          | 96,376            | 94,724           |          |
| Diluted                                      | 98,027           | 96,167           |          | 97,781            | 95,607           |          |



TABLE 2

**HANESBRANDS INC.**  
**Supplemental Financial Information**  
**(Dollars in thousands)**  
**(Unaudited)**

|   | Quarter Ended       |                   |              | Six Months Ended    |                     |               |
|---|---------------------|-------------------|--------------|---------------------|---------------------|---------------|
|   | July 3, 2010        | July 4, 2009      | % Change     | July 3, 2010        | July 4, 2009        | % Change      |
| <b>Segment net sales:</b>               |                     |                   |              |                     |                     |               |
| Innerwear                               | \$ 559,250          | \$ 508,337        | 10.0%        | \$ 1,010,067        | \$ 926,327          | 9.0%          |
| Outerwear                               | 263,331             | 226,835           | 16.1%        | 505,179             | 444,346             | 13.7%         |
| Hosiery                                 | 31,923              | 39,966            | -20.1%       | 79,831              | 90,348              | -11.6%        |
| Direct to Consumer                      | 93,861              | 93,458            | 0.4%         | 178,353             | 174,854             | 2.0%          |
| International                           | 127,487             | 111,792           | 14.0%        | 230,262             | 199,711             | 15.3%         |
| Other                                   | —                   | 5,634             | -100.0%      | —                   | 8,277               | -100.0%       |
| <b>Total net sales</b>                  | <b>\$ 1,075,852</b> | <b>\$ 986,022</b> | <b>9.1%</b>  | <b>\$ 2,003,692</b> | <b>\$ 1,843,863</b> | <b>8.7%</b>   |
| <b>Segment operating profit (loss):</b> |                     |                   |              |                     |                     |               |
| Innerwear                               | \$ 88,695           | \$ 83,312         | 6.5%         | \$ 163,671          | \$ 130,668          | 25.3%         |
| Outerwear                               | 17,361              | 6,882             | 152.3%       | 22,323              | (6,837)             | NM            |
| Hosiery                                 | 8,833               | 12,104            | -27.0%       | 27,339              | 29,577              | -7.6%         |
| Direct to Consumer                      | 7,264               | 10,938            | -33.6%       | 8,137               | 15,346              | -47.0%        |
| International                           | 14,733              | 9,969             | 47.8%        | 25,638              | 19,137              | 34.0%         |
| General corporate expenses/other        | (14,081)            | (20,212)          | -30.3%       | (38,591)            | (44,504)            | -13.3%        |
| Restructuring and related expenses      | —                   | (18,845)          | -100.0%      | —                   | (43,272)            | -100.0%       |
| <b>Total operating profit</b>           | <b>\$ 122,805</b>   | <b>\$ 84,148</b>  | <b>45.9%</b> | <b>\$ 208,517</b>   | <b>\$ 100,115</b>   | <b>108.3%</b> |
| <b>EBITDA:</b>                          |                     |                   |              |                     |                     |               |
| Net income                              | \$ 85,412           | \$ 30,555         |              | \$ 121,925          | \$ 11,227           |               |
| Interest expense, net                   | 36,573              | 44,807            |              | 74,068              | 81,607              |               |
| Income tax expense (benefit)            | (1,808)             | 8,618             |              | 8,490               | 3,167               |               |
| Depreciation and Amortization           | 19,893              | 21,579            |              | 42,729              | 45,629              |               |
| <b>Total EBITDA</b>                     | <b>\$ 140,070</b>   | <b>\$ 105,559</b> | <b>32.7%</b> | <b>\$ 247,212</b>   | <b>\$ 141,630</b>   | <b>74.5%</b>  |



TABLE 3

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

|  | <u>July 3, 2010</u> | <u>January 2, 2010</u> |
|--|---------------------|------------------------|
| <b>Assets</b>                            |                     |                        |
| Cash and cash equivalents                | \$ 36,797           | \$ 38,943              |
| Trade accounts receivable, net           | 512,801             | 450,541                |
| Inventories                              | 1,295,621           | 1,049,204              |
| Other current assets                     | 271,945             | 283,869                |
| Total current assets                     | <u>2,117,164</u>    | <u>1,822,557</u>       |
| Property, net                            | 595,687             | 602,826                |
| Intangible assets and goodwill           | 453,434             | 458,216                |
| Other noncurrent assets                  | 447,436             | 442,965                |
| Total assets                             | <u>\$ 3,613,721</u> | <u>\$ 3,326,564</u>    |
| <b>Liabilities</b>                       |                     |                        |
| Accounts payable and accrued liabilities | \$ 727,605          | \$ 647,606             |
| Notes payable                            | 32,429              | 66,681                 |
| Current portion of debt                  | 132,515             | 164,688                |
| Total current liabilities                | <u>892,549</u>      | <u>878,975</u>         |
| Long-term debt                           | 1,868,672           | 1,727,547              |
| Other noncurrent liabilities             | 390,217             | 385,323                |
| Total liabilities                        | <u>3,151,438</u>    | <u>2,991,845</u>       |
| Equity                                   | 462,283             | 334,719                |
| Total liabilities and equity             | <u>\$ 3,613,721</u> | <u>\$ 3,326,564</u>    |

TABLE 4

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

|  | <u>Six Months Ended</u> |                     |
|--|-------------------------|---------------------|
|  | <u>July 3, 2010</u>     | <u>July 4, 2009</u> |
| <b>Operating Activities:</b>                                 |                         |                     |
| Net income   | \$ 121,925              | \$ 11,227           |
| Depreciation and amortization                                | 42,729                  | 45,629              |
| Other noncash items  | 16,533                  | 18,576              |
| Changes in assets and liabilities, net                       | (245,459)               | (48,915)            |
| Net cash provided by (used in) operating activities          | <u>(64,272)</u>         | <u>26,517</u>       |
| <b>Investing Activities:</b>                                 |                         |                     |
| Purchases of property and equipment, net and other           | <u>(13,422)</u>         | <u>(69,037)</u>     |
| <b>Financing Activities:</b>                                 |                         |                     |
| Net borrowings on notes payable, debt and other              | <u>76,247</u>           | <u>22,828</u>       |
| Effect of changes in foreign currency exchange rates on cash | (699)                   | (89)                |
| Decrease in cash and cash equivalents                        | (2,146)                 | (19,781)            |
| Cash and cash equivalents at beginning of year               | 38,943                  | 67,342              |
| Cash and cash equivalents at end of period                   | <u>\$ 36,797</u>        | <u>\$ 47,561</u>    |