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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): October 26, 2006

**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 October 31, 2006, Hanesbrands Inc. (“Hanesbrands”) issued a press release announcing its financial results for the fiscal quarter ended September 30, 2006. 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 EBITDA, adjusted operating profit and adjusted net income, 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 5.02. Election of Directors**

On October 26, 2006, the Board of Directors of Hanesbrands increased the number of members of the Board from nine to ten and elected Jessica T. Mathews to serve as a member of the board of directors. The election of Ms. Mathews is effective immediately, and she will serve until the next annual meeting of Hanesbrands stockholders and until her successor is elected and qualified, or until her resignation or removal. Hanesbrands is not aware of any transaction with Ms. Mathews that would require disclosure under Item 404(a) of Regulation S-K. The press release issued by Hanesbrands announcing the election is furnished as Exhibit 99.2 and is incorporated herein by reference.

## **Item 5.03. Change in Fiscal Year**

On October 26, 2006, the Board of Directors of Hanesbrands voted unanimously to change Hanesbrands’ fiscal year end from the Saturday closest to June 30 to the Saturday closest to December 31. The transition period that will result from this change will be from July 2, 2006 until December 30, 2006. Hanesbrands will file a report on Form 10-K that will cover this transition period.

## **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 (October 31, 2006). The call may be accessed on the home page of the Hanesbrands corporate Web site, [www.hanesbrands.com](http://www.hanesbrands.com). Replays of the call will be available on the home page of the Hanesbrands corporate Web site and via telephone. The telephone playback will be available from approximately 2 p.m. Eastern time on October 31, 2006, until midnight Eastern time on Tuesday, Nov. 7, 2006. The replay will be available by calling toll-free (888) 286-8010, or (617) 801-6888 for international callers. The replay pass code is 12345678. 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 October 31, 2006

Exhibit 99.2 Press release dated October 26, 2006

**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 thereunto duly authorized.

October 31, 2006

HANESBRANDS INC.

By: /s/ E. Lee Wyatt Jr. \_\_\_\_\_

E. Lee Wyatt Jr.

Executive Vice President, Chief Financial Officer

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

HANES*brands*

*news release*

FOR IMMEDIATE RELEASE

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Analysts and Investors, contact:

Matt Hall, (336) 519-3386  
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**HANESBRANDS INC. ANNOUNCES LONG-TERM GROWTH GOALS AND REPORTS RESULTS FOR QUARTER ENDED SEPT. 30, 2006**

*Hanesbrands Board of Directors Approves Change to December Fiscal Year End Beginning in 2007; Quarters Ending Sept. 30 and Dec. 30, 2006, will Constitute Transition Period*

WINSTON-SALEM, N.C. (Oct. 31, 2006) — Hanesbrands Inc. (NYSE: HBI), a leading marketer of innerwear, outerwear and hosiery apparel, today reported results for the quarter ended Sept. 30, 2006.

Hanesbrands began operating as an independent publicly traded company on Sept. 5, 2006. During the 13-week quarter, Hanesbrands operated for approximately 9½ weeks as Sara Lee Corporation's branded apparel business in the Americas and Asia.

"We are pleased to have successfully completed our spinoff in the quarter and are focused on driving results, executing our strategies and establishing the base from which to achieve our long-term growth goals," Hanesbrands Chief Executive Officer Richard A. Noll said. "The results for our September quarter and comparisons to a year ago are influenced by the spinoff from Sara Lee and the resulting capital structure of the company that took place in the quarter."

Highlights of the quarter ended Sept. 30, 2006, include:

- Net sales of \$1.12 billion were down by 1.7 percent from \$1.14 billion in the year-ago quarter ended Oct. 1, 2005. Discontinuance of low-margin product lines and lower sales of sheer hosiery primarily accounted for the decrease.

"Our year-over-year sales decline was expected due to the exit from low-margin sales and as a result of continued sheer hosiery sales declines that are following a decade-long downward trend," Noll said. "Core sales were generally consistent with last year."

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- Operating profit decreased by 9.6 percent to \$93.9 million from \$103.8 million a year ago. The operating profit decline in the current quarter primarily reflected expenses associated with operating as an independent company, nonrecurring spinoff and related costs, and restructuring and related charges for plant closures.

Excluding costs for the spinoff and restructuring in the current and year-ago quarters (details in Table 4), operating profit increased by 15.7 percent to \$124.6 million from \$107.7 million a year ago. The increase in adjusted operating profit was a result of reduced corporate allocations associated with Sara Lee ownership, the benefits of previous cost-reduction actions and beneficial timing of certain costs between the September and December quarters.

- Net income was \$50.3 million, down 39.1 percent from \$82.6 million a year ago. The decrease in net income primarily reflects increased interest expense, reduced operating profit and a higher income tax rate.

Interest expense increased in the September quarter to \$17.6 million from \$4.1 million a year ago. The increase is a result of higher debt incurred 3½ weeks before the end of the quarter as a result of the spinoff from Sara Lee Corporation. Long-term debt at the end of the quarter was \$2.6 billion.

The income tax rate for the quarter was 34.0 percent, up from 17.2 percent a year ago as a result of Hanesbrands' independent tax structure.

“We are making good progress in the execution of our long-term growth strategies,” Noll said. “In the past year, we have continued to invest in our brands and innovate with our product lines, particularly in the area of comfort for consumers. We have had success with *Hanes* products featuring ComfortSoft waistbands, continued strong growth of our *C-9 by Champion* products, and a very strong launch of a front-close *Playtex* 18-Hour bra, which has quickly become one of the best-selling bras in the country.

“We also are fully engaged in creating a lower-cost global supply chain. In September, we announced plans to close three manufacturing facilities and relocate work to lower-cost facilities in the Western Hemisphere. Two weeks ago, we announced plans to consolidate three distribution centers in the United States in order to generate increased efficiency.

“And last week we announced that we have entered into a definitive agreement to purchase a sewing operation in Thailand, our first owned sewing operation in Asia. Our strategy is to have a low-cost supply chain, and in today's environment, that requires that we operate on a global basis, with a balance in the long run between the Western and Eastern hemispheres. We are making excellent progress and creating significant momentum in the execution of our global supply chain strategy.”

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### Long-Term Growth Goals

After establishing its first-year base performance in fiscal year 2007, which is discussed later in this press release, Hanesbrands has growth goals that include:

- Long-term annual revenue growth of 1 percent to 3 percent, excluding acquisitions.
- Long-term annual operating profit growth of 6 percent to 8 percent, excluding the effect of restructuring charges.
- Long-term annual double-digit growth in diluted EPS, excluding the effect of restructuring charges.

The company expects to incur approximately \$250 million in restructuring and related charges over the next three years to implement its cost-savings plan. About half of these charges are expected to be noncash. The total includes the \$27 million associated with the plant closures announced in September 2006 and approximately \$8 million associated with the distribution center consolidation announced in October 2006.

“Combining our revenue growth with the significant cost-savings initiatives we have planned via consolidation opportunities and supply chain improvements, we will be able to generate even greater growth for operating income, excluding restructuring costs,” Noll said. “And with our anticipated ability to reduce debt and interest expense, we believe we can achieve sustainable double-digit diluted EPS growth.”

### Fiscal 2007 — Establishing a Solid Base for Long-Term Growth

The Hanesbrands board of directors has approved changing the company’s fiscal year end from the Saturday closest to June 30 to the Saturday closest to Dec. 31. The 52-week fiscal 2007 will begin on Sunday, Dec. 31, 2006, and end on Saturday, Dec. 29, 2007. Results for quarter ended Sept. 30, 2006, and the quarter ending Dec. 30, 2006, will be reported as a transition, or stub, period.

In fiscal 2007, Hanesbrands has a goal of establishing a solid base on which to execute long-term growth. The company will have overlapped the net sales effect of exiting low-margin sales in fiscal 2006, and therefore, its current annual sales run rate of approximately \$4.5 billion reflects a good baseline from which to build.

While Hanesbrands will incur increased costs as a stand-alone company and plans to increase investment behind its strategies, the company has a goal to substantially offset these increases with cost reductions as well as the elimination of corporate allocations associated with previous Sara Lee ownership. Hanesbrands believes that achieving this goal could allow its operating profit margin in the next fiscal year, excluding restructuring, to approach 9<sup>1</sup>/<sub>2</sub> percent, similar to the operating margin in its most recently completed fiscal year ended July 1, 2006.

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Interest expense will increase significantly in fiscal 2007 due to the capital structure implemented for the spinoff. Based on the current London Interbank Offered Rate, Hanesbrands' weighted average interest rate is expected to be approximately 8.25 percent with the rate fixed on more than half of the debt. The company's effective tax rate may fluctuate but is expected to average approximately 30 percent to 35 percent. Both interest expense and the tax rate will significantly decrease net income and EPS when compared with historical financial results as reported under ownership of Sara Lee Corporation.

"We believe that the ending balance sheet for the September quarter is a reasonable baseline for the business," said Hanesbrands Chief Financial Officer E. Lee Wyatt. "We are focused on the opportunity to improve the balance sheet by \$100 million between now and the end of fiscal 2007 by improving payables, receivables, inventory and our cash balance.

"Financially, we are committed to funding business growth and our supply chain strategy, and the remaining cash flow will be used primarily for debt reduction over the next couple of years. We are comfortable that our cash flow will allow the company to service its initially above-average level of leverage."

Hanesbrands does not envision any significant commercial acquisitions, although tactical acquisition opportunities may be considered to accelerate the company's global supply chain and cost-reduction strategy. Hanesbrands does not currently plan to pay a dividend.

Noll added, "We have the competitive strengths and strategic potential to generate long-term annual increases in sales and income. We are investing in our strongest brands, such as *Hanes*, *Champion*, *Playtex* and *Bali*, that have leading market shares in high-volume apparel categories. We are also investing in cost-reduction actions and a global supply chain to gain competitive advantage. The combination of these brand-building and cost-savings efforts, supported by strong cash flow, is a very powerful model for creating value."

#### Hanesbrands Policy on Guidance

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

#### Webcast Conference Call

Hanesbrands will hold a live webcast via the Internet at 10 a.m. EST today of its first investor conference call to discuss its strategic direction, goals and recent financial performance. The live Internet broadcast and accompanying slide presentation may be accessed on the home page of the Hanesbrands corporate Web site, [www.hanesbrands.com](http://www.hanesbrands.com). The call is expected to conclude by 11:30 a.m. EST.

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Replays of the conference call will be available via the Internet and telephone. An archived replay of the conference-call webcast and slide presentation will be available in the investors section of the Hanesbrands corporate Web site.

The telephone playback will be available from approximately 2 p.m. EST today until midnight EST on Tuesday, Nov. 7, 2006. The replay will be available by calling toll-free (888) 286-8010, or (617) 801-6888 for international callers. The eight-digit replay password is 12345678.

**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, casual wear and active wear. Hanesbrands has approximately 50,000 employees in 24 countries. More information may be found on the company's Web site at [www.hanesbrands.com](http://www.hanesbrands.com).

**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 speak only as of the date of this press release and are based on our current plans and expectations. They involve risks and uncertainties that could cause actual future results to be different than 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 centers around the world; retailer consolidation and other changes in the apparel essentials industry; loss of or reduction in sales to, or financial difficulties experienced by, any of our top customers; and our substantial debt and debt service requirements that restrict our operating and financial flexibility and impose significant interest and financing costs. Further information about these matters and other important risks and uncertainties is in our Securities and Exchange Commission filings. We do not intend to update these forward-looking statements.

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TABLE 1

**HANESBRANDS INC.**  
**Condensed Combined and Consolidated Statements of Income**  
**(Unaudited)**  
**(In thousands, except per-share amounts)**

	Quarter Ended		% Change
	September 30, 2006	October 1, 2005	
Net sales			
Innerwear	\$ 651,183	\$ 662,387	
Outerwear	318,320	305,117	
Hosiery	56,707	67,361	
International	93,126	92,153	
Other	10,796	22,585	
	<u>1,130,132</u>	<u>1,149,603</u>	
Less: Intersegment	<u>11,164</u>	<u>11,642</u>	
	<u>1,118,968</u>	<u>1,137,961</u>	-1.7%
Cost of sales	<u>753,337</u>	<u>768,442</u>	
Gross profit	365,631	369,519	-1.1%
As a % of net sales	<b>32.7%</b>	<b>32.5%</b>	
Selling, general, and administrative expenses	262,426	265,927	
As a % of net sales	<b>23.5%</b>	<b>23.4%</b>	
Restructuring	<u>9,313</u>	<u>(228)</u>	
Operating profit	93,892	103,820	-9.6%
As a % of net sales	<b>8.4%</b>	<b>9.1%</b>	
Interest expense, net	<u>17,569</u>	<u>4,083</u>	
Income before income taxes	76,323	99,737	
Income tax expense	25,978	17,133	
Net income	<u>\$ 50,345</u>	<u>\$ 82,604</u>	-39.1%
Earnings per share (1):			
Basic	\$ 0.52	\$ 0.86	
Diluted	\$ 0.52	\$ 0.86	
Weighted average shares outstanding (1):			
Basic	96,306	96,306	
Diluted	96,319	96,306	

(1) For the quarter ended October 1, 2005, 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 Combined and Consolidated Balance Sheets**  
**(Unaudited)**  
**(In thousands)**

	<u>September 30, 2006</u>	<u>July 1, 2006</u>
Cash and cash equivalents	\$ 209,080	\$ 298,252
Trade accounts receivable	516,778	523,430
Inventories	1,262,961	1,236,586
Related entities and other	168,810	1,697,544
Total current assets	<u>2,157,629</u>	<u>3,755,812</u>
Property, net	609,048	617,021
Intangible assets and goodwill	417,120	415,019
Other noncurrent assets	417,406	103,223
Total assets	<u>\$3,601,203</u>	<u>\$4,891,075</u>
Accounts payable and accrued liabilities	\$ 607,877	\$ 851,594
Related entities and other	57,557	760,360
Total current liabilities	<u>665,434</u>	<u>1,611,954</u>
Long-term debt	2,573,500	—
Other noncurrent liabilities	346,034	49,987
Total liabilities	<u>3,584,968</u>	<u>1,661,941</u>
Equity	16,235	3,229,134
Total liabilities and equity	<u>\$3,601,203</u>	<u>\$4,891,075</u>

TABLE 3

**HANESBRANDS INC.**  
**Condensed Combined and Consolidated Statements of Cash Flow**  
**(Unaudited)**  
**(In thousands)**

	<u>Quarter Ended</u>	
	<u>September 30, 2006</u>	<u>October 1, 2005</u>
<b>Operating activities:</b>		
Net income	\$ 50,345	\$ 82,604
Depreciation and amortization	29,573	25,347
Changes in assets and liabilities, net, and other	(25,105)	67,941
Net cash from operating activities	<u>54,813</u>	<u>175,892</u>
<b>Investing Activities:</b>		
Purchases of property and equipment, net, and other	(18,565)	(15,092)
<b>Financing Activities:</b>		
Transactions with parent companies and other	(125,193)	(798,059)
Effect of changes in foreign currency exchange rates on cash	(227)	2,756
Decrease in cash and cash equivalents	(89,172)	(634,503)
Cash and cash equivalents at beginning of year	<u>298,252</u>	<u>1,080,799</u>
Cash and cash equivalents at end of period	<u>\$ 209,080</u>	<u>\$ 446,296</u>

TABLE 4

**HANESBRANDS INC.**  
**Supplemental Financial Information**  
**(Unaudited)**  
**(In thousands)**

	Quarter Ended	
	September 30, 2006	October 1, 2005
<b>Supply Chain</b>		
<b>Plant closings</b>		
-Accelerated depreciation included in Cost of Sales	\$ 4,393	\$ —
-Restructuring	9,313	(228)
Total	<u>\$ 13,706</u>	<u>\$ (228)</u>
Noncash amount	<u>\$ 4,393</u>	<u>\$ (228)</u>
<b>Special items included in SG&amp;A</b>		
-Spinoff and related charges	<u>\$ 17,010</u>	<u>\$ 4,128</u>
<b>EBITDA</b>		
Net income	\$ 50,345	\$ 82,604
Interest expense, net	17,569	4,083
Income tax expense	25,978	17,133
Depreciation	27,906	23,258
Amortization	1,667	2,089
Total EBITDA	<u>\$123,465</u>	<u>\$129,167</u>
<b>Reconciliation of Reported Operating Results with Certain Information Excluding Plant Closings and Special Items</b>		
Operating profit	\$ 93,892	\$103,820
Plant closings	13,706	(228)
Special items included in SG&A	17,010	4,128
Adjusted operating profit	<u>\$124,608</u>	<u>\$107,720</u>
Net income	\$ 50,345	\$ 82,604
Plant closings	13,706	(228)
Special items included in SG&A	17,010	4,128
Tax effect on plant closings and special items in SG&A	(10,443)	(671)
Adjusted net income	<u>\$ 70,618</u>	<u>\$ 85,833</u>

Hanesbrands Inc.  
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Winston-Salem, NC 27105  
(336) 519-4400

HANES*brands*

*news release*

FOR IMMEDIATE RELEASE

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**HANESBRANDS INC. ELECTS JESSICA TUCHMAN MATHEWS TO BOARD OF DIRECTORS**

WINSTON-SALEM, N.C. (Oct. 26, 2006) — Hanesbrands Inc. (NYSE:HBI) today announced that Jessica Tuchman Mathews, president of the Carnegie Endowment for International Peace, has been elected to the company’s board of directors, effective immediately.

Mathews, 60, has served as president of the Carnegie Endowment in Washington, D.C. since 1997 and has previously held governmental posts in the executive and legislative branches, as well as positions in management and research in the nonprofit sector and editorial positions in journalism.

Under her direction, the Carnegie Endowment for International Peace, a private, nonprofit organization dedicated to advancing cooperation between nations and promoting active international engagement by the United States, has become a leader in the interdisciplinary study of globalization and has launched a program for joint studies on and in China.

“Jessica will be an outstanding addition to the Hanesbrands board, bringing a wealth of global experience as well as a successful career of leading and operating within large organizations,” said Hanesbrands Executive Chairman Lee A. Chaden. “Jessica’s global perspective and results-oriented management style are very relevant to Hanesbrands and its continuing strategy of operating around the world and building a global low-cost supply chain.”

Hbi

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Mathews has served as a senior fellow at the Council on Foreign Relations and was founding vice president and director of research of the World Resources Institute. Her governmental experience includes serving as deputy to the Undersecretary of State for Global Affairs and director of the National Security Council's Office of Global Issues. She also served as a member of the editorial board of the Washington Post.

Mathews serves on the board of SomaLogic, Inc. She earned her doctorate degree in molecular biology from the California Institute of Technology and holds a bachelor's degree from Radcliffe College.

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