

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 27, 2009

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 October 28, 2009, Hanesbrands Inc. (“Hanesbrands”) issued a press release announcing its financial results for the third quarter ended October 3, 2009. 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 per diluted share excluding actions; operating profit excluding actions; selling, general and administrative expenses excluding actions; gross profit excluding actions; net income excluding actions; the margins on sales of these measures; and EBITDA, all of which are considered non-GAAP performance measures. Hanesbrands has chosen to provide these performance measures 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 2.05. Costs Associated with Exit or Disposal Activities

On October 27, 2009, Hanesbrands approved an action in furtherance of its efforts to execute its consolidation and globalization cost-reduction strategy. Hanesbrands has approved the closing of a manufacturing facility in the United States, which will result in the termination of approximately 240 employees. Operations at the facility are expected to cease by the fourth quarter of 2010. As a result of this action, Hanesbrands expects to recognize gross restructuring and related charges totaling approximately \$8 million before income taxes. These charges, approximately two-thirds of which are noncash charges, primarily relate to accelerated depreciation costs and severance costs. Most of the charges will be recognized in the fourth quarter ending January 2, 2010.

Item 7.01. Regulation FD Disclosure

On October 28, 2009, Hanesbrands Inc. (“Hanesbrands”) issued a press release announcing its expectations for sales growth from net shelf-space gains with major retail accounts. A copy of the press release is attached as Exhibit 99.2 to this Current Report on Form 8-K.

Exhibit 99.1 and Exhibit 99.2 to this Current Report on Form 8-K include 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 5:00 p.m., Eastern time, today (October 28, 2009). 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 7:00 p.m., Eastern time, on October 28, 2009, until midnight, Eastern time, on November 4, 2009. 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 33254168.

Exhibit 99.1 and Exhibit 99.2 are 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 28, 2009 entitled “Hanesbrands Inc. Reports Third-Quarter Results” |
| Exhibit 99.2 | Press release dated October 28, 2009 entitled “Hanesbrands Inc. Announces 5 Percent Sales Growth Expected In 2010 From Net Shelf-Space Gains With Major Retail Accounts” |

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.

October 28, 2009

HANESBRANDS INC.

By: /s/ E. Lee Wyatt Jr.

E. Lee Wyatt Jr.

Executive Vice President, Chief Financial Officer

Exhibits

- Exhibit 99.1 Press release dated October 28, 2009 entitled “Hanesbrands Inc. Reports Third-Quarter Results”
- Exhibit 99.2 Press release dated October 28, 2009 entitled “Hanesbrands Inc. Announces 5 Percent Sales Growth Expected In 2010 From Net Shelf-Space Gains With Major Retail Accounts”

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HANES*brands*INC
news release

FOR IMMEDIATE RELEASE

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HANESBRANDS INC. REPORTS THIRD-QUARTER RESULTS

WINSTON-SALEM, N.C. (Oct. 28, 2009) — Hanesbrands Inc. (NYSE: HBI), one of the world's largest apparel essentials companies, today reported results for the 2009 third quarter and announced expected net shelf-space gains for 2010.

The company increased earnings and profit margins in the third quarter and reduced debt. Third-quarter sales declined, in line with the company's stated expectations.

- Q3 EPS of \$0.43, up 153 percent; EPS excluding actions of \$0.63, up 21 percent.
- Q3 sales of \$1.06 billion, down 8 percent.
- Year-to-date debt reduction of \$134 million.
- 2010 incremental sales of approximately 5 percent expected from net shelf-space gains at retailers.

"Given that we are in the midst of a recession, we had very good profit growth in the quarter and solidified business momentum for 2010," Hanesbrands Chairman and Chief Executive Officer Richard A. Noll said. "We have built a platform for future growth through our continued brand investments and low-cost global supply chain. We are protecting margins, reducing debt and substantially ramping up our production capacity to support a strong 2010, in which we expect shelf-space and distribution gains to add approximately 5 percent to our sales."

Noteworthy Financial Highlights

Selected highlights for the quarter ended Oct. 3, 2009, compared with the year-ago quarter ended Sept. 27, 2008, include:

- Third-quarter sales were consistent with the company's previously announced expectations at \$1.06 billion, compared with \$1.15 billion a year ago. The company increased trade spending, especially for back-to-school programs, to support retailers and position the company for future growth opportunities.

Hbi

Sales for the Innerwear segment declined by 10 percent with weakness in intimate apparel and socks. Male underwear sales were comparable to last year. Outerwear segment sales decreased by 5 percent with sales strength to retailers, including increased *Champion* brand activewear sales, offset by lower sales to the wholesale channel.

International segment sales decreased by 8 percent, and Hosiery segment sales declined by 12 percent.

The company's sales planning assumption continues to be that consumer-spending levels remain constant through 2009.

- Operating profit was \$93.3 million in the quarter, up from \$58.2 million a year ago. Operating profit excluding actions increased by 9 percent to \$111.1 million. The operating profit improvement resulted from cost-reduction initiatives and lower commodities.

The third quarter's operating profit margin excluding actions was 10.5 percent, compared with 8.9 percent in last year's third quarter.

- Diluted EPS increased to \$0.43 from \$0.17, while diluted EPS excluding actions increased by 21 percent to \$0.63 from \$0.52 a year ago.

EPS benefited from higher operating profit and a lower effective income tax rate. The effective income tax rate was 14 percent in the quarter, down from a rate of 24 percent in last year's quarter. The company expects the tax rate for the year to be 16 percent, reflecting a higher mix of foreign profit due in part to domestic restructuring charges.

- Hanesbrands paid down debt by \$177 million in the quarter. The company's debt is now \$134 million lower than the beginning of the year, and the company's goal remains to end the year with debt that is \$300 million lower than the start of the year. The company's strong cash flow is benefiting from reduced inventory.

For 2010, Hanesbrands has the potential for robust cash flow, and its major priority is to pay down debt by another \$300 million. The company also continues to consider refinancing its debt as the debt markets allow, possibly as early as the fourth quarter. Refinancing would provide even greater strategic flexibility in 2010 to reduce leverage and consider bolt-on acquisitions that could take advantage of the company's low-cost global supply chain.

"We continue to invest in our business while reducing debt and expanding margins in a difficult economic environment," Hanesbrands Executive Vice President and Chief Financial Officer E. Lee Wyatt said. "We also continue to strategically manage our capital structure. The company has set a new long-term leverage ratio target of 2 to 3 times debt to EBITDA, and we have the potential to reach that range in 2011. This would radically change our leverage profile over the next two years."

(See Table 4 for details and reconciliation with reported operating results consistent with



generally accepted accounting principles. Diluted EPS excluding actions, operating profit excluding actions, gross profit excluding actions, SG&A excluding actions, net income excluding actions, EBITDA or earnings before interest, taxes, depreciation and amortization, and the margins on sales of these measures 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 current or year-ago periods were restructuring and related charges, nonrecurring spinoff-related and other expenses, other expenses, and the tax effect on these items.)

Other Comments

Continued investment in brand-building programs has solidified significant net shelf-space and distribution gains, starting primarily in early 2010. Program gains significantly outnumber program losses, and the company expects the net space gains to generate approximately 5 percent incremental sales growth in 2010. The growth expectation pertains only to the net space and distribution gains and is not dependent on a consumer spending rebound. In early 2010, Hanesbrands will provide its expectations for total 2010 net sales growth based on the space gains, point-of-sale trends for the holiday period, the outlook for the consumer climate in 2010, and other factors.

Hanesbrands is increasing its production capacity to meet 2010 growth expectations. In early October production began at the company's new Nanjing, China, fabric production plant, which will supply the company's Southeast Asia sewing facilities. The company is also substantially ramping up contract production as needed.

As a result of the continuing long-term trend of declining sheer hosiery consumption in the United States, the company announced this week that it expects to close a sheer hosiery manufacturing facility in Winston-Salem with 240 employees in 2010.

The company today closed on the previously announced sale of its yarn production plants to Parkdale America, LLC. Exiting yarn production and entering a supply agreement is expected to generate a \$100 million balance sheet improvement within six months as a result of working capital improvement and sale proceeds.

"We are pleased with our profit and margin performance and our readiness to take advantage of opportunities in 2010," Noll said. "This year is playing out consistent with our expectations, and we have continued to invest during the recession. We will begin 2010 with momentum. We have retail shelf-space gains, a recapitalized global supply chain and opportunities for a very good year."

Webcast Conference Call

Hanesbrands will host a live Internet audio webcast of its quarterly investor conference call at 5 p.m. EDT today to review third-quarter results, fourth-quarter assumptions and 2010 space gains. 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 6 p.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 7 p.m. EDT today until midnight EST on Nov. 4, 2009. 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 33254168.

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, expected reduction in debt, and the net retail space gains that have been secured for 2010 and the expected impact of the space gains. 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 execute our consolidation and globalization strategy, including migrating our production and manufacturing operations to lower-cost locations around the world; our ability to successfully manage social, political, economic, legal and other conditions affecting our foreign operations and supply chain sources; 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; 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; failure to protect against dramatic changes in the volatile market price of cotton; the impact of increases in prices of other materials used in our products and increases in other costs; our ability to effectively manage our inventory and reduce inventory reserves; retailer consolidation and other changes in the apparel essentials industry; the highly competitive and evolving nature of the industry in which we compete; our ability to keep pace with changing consumer preferences; 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 the 2008 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. 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*, *JMS/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 45,000 employees in more than 25 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
(Amounts in thousands, except per-share amounts)
(Unaudited)

| | Quarter Ended | | % Change | Nine Months Ended | | % Change |
|---|--------------------|-----------------------|----------|--------------------|-----------------------|----------|
| | October 3, 2009 | September 27, 2008 | | October 3, 2009 | September 27, 2008 | |
| Net sales: | | | | | | |
| Innerwear | \$ 585,327 | \$ 650,372 | | \$ 1,710,920 | \$ 1,830,437 | |
| Outerwear | 329,721 | 348,467 | | 776,282 | 880,809 | |
| Hosiery | 43,944 | 50,197 | | 139,300 | 166,672 | |
| International | 107,399 | 116,581 | | 294,674 | 352,120 | |
| Other | 3,745 | 4,769 | | 12,022 | 20,064 | |
| Total segment net sales | <u>1,070,136</u> | <u>1,170,386</u> | | <u>2,933,198</u> | <u>3,250,102</u> | |
| Less: Intersegment | <u>11,463</u> | <u>16,751</u> | | <u>30,662</u> | <u>36,449</u> | |
| Total net sales | <u>1,058,673</u> | <u>1,153,635</u> | -8.2% | <u>2,902,536</u> | <u>3,213,653</u> | -9.7% |
| Cost of sales | | | | | | |
| | <u>701,993</u> | <u>811,851</u> | | <u>1,960,589</u> | <u>2,145,949</u> | |
| Gross profit | 356,680 | 341,784 | 4.4% | 941,947 | 1,067,704 | -11.8% |
| As a % of net sales | 33.7% | 29.6% | | 32.5% | 33.2% | |
| Selling, general and administrative expenses | | | | | | |
| | 248,267 | 255,228 | | 702,204 | 776,267 | |
| As a % of net sales | 23.5% | 22.1% | | 24.2% | 24.2% | |
| Restructuring | | | | | | |
| | <u>15,104</u> | <u>28,355</u> | | <u>46,319</u> | <u>32,355</u> | |
| Operating profit | 93,309 | 58,201 | 60.3% | 193,424 | 259,082 | -25.3% |
| As a % of net sales | 8.8% | 5.0% | | 6.7% | 8.1% | |
| Other expenses | | | | | | |
| | 2,423 | — | | 6,537 | — | |
| Interest expense, net | <u>42,941</u> | <u>37,253</u> | | <u>124,548</u> | <u>115,282</u> | |
| Income before income tax expense | 47,945 | 20,948 | | 62,339 | 143,800 | |
| Income tax expense | <u>6,807</u> | <u>5,028</u> | | <u>9,974</u> | <u>34,512</u> | |
| Net income | <u>\$ 41,138</u> | <u>\$ 15,920</u> | 158.4% | <u>\$ 52,365</u> | <u>\$ 109,288</u> | -52.1% |
| Earnings per share: | | | | | | |
| Basic | \$ 0.43 | \$ 0.17 | | \$ 0.55 | \$ 1.16 | |
| Diluted | \$ 0.43 | \$ 0.17 | 152.9% | \$ 0.55 | \$ 1.14 | -51.8% |
| Weighted average shares outstanding: | | | | | | |
| Basic | 95,247 | 93,992 | | 94,880 | 94,283 | |
| Diluted | 96,422 | 95,018 | | 95,469 | 95,483 | |

TABLE 2

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

| | October 3, 2009 | January 3, 2009 |
|---|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 38,617 | \$ 67,342 |
| Trade accounts receivable, net | 538,540 | 404,930 |
| Inventories | 1,137,077 | 1,290,530 |
| Other current assets | 324,352 | 347,523 |
| Total current assets | <u>2,038,586</u> | <u>2,110,325</u> |
| Property, net | 612,911 | 588,189 |
| Intangible assets and goodwill | 460,893 | 469,445 |
| Other noncurrent assets | 379,523 | 366,090 |
| Total assets | <u>\$ 3,491,913</u> | <u>\$ 3,534,049</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 612,423 | \$ 640,910 |
| Notes payable | 62,158 | 61,734 |
| Accounts receivable securitization facility | 249,043 | 45,640 |
| Total current liabilities | <u>923,624</u> | <u>748,284</u> |
| Long-term debt | 1,793,680 | 2,130,907 |
| Other noncurrent liabilities | 481,425 | 469,703 |
| Total liabilities | <u>3,198,729</u> | <u>3,348,894</u> |
| Equity | 293,184 | 185,155 |
| Total liabilities and equity | <u>\$ 3,491,913</u> | <u>\$ 3,534,049</u> |

TABLE 3

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

| | Nine Months Ended | |
|--|--------------------|-----------------------|
| | October 3, 2009 | September 27, 2008 |
| Operating Activities: | | |
| Net income | \$ 52,365 | \$ 109,288 |
| Depreciation and amortization | 66,769 | 77,613 |
| Other noncash items | 40,681 | 15,655 |
| Changes in assets and liabilities, net | 50,992 | (221,177) |
| Net cash provided by (used in) operating activities | <u>210,807</u> | <u>(18,621)</u> |
| Investing Activities: | | |
| Purchases of property and equipment, net, and other | <u>(83,885)</u> | <u>(109,644)</u> |
| Financing Activities: | | |
| Net borrowings on notes payable, debt, stock repurchases and other | <u>(155,935)</u> | <u>40,776</u> |
| Effect of changes in foreign currency exchange rates on cash | 288 | (535) |
| Decrease in cash and cash equivalents | <u>(28,725)</u> | <u>(88,024)</u> |
| Cash and cash equivalents at beginning of year | 67,342 | 174,236 |
| Cash and cash equivalents at end of period | <u>\$ 38,617</u> | <u>\$ 86,212</u> |

TABLE 4

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

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

| | Quarter Ended | | Nine Months Ended | |
|---|--------------------|-----------------------|--------------------|-----------------------|
| | October 3, 2009 | September 27, 2008 | October 3, 2009 | September 27, 2008 |
| A. Excluding actions data | | | | |
| Gross profit | \$ 357,067 | \$ 359,822 | \$ 947,855 | \$ 1,092,933 |
| SG&A | \$ 245,927 | \$ 257,715 | \$ 699,149 | \$ 777,533 |
| Operating profit | \$ 111,140 | \$ 102,107 | \$ 248,706 | \$ 315,400 |
| Net income | \$ 60,645 | \$ 49,289 | \$ 104,293 | \$ 152,090 |
| Earnings per diluted share | \$ 0.63 | \$ 0.52 | \$ 1.09 | \$ 1.59 |
| Weighted average diluted shares outstanding | 96,422 | 95,018 | 95,469 | 95,483 |
| As a % of net sales | | | | |
| Gross profit | 33.7% | 31.2% | 32.7% | 34.0% |
| SG&A | 23.2% | 22.3% | 24.1% | 24.2% |
| Operating profit | 10.5% | 8.9% | 8.6% | 9.8% |
| Net income | 5.7% | 4.3% | 3.6% | 4.7% |
| B. Operating results excluding actions | | | | |
| Gross profit as reported | \$ 356,680 | \$ 341,784 | \$ 941,947 | \$ 1,067,704 |
| Accelerated depreciation included in Cost of sales | 118 | 4,011 | 2,392 | 11,202 |
| Inventory write-off included in Cost of sales | 269 | 14,027 | 3,516 | 14,027 |
| Gross profit excluding actions | <u>\$ 357,067</u> | <u>\$ 359,822</u> | <u>\$ 947,855</u> | <u>\$ 1,092,933</u> |
| SG&A as reported | \$ 248,267 | \$ 255,228 | \$ 702,204 | \$ 776,267 |
| Spinoff-related and other expenses included in SG&A | (2,157) | — | (2,517) | — |
| Accelerated depreciation included in SG&A | (183) | 2,487 | (538) | 1,266 |
| SG&A excluding actions | <u>\$ 245,927</u> | <u>\$ 257,715</u> | <u>\$ 699,149</u> | <u>\$ 777,533</u> |
| Operating profit as reported | \$ 93,309 | \$ 58,201 | \$ 193,424 | \$ 259,082 |
| Gross profit actions | 387 | 18,038 | 5,908 | 25,229 |
| SG&A actions | 2,340 | (2,487) | 3,055 | (1,266) |
| Restructuring | 15,104 | 28,355 | 46,319 | 32,355 |
| Operating profit excluding actions | <u>\$ 111,140</u> | <u>\$ 102,107</u> | <u>\$ 248,706</u> | <u>\$ 315,400</u> |
| C. Net income excluding actions | | | | |
| Net income as reported | \$ 41,138 | \$ 15,920 | \$ 52,365 | \$ 109,288 |
| Gross profit actions | 387 | 18,038 | 5,908 | 25,229 |
| SG&A actions | 2,340 | (2,487) | 3,055 | (1,266) |
| Restructuring | 15,104 | 28,355 | 46,319 | 32,355 |
| Other expenses | 2,423 | — | 6,537 | — |
| Tax effect on actions | (747) | (10,537) | (9,891) | (13,516) |
| Net income excluding actions | <u>\$ 60,645</u> | <u>\$ 49,289</u> | <u>\$ 104,293</u> | <u>\$ 152,090</u> |
| D. EBITDA | | | | |
| Net income | \$ 41,138 | \$ 15,920 | \$ 52,365 | \$ 109,288 |
| Interest expense, net | 42,941 | 37,253 | 124,548 | 115,282 |
| Income tax expense | 6,807 | 5,028 | 9,974 | 34,512 |
| Depreciation and amortization | 21,140 | 22,653 | 66,769 | 77,613 |
| Total EBITDA | <u>\$ 112,026</u> | <u>\$ 80,854</u> | <u>\$ 253,656</u> | <u>\$ 336,695</u> |



Hanesbrands Inc
1000 East Hanes Mill Road
Winston-Salem, NC 27105
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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. ANNOUNCES 5 PERCENT SALES GROWTH EXPECTED IN 2010 FROM NET SHELF-SPACE GAINS WITH MAJOR RETAIL ACCOUNTS

WINSTON-SALEM, N.C. (Oct. 28, 2009) — Hanesbrands Inc. (NYSE: HBI), one of the world's largest apparel essentials companies, today announced that it has secured significant net retail shelf-space and distribution gains that are expected to add approximately 5 percent sales growth in 2010.

The company expects the sales growth based on current shelf-space and program gains that significantly outnumber space and program losses, even if consumer spending patterns continue at today's recessionary levels.

Hanesbrands is using its brand strength and low-cost global supply chain as a growth platform to increase market share over time and expand distribution. The company is generating net space gains through continued marketing investment and new-product innovation, through distribution of core product lines to a broader set of retailers, and through the value of its strong national brands to retailers during the recession and beyond.

"Our goal during this recession was to continue to invest in our brands, support our retailers and emerge as a stronger company focused on increasing market share," Hanesbrands Chairman and Chief Executive Officer Richard A. Noll said. "We have some of the strongest brands in the apparel industry, and we will enter 2010 with top-line momentum. For example, we expect at least high-single-digit growth of men's underwear sales in 2010 solely as a result of net space gains for our *Hanes* brand at all major accounts and new distribution in the mid-tier, club-store and dollar-store channels."

Hanesbrands' 2010 sales-growth expectation of approximately 5 percent pertains only to growth from shelf-space and distribution gains and is not dependent on increased consumer spending. In early 2010, Hanesbrands will provide its expectations for total 2010 net sales growth based on the space gains, point-of-sale trends for the holiday period, the outlook for the consumer climate in 2010, and other factors.

The incremental net space gains are concentrated in the company's Innerwear and Outerwear segments and will more than offset the expected losses in the Hosiery segment.

HBI

The Innerwear segment, which consists of replenishment-oriented products, will account for more than half of the expected sales increases from space gains in 2010. Innovative products such as *Hanes* underwear T-shirts with lay-flat collars, dyed underwear briefs, and briefs with ComfortSoft waistbands will support the expected men's underwear sales growth from space gains of high single digits or better.

The company expects net space gains for the Innerwear segment's intimate apparel category to add mid-single-digit sales growth next year. Bra program expansions have been confirmed at most major accounts involving the company's *Bali*, *Playtex*, *Hanes* and *Barely There* brands, and *Hanes* women's panties are gaining space and new distribution at major accounts.

The remainder of Innerwear segment, which includes socks, children's underwear and other products, has had space gains and losses that generally offset each other or could provide low-single-digit growth.

In Outerwear, segment growth will be driven by a multiyear agreement that has significantly expanded the company's *JMS/Just My Size* brand in casualwear. *Champion* also has confirmed space and distribution gains in the sporting goods, department store and mid-tier store channels.

Internationally, the company has secured additional net retail shelf space and new distribution in Mexico for 2010 in the socks, men's underwear and women's intimate apparel categories. Hanesbrands is using its global low-cost supply chain to provide its Mexico commercial operations with a competitive sales advantage and will expand this model to other countries.

"We have the No. 1 or No. 2 market-share positions in all of our core categories because of the strength of our brands and power of our supply chain," said William J. Nictakis, Hanesbrands president, chief commercial officer. "Retailers across all channels recognize that they can use the strength of our brands with consumers to build their business and drive shopper traffic in good economic times and bad. We are seeking to drive growth for our company and our retail partners."

Webcast of Investor Conference Call

Hanesbrands today also reported results for the 2009 third quarter in a separate press release.

Hanesbrands will hold its quarterly investor conference call at 5 p.m. EDT today to review third-quarter results, fourth quarter assumptions and 2010 space gains. A live Internet broadcast of the conference call may be accessed on the home page of the Hanesbrands corporate Web site, www.hanesbrands.com. The call is expected to conclude by 6 p.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 7 p.m. EDT today until midnight EST on Nov. 4, 2009. 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 33254168.



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 the net retail shelf-space and distribution gains that have been secured for 2010 and the expected impact of those gains. 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 execute our consolidation and globalization strategy, including migrating our production and manufacturing operations to lower-cost locations around the world; our ability to successfully manage social, political, economic, legal and other conditions affecting our foreign operations and supply chain sources; 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; 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; failure to protect against dramatic changes in the volatile market price of cotton; the impact of increases in prices of other materials used in our products and increases in other costs; our ability to effectively manage our inventory and reduce inventory reserves; retailer consolidation and other changes in the apparel essentials industry; the highly competitive and evolving nature of the industry in which we compete; our ability to keep pace with changing consumer preferences; 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 the 2008 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. 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*, *JMS/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 45,000 employees in more than 25 countries. More information may be found on the company's Web site at www.hanesbrands.com.

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The logo for Hanesbrands Inc. (HBI) consists of the lowercase letters "hbi" in a stylized, purple, serif font. The letters are closely spaced and have a slightly irregular, hand-drawn appearance.