
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): April 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 April 26, 2007, Hanesbrands Inc. (“Hanesbrands”) issued a press release announcing its financial results for the first quarter ended March 31, 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 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 5.02. Election of Directors

As previously announced, 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. On April 24, 2007, Ms. Mathews became a member of the Audit Committee of the Board of Directors.

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 (April 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 April 26, 2007, until midnight Eastern time on Thursday, May 3, 2007. The replay will be available by calling toll-free (888) 286-8010, or (617) 801-6888 for international callers. The replay pass code is 62716555. 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 April 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 thereunto duly authorized.

April 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 April 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: Matt Hall, (336) 519-3386
Analysts and Investors, contact: Brian Lantz, (336) 519-7130

HANESBRANDS INC. REPORTS FIRST-QUARTER 2007 RESULTS

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

Total net sales increased slightly to \$1.04 billion, and earnings per diluted share were \$0.12, which 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. In addition to operating performance, results in the quarter reflect costs associated with restructuring, stand-alone independent company costs, increased interest expense and other actions.

“Our performance was on track with our expectations for the quarter,” Hanesbrands Chief Executive Officer Richard A. Noll said. “We increased sales, made strategic advances in operations and generated cash for investment in our business. We are off to a solid start in our first full year, which is the foundation for achieving our long-term growth goals.”

Period Highlights

Highlights for the quarter ended March 31, 2007, include:

- Total net sales increased by \$7 million, or 0.7 percent, to \$1.04 billion, up from \$1.03 billion in the year-ago quarter ended April 1, 2006.
Growth in the outerwear segment resulted from double-digit gains for *Champion* activewear and increases for *Hanes* casualwear and more than offset generally flat sales in the innerwear segment and declines in other segments.
- Operating profit, as measured under generally accepted accounting principles, was \$68.9 million, a decrease of 28.4 percent from \$96.2 million a year ago. The profit decline primarily reflected restructuring and related charges for plant closures, higher cotton costs and increased investment in business operations.

HBI

“While we had a number of costs this quarter associated with becoming an independent company that we did not have in the year-ago quarter, we are benefiting from past cost-reduction efforts, corporate consolidation and streamlining, and continued progress with our global supply chain strategy of moving production to lower-cost countries,” Noll said. “Our operating margin excluding actions, which we use to measure and manage our business, was on track with our expectations for the quarter.”

The operating profit margin excluding actions was 8.6 percent in the quarter, compared with 9.8 percent a year ago, down primarily due to higher cotton costs and selected investment behind business initiatives. (Operating profit excluding actions is a non-GAAP measure used to better assess underlying business performance because it excludes the effect of unusual actions that are not directly related to operations. The unusual actions in the quarter were restructuring and related charges, nonrecurring spinoff and related costs, and amortization of a gain on postretirement benefits. See Table 4A for details and reconciliation with reported operating results.)

- Net income for the quarter was \$12.0 million, down from \$74.6 million a year ago, primarily as a result of the company’s new independent structure. The decrease in net income reflected increased interest expense, reduced operating profit and a higher effective income tax rate.

Interest expense increased in the quarter by \$48.6 million to \$51.7 million, up from \$3.1 million a year ago as a result of debt incurred in the company’s spinoff. The effective income tax rate for the quarter was 30.0 percent, up from 19.9 percent a year ago as a result of Hanesbrands’ tax structure as an independent company.

- Using cash flow from operations, the company made a voluntary \$42 million pension contribution in the quarter, reducing the company’s underfunded liability for qualified pension plans to approximately \$131 million. The company’s qualified pension plan liability is now 84 percent funded, which meets the company’s 2007 goal.

Other Quarter Comments

Hanesbrands continues to make progress on its strategy of building its largest and strongest brands in core categories through innovation in key items.

In March, the *Hanes* brand launched a new national television, print and Internet advertising campaign for its *Hanes All-Over Comfort Bra with ComfortSoft Straps* featuring celebrity Jennifer Love Hewitt. Since the campaign was launched, we have seen accelerated retail sell-through of the *All-Over Comfort Bra*.



The *Champion* brand has achieved annual compound growth of more than 15 percent over the past two years and has increased distribution penetration in the mid-tier department store, sporting goods and mass retail channels. Innovative additions to the *Champion* product lines of performance apparel, activewear, sports bras, socks and underwear include double-dry fabric jerseys, shorts and other products.

Hanesbrands continues to execute its long-term global supply chain strategy of moving production to lower-cost countries to increase competitiveness. In the first quarter of 2007, the company announced plans to close two domestic textile facilities and two domestic distribution centers. The company also ended operations at three facilities for which closure plans had been previously announced. The company recognized \$21.5 million in restructuring and related charges in the quarter, \$4.6 million of which were noncash.

“We continue to successfully execute our core improvement strategies of reducing costs, increasing investment in our strongest brands and generating cash,” Noll said. “These efforts are fundamental to our model to create value and drive growth in sales, operating profit and diluted earnings per share beyond this baseline year.”

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 May 3, 2007. The replay will be available by calling toll-free (888) 286-8010, or (617) 801-6888 for international callers. The replay pass code is 62716555.

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 2006 Annual Report on Form 10-K, 2006 Transitional Report on Form 10-KT, 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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The logo for Hanesbrands Inc. (HBI) consists of 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. A horizontal line is drawn below the logo.

TABLE 1

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

	Quarter Ended		% Change
	March 31, 2007	April 1, 2006	
Net sales:			
Innerwear	\$ 590,447	\$ 593,620	
Outerwear	283,635	267,286	
Hosiery	73,693	77,314	
International	90,777	91,966	
Other	15,398	16,997	
Total segment net sales	<u>1,053,950</u>	<u>1,047,183</u>	
Less: Intersegment	<u>14,056</u>	<u>14,323</u>	
Total net sales	<u>1,039,894</u>	<u>1,032,860</u>	0.7%
Cost of sales	<u>700,215</u>	<u>691,968</u>	
Gross profit	339,679	340,892	-0.4%
As a % of net sales	32.7%	33.0%	
Selling, general and administrative expenses	254,567	243,370	
As a % of net sales	24.5%	23.6%	
Restructuring	<u>16,246</u>	<u>1,284</u>	
Operating profit	68,866	96,238	-28.4%
As a % of net sales	6.6%	9.3%	
Interest expense, net	<u>51,717</u>	<u>3,100</u>	
Income before income taxes	17,149	93,138	
Income tax expense	5,145	18,546	
Net income	<u>\$ 12,004</u>	<u>\$ 74,592</u>	-83.9%
Earnings per share (1):			
Basic	\$ 0.12	\$ 0.77	
Diluted	\$ 0.12	\$ 0.77	
Weighted average shares outstanding (1):			
Basic	96,475	96,306	
Diluted	97,105	96,306	

(1) For the quarter ended April 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)

	March 31, 2007	December 30, 2006
Assets		
Cash and cash equivalents	\$ 149,290	\$ 155,973
Trade accounts receivable	513,823	488,629
Inventories	1,253,668	1,216,501
Other current assets	196,566	210,077
Total current assets	<u>2,113,347</u>	<u>2,071,180</u>
Property, net	530,882	556,866
Intangible assets and goodwill	419,714	418,706
Other noncurrent assets	390,640	388,868
Total assets	<u>\$ 3,454,583</u>	<u>\$ 3,435,620</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 615,847	\$ 587,542
Other current liabilities	30,929	23,639
Total current liabilities	<u>646,776</u>	<u>611,181</u>
Long-term debt	2,474,625	2,484,000
Other noncurrent liabilities	241,862	271,168
Total liabilities	<u>3,363,263</u>	<u>3,366,349</u>
Equity	91,320	69,271
Total liabilities and equity	<u>\$ 3,454,583</u>	<u>\$ 3,435,620</u>

TABLE 3

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

	Quarter Ended	
	March 31, 2007	April 1, 2006
Operating activities:		
Net income	\$ 12,004	\$ 74,592
Depreciation and amortization	28,170	29,095
Changes in assets and liabilities, net, and other	(40,765)	(1,390)
Net cash from operating activities	<u>(591)</u>	<u>102,297</u>
Investing Activities:		
Purchases of property and equipment, net, and other	(3,500)	(20,472)
Financing Activities:		
Transactions with parent companies and other	(2,759)	(136,899)
Effect of changes in foreign currency exchange rates on cash	167	337
Decrease in cash and cash equivalents	<u>(6,683)</u>	<u>(54,737)</u>
Cash and cash equivalents at beginning of year	155,973	510,632
Cash and cash equivalents at end of period	<u>\$ 149,290</u>	<u>\$ 455,895</u>



TABLE 4

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

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

	Quarter Ended	
	March 31, 2007	April 1, 2006
A. Operating profit excluding actions		
Operating profit as reported	\$ 68,866	\$ 96,238
Plant closings	21,513	1,284
Amortization of gain on postretirement benefits included in SG&A	(2,013)	—
Spinoff and related charges included in SG&A	801	4,197
Operating profit excluding actions	<u>\$ 89,167</u>	<u>\$ 101,719</u>
Percentage of net sales	8.6%	9.8%
B. Net income excluding actions		
Net income as reported	\$ 12,004	\$ 74,592
Plant closings	21,513	1,284
Amortization of gain on postretirement benefits included in SG&A	(2,013)	—
Spinoff and related charges included in SG&A	801	4,197
Tax effect on plant closings, amortization of gain and spinoff and related charges in SG&A	(6,090)	(1,091)
Net income excluding actions	<u>\$ 26,215</u>	<u>\$ 78,982</u>
C. Supply chain actions		
Plant closings		
-Accelerated depreciation included in Cost of sales	\$ 5,267	\$ —
-Restructuring	16,246	1,284
Total	<u>\$ 21,513</u>	<u>\$ 1,284</u>
Noncash amount	<u>\$ 4,634</u>	<u>\$ —</u>
D. EBITDA		
Net income	\$ 12,004	\$ 74,592
Interest expense, net	51,717	3,100
Income tax expense	5,145	18,546
Depreciation and amortization	28,170	29,095
Total EBITDA	<u>\$ 97,036</u>	<u>\$ 125,333</u>