
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 29, 2008

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 29, 2008, Hanesbrands Inc. (“Hanesbrands”) issued a press release announcing its financial results for the third quarter ended September 27, 2008. 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, operating profit margin excluding actions, gross profit excluding actions, selling, general and administrative expenses excluding actions, net operating profit after taxes excluding actions, net income excluding actions and EBITDA, all of which are considered non-GAAP performance measures, that Hanesbrands has chosen to provide to investors to enable them to perform additional analyses of past, present and future operating performance and as a supplemental means of evaluating Hanesbrands’ operations. The non-GAAP information should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from non-GAAP or other pro forma measures used by other companies.

Item 7.01. Regulation FD Disclosure

Exhibit 99.1 to this Current Report on Form 8-K includes forward-looking financial information that is expected to be discussed on the previously announced conference call with investors and analysts to be held by us at 4:30 p.m., Eastern time, today (October 29, 2008). 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 29, 2008, until midnight, Eastern time, on November 5, 2008. 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 67585195. 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 29, 2008

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 29, 2008

HANESBRANDS INC.

By: /s/ E. Lee Wyatt Jr.
E. Lee Wyatt Jr.
Executive Vice President, Chief
Financial Officer

Exhibits

99.1 Press release dated October 29, 2008

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 THIRD-QUARTER 2008 RESULTS

WINSTON-SALEM, N.C. (Oct. 29, 2008) — Hanesbrands Inc. (NYSE: HBI), a leading marketer of innerwear, outerwear and hosiery apparel, today reported results for the 2008 third quarter.

Total net sales in the quarter were unchanged at \$1.15 billion. Earnings per diluted share in the quarter were \$0.17. Excluding actions and the previously announced impact of a retailer bankruptcy, non-GAAP earnings per diluted share increased by 17 percent to \$0.56 as a result of reduced long-term debt, lower base interest rates, and lower income tax expense as a result of the company's global supply chain strategy.

"We continued our strategic execution in the third quarter and delivered comparable sales and solid earnings per share in a difficult environment," Hanesbrands Chief Executive Officer Richard A. Noll said. "We remain optimistic about our earnings potential for the fourth quarter due to favorability of expenses that may more than offset the challenges of higher commodity costs and an uncertain sales environment."

Noteworthy Financial Highlights

Selected highlights for the quarter and nine months ended Sept. 27, 2008, compared with the year-ago periods ended Sept. 29, 2007, include:

- Total net sales in the quarter held steady at \$1.15 billion, increasing slightly. Sales increases in the innerwear and international segments were offset primarily by declines in the sheer hosiery segment and the other segment. The 2 percent sales increase in the innerwear segment was driven by strong *Hanes* male underwear sales. In the outerwear segment, *Champion* activewear sales increased by double-digits.

Total net sales for the nine-month period were down 3.1 percent to \$3.21 billion.

- GAAP earnings per diluted share in the quarter decreased by \$0.23 to \$0.17. This includes a \$0.35 reduction per diluted share for restructuring and related charges and \$0.04 per diluted share for the bankruptcy of Mervyn's, a regional retailer, which announced its liquidation plans after the end of the third quarter.

HBI

Excluding actions and the previously announced Mervyn's bankruptcy impact, non-GAAP diluted EPS increased by \$0.08 to \$0.56. Excluding actions only, non-GAAP diluted EPS increased by \$0.04 to \$0.52.

For the nine-month period, non-GAAP diluted EPS, excluding actions, increased by 23 percent to \$1.59.

- GAAP operating profit in the quarter was \$58.2 million, down \$47.5 million.

Non-GAAP operating profit, which excludes actions, declined by \$13.1 million in the quarter. The company was able to substantially offset significant increases of \$12 million of higher cotton costs and \$7 million of oil-related costs through continued benefits of cost-saving initiatives. SG&A cost increases included \$5.5 million of bad debt expense due to the Mervyn's bankruptcy.

Non-GAAP operating profit margin excluding actions and the Mervyn's impact was 9.3 percent in the quarter versus 10.0 percent a year ago.

(Diluted EPS excluding actions, operating profit excluding actions, operating profit margin excluding actions and SG&A excluding actions are non-GAAP measures used to better assess underlying business performance because they exclude the effect of unusual actions that are not directly related to operations. The unusual actions in the current or year-ago quarter were restructuring and related charges, amortization of gain on postretirement benefits, separation of pension plan assets and liabilities, nonrecurring spinoff and related charges, other expenses, and the tax effect on these items. See Table 4 for details and reconciliation with reported operating results consistent with generally accepted accounting principles.)

Other Comments

Hanesbrands has informed retail customers that it is raising domestic prices effective mid-first quarter of 2009. The company is taking an average gross price increase of 4 percent for domestic product categories. The range of price increases will vary by product category.

Hanesbrands also has continued to strategically structure its debt and liquidity to execute its business strategies through the economic downturn and tight credit markets. At the end of the quarter, Hanesbrands had a \$500 million undrawn bank revolver and \$86 million in cash on its balance sheet.

The company has actively and strategically managed its debt structure since its spinoff to reduce costs and increase flexibility. Of the company's \$2.3 billion in long-term debt, the rates on \$2.0 billion, or 86 percent, have been fixed or capped. In the third quarter, Hanesbrands fixed the interest rate in July on \$500 million of floating-rate bonds for four years at 7.64 percent and in September capped LIBOR for \$600 million of floating-rate debt at 3.50 percent for one year. In October, the company fixed LIBOR on an additional \$400 million of floating-rate debt at 2.80 percent for two years.



The company expects 2008 full-year interest expense of approximately \$155 million, and in 2009 full-year interest expense is expected to decrease into an approximate range of \$140 million to \$155 million.

Hanesbrands continues to make significant progress in executing its global supply chain strategy of consolidating manufacturing into fewer, larger facilities in lower-cost countries. In the third quarter, the company announced plans to close nine plants in the Western Hemisphere.

In order to manage the supply chain transition in 2009, the company is on track to carry year-end inventory at the previously discussed \$1.35 billion level. The company's goal is to reduce inventory by \$200 million over the next 18 months as it completes its knits supply chain transition.

Hanesbrands continues to manage its capital expenditures. The company is projecting gross capital spending of \$180 million for the full year, offset by expected proceeds of \$25 million in property sales for net capital spending of \$155 million this year. The company is assessing needs and plans for next year but expects gross capital expenditure spending in the range of \$115 million to \$135 million.

“We are sharply focused on execution over the next 12 to 18 months and will manage expenses and inventories conservatively,” Noll said. “Our goal is to come out of this economic environment as a stronger company using the strength of our brands, our ability to take pricing, and opportunities we have for further cost reductions.”

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 4:30 p.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 5:30 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. 5, 2008. 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 67585195.



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 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 or group of customers; fluctuations in the price or availability of cotton, oil or labor; inflationary pressure on consumer demand; our debt and debt-service requirements that restrict our operating and financial flexibility and impose interest and financing costs; and other risks identified from time to time in our most recent Securities and Exchange Commission reports, including the 2007 Annual Report on Form 10-K, 2008 quarterly reports on Form 10-Q and current reports on Form 8-K, registration statements, press releases and other communications. The company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time.

Hanesbrands Inc.

Hanesbrands Inc. is a leading marketer of innerwear, outerwear and hosiery apparel under strong consumer brands, including *Hanes*, *Champion*, *Playtex*, *Bali*, *Just My Size*, *barely there* and *Wonderbra*. The company designs, manufactures, sources and sells T-shirts, bras, panties, men's underwear, children's underwear, socks, hosiery, casualwear and activewear. Hanesbrands has approximately 50,000 employees in 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
	September 27, 2008	September 29, 2007		September 27, 2008	September 29, 2007	
Net sales:						
Innerwear	\$ 650,372	\$ 635,167		\$ 1,830,437	\$ 1,917,118	
Outerwear	348,467	349,352		880,809	896,583	
Hosiery	50,197	64,120		166,672	189,215	
International	116,581	103,341		352,120	303,119	
Other	4,769	13,587		20,064	46,629	
Total segment net sales	<u>1,170,386</u>	<u>1,165,567</u>		<u>3,250,102</u>	<u>3,352,664</u>	
Less: Intersegment	<u>16,751</u>	<u>11,961</u>		<u>36,449</u>	<u>37,257</u>	
Total net sales	<u>1,153,635</u>	<u>1,153,606</u>	0.0%	<u>3,213,653</u>	<u>3,315,407</u>	-3.1%
Cost of sales	<u>811,851</u>	<u>792,587</u>		<u>2,145,949</u>	<u>2,234,352</u>	
Gross profit	341,784	361,019	-5.3%	1,067,704	1,081,055	-1.2%
As a % of net sales	29.6%	31.3%		33.2%	32.6%	
Selling, general and administrative expenses						
	255,228	253,233		776,267	773,817	
As a % of net sales	22.1%	22.0%		24.2%	23.3%	
Restructuring	<u>28,355</u>	<u>2,062</u>		<u>32,355</u>	<u>44,533</u>	
Operating profit	58,201	105,724	-45.0%	259,082	262,705	-1.4%
As a % of net sales	5.0%	9.2%		8.1%	7.9%	
Other expenses	—	889		—	1,440	
Interest expense, net	<u>37,253</u>	<u>49,270</u>		<u>115,282</u>	<u>152,217</u>	
Income before income tax expense	20,948	55,565		143,800	109,048	
Income tax expense	5,028	16,669		34,512	32,714	
Net income	<u>\$ 15,920</u>	<u>\$ 38,896</u>	-59.1%	<u>\$ 109,288</u>	<u>\$ 76,334</u>	43.2%
Earnings per share:						
Basic	\$ 0.17	\$ 0.41		\$ 1.16	\$ 0.79	
Diluted	\$ 0.17	\$ 0.40	-57.5%	\$ 1.14	\$ 0.79	44.3%
Weighted average shares outstanding:						
Basic	93,992	95,664		94,283	96,100	
Diluted	95,018	96,615		95,483	96,682	



TABLE 2

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

	September 27, 2008	December 29, 2007
Assets		
Cash and cash equivalents	\$ 86,212	\$ 174,236
Trade accounts receivable, net	562,937	575,069
Inventories	1,359,008	1,117,052
Other current assets	244,224	227,977
Total current assets	<u>2,252,381</u>	<u>2,094,334</u>
Property, net	562,963	534,286
Intangible assets and goodwill	473,991	461,691
Other noncurrent assets	338,303	349,172
Total assets	<u>\$ 3,627,638</u>	<u>\$ 3,439,483</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 700,056	\$ 669,405
Other current liabilities	71,528	19,577
Total current liabilities	<u>771,584</u>	<u>688,982</u>
Long-term debt	2,315,250	2,315,250
Other noncurrent liabilities	159,870	146,347
Total liabilities	<u>3,246,704</u>	<u>3,150,579</u>
Equity	380,934	288,904
Total liabilities and equity	<u>\$ 3,627,638</u>	<u>\$ 3,439,483</u>

TABLE 3

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

	Nine Months Ended	
	September 27, 2008	September 29, 2007
Operating Activities:		
Net income	\$ 109,288	\$ 76,334
Depreciation and amortization	77,613	99,921
Other noncash items	15,655	17,721
Changes in assets and liabilities, net	(221,177)	41,867
Net cash (used in) provided by operating activities	<u>(18,621)</u>	<u>235,843</u>
Investing Activities:		
Purchases of property and equipment, net and other	<u>(109,644)</u>	<u>(50,320)</u>
Financing Activities:		
Net borrowings on notes payable, stock repurchases and other	<u>40,776</u>	<u>(167,739)</u>
Effect of changes in foreign currency exchange rates on cash	(535)	2,620
(Decrease) increase in cash and cash equivalents	<u>(88,024)</u>	<u>20,404</u>
Cash and cash equivalents at beginning of year	174,236	155,973
Cash and cash equivalents at end of period	<u>\$ 86,212</u>	<u>\$ 176,377</u>



TABLE 4

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

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

	Quarter Ended		Nine Months Ended	
	September 27, 2008	September 29, 2007	September 27, 2008	September 29, 2007
A. Excluding actions data				
Gross profit	\$ 359,822	\$ 372,821	\$ 1,092,933	\$ 1,110,537
SG&A	257,715	257,582	777,533	780,073
Operating profit	102,107	115,239	315,400	330,464
Net operating profit after taxes (NOPAT)	77,601	80,667	239,704	231,325
Net income	49,289	46,179	152,090	124,773
Earnings per diluted share	0.52	0.48	1.59	1.29
As a % of net sales				
Gross profit	31.2%	32.3%	34.0%	33.5%
SG&A	22.3%	22.3%	24.2%	23.5%
Operating profit	8.9%	10.0%	9.8%	10.0%
Net income	4.3%	4.0%	4.7%	3.8%
B. Operating results excluding actions				
Gross profit as reported	\$ 341,784	\$ 361,019	\$ 1,067,704	\$ 1,081,055
Accelerated depreciation included in Cost of sales	4,011	11,616	11,202	29,296
Inventory write-off included in Cost of sales	14,027	186	14,027	186
Gross profit excluding actions	<u>\$ 359,822</u>	<u>\$ 372,821</u>	<u>\$ 1,092,933</u>	<u>\$ 1,110,537</u>
SG&A as reported	\$ 255,228	\$ 253,233	\$ 776,267	\$ 773,817
Amortization of gain on postretirement benefits included in SG&A	—	2,012	—	6,036
Separation of pension plan assets and liabilities included in SG&A	—	4,817	—	4,817
Spinoff and related charges included in SG&A	—	(1,531)	—	(2,700)
Accelerated depreciation included in SG&A	2,487	(949)	1,266	(1,897)
SG&A excluding actions	<u>\$ 257,715</u>	<u>\$ 257,582</u>	<u>\$ 777,533</u>	<u>\$ 780,073</u>
Operating profit as reported	\$ 58,201	\$ 105,724	\$ 259,082	\$ 262,705
Gross profit actions	18,038	11,802	25,229	29,482
SG&A actions	(2,487)	(4,349)	(1,266)	(6,256)
Restructuring	28,355	2,062	32,355	44,533
Operating profit excluding actions	102,107	115,239	315,400	330,464
Income tax expense at effective rate	(24,506)	(34,572)	(75,696)	(99,139)
NOPAT	<u>\$ 77,601</u>	<u>\$ 80,667</u>	<u>\$ 239,704</u>	<u>\$ 231,325</u>
C. Net income excluding actions				
Net income as reported	\$ 15,920	\$ 38,896	\$ 109,288	\$ 76,334
Gross profit actions	18,038	11,802	25,229	29,482
SG&A actions	(2,487)	(4,349)	(1,266)	(6,256)
Restructuring	28,355	2,062	32,355	44,533
Losses on early extinguishment of debt	—	889	—	1,440
Tax effect on actions	(10,537)	(3,121)	(13,516)	(20,760)
Net income excluding actions	<u>\$ 49,289</u>	<u>\$ 46,179</u>	<u>\$ 152,090</u>	<u>\$ 124,773</u>
D. EBITDA				
Net income	\$ 15,920	\$ 38,896	\$ 109,288	\$ 76,334
Interest expense, net	37,253	49,270	115,282	152,217
Income tax expense	5,028	16,669	34,512	32,714
Depreciation and amortization	22,653	33,658	77,613	99,921
Total EBITDA	<u>\$ 80,854</u>	<u>\$ 138,493</u>	<u>\$ 336,695</u>	<u>\$ 361,186</u>

