
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 28, 2013
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number: 001-32891

Hanesbrands Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State of incorporation)

20-3552316
(I.R.S. employer
identification no.)

1000 East Hanes Mill Road
Winston-Salem, North Carolina
(Address of principal executive office)

27105
(Zip code)

(336) 519-8080
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 25, 2013, there were 99,109,326 shares of the registrant's common stock outstanding.

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Trademarks, Trade Names and Service Marks

We own or have rights to use the trademarks, service marks and trade names that we use in conjunction with the operation of our business. Some of the more important trademarks that we own or have rights to use that may appear in this Quarterly Report on Form 10-Q include the *Hanes*, *Champion*, *C9 by Champion*, *Bali*, *Playtex*, *Just My Size*, *L’eggs*, *barely there*, *Wonderbra*, *Gear for Sports*, *Zorba*, *Sol y Oro* and *Rinbros* marks, which may be registered in the United States and other jurisdictions. We do not own any trademark, trade name or service mark of any other company appearing in this Quarterly Report on Form 10-Q.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes 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. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can generally be identified by the use of words such as “may,” “believe,” “will,” “expect,” “project,” “estimate,” “intend,” “anticipate,” “plan,” “continue” or similar expressions. In particular, statements under the heading “Outlook” and other information appearing under “Management's Discussion and Analysis of Financial Condition and Results of Operations” include forward-looking statements. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements.

Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is based on the current plans and expectations of our management, expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that the expectation or belief will result or will be achieved or accomplished. Risks and uncertainties that could cause actual results or events to differ materially from those anticipated include risks associated with our ability to realize the benefits anticipated from the Maidenform Brands, Inc. acquisition, as well as the other risks disclosed in our reports filed with the Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K for the year ended December 29, 2012, under the caption “Risk Factors,” as well in the “Investors” section of our corporate website, www.Hanes.com/investors.

All forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are expressly qualified in their entirety by the cautionary statements included in this Quarterly Report on Form 10-Q or our Annual Report on Form 10-K for the year ended December 29, 2012, particularly under the caption “Risk Factors.” We undertake no obligation to update or revise forward-looking statements that may be made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, other than as required by law.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read our SEC filings over the Internet at the SEC’s website at www.sec.gov. To receive copies of public records not posted to the SEC’s web site at prescribed rates, you may complete an online form at www.sec.gov, send a fax to (202) 772-9337 or submit a written request to the SEC, Office of FOIA/PA Operations, 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information.

We make available free of charge at www.Hanes.com/investors (in the “Investors” section) copies of materials we file with, or furnish to, the SEC. By referring to our corporate website, www.Hanes.com/corporate, or any of our other websites, we do not incorporate any such website or its contents into this Quarterly Report on Form 10-Q.

PART I

Item 1. *Financial Statements*

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

	Quarter Ended		Nine Months Ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Net sales	\$ 1,197,346	\$ 1,218,681	\$ 3,342,012	\$ 3,372,465
Cost of sales	775,666	818,751	2,157,551	2,350,489
Gross profit	421,680	399,930	1,184,461	1,021,976
Selling, general and administrative expenses	244,782	243,422	740,973	734,872
Operating profit	176,898	156,508	443,488	287,104
Other expenses	795	3,373	2,010	4,829
Interest expense, net	25,002	32,897	75,846	106,503
Income from continuing operations before income tax expense	151,101	120,238	365,632	175,772
Income tax expense	25,838	9,055	67,404	21,544
Income from continuing operations	125,263	111,183	298,228	154,228
Loss from discontinued operations, net of tax	—	(1,291)	—	(69,935)
Net income	<u>\$ 125,263</u>	<u>\$ 109,892</u>	<u>\$ 298,228</u>	<u>\$ 84,293</u>
Earnings per share — basic:				
Continuing operations	\$ 1.25	\$ 1.13	\$ 2.99	\$ 1.56
Discontinued operations	—	(0.01)	—	(0.71)
Net income	<u>\$ 1.25</u>	<u>\$ 1.11</u>	<u>\$ 2.99</u>	<u>\$ 0.85</u>
Earnings per share — diluted:				
Continuing operations	\$ 1.23	\$ 1.11	\$ 2.93	\$ 1.54
Discontinued operations	—	(0.01)	—	(0.70)
Net income	<u>\$ 1.23</u>	<u>\$ 1.09</u>	<u>\$ 2.93</u>	<u>\$ 0.84</u>

See accompanying notes to Condensed Consolidated Financial Statements.

HANESBRANDS INC.
Condensed Consolidated Statements of Comprehensive Income
(in thousands)
(unaudited)

	Quarter Ended		Nine Months Ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Net income	\$ 125,263	\$ 109,892	\$ 298,228	\$ 84,293
Other comprehensive income (loss), net of tax of \$1,342, \$1,581, \$5,013 and \$4,357, respectively	1,062	4,881	(842)	8,196
Comprehensive income	\$ 126,325	\$ 114,773	\$ 297,386	\$ 92,489

See accompanying notes to Condensed Consolidated Financial Statements.

HANESBRANDS INC.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)
(unaudited)

	September 28, 2013	December 29, 2012
Assets		
Cash and cash equivalents	\$ 132,320	\$ 42,796
Trade accounts receivable, net	585,710	506,278
Inventories	1,313,971	1,253,136
Deferred tax assets	168,338	166,189
Other current assets	56,714	59,126
Total current assets	<u>2,257,053</u>	<u>2,027,525</u>
Property, net	566,776	596,158
Trademarks and other identifiable intangibles, net	111,839	120,114
Goodwill	432,979	433,300
Deferred tax assets	405,135	397,529
Other noncurrent assets	61,235	57,074
Total assets	<u>\$ 3,835,017</u>	<u>\$ 3,631,700</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 440,357	\$ 403,644
Accrued liabilities	301,505	271,972
Notes payable	5,209	26,216
Accounts Receivable Securitization Facility	166,614	173,836
Total current liabilities	<u>913,685</u>	<u>875,668</u>
Long-term debt	1,250,000	1,317,500
Pension and postretirement benefits	404,554	446,267
Other noncurrent liabilities	114,674	105,399
Total liabilities	<u>2,682,913</u>	<u>2,744,834</u>
Stockholders' equity:		
Preferred stock (50,000,000 authorized shares; \$.01 par value)		
Issued and outstanding — None	—	—
Common stock (500,000,000 authorized shares; \$.01 par value)		
Issued and outstanding — 99,109,326 and 98,269,868, respectively	991	983
Additional paid-in capital	300,223	292,029
Retained earnings	1,169,345	911,467
Accumulated other comprehensive loss	(318,455)	(317,613)
Total stockholders' equity	<u>1,152,104</u>	<u>886,866</u>
Total liabilities and stockholders' equity	<u>\$ 3,835,017</u>	<u>\$ 3,631,700</u>

See accompanying notes to Condensed Consolidated Financial Statements.

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

	Nine Months Ended	
	September 28, 2013	September 29, 2012
Operating activities:		
Net income	\$ 298,228	\$ 84,293
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of long-lived assets	67,201	70,096
Impairment of intangibles	—	37,425
Loss on disposition of business	—	31,811
Amortization of debt issuance costs	5,160	7,077
Stock compensation expense	7,742	6,722
Deferred taxes and other	541	(8,856)
Changes in assets and liabilities, net of disposition of business:		
Accounts receivable	(85,145)	(122,929)
Inventories	(68,389)	230,427
Other assets	(5,626)	12,702
Accounts payable	42,718	(18,503)
Accrued liabilities and other	(5,445)	(20,860)
Net cash provided by operating activities	256,985	309,405
Investing activities:		
Capital expenditures	(30,721)	(29,475)
Proceeds from sales of assets	5,896	313
Disposition of business	—	12,708
Net cash used in investing activities	(24,825)	(16,454)
Financing activities:		
Borrowings on notes payable	68,333	43,251
Repayments on notes payable	(89,168)	(55,645)
Borrowings on Accounts Receivable Securitization Facility	100,731	156,817
Repayments on Accounts Receivable Securitization Facility	(107,953)	(129,775)
Borrowings on Revolving Loan Facility	2,629,000	2,177,000
Repayments on Revolving Loan Facility	(2,696,500)	(2,191,500)
Redemption of Floating Rate Senior Notes	—	(148,092)
Cash dividends paid	(39,615)	—
Proceeds from stock options exercised	5,279	4,103
Taxes paid related to net shares settlement of equity awards	(24,832)	—
Excess tax benefit from stock-based compensation	18,220	491
Other	(4,914)	(2,839)
Net cash used in financing activities	(141,419)	(146,189)
Effect of changes in foreign exchange rates on cash	(1,217)	162
Increase in cash and cash equivalents	89,524	146,924
Cash and cash equivalents at beginning of year	42,796	35,345
Cash and cash equivalents at end of period	\$ 132,320	\$ 182,269

See accompanying notes to Condensed Consolidated Financial Statements.

HANESBRANDS INC.

**Notes to Condensed Consolidated Financial Statements
(dollars and shares in thousands, except per share data)
(unaudited)**

(1) Basis of Presentation

These statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) and, in accordance with those rules and regulations, do not include all information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Management believes that the disclosures made are adequate for a fair statement of the results of operations, financial condition and cash flows of Hanesbrands Inc., a Maryland corporation, and its consolidated subsidiaries (the “Company” or “Hanesbrands”). In the opinion of management, the condensed consolidated interim financial statements reflect all adjustments, which consist only of normal recurring adjustments, necessary to state fairly the results of operations, financial condition and cash flows for the interim periods presented herein. The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make use of estimates and assumptions that affect the reported amounts and disclosures. Actual results may vary from these estimates.

These condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s most recent Annual Report on Form 10-K. The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the full year.

In May 2012, the Company sold its European imagewear business and completed the discontinuation of its private-label and Outer Banks domestic imagewear operations which served wholesalers that sell to the screen-print industry. As a result of these actions, the prior-year disclosures reflect these operations as discontinued operations.

(2) Recent Accounting Pronouncements

Presentation of Comprehensive Income

In February 2013, the Financial Accounting Standards Board (the “FASB”) issued a final rule related to the reporting of amounts reclassified out of accumulated other comprehensive income that requires entities to report, either on their income statement or in a footnote to their financial statements, the effects on earnings from items that are reclassified out of other comprehensive income. The new accounting rules were effective for the Company in the first quarter of 2013. The adoption of the new accounting rules did not have a material effect on the Company’s financial condition, results of operations or cash flows.

Disclosures About Offsetting Assets and Liabilities

In December 2011, the FASB issued new accounting rules related to new disclosure requirements regarding the nature of an entity’s rights of setoff and related arrangements associated with its financial instruments and derivative instruments. The new rules are effective for the Company in the first quarter of 2014 with retrospective application required. The Company does not expect the adoption of the new accounting rules to have a material effect on the Company’s financial condition, results of operations or cash flows.

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
(unaudited)
(3) Earnings Per Share

Basic earnings per share (“EPS”) was computed by dividing net income by the number of weighted average shares of common stock outstanding. Diluted EPS was calculated to give effect to all potentially dilutive shares of common stock using the treasury stock method. The reconciliation of basic to diluted weighted average shares outstanding is as follows:

	Quarter Ended		Nine Months Ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Basic weighted average shares outstanding	100,066	98,707	99,764	98,611
Effect of potentially dilutive securities:				
Stock options	1,259	1,366	1,484	1,192
Restricted stock units	661	398	675	327
Employee stock purchase plan and other	1	1	—	1
Diluted weighted average shares outstanding	101,987	100,472	101,923	100,131

For the quarters ended September 28, 2013 and September 29, 2012, 14 and 0 restricted stock units, respectively, were excluded from the diluted earnings per share calculation, and for the nine months ended September 28, 2013 and September 29, 2012, 14 and 11 restricted stock units, respectively, were excluded from the diluted earnings per share calculation because their effect would be anti-dilutive. For the nine months ended September 29, 2012, options to purchase 1 share of common stock was excluded from the diluted earnings per share calculation because its effect would have been anti-dilutive.

(4) Inventories

Inventories consisted of the following:

	September 28, 2013	December 29, 2012
Raw materials	\$ 180,092	\$ 167,883
Work in process	131,549	143,713
Finished goods	1,002,330	941,540
	<u>\$ 1,313,971</u>	<u>\$ 1,253,136</u>

(5) Debt

Debt consisted of the following:

	Interest Rate as of September 28, 2013	Principal Amount		Maturity Date
		September 28, 2013	December 29, 2012	
Revolving Loan Facility	—	\$ —	\$ 67,500	July 2018
6.375% Senior Notes	6.38%	1,000,000	1,000,000	December 2020
8% Senior Notes	8.00%	250,000	250,000	December 2016
Accounts Receivable Securitization Facility	1.24%	166,614	173,836	March 2014
		1,416,614	1,491,336	
Less current maturities		166,614	173,836	
		<u>\$ 1,250,000</u>	<u>\$ 1,317,500</u>	

As of September 28, 2013, the Company had \$1,091,547 of borrowing availability under the \$1,100,000 revolving credit facility (the “Revolving Loan Facility”) under the senior secured credit facility after taking into account outstanding borrowings and \$8,453 of standby and trade letters of credit issued and outstanding under this facility.

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
(unaudited)

In July 2013, the Company amended the Revolving Loan Facility to increase the borrowing limit to \$1,100,000, decrease borrowing costs by 25 basis points and extend the maturity date to (i) July 2018 or (ii) September 2016 if the Company's 8% Senior Notes have not been refinanced or repaid or the maturity date thereof has not otherwise been extended beyond July 2018 by September 2016.

In March 2013, the Company amended the accounts receivable securitization facility that it entered into in November 2007 (the "Accounts Receivable Securitization Facility"). This amendment decreased certain fee rates and extended the termination date to March 2014.

As of September 28, 2013, the Company was in compliance with all financial covenants under its credit facilities.

(6) Accumulated Other Comprehensive Loss

The components of Accumulated other comprehensive loss ("AOCI") are as follows:

	Cumulative Translation Adjustment	Foreign Exchange Contracts	Defined Benefit Plans	Income Taxes	Accumulated Other Comprehensive Loss
Balance at December 29, 2012	\$ (8,340)	\$ 853	\$ (512,558)	\$ 202,432	\$ (317,613)
Amounts reclassified from accumulated other comprehensive loss	—	(13)	11,561	(4,532)	7,016
Current-period other comprehensive income (loss) activity	(8,488)	1,111	—	(481)	(7,858)
Balance at September 28, 2013	\$ (16,828)	\$ 1,951	\$ (500,997)	\$ 197,419	\$ (318,455)

The Company had the following reclassifications out of Accumulated other comprehensive loss:

Component of AOCI	Location of Reclassification into Income	Amount of Reclassification from AOCI		Amount of Reclassification from AOCI	
		Quarter Ended		Nine Months Ended	
		September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Gain (loss) on foreign exchange contracts	Cost of sales	\$ 8	\$ 41	\$ 13	\$ (1)
	Income tax	(3)	(16)	(5)	1
	Net of tax	\$ 5	\$ 25	\$ 8	\$ —
Amortization of loss on interest rate hedge	Interest expense, net	\$ —	\$ (1,004)	\$ —	\$ (3,164)
	Income tax	—	400	—	1,262
	Net of tax	\$ —	\$ (604)	\$ —	\$ (1,902)
Amortization of deferred actuarial loss and prior service cost	Selling, general and administrative expenses	\$ (3,852)	\$ (3,989)	\$ (11,561)	\$ (11,967)
	Income tax	1,512	1,590	4,537	4,770
	Net of tax	\$ (2,340)	\$ (2,399)	\$ (7,024)	\$ (7,197)
Total reclassifications		\$ (2,335)	\$ (2,978)	\$ (7,016)	\$ (9,099)

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
(unaudited)
(7) Financial Instruments and Risk Management

The Company uses forward foreign exchange contracts to manage its exposures to movements in foreign exchange rates. As of September 28, 2013, the notional U.S. dollar equivalent of commitments to sell and purchase foreign currencies within the Company's derivative portfolio was \$81,337 and \$8,414 respectively, primarily consisting of contracts hedging exposures to the Mexican peso, Canadian dollar, Australian dollar, Brazilian real and Japanese yen.

Fair Values of Derivative Instruments

The fair values of derivative financial instruments recognized in the Condensed Consolidated Balance Sheets of the Company were as follows:

	Balance Sheet Location	Fair Value	
		September 28, 2013	December 29, 2012
Hedges	Other current assets	\$ 401	\$ 708
Non-hedges	Other current assets	694	380
Total derivative assets		\$ 1,095	\$ 1,088
Hedges	Accrued liabilities	\$ (218)	\$ (184)
Non-hedges	Accrued liabilities	(216)	(84)
Total derivative liabilities		\$ (434)	\$ (268)
Net derivative asset		\$ 661	\$ 820

Cash Flow Hedges

The Company uses forward foreign exchange contracts to reduce the effect of fluctuating foreign currencies on short-term foreign currency-denominated transactions, foreign currency-denominated investments, and other known foreign currency exposures. Gains and losses on these contracts are intended to offset losses and gains on the hedged transaction in an effort to reduce the earnings volatility resulting from fluctuating foreign currency exchange rates.

The Company expects to reclassify into earnings during the next 12 months a net loss from Accumulated other comprehensive loss of approximately \$1,247.

The changes in fair value of derivatives excluded from the Company's effectiveness assessments and the ineffective portion of the changes in the fair value of derivatives used as cash flow hedges are reported in the "Selling, general and administrative expenses" line in the Condensed Consolidated Statements of Income.

The effect of cash flow hedge derivative instruments on the Condensed Consolidated Statements of Income and Accumulated other comprehensive loss is as follows:

	Amount of Gain (Loss) Recognized in Accumulated Other Comprehensive Loss (Effective Portion)		Amount of Gain (Loss) Recognized in Accumulated Other Comprehensive Loss (Effective Portion)	
	Quarter Ended		Nine Months Ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Foreign exchange contracts	\$ (513)	\$ (985)	\$ 1,111	\$ (1,250)

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
(unaudited)

	Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)		Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)	
		Quarter Ended		Nine Months Ended	
		September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Interest rate contracts	Interest expense, net	\$ —	\$ (1,004)	\$ —	\$ (3,164)
Foreign exchange contracts	Cost of sales	8	41	13	(1)
Total		\$ 8	\$ (963)	\$ 13	\$ (3,165)

Derivative Contracts Not Designated As Hedges

The Company uses foreign exchange derivative contracts as economic hedges against the impact of foreign exchange fluctuations on anticipated intercompany purchase and lending transactions denominated in foreign currencies. Gains or losses on these contracts largely offset the net remeasurement gains or losses on the related assets and liabilities.

The effect of derivative contracts not designated as hedges on the Condensed Consolidated Statements of Income is as follows:

	Location of Loss Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income		Amount of Gain (Loss) Recognized in Income	
		Quarter Ended		Nine Months Ended	
		September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Foreign exchange contracts	Selling, general and administrative expenses	\$ (502)	\$ (1,891)	\$ 61	\$ (3,952)

(8) Fair Value of Assets and Liabilities

Fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability. A three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value, is utilized for disclosing the fair value of the Company's assets and liabilities. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of September 28, 2013, the Company held certain financial assets and liabilities related to foreign exchange derivative contracts that are required to be measured at fair value on a recurring basis. The fair values of foreign currency derivatives are determined using the cash flows of the foreign exchange contract, discount rates to account for the passage of time and current foreign exchange market data and are categorized as Level 2. The Company's defined benefit pension plan investments are not required to be measured at fair value on a recurring basis.

There were no changes during the quarter ended September 28, 2013 to the Company's valuation techniques used to measure asset and liability fair values on a recurring basis. There were no transfers between the three level categories and there were no Level 3 assets or liabilities measured on a quarterly basis during the quarter ended September 28, 2013. As of and during the quarter and nine months ended September 28, 2013, the Company did not have any non-financial assets or liabilities that were required to be measured at fair value on a recurring or non-recurring basis.

The following tables set forth by level within the fair value hierarchy the Company's financial assets and liabilities accounted for at fair value on a recurring basis.

HANESBRANDS INC.

Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
(unaudited)

	Assets (Liabilities) at Fair Value as of September 28, 2013		
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foreign exchange derivative contracts	\$ —	\$ 1,095	\$ —
Foreign exchange derivative contracts	—	(434)	—
Total	\$ —	\$ 661	\$ —

	Assets (Liabilities) at Fair Value as of December 29, 2012		
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foreign exchange derivative contracts	\$ —	\$ 1,088	\$ —
Foreign exchange derivative contracts	—	(268)	—
Total	\$ —	\$ 820	\$ —

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, trade accounts receivable, notes receivable and accounts payable approximated fair value as of September 28, 2013 and December 29, 2012. The carrying amount of trade accounts receivable includes allowance for doubtful accounts, chargebacks and other deductions of \$14,591 and \$14,940 as of September 28, 2013 and December 29, 2012, respectively. The fair value of debt, which is classified as a Level 2 liability, was \$1,508,864 and \$1,609,114 as of September 28, 2013 and December 29, 2012 and had a carrying value of \$1,416,614 and \$1,491,336, respectively. The fair values were estimated using quoted market prices as provided in secondary markets which consider the Company's credit risk and market related conditions. The carrying amounts of the Company's notes payable, which is classified as a Level 2 liability, approximated fair value as of September 28, 2013 and December 29, 2012, primarily due to the short-term nature of these instruments.

(9) Income Taxes

The Company's effective income tax rate was 17% and 18% for the quarter and nine months ended September 28, 2013, and 8% and 12% for the quarter and nine months ended September 29, 2012, respectively. The higher effective income tax rate for the quarter and nine months ended September 28, 2013 compared to the quarter and nine months ended September 29, 2012 was primarily attributable to a higher proportion of earnings attributed to domestic subsidiaries, which are taxed at rates higher than foreign subsidiaries.

The nine months ended September 28, 2013 included net discrete tax benefits of approximately \$20,000, which included an income tax benefit of approximately \$6,000 recorded in the first quarter of 2013 related to the retroactive application of the American Taxpayer Relief Act of 2012 that was signed into law in January 2013, approximately \$4,000 of tax benefits recorded in the second quarter of 2013 related to the realization of unrecognized tax benefits resulting from the lapsing of statutes of limitations in certain foreign jurisdictions, and approximately \$10,000 of tax benefits recorded in the third quarter of 2013 related primarily to the realization of unrecognized tax benefits resulting from the lapsing of domestic and foreign statutes of limitations.

The nine months ended September 29, 2012 included net discrete tax benefits of approximately \$13,000, recorded in the third quarter of 2012, which included an income tax benefit of approximately \$9,000 related to the realization of unrecognized tax benefits resulting from the expiration of domestic statutes of limitations and an income tax benefit of approximately \$4,000 related to an increase in research and development tax credits.

HANESBRANDS INC.

Notes to Condensed Consolidated Financial Statements — (Continued)
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(10) Discontinued Operations***European Imagewear***

In May 2012, the Company sold its European imagewear business to Smartwares, B.V. for €15,000 (approximately \$13,000, net of fees and other transaction related costs) in cash proceeds, resulting in a pre-tax loss of approximately \$33,000. The European imagewear business was previously reported within the International segment.

Domestic Imagewear

In 2012, the Company completed the discontinuation of its private-label and Outer Banks domestic imagewear operations that served wholesalers that sell to the screen-print industry. During 2012, the Company incurred pre-tax charges of approximately \$63,000, substantially all noncash, for the write-down of intangibles, inventory markdowns and other related items. The private-label and Outer Banks domestic imagewear operations were previously reported within the Activewear segment.

The operating results of these discontinued operations only reflect revenues and expenses that are directly attributable to these businesses and that will be eliminated from ongoing operations. The key components from discontinued operations related to the European and domestic imagewear businesses were as follows:

	Quarter Ended	Nine Months Ended
	September 29,	September 29,
	2012	2012
Net sales	\$ 14,915	\$ 88,769
Cost of sales	16,512	116,174
Gross profit loss	(1,597)	(27,405)
Selling, general and administrative expenses	293	7,005
Impairment of intangibles	(172)	37,425
Operating loss	(1,718)	(71,835)
Interest expense, net	—	4
Loss on disposal of business	195	31,811
Loss from discontinued operations before income tax benefit	(1,913)	(103,650)
Income tax benefit	(622)	(33,715)
Loss from discontinued operations, net of tax	\$ (1,291)	\$ (69,935)

(11) Business Segment Information

The Company's operations are managed and reported in four operating segments, each of which is a reportable segment for financial reporting purposes: Innerwear, Activewear, Direct to Consumer and International. In the first quarter of 2013, the Company renamed the Outerwear segment to Activewear to reflect the trend of this category becoming a part of consumers' active lifestyles and more aptly describe the competitive space of this business. These segments are organized principally by product category, geographic location and distribution channel. Each segment has its own management that is responsible for the operations of the segment's businesses, but the segments share a common supply chain and media and marketing platforms.

The types of products and services from which each reportable segment derives its revenues are as follows:

- Innerwear sells basic branded products that are replenishment in nature under the product categories of men's underwear, kids' underwear, socks and intimates, which includes bras, panties, hosiery and shapewear.
- Activewear sells basic branded products that are primarily seasonal in nature under the product categories of branded printwear and retail activewear, as well as licensed logo apparel in collegiate bookstores and other channels.
- Direct to Consumer includes the Company's value-based ("outlet") stores and Internet operations which sell products from the Company's portfolio of leading brands. The Company's Internet operations are supported by its catalogs.

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
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- International primarily relates to the Asia, Latin America, Canada and Australia geographic locations that sell products that span across the Innerwear and Activewear reportable segments.

The Company evaluates the operating performance of its segments based upon segment operating profit, which is defined as operating profit before general corporate expenses and amortization of intangibles. The accounting policies of the segments are consistent with those described in Note 2 to the Company's consolidated financial statements included in its Annual Report on Form 10-K for the year ended December 29, 2012. The Company decided in the first quarter of 2013 to revise the manner in which the Company allocates certain selling, general and administrative expenses. Certain prior-year segment operating profit disclosures have been revised to conform to the current-year presentation.

	Quarter Ended		Nine Months Ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Net sales:				
Innerwear	\$ 560,127	\$ 574,278	\$ 1,744,471	\$ 1,748,256
Activewear	405,091	413,033	966,508	981,021
Direct to Consumer	100,003	99,111	272,719	278,396
International	132,125	132,259	358,314	364,792
Total net sales	\$ 1,197,346	\$ 1,218,681	\$ 3,342,012	\$ 3,372,465

	Quarter Ended		Nine Months Ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
Segment operating profit:				
Innerwear	\$ 99,887	\$ 100,069	\$ 342,331	\$ 277,737
Activewear	68,591	49,327	127,020	32,710
Direct to Consumer	16,245	12,573	25,441	18,781
International	16,648	17,739	31,662	34,525
Total segment operating profit	201,371	179,708	526,454	363,753
Items not included in segment operating profit:				
General corporate expenses	(21,143)	(19,853)	(72,968)	(66,550)
Amortization of intangibles	(3,330)	(3,347)	(9,998)	(10,099)
Total operating profit	176,898	156,508	443,488	287,104
Other expenses	(795)	(3,373)	(2,010)	(4,829)
Interest expense, net	(25,002)	(32,897)	(75,846)	(106,503)
Income from continuing operations before income tax expense	\$ 151,101	\$ 120,238	\$ 365,632	\$ 175,772

(12) Consolidating Financial Information

In accordance with the indenture governing the Company's \$250,000 8% Senior Notes issued on December 10, 2009 and the indenture governing the Company's \$1,000,000 6.375% Senior Notes issued on November 9, 2010, as supplemented from time to time (together, the "Indentures"), certain of the Company's subsidiaries have guaranteed the Company's obligations under the 8% Senior Notes and the 6.375% Senior Notes, respectively. The following presents the condensed consolidating financial information separately for:

- Parent Company, the issuer of the guaranteed obligations. Parent Company includes Hanesbrands Inc. and its 100% owned operating divisions which are not legal entities, and excludes its subsidiaries which are legal entities;
- Guarantor subsidiaries, on a combined basis, as specified in the Indentures;
- Non-guarantor subsidiaries, on a combined basis;
- Consolidating entries and eliminations representing adjustments to (a) eliminate intercompany transactions between or among Parent Company, the guarantor subsidiaries and the non-guarantor subsidiaries, (b) eliminate

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
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intercompany profit in inventory, (c) eliminate the investments in the Company's subsidiaries and (d) record consolidating entries; and
(v) The Company, on a consolidated basis.

The 8% Senior Notes and the 6.375% Senior Notes are fully and unconditionally guaranteed on a joint and several basis by each guarantor subsidiary, each of which is 100% owned, directly or indirectly, by Hanesbrands Inc. A guarantor subsidiary's guarantee can be released in certain customary circumstances. Each entity in the consolidating financial information follows the same accounting policies as described in the consolidated financial statements, except for the use by the Parent Company and guarantor subsidiaries of the equity method of accounting to reflect ownership interests in subsidiaries which are eliminated upon consolidation.

Condensed Consolidating Statement of Comprehensive Income
Quarter Ended September 28, 2013

	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
Net sales	\$ 1,006,219	\$ 201,097	\$ 621,751	\$ (631,721)	\$ 1,197,346
Cost of sales	788,512	100,344	493,115	(606,305)	775,666
Gross profit	217,707	100,753	128,636	(25,416)	421,680
Selling, general and administrative expenses	184,566	34,010	27,715	(1,509)	244,782
Operating profit	33,141	66,743	100,921	(23,907)	176,898
Equity in earnings of subsidiaries	127,032	70,951	—	(197,983)	—
Other expenses	795	—	—	—	795
Interest expense, net	23,049	—	1,953	—	25,002
Income from continuing operations before income tax expense	136,329	137,694	98,968	(221,890)	151,101
Income tax expense	11,066	7,962	6,810	—	25,838
Income from continuing operations	125,263	129,732	92,158	(221,890)	125,263
Loss from discontinued operations, net of tax	—	—	—	—	—
Net income	\$ 125,263	\$ 129,732	\$ 92,158	\$ (221,890)	\$ 125,263
Comprehensive income	\$ 126,325	\$ 129,732	\$ 91,023	\$ (220,755)	\$ 126,325

Condensed Consolidating Statement of Comprehensive Income
Quarter Ended September 29, 2012

	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
Net sales	\$ 1,015,571	\$ 197,538	\$ 632,167	\$ (626,595)	\$ 1,218,681
Cost of sales	824,981	99,793	494,452	(600,475)	818,751
Gross profit	190,590	97,745	137,715	(26,120)	399,930
Selling, general and administrative expenses	187,016	32,865	24,758	(1,217)	243,422
Operating profit	3,574	64,880	112,957	(24,903)	156,508
Equity in earnings of subsidiaries	135,794	78,342	—	(214,136)	—
Other expenses	3,373	—	—	—	3,373
Interest expense, net	30,214	(1)	2,687	(3)	32,897
Income from continuing operations before income tax expense (benefit)	105,781	143,223	110,270	(239,036)	120,238
Income tax expense (benefit)	(5,567)	8,926	5,696	—	9,055
Income from continuing operations	111,348	134,297	104,574	(239,036)	111,183
Income (loss) from discontinued operations, net of tax	(1,456)	—	165	—	(1,291)
Net income	\$ 109,892	\$ 134,297	\$ 104,739	\$ (239,036)	\$ 109,892
Comprehensive income	\$ 114,773	\$ 134,297	\$ 105,962	\$ (240,259)	\$ 114,773

HANESBRANDS INC.

Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
(unaudited)

Condensed Consolidating Statement of Comprehensive Income
Nine Months Ended September 28, 2013

	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
Net sales	\$ 2,921,292	\$ 502,179	\$ 1,769,432	\$ (1,850,891)	\$ 3,342,012
Cost of sales	2,286,074	242,603	1,395,191	(1,766,317)	2,157,551
Gross profit	635,218	259,576	374,241	(84,574)	1,184,461
Selling, general and administrative expenses	547,403	108,141	89,463	(4,034)	740,973
Operating profit	87,815	151,435	284,778	(80,540)	443,488
Equity in earnings of subsidiaries	314,898	198,981	—	(513,879)	—
Other expenses	2,010	—	—	—	2,010
Interest expense, net	70,958	—	4,888	—	75,846
Income from continuing operations before income tax expense	329,745	350,416	279,890	(594,419)	365,632
Income tax expense	31,517	17,091	18,796	—	67,404
Income from continuing operations	298,228	333,325	261,094	(594,419)	298,228
Loss from discontinued operations, net of tax	—	—	—	—	—
Net income	\$ 298,228	\$ 333,325	\$ 261,094	\$ (594,419)	\$ 298,228
Comprehensive income	\$ 297,386	\$ 333,325	\$ 253,660	\$ (586,985)	\$ 297,386

Condensed Consolidating Statement of Comprehensive Income
Nine Months Ended September 29, 2012

	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
Net sales	\$ 2,909,716	\$ 499,345	\$ 1,727,880	\$ (1,764,476)	\$ 3,372,465
Cost of sales	2,399,275	239,531	1,414,140	(1,702,457)	2,350,489
Gross profit	510,441	259,814	313,740	(62,019)	1,021,976
Selling, general and administrative expenses	548,650	97,836	91,767	(3,381)	734,872
Operating profit (loss)	(38,209)	161,978	221,973	(58,638)	287,104
Equity in earnings of subsidiaries	238,712	153,265	—	(391,977)	—
Other expenses	4,829	—	—	—	4,829
Interest expense, net	98,534	(8)	7,979	(2)	106,503
Income from continuing operations before income tax expense (benefit)	97,140	315,251	213,994	(450,613)	175,772
Income tax expense (benefit)	(14,646)	24,656	11,534	—	21,544
Income from continuing operations	111,786	290,595	202,460	(450,613)	154,228
Loss from discontinued operations, net of tax	(27,493)	(31,791)	(14,636)	3,985	(69,935)
Net income	\$ 84,293	\$ 258,804	\$ 187,824	\$ (446,628)	\$ 84,293
Comprehensive income	\$ 92,489	\$ 258,804	\$ 187,116	\$ (445,920)	\$ 92,489

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
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	Condensed Consolidating Balance Sheet September 28, 2013				
	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
Assets					
Cash and cash equivalents	\$ 14,056	\$ 2,682	\$ 115,582	\$ —	\$ 132,320
Trade accounts receivable, net	48,092	54,203	485,196	(1,781)	585,710
Inventories	996,230	110,845	415,863	(208,967)	1,313,971
Deferred tax assets	164,013	1,015	3,310	—	168,338
Other current assets	27,915	10,729	18,337	(267)	56,714
Total current assets	1,250,306	179,474	1,038,288	(211,015)	2,257,053
Property, net	83,852	37,391	445,533	—	566,776
Trademarks and other identifiable intangibles, net	8,718	88,161	14,960	—	111,839
Goodwill	232,882	124,247	75,850	—	432,979
Investments in subsidiaries	2,555,730	1,453,875	—	(4,009,605)	—
Deferred tax assets	233,926	154,325	16,884	—	405,135
Receivables from related entities	4,322,565	3,442,323	2,055,671	(9,820,559)	—
Other noncurrent assets	59,290	316	1,629	—	61,235
Total assets	\$ 8,747,269	\$ 5,480,112	\$ 3,648,815	\$ (14,041,179)	\$ 3,835,017
Liabilities and Stockholders' Equity					
Accounts payable	\$ 258,338	\$ 12,179	\$ 169,840	\$ —	\$ 440,357
Accrued liabilities	171,848	53,482	76,305	(130)	301,505
Notes payable	—	—	5,209	—	5,209
Accounts Receivable Securitization Facility	—	—	166,614	—	166,614
Total current liabilities	430,186	65,661	417,968	(130)	913,685
Long-term debt	1,250,000	—	—	—	1,250,000
Pension and postretirement benefits	393,272	—	11,282	—	404,554
Payables to related entities	5,429,729	2,686,892	1,438,538	(9,555,159)	—
Other noncurrent liabilities	91,978	11,130	11,566	—	114,674
Total liabilities	7,595,165	2,763,683	1,879,354	(9,555,289)	2,682,913
Stockholders' equity	1,152,104	2,716,429	1,769,461	(4,485,890)	1,152,104
Total liabilities and stockholders' equity	\$ 8,747,269	\$ 5,480,112	\$ 3,648,815	\$ (14,041,179)	\$ 3,835,017

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
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Condensed Consolidating Balance Sheet
December 29, 2012

	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
Assets					
Cash and cash equivalents	\$ 5,617	\$ 1,919	\$ 35,260	\$ —	\$ 42,796
Trade accounts receivable, net	39,379	32,199	434,825	(125)	506,278
Inventories	882,290	102,121	413,340	(144,615)	1,253,136
Deferred tax assets	161,935	1,015	3,239	—	166,189
Other current assets	30,692	11,917	16,563	(46)	59,126
Total current assets	1,119,913	149,171	903,227	(144,786)	2,027,525
Property, net	90,820	41,326	464,012	—	596,158
Trademarks and other identifiable intangibles, net	10,662	93,727	15,725	—	120,114
Goodwill	232,882	124,247	76,171	—	433,300
Investments in subsidiaries	2,220,706	1,284,516	—	(3,505,222)	—
Deferred tax assets	224,559	154,325	18,645	—	397,529
Receivables from related entities	3,967,079	3,198,153	1,785,466	(8,950,698)	—
Other noncurrent assets	51,686	271	5,117	—	57,074
Total assets	\$ 7,918,307	\$ 5,045,736	\$ 3,268,363	\$ (12,600,706)	\$ 3,631,700
Liabilities and Stockholders' Equity					
Accounts payable	\$ 217,645	\$ 8,209	\$ 177,790	\$ —	\$ 403,644
Accrued liabilities	145,962	57,375	68,666	(31)	271,972
Notes payable	—	—	26,216	—	26,216
Accounts Receivable Securitization Facility	—	—	173,836	—	173,836
Total current liabilities	363,607	65,584	446,508	(31)	875,668
Long-term debt	1,317,500	—	—	—	1,317,500
Pension and postretirement benefits	433,490	—	12,777	—	446,267
Payables to related entities	4,835,465	2,582,287	1,281,957	(8,699,709)	—
Other noncurrent liabilities	81,379	10,977	13,043	—	105,399
Total liabilities	7,031,441	2,658,848	1,754,285	(8,699,740)	2,744,834
Stockholders' equity	886,866	2,386,888	1,514,078	(3,900,966)	886,866
Total liabilities and stockholders' equity	\$ 7,918,307	\$ 5,045,736	\$ 3,268,363	\$ (12,600,706)	\$ 3,631,700

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
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Condensed Consolidating Statement of Cash Flows
Nine Months Ended September 28, 2013

	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
Net cash provided by operating activities	\$ 423,624	\$ 177,525	\$ 169,730	\$ (513,894)	\$ 256,985
Investing activities:					
Capital expenditures	(13,106)	(3,601)	(14,014)	—	(30,721)
Proceeds from sales of assets	3,402	26	2,468	—	5,896
Net cash used in investing activities	(9,704)	(3,575)	(11,546)	—	(24,825)
Financing activities:					
Borrowings on notes payable	—	—	68,333	—	68,333
Repayments on notes payable	—	—	(89,168)	—	(89,168)
Borrowings on Accounts Receivable Securitization Facility	—	—	100,731	—	100,731
Repayments on Accounts Receivable Securitization Facility	—	—	(107,953)	—	(107,953)
Borrowings on Revolving Loan Facility	2,629,000	—	—	—	2,629,000
Repayments on Revolving Loan Facility	(2,696,500)	—	—	—	(2,696,500)
Cash dividends paid	(39,615)	—	—	—	(39,615)
Proceeds from stock options exercised	5,279	—	—	—	5,279
Taxes paid related to net shares settlement of equity awards	(24,832)	—	—	—	(24,832)
Excess tax benefit from stock-based compensation	18,220	—	—	—	18,220
Other	(4,602)	—	(309)	(3)	(4,914)
Net transactions with related entities	(292,431)	(173,187)	(48,279)	513,897	—
Net cash used in financing activities	(405,481)	(173,187)	(76,645)	513,894	(141,419)
Effect of changes in foreign exchange rates on cash	—	—	(1,217)	—	(1,217)
Increase in cash and cash equivalents	8,439	763	80,322	—	89,524
Cash and cash equivalents at beginning of year	5,617	1,919	35,260	—	42,796
Cash and cash equivalents at end of period	\$ 14,056	\$ 2,682	\$ 115,582	\$ —	\$ 132,320

HANESBRANDS INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
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	Condensed Consolidating Statement of Cash Flows Nine Months Ended September 29, 2012				
	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Entries and Eliminations	Consolidated
Net cash provided by operating activities	\$ 531,201	\$ 116,698	\$ 53,477	\$ (391,971)	\$ 309,405
Investing activities:					
Capital expenditures	(6,177)	(5,163)	(18,135)	—	(29,475)
Proceeds from sales of assets	70	16	227	—	313
Disposition of business	—	—	12,708	—	12,708
Net cash used in investing activities	(6,107)	(5,147)	(5,200)	—	(16,454)
Financing activities:					
Borrowings on notes payable	—	—	43,251	—	43,251
Repayments on notes payable	—	—	(55,645)	—	(55,645)
Borrowings on Accounts Receivable Securitization Facility	—	—	156,817	—	156,817
Repayments on Accounts Receivable Securitization Facility	—	—	(129,775)	—	(129,775)
Borrowings on Revolving Loan Facility	2,177,000	—	—	—	2,177,000
Repayments on Revolving Loan Facility	(2,191,500)	—	—	—	(2,191,500)
Redemption of Floating Rate Senior Notes	(148,092)	—	—	—	(148,092)
Proceeds from stock options exercised	4,103	—	—	—	4,103
Excess tax benefit from stock-based compensation	491	—	—	—	491
Other	(2,542)	—	(297)	—	(2,839)
Dividends paid to related entities	—	(4,623)	(4,867)	9,490	—
Net transactions with related entities	(280,859)	(106,625)	5,003	382,481	—
Net cash provided by (used in) financing activities	(441,399)	(111,248)	14,487	391,971	(146,189)
Effect of changes in foreign exchange rates on cash	1	—	161	—	162
Increase in cash and cash equivalents	83,696	303	62,925	—	146,924
Cash and cash equivalents at beginning of year	8,330	2,726	24,289	—	35,345
Cash and cash equivalents at end of period	\$ 92,026	\$ 3,029	\$ 87,214	\$ —	\$ 182,269

(13) Subsequent Events

Maidenform Brands Acquisition

On July 24, 2013, the Company announced that it entered into a definitive agreement to acquire Maidenform Brands, Inc. (“Maidenform”), a global intimate apparel company. Maidenform is a leading seller of bras, shapewear and panties under brands such as *Maidenform*, *Flexees*, *Lilyette*, *Self Expressions* and *Sweet Nothings*, as well as Donna Karan and DKNY intimate apparel under license. The Company closed on the acquisition of Maidenform on October 7, 2013 in an all-cash transaction valued at approximately \$583,000. Under the terms of the agreement, Maidenform stockholders received \$23.50 in cash for each share of Maidenform common stock. The Company funded the Maidenform acquisition with cash on hand and short-term borrowings under its Revolving Loan Facility, which the Company plans to retire through free cash flow. The acquisition is expected to create growth and cost savings opportunities and increased scale to serve retailers.

HANESBRANDS INC.

Notes to Condensed Consolidated Financial Statements — (Continued)
(dollars and shares in thousands, except per share data)
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As a result of the acquisition of Maidenform, beginning fourth quarter of 2013, the Company's consolidated results of operations will include the results of Maidenform. Results of Maidenform are not included in the Company's consolidated results of operations for the third quarter or nine months ended September 28, 2013. The Company has not completed a detailed valuation analysis necessary to determine the fair market values of the Maidenform assets acquired and liabilities assumed or any related income tax effects. The Company expects to finalize the acquisition accounting related to the transaction during the fourth quarter of 2013.

Dividends

As part of the Company's cash deployment strategy, in October 2013 the Company's Board of Directors authorized a regular quarterly dividend of \$0.20 per share to be paid December 3, 2013 to stockholders of record at the close of business on November 8, 2013.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis of financial condition and results of operations, or MD&A, contains forward-looking statements that involve risks and uncertainties. Please see "Forward-Looking Statements" in this Quarterly Report on Form 10-Q for a discussion of the uncertainties, risks and assumptions associated with these statements. This discussion should be read in conjunction with our historical financial statements and related notes thereto and the other disclosures contained elsewhere in this Quarterly Report on Form 10-Q. The unaudited condensed consolidated financial statements and notes included herein should be read in conjunction with our audited consolidated financial statements and notes for the year ended December 29, 2012, which were included in our Annual Report on Form 10-K filed with the SEC. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to the risks associated with our ability to realize the benefits anticipated from the Maidenform Brands, Inc. ("Maidenform") acquisition, as well as the risks included elsewhere in this Quarterly Report on Form 10-Q and those included in the "Risk Factors" section and elsewhere in our Annual Report on Form 10-K for the year ended December 29, 2012.

Overview

We are a consumer goods company with a portfolio of leading apparel brands, including *Hanes*, *Champion*, *Bali*, *Playtex*, *Just My Size*, *L'eggs*, *barely there*, *Wonderbra*, *Gear for Sports*, *Zorba*, *Sol y Oro* and *Rinbros*. We design, manufacture, source and sell a broad range of basic apparel such as T-shirts, bras, panties, men's underwear, kids' underwear, casualwear, activewear, socks and hosiery.

Our operations are managed and reported in four operating segments, each of which is a reportable segment for financial reporting purposes: Innerwear, Activewear, Direct to Consumer and International. In the first quarter of 2013, we renamed the Outerwear segment to Activewear to reflect the trend of this category becoming a part of consumers' active lifestyles and more aptly describe the competitive space of this business. These segments are organized principally by product category, geographic location and distribution channel. Each segment has its own management that is responsible for the operations of the segment's businesses, but the segments share a common supply chain and media and marketing platforms. In the first quarter of 2013, we decided to revise the manner in which we allocate certain selling, general and administrative expenses. Certain prior-year segment operating profit disclosures have been revised to conform to the current-year presentation.

In May 2012, we sold our European imagewear business and completed the discontinuation of our private-label and Outer Banks domestic imagewear operations which served wholesalers that sell to the screen-print industry. As a result of these actions, the prior-year disclosures reflect these operations as discontinued operations.

Highlights from the Third Quarter and Nine Months Ended September 28, 2013

Key financial highlights during the quarter are as follows:

- Total net sales in the third quarter of 2013 were \$1.20 billion, compared with \$1.22 billion in the same quarter of 2012, representing a 2% decrease. Total net sales in the nine months of 2013 were \$3.34 billion, compared to \$3.37 billion in the same period of 2012.
- Operating profit was \$177 million in the third quarter of 2013, compared with \$157 million in the same quarter of 2012. As a percentage of sales, operating profit was 14.8% in the third quarter of 2013 compared to 12.8% in the same quarter of 2012. All four of our business segments earned double-digit operating margins in the third quarter of 2013. Operating profit was \$443 million in the nine months of 2013, compared with \$287 million in the same period of 2012. As a percentage of sales, operating profit was 13.3% in the nine months of 2013 compared to 8.5% in the same period of 2012.
- Diluted earnings per share was \$1.23 in the third quarter of 2013, compared with diluted earnings per share from continuing operations of \$1.11 in the same quarter of 2012. Diluted earnings per share was \$2.93 in the nine months of 2013, compared with diluted earnings per share from continuing operations of \$1.54 the same period of 2012.
- On July 24, 2013, we announced that we entered into a definitive agreement to acquire Maidenform Brands, Inc., a global intimate apparel company. Maidenform is a leading seller of bras, shapewear and panties under brands such as *Maidenform*, *Flexees*, *Lilyette*, *Self Expressions* and *Sweet Nothings*, as well as Donna Karan and DKNY intimate apparel under license. We closed on the acquisition of Maidenform on October 7, 2013 in an all cash transaction valued at approximately \$583 million. Under the terms of the agreement, Maidenform stockholders received \$23.50 in cash for each share of Maidenform common stock. We funded the Maidenform acquisition with cash on hand and short-term borrowings under our Revolving Loan Facility, which we plan to retire through free cash flow. The acquisition is expected to create growth and cost savings opportunities and increased scale to serve retailers. Results of

Maidenform are not included in our consolidated results of operations for the third quarter or nine months ended September 28, 2013. We expect to finalize the acquisition accounting related to the transaction during the fourth quarter of 2013.

- As part of our cash deployment strategy, in September 2013 we paid a quarterly dividend of \$0.20 per share.

Outlook

We expect net sales of slightly more than \$4.6 billion in 2013, including approximately \$120 million in the fourth quarter from Maidenform. This guidance assumes flat sales in the fourth quarter excluding the sales contributions by Maidenform. We are taking a conservative view on sales in the fourth quarter considering the soft retail environment and cautious outlook for the year-end holiday season many retailers are taking. We expect to invest approximately \$18 million in incremental media spending in the fourth quarter.

We expect to incur acquisition- and integration-related expenses of \$120 million to \$140 million associated with Maidenform acquisition, with \$50 million to \$60 million of the charges occurring in the fourth quarter of 2013 and the remainder in 2014. Approximately half of the total charges will be noncash.

We continue to expect to retire all \$250 million of our remaining of 8 percent senior notes due 2016 in the fourth quarter of 2013, while also increasing borrowings on our Revolving Credit Facility due to the purchase of Maidenform.

Seasonality and Other Factors

Our operating results are subject to some variability due to seasonality and other factors. Generally, our diverse range of product offerings helps mitigate the impact of seasonal changes in demand for certain items. We generally have higher sales during back-to-school shopping and holiday shopping seasons and during periods of cooler weather, which benefits certain product categories such as fleece. Sales levels in any period are also impacted by customers' decisions to increase or decrease their inventory levels in response to anticipated consumer demand. Our customers may cancel orders, change delivery schedules or change the mix of products ordered with minimal notice to us. Media, advertising and promotion expenses may vary from period to period during a fiscal year depending on the timing of our advertising campaigns for retail selling seasons and product introductions.

Although the majority of our products are replenishment in nature and tend to be purchased by consumers on a planned, rather than on an impulse, basis, our sales are impacted by discretionary spending by consumers. Discretionary spending is affected by many factors, including, among others, general business conditions, interest rates, inflation, consumer debt levels, the availability of consumer credit, taxation, gasoline prices, unemployment trends and other matters that influence consumer confidence and spending. Many of these factors are outside our control. Consumers' purchases of discretionary items, including our products, could decline during periods when disposable income is lower, when prices increase in response to rising costs, or in periods of actual or perceived unfavorable economic conditions. These consumers may choose to purchase fewer of our products or to purchase lower-priced products of our competitors in response to higher prices for our products, or may choose not to purchase our products at prices that reflect our price increases that become effective from time to time.

Changes in product sales mix can impact our gross profit as the percentage of our sales attributable to higher margin products, such as intimate apparel and men's underwear, and lower margin products, such as casualwear and activewear, fluctuate from time to time. In addition, sales attributable to higher and lower margin products within the same product category fluctuate from time to time. Our customers may change the mix of products ordered with minimal notice to us, which makes trends in product sales mix difficult to predict. However, certain changes in product sales mix are seasonal in nature, as sales of socks, hosiery and fleece products generally have higher sales during the last two quarters (July to December) of each fiscal year as a result of cooler weather, back-to-school shopping and holidays, while other changes in product mix may be attributable to customers' preferences and discretionary spending.

Condensed Consolidated Results of Operations — Third Quarter Ended September 28, 2013 Compared with Third Quarter Ended September 29, 2012

	Quarter Ended		Higher (Lower)	Percent Change
	September 28, 2013	September 29, 2012		
	(dollars in thousands)			
Net sales	\$ 1,197,346	\$ 1,218,681	\$ (21,335)	(1.8)%
Cost of sales	775,666	818,751	(43,085)	(5.3)
Gross profit	421,680	399,930	21,750	5.4
Selling, general and administrative expenses	244,782	243,422	1,360	0.6
Operating profit	176,898	156,508	20,390	13.0
Other expenses	795	3,373	(2,578)	(76.4)
Interest expense, net	25,002	32,897	(7,895)	(24.0)
Income from continuing operations before income tax expense	151,101	120,238	30,863	25.7
Income tax expense	25,838	9,055	16,783	185.3
Income from continuing operations	125,263	111,183	14,080	12.7
Loss from discontinued operations, net of tax	—	(1,291)	1,291	NM
Net income	\$ 125,263	\$ 109,892	\$ 15,371	14.0 %

Net Sales

Net sales decreased 2% during the third quarter as a result of a general retail weakness in the back-to-school selling period. Our Innovate-to-Elevate strategy, which combines brand, supply chain and product innovation initiatives, helped drive core-product and new-product success, including share gains in the quarter. Excluding the impact of unfavorable foreign currency exchange rates, net sales decreased less than 1%.

Innerwear segment net sales decreased (3%) during the quarter primarily resulting from lower sales across most of the segment's categories with the exception of bras and socks. Net sales were higher for *Hanes* socks, *Bali* bras and panties, Polo underwear, and *Hanes*, *Playtex* and *Just My Size* bras.

Activewear net sales declined (2%) primarily due to lower net sales in our retail activewear category and the planned reduction of commodity-oriented branded printwear sales to the screen-print industry.

International segment net sales were approximately flat compared to the third quarter of 2012. Excluding the unfavorable impact of foreign exchange rates, International segment net sales were 10% higher. Direct to Consumer segment net sales were higher (1%).

Gross Profit

Our gross margin increased 240 basis points in the third quarter of 2013 with improvements in nearly every segment. Our Innovate-to-Elevate strategy continues to help drive profitable results as we combine our brand and supply chain strengths with product innovation. Our Innovate-to-Elevate strategy leverages our strong brands and drives a higher price per unit for our entire product portfolio with innovative platforms such as *Hanes X-Temp* underwear and socks, *Comfort Blend* underwear and *Smart Sizes* bras. Our supply chain allows us to leverage our scale to lower our cost per unit and improve margins.

Selling, General and Administrative Expenses

As a percentage of net sales, our selling, general and administrative expenses was 20.4% in the third quarter of 2013 compared to 20.0% in the third quarter of 2012. The higher selling, general and administrative expenses were primarily attributable to our planned higher media spending of \$8 million, partially offset by lower distribution costs and lower general and administrative expenses.

Other Highlights

Interest Expense - lower by \$8 million in the third quarter of 2013 compared to the third quarter of 2012 primarily due to lower outstanding debt balances and a lower weighted average interest rate. Our weighted average interest rate on our outstanding debt was 5.33% during the third quarter of 2013, compared to 5.76% in the third quarter of 2012.

Income Tax Expense – our effective income tax rate was 17% and 8% for the third quarter of 2013 and the third quarter of 2012, respectively. The higher effective income tax rate was primarily attributable to a higher proportion of earnings attributed to domestic subsidiaries, which are taxed at rates higher than foreign subsidiaries. The third quarter of 2013 included \$10 million of discrete net tax benefits related primarily to the realization of unrecognized tax benefits resulting from the lapsing of domestic and foreign statutes of limitations. The third quarter of 2012 included discrete net tax benefits of approximately \$13 million, which consisted of an income tax benefit of approximately \$9 million related to the realization of unrecognized tax benefits resulting from the expiration of domestic statutes of limitations and an income tax benefit of approximately \$4 million related to an increase in research and development tax credits.

Operating Results by Business Segment — Third Quarter Ended September 28, 2013 Compared with Third Quarter Ended September 29, 2012

	Net Sales		Operating Profit	
	Quarter Ended		Quarter Ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
	(dollars in thousands)			
Innerwear	\$ 560,127	\$ 574,278	\$ 99,887	\$ 100,069
Activewear	405,091	413,033	68,591	49,327
Direct to Consumer	100,003	99,111	16,245	12,573
International	132,125	132,259	16,648	17,739
Corporate	—	—	(24,473)	(23,200)
Total	\$ 1,197,346	\$ 1,218,681	\$ 176,898	\$ 156,508

Innerwear

	Quarter Ended		Higher (Lower)	Percent Change
	September 28, 2013	September 29, 2012		
	(dollars in thousands)			
Net sales	\$ 560,127	\$ 574,278	\$ (14,151)	(2.5)%
Segment operating profit	99,887	100,069	(182)	(0.2)

A general retail weakness in the back-to-school selling period led to lower sales across most of the segment's categories. The soft retail environment resulted in lower sales volume which was partially offset by a higher price per unit as a result of the success of our Innovate-to-Elevate strategy. Net sales were higher for *Hanes* socks, *Bali* bras and panties, *Polo* underwear, and *Hanes*, *Playtex* and *Just My Size* bras.

Innerwear segment operating margin improved 40 basis points to 17.8% in the third quarter of 2013 which resulted from benefits from our Innovate-to-Elevate strategy that is increasing our price per unit with margin accretive product innovations and reducing our cost per unit through supply chain efficiencies and lower input costs. The operating margin was also impacted by planned higher media spending and lower sales volume.

Activewear

	Quarter Ended		Higher (Lower)	Percent Change
	September 28, 2013	September 29, 2012		
	(dollars in thousands)			
Net sales	\$ 405,091	\$ 413,033	\$ (7,942)	(1.9)%
Segment operating profit	68,591	49,327	19,264	39.1

The lower net sales of Activewear is primarily attributable to lower sales volume and the planned reduction of commodity-oriented branded printwear sales to the screen-print industry, partially offset by a higher price per unit as a result of the success of our Innovate-to-Elevate strategy.

Activewear segment operating margin improved by 500 basis points to 16.9% in the quarter. This significant improvement was driven by our Innovate-to-Elevate strategy which is increasing our price per unit with margin accretive product innovations and reducing our cost per unit through supply chain efficiencies and lower input costs. The margin improvement was also impacted by the planned reduction of lower margin commodity-oriented branded printwear sales.

Direct to Consumer

	Quarter Ended		Higher (Lower)	Percent Change
	September 28, 2013	September 29, 2012		
	(dollars in thousands)			
Net sales	\$ 100,003	\$ 99,111	\$ 892	0.9%
Segment operating profit	16,245	12,573	3,672	29.2

Direct to Consumer segment net sales were higher due to higher net sales related to our Internet operations and higher net sales in our outlet stores. Comparable store sales were 5% higher in the third quarter of 2013 compared to the same period of 2012.

Direct to Consumer segment operating margin improved 350 basis points to 16.2% which was primarily attributable to an adjustment in store pricing strategy.

International

	Quarter Ended		Higher (Lower)	Percent Change
	September 28, 2013	September 29, 2012		
	(dollars in thousands)			
Net sales	\$ 132,125	\$ 132,259	\$ (134)	(0.1)%
Segment operating profit	16,648	17,739	(1,091)	(6.2)

Sales in the International segment were lower primarily due to the unfavorable impact of foreign exchange rates. Excluding the unfavorable impact of foreign exchange rates, International segment net sales were 10% higher, primarily due to high net sales in Canada and Australia.

International segment operating margin declined 80 basis points to 12.6% primarily due to unfavorable impact related to foreign currency exchange rates, higher product costs and an unfavorable product sales mix due to a shift towards lower margin products in certain countries, partially offset by higher sales volume. The International segment's operating margin was positively impacted by savings from progress made from our regionalization strategy which integrates certain international businesses into our U.S. infrastructure in order to eliminate duplicate support functions.

General Corporate Expenses

General corporate expenses were higher in the third quarter of 2013 compared to the third quarter of 2012 primarily due to costs incurred implementing our regionalization strategy.

Condensed Consolidated Results of Operations — Nine Months Ended September 28, 2013 Compared with Nine Months Ended September 29, 2012

	Nine Months Ended		Higher (Lower)	Percent Change
	September 28, 2013	September 29, 2012		
	(dollars in thousands)			
Net sales	\$ 3,342,012	\$ 3,372,465	\$ (30,453)	(0.9)%
Cost of sales	2,157,551	2,350,489	(192,938)	(8.2)
Gross profit	1,184,461	1,021,976	162,485	15.9
Selling, general and administrative expenses	740,973	734,872	6,101	0.8
Operating profit	443,488	287,104	156,384	54.5
Other expenses	2,010	4,829	(2,819)	(58.4)
Interest expense, net	75,846	106,503	(30,657)	(28.8)
Income from continuing operations before income tax expense	365,632	175,772	189,860	108.0
Income tax expense	67,404	21,544	45,860	212.9
Income from continuing operations	298,228	154,228	144,000	93.4
Loss from discontinued operations, net of tax	—	(69,935)	69,935	NM
Net income	\$ 298,228	\$ 84,293	\$ 213,935	253.8 %

Net Sales

Net sales were lower (< 1%), in the nine months of 2013 compared to the same period of 2012 as a result of a general retail weakness in the back-to-school selling period. Our Innovate-to-Elevate strategy helped drive core-product and new-product success, including share gains in 2013.

Innerwear segment net sales were flat compared to the nine months of 2012. Stronger net sales in our men's underwear and socks product categories were offset by lower net sales in our intimate apparel and kids' underwear product categories.

Activewear net sales declined (2%) primarily due to the planned reduction of commodity-oriented branded printwear sales, partially offset by higher net sales in our retail activewear category and Gear for Sports licensed apparel.

International segment net sales were 2% lower compared to the third quarter of 2012 primarily due to foreign currency. Excluding the unfavorable impact of foreign exchange rates, International segment net sales were 6% higher. Direct to Consumer segment net sales were lower (2%) primarily due to the closure of certain lower profitable stores, partially offset by higher comparable store sales.

Gross Profit

Our gross margin increased 510 basis points to 35.4% in the nine months of 2013 with improvements in nearly every segment. Our Innovate-to-Elevate strategy continues to help drive profitable results as we combine our brand and supply chain strengths with product innovation. Our Innovate-to-Elevate strategy leverages our strong brands and drives a higher price per unit for our entire product portfolio with innovative platforms such as *Hanes X-Temp* underwear and socks, *Comfort Blend* underwear and *Smart Sizes* bras. Our supply chain allows us to leverage our scale to lower our cost per unit and improve margins.

Selling, General and Administrative Expenses

As a percentage of net sales, our selling, general and administrative expenses were 22.2% in the nine months of 2013 compared to 21.8% in the same period of 2012. The higher selling, general and administrative expenses were primarily attributable to planned higher media spending, partially offset by lower distribution costs and lower general and administrative expenses.

Other Highlights

Interest Expense – lower by \$31 million in the nine months of 2013 compared to the same period of 2012 primarily due to lower outstanding debt balances and a lower weighted average interest rate. Our weighted average interest rate on our outstanding debt was 5.36% during the nine months of 2013 compared to 5.74% in the same period of 2012.

Income Tax Expense – our effective income tax rate was 18% and 12% for the nine months of 2013 and 2012, respectively. The higher effective income tax rate was primarily attributable to a higher proportion of earnings attributed to domestic subsidiaries, which are taxed at rates higher than foreign subsidiaries.

The nine months ended September 28, 2013 included net discrete tax benefits of approximately \$20 million, which included approximately \$14 million of tax benefits related primarily to the realization of unrecognized tax benefits resulting from the lapsing of domestic and foreign statutes of limitations and an income tax benefit of approximately \$6 million related to the retroactive application of the American Taxpayer Relief Act of 2012 that was signed into law in January 2013.

The nine months ended September 29, 2012 included net discrete tax benefits of approximately \$13 million which included an income tax benefit of approximately \$9 million related to the realization of unrecognized tax benefits resulting from the expiration of domestic statutes of limitations and an income tax benefit of approximately \$4 million related to an increase in research and development tax credits.

Operating Results by Business Segment — Nine Months Ended September 28, 2013 Compared with Nine Months Ended September 29, 2012

	Net Sales		Operating Profit	
	Nine Months Ended		Nine Months Ended	
	September 28, 2013	September 29, 2012	September 28, 2013	September 29, 2012
	(dollars in thousands)			
Innerwear	\$ 1,744,471	\$ 1,748,256	\$ 342,331	\$ 277,737
Activewear	966,508	981,021	127,020	32,710
Direct to Consumer	272,719	278,396	25,441	18,781
International	358,314	364,792	31,662	34,525
Corporate	—	—	(82,966)	(76,649)
Total net sales	\$ 3,342,012	\$ 3,372,465	\$ 443,488	\$ 287,104

Innerwear

	Nine Months Ended		Higher (Lower)	Percent Change
	September 28, 2013	September 29, 2012		
	(dollars in thousands)			
Net sales	\$ 1,744,471	\$ 1,748,256	\$ (3,785)	(0.2)%
Segment operating profit	342,331	277,737	64,594	23.3

Innerwear segment net sales were flat compared to the nine months of 2012. A general retail weakness in the back-to-school selling period led to lower sales volume which was offset by a higher price per unit as a result of the success of our Innovate-to-Elevate strategy.

Innerwear segment operating margin improved 370 basis points to 19.6% in the nine months of 2013 which resulted from benefits from our Innovate-to-Elevate strategy that is increasing our price per unit with margin accretive product innovations and reducing our cost per unit through supply chain efficiencies and lower input costs. The operating margin was also impacted by higher planned media spending.

Activewear

	Nine Months Ended		Higher (Lower)	Percent Change
	September 28, 2013	September 29, 2012		
	(dollars in thousands)			
Net sales	\$ 966,508	\$ 981,021	\$ (14,513)	(1.5)%
Segment operating profit	127,020	32,710	94,310	288.3

Activewear net sales declined (2%) primarily due to the planned reduction of commodity-oriented branded printwear sales, partially offset by higher net sales in our retail activewear category and Gear for Sports licensed apparel as a result of a higher price per unit as a result of the success of our Innovate-to-Elevate strategy.

Activewear segment operating margin improved by 980 basis points to 13.1% in the nine months of 2013. This significant improvement was primarily driven by our Innovate-to-Elevate strategy which is increasing our price per unit with margin accretive product innovations and reducing our cost per unit through supply chain efficiencies and lower input costs. The margin improvement was also impacted by the planned reduction of lower margin commodity-oriented branded printwear sales.

Direct to Consumer

	Nine Months Ended		Higher (Lower)	Percent Change
	September 28, 2013	September 29, 2012		
	(dollars in thousands)			
Net sales	\$ 272,719	\$ 278,396	\$ (5,677)	(2.0)%
Segment operating profit	25,441	18,781	6,660	35.5

Direct to Consumer segment net sales were lower due to lower net sales in our outlet stores resulting from the closure of certain lower profitable stores, partially offset by higher comparable store sales of 1%.

Direct to Consumer segment operating margin improved 260 basis points to 9.3% which was primarily attributable to lower product costs and an adjustment in store pricing strategy, partially offset by lower sales volume.

International

	Nine Months Ended		Higher (Lower)	Percent Change
	September 28, 2013	September 29, 2012		
	(dollars in thousands)			
Net sales	\$ 358,314	\$ 364,792	\$ (6,478)	(1.8)%
Segment operating profit	31,662	34,525	(2,863)	(8.3)

Overall net sales in the International segment were lower primarily due to the unfavorable impact of foreign exchange rates. Excluding the unfavorable impact of foreign exchange rates, International segment net sales were higher by 6%, primarily due to higher net sales in Canada, Australia and Asia.

International segment operating margin declined 70 basis points to 8.8% primarily due to the unfavorable impact related to foreign currency exchange rates and an unfavorable product sales mix due to a shift towards lower margin products in certain countries. The International segment's operating margin was positively impacted by savings from progress made from our regionalization strategy which integrates certain international businesses into our U.S. infrastructure in order to eliminate duplicate support functions.

General Corporate Expenses

General corporate expenses were higher in the nine months of 2013 compared to the same period of 2012 primarily due to costs incurred implementing our regionalization strategy.

Liquidity and Capital Resources

Trends and Uncertainties Affecting Liquidity

Our primary sources of liquidity are cash generated by operations and availability under the \$1.1 billion revolving credit facility (the “Revolving Loan Facility”) under the senior secured credit facility (the “Senior Secured Credit Facility”), the accounts receivable securitization facility (the “Accounts Receivable Securitization Facility”) and our international loan facilities.

At September 28, 2013, we had \$1.1 billion of borrowing availability under our Revolving Loan Facility (after taking into account outstanding letters of credit), \$136 million of borrowing availability under our international loan facilities, \$132 million in cash and cash equivalents and no borrowing availability under our Accounts Receivable Securitization Facility. We currently believe that our existing cash balances and cash generated by operations, together with our available credit capacity, will enable us to comply with the terms of our indebtedness and meet foreseeable liquidity requirements.

We typically use cash for the first half of the year and generate most of our cash flow in the second half of the year. In the fourth quarter of 2013, we expect to complete our planned debt reduction with the redemption of the remaining \$250 million of 8% Senior Notes. We expect our cash deployment strategy in the future will include a mix of dividends, bolt-on acquisitions and share repurchases. For example, as part of our cash deployment strategy, in April 2013 our Board of Directors authorized a regular quarterly dividend. Our first dividend of \$0.20 per share was paid June 3, 2013, our second quarterly dividend was paid on September 3, 2013 and our third quarterly dividend was authorized by our Board of Directors in October 2013 to be paid in December 2013. In addition, as discussed above under “Highlights for the Third Quarter and Nine Months Ended September 28, 2013,” on July 24, 2013 we entered into a definitive agreement to acquire Maidenform, which closed on October 7, 2013. We funded the Maidenform acquisition with cash on hand and short-term borrowings under our Revolving Loan Facility, which we plan to retire through free cash flow.

Cash Requirements for Our Business

We rely on our cash flows generated from operations and the borrowing capacity under our Revolving Loan Facility, Accounts Receivable Securitization Facility and international loan facilities to meet the cash requirements of our business. The primary cash requirements of our business are payments to vendors in the normal course of business, capital expenditures, maturities of debt and related interest payments, contributions to our pension plans and repurchases of our stock. We believe we have sufficient cash and available borrowings for our foreseeable liquidity needs.

There have been no significant changes in the cash requirements for our business from those described in our Annual Report on Form 10-K for the year ended December 29, 2012.

Sources and Uses of Our Cash

The information presented below regarding the sources and uses of our cash flows for the nine months ended September 28, 2013 and September 29, 2012 was derived from our condensed consolidated financial statements.

	Nine Months Ended	
	September 28, 2013	September 29, 2012
	(dollars in thousands)	
Operating activities	\$ 256,985	\$ 309,405
Investing activities	(24,825)	(16,454)
Financing activities	(141,419)	(146,189)
Effect of changes in foreign currency exchange rates on cash	(1,217)	162
Increase in cash and cash equivalents	89,524	146,924
Cash and cash equivalents at beginning of year	42,796	35,345
Cash and cash equivalents at end of period	<u>\$ 132,320</u>	<u>\$ 182,269</u>

The lower net cash from operating activities is primarily attributable to changes in working capital, primarily inventory compared to prior year, partially offset by higher net income. Inventory decreased 2% compared to September 29, 2012, which was the result of lower input costs and lower units from our continued focus on inventory management.

The higher net cash used in investing activities resulted from proceeds from the sale of the European imagewear business in 2012, partially offset by lower net capital expenditures. The lower net cash used in financing activities resulted from the

redemption of our Floating Rate Senior Notes in 2012, partially offset by higher net repayments on our loan facilities and cash dividends paid during 2013 of \$40 million.

Financing Arrangements

In July 2013, we amended the Revolving Loan Facility to increase the borrowing limit from \$600 million to \$1.1 billion, decrease borrowing costs by 25 basis points and extend the maturity date to (i) July 2018 or (ii) September 2016 if our 8% Senior Notes have not been refinanced or repaid or the maturity date thereof has not otherwise been extended beyond July 2018 by September 2016.

In March 2013, we amended the Accounts Receivable Securitization Facility. This amendment decreased certain fee rates and extended the termination date to March 2014.

As of September 28, 2013, we were in compliance with all financial covenants under our credit facilities. We expect to maintain compliance with our covenants for the foreseeable future, however economic conditions or the occurrence of events discussed under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 29, 2012 or other SEC filings could cause noncompliance.

In February 2013, Moody’s Investors Service (“Moody’s”) upgraded our corporate credit rating to Ba2 from Ba3. Moody’s also raised the rating on our Revolving Loan Facility to Baa2 from Baa3, the 6.375% Senior Notes to Ba3 from B1 and the 8% Senior Notes to Ba3 from B1. Moody’s indicated that the upgrade reflects our significant debt reduction efforts and our positive trends in operating performance in the second half of 2012 primarily reflecting improved gross margins. In April 2013, Standard & Poor’s Ratings Services (“Standard & Poor’s”) raised our corporate credit rating to BB from BB-, in response to our declining debt levels and modest earnings growth. Standard & Poor’s also raised the rating on the Revolving Loan Facility to BBB- from BB+, the 6.375% Senior Notes to BB from BB- and the 8% Senior Notes to BB from BB-.

There have been no other significant changes in the financing arrangements from those described in our Annual Report on Form 10-K for the year ended December 29, 2012.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements within the meaning of Item 303(a)(4) of SEC Regulation S-K.

Critical Accounting Policies and Estimates

We have chosen accounting policies that we believe are appropriate to accurately and fairly report our operating results and financial condition in conformity with accounting principles generally accepted in the United States. We apply these accounting policies in a consistent manner. Our significant accounting policies are discussed in Note 2, titled “Summary of Significant Accounting Policies,” to our financial statements included in our Annual Report on Form 10-K for the year ended December 29, 2012.

The application of critical accounting policies requires that we make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. These estimates and assumptions are based on historical and other factors believed to be reasonable under the circumstances. We evaluate these estimates and assumptions on an ongoing basis and may retain outside consultants to assist in our evaluation. If actual results ultimately differ from previous estimates, the revisions are included in results of operations in the period in which the actual amounts become known. The critical accounting policies that involve the most significant management judgments and estimates used in preparation of our financial statements, or are the most sensitive to change from outside factors, are discussed in Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 29, 2012. There have been no material changes in these policies from those described in our Annual Report on Form 10-K for the year ended December 29, 2012.

Recently Issued Accounting Pronouncements

Disclosures About Offsetting Assets and Liabilities

In December 2011, the FASB issued new accounting rules related to new disclosure requirements regarding the nature of an entity’s rights of setoff and related arrangements associated with its financial instruments and derivative instruments. The new rules are effective for us in the first quarter of 2014 with retrospective application required. We do not expect the adoption of the new accounting rules to have a material effect on our financial condition, results of operations or cash flows.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

There have been no significant changes in our market risk exposures from those described in Item 7A of our Annual Report on Form 10-K for the year ended December 29, 2012.

Item 4. *Controls and Procedures*

As required by Exchange Act Rule 13a-15(b), our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e), as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

In connection with the evaluation required by Exchange Act Rule 13a-15(d), our management, including our Chief Executive Officer and Chief Financial Officer, concluded that no changes in our internal control over financial reporting occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. *Legal Proceedings*

Although we are subject to various claims and legal actions that occur from time to time in the ordinary course of our business, we are not party to any pending legal proceedings that we believe could have a material adverse effect on our business, results of operations, financial condition or cash flows.

Item 1A. *Risk Factors*

The risk factors that affect our business and financial results are discussed in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended December 29, 2012. The following risk factor includes an update to a previously disclosed risk factor. There are no additional material changes to the risk factors previously disclosed, nor have we identified any previously undisclosed risks that could materially adversely affect our business and financial results.

Businesses that we may acquire may fail to perform to expectations, and we may be unable to successfully integrate acquired businesses with our existing business.

From time to time, we may evaluate potential acquisition opportunities to support and strengthen our business. For example, on October 7, 2013, we acquired Maidenform. The acquisition and integration of businesses such as Maidenform involve a number of risks.

We may not be able to realize all or a substantial portion of the anticipated benefits of the Maidenform acquisition and other future acquisitions that we may consummate. Maidenform and other future acquired businesses may not achieve expected results of operations, including expected levels of revenues, and may require unanticipated costs and expenditures. In addition, we may not be able to maintain the levels of revenue, earnings or operating efficiency that we and Maidenform have achieved or might achieve separately. Maidenform and other acquired businesses may also subject us to liabilities that we were unable to discover in the course of our due diligence, and our rights to indemnification from the sellers of such other businesses, even if obtained, may not be sufficient to offset the relevant liabilities. In addition, the integration of Maidenform and other newly acquired businesses may be expensive and time-consuming and may not be entirely successful. Integration of the acquired businesses may also place additional pressures on our systems of internal control over financial reporting. The process of integrating the operations of Maidenform or those of any other future acquisition could cause an interruption of, or loss of momentum in, the activities of one or more of our combined businesses and the possible loss of key personnel. If we are unable to successfully integrate Maidenform and other newly acquired businesses or if Maidenform or other acquired businesses fail to produce targeted results, it could have an adverse effect on our results of operations or financial condition.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

None.

Item 3. *Defaults Upon Senior Securities*

None.

Item 4. *Mine Safety Disclosures*

Not applicable.

Item 5. *Other Information*

None.

Item 6. *Exhibits*

The exhibits listed in the accompanying Exhibit Index are filed or furnished as part of this Quarterly Report on Form 10-Q.

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.

HANESBRANDS INC.

By: /s/ Richard D. Moss

Richard D. Moss

Chief Financial Officer

(Duly authorized officer and principal financial officer)

Date: October 31, 2013

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
3.1	Articles of Amendment and Restatement of Hanesbrands Inc. (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 5, 2006).
3.2	Articles Supplementary (Junior Participating Preferred Stock, Series A) (incorporated by reference from Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 5, 2006).
3.3	Amended and Restated Bylaws of Hanesbrands Inc. (incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 15, 2008).
4.1	Fifth Supplemental Indenture (to the 2008 Indenture) dated July 1, 2013 among the Registrant, certain subsidiaries of the Registrant and Branch Banking and Trust Company.
4.2	Sixth Supplemental Indenture (to the 2008 Indenture) dated July 1, 2013 among the Registrant, certain subsidiaries of the Registrant and Branch Banking and Trust Company.
4.3	Seventh Supplemental Indenture (to the 2008 Indenture) dated September 11, 2013 among the Registrant, certain subsidiaries of the Registrant and Branch Banking and Trust Company.
4.4	Eighth Supplemental Indenture (to the 2008 Indenture) dated September 11, 2013 among the Registrant, certain subsidiaries of the Registrant and Branch Banking and Trust Company.
4.5	Ninth Supplemental Indenture (to the 2008 Indenture) dated October 8, 2013 among the Registrant, certain subsidiaries of the Registrant and Branch Banking and Trust Company.
4.6	Tenth Supplemental Indenture (to the 2008 Indenture) dated October 8, 2013 among the Registrant, certain subsidiaries of the Registrant and Branch Banking and Trust Company.
10.1	Form of Severance/Change in Control Agreement entered into by and between Hanesbrands Inc. and certain of its executive officers after December 2010 and schedule of all such agreements with current executive officers*
31.1	Certification of Richard A. Noll, Chief Executive Officer.
31.2	Certification of Richard D. Moss, Chief Financial Officer.
32.1	Section 1350 Certification of Richard A. Noll, Chief Executive Officer.
32.2	Section 1350 Certification of Richard D. Moss, Chief Financial Officer.
101.INS XBRL	Instance Document
101.SCH XBRL	Taxonomy Extension Schema Document
101.CAL XBRL	Taxonomy Extension Calculation Linkbase Document
101.LAB XBRL	Taxonomy Extension Label Linkbase Document
101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document
101.DEF XBRL	Taxonomy Extension Definition Linkbase Document

* Agreement relates to executive compensation.

FIFTH SUPPLEMENTAL INDENTURE

FIFTH SUPPLEMENTAL INDENTURE (the "Fifth Supplemental Indenture"), dated as of July 1, 2013, among Hanesbrands Export Canada LLC (the "Guaranteeing Subsidiary"), a subsidiary of Hanesbrands Inc. (or its permitted successor), a Maryland corporation (the "Company"), the Company, the other Subsidiary Guarantors (as defined in the Indenture referred to herein) and Branch Banking and Trust Company, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee the indenture, dated as of August 1, 2008 (the "Base Indenture"), among Hanesbrands Inc. (the "Company"), the Subsidiary Guarantors party thereto and the Trustee, as amended and supplemented by the First Supplemental Indenture, dated as of December 10, 2009 (the "First Supplemental Indenture"), among the Company, the Subsidiary Guarantors and the Trustee, as amended and further supplemented by the Second Supplemental Indenture, dated as of August 13, 2010 (the "Second Supplemental Indenture"), as further supplemented by the Third Supplemental Indenture, dated as of November 10, 2010 (Base Indenture, as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture is referred to herein as the "Indenture") providing for the issuance of the Company's 8.000% Senior Notes due 2016 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Note Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the First Supplemental Indenture, the Trustee is authorized to execute and deliver this Fifth Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Agreement to Guarantee. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 11 of the First Supplemental Indenture.

3. No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.
4. Governing Law. THIS FIFTH SUPPLEMENTAL INDENTURE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO AND THERETO, INCLUDING THE INTERPRETATION, CONSTRUCTION, VALIDITY AND ENFORCEABILITY THEREOF, SHALL BE GOVERNED BY AND SHALL BE CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW).
5. Counterparts. The parties may sign any number of copies of this Fifth Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.
6. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.
7. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Fifth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Fifth Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Signature Page to Fifth Supplemental Indenture

HANESBRANDS EXPORT CANADA LLC

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

HANESBRANDS INC.

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

On behalf of each of the Guarantors listed below:

**BA INTERNATIONAL, L.L.C.
CARIBESOCK, INC.
CARIBETEX, INC.
CASA INTERNATIONAL, LLC
CC PRODUCTS, INC.
CEIBENA DEL, INC.
EVENT 1, INC.
GEARCO, INC.
GFSI INC.
GFSI HOLDINGS, INC.
HANES MENSWEAR, LLC
HANES PUERTO RICO, INC.
HANESBRANDS DIRECT, LLC
HANESBRANDS DISTRIBUTION, INC.
HBI BRANDED APPAREL ENTERPRISES, LLC
HBI BRANDED APPAREL LIMITED, INC.
HBI INTERNATIONAL, LLC
HBI SOURCING, LLC
INNER SELF LLC
JASPER-COSTA RICA, L.L.C.
PLAYTEX DORADO, LLC
PLAYTEX INDUSTRIES, INC.
SEAMLESS TEXTILES, LLC
UPCR, INC.
UPEL, INC.**

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

**BRANCH BANKING AND TRUST COMPANY
as Trustee**

By: /s/ Gregory Yanok
Name: Gregory Yanok
Title: Vice President

SIXTH SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE (the “Sixth Supplemental Indenture”), dated as of July 1, 2013, among Hanesbrands Export Canada LLC (the “Guaranteeing Subsidiary”), a subsidiary of Hanesbrands Inc. (or its permitted successor), a Maryland corporation (the “Company”), the Company, the other Subsidiary Guarantors (as defined in the Indenture referred to herein) and Branch Banking and Trust Company, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee the indenture, dated as of August 1, 2008 (the “Base Indenture”), among Hanesbrands Inc. (the “Company”), the Subsidiary Guarantors party thereto and the Trustee, as amended and supplemented by the Fourth Supplemental Indenture, dated as of November 9, 2010 (the “Supplemental Indenture”), among the Company, the Subsidiary Guarantors and the Trustee (Base Indenture, as amended and supplemented by the Supplemental Indenture is referred to herein as the “Indenture”) providing for the issuance of the Company’s 6.375% Senior Notes due 2020 (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the “Note Guarantee”); and

WHEREAS, pursuant to Section 9.01 of the Supplemental Indenture, the Trustee is authorized to execute and deliver this Sixth Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Agreement to Guarantee. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 11 of the Supplemental Indenture.
4. No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

5. Governing Law. THIS SIXTH SUPPLEMENTAL INDENTURE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO AND THERETO, INCLUDING THE INTERPRETATION, CONSTRUCTION, VALIDITY AND ENFORCEABILITY THEREOF, SHALL BE GOVERNED BY AND SHALL BE CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW).

6. Counterparts. The parties may sign any number of copies of this Sixth Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Sixth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed and attested, all as of the date first above written.

HANESBRANDS EXPORT CANADA LLC

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

Signature Page to Sixth Supplemental Indenture

HANESBRANDS INC.

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

On behalf of each of the Guarantors listed below:

BA INTERNATIONAL, L.L.C.
CARIBESOCK, INC.
CARIBETEX, INC.
CASA INTERNATIONAL, LLC
CC PRODUCTS, INC.
CEIBENA DEL, INC.
EVENT 1, INC.
GEARCO, INC.
GFSI INC.
GFSI HOLDINGS, INC.
HANES MENSWEAR, LLC
HANES PUERTO RICO, INC.
HANESBRANDS DIRECT, LLC
HANESBRANDS DISTRIBUTION, INC.
HBI BRANDED APPAREL ENTERPRISES, LLC
HBI BRANDED APPAREL LIMITED, INC.
HBI INTERNATIONAL, LLC
HBI SOURCING, LLC
INNER SELF LLC
JASPER-COSTA RICA, L.L.C.
PLAYTEX DORADO, LLC
PLAYTEX INDUSTRIES, INC.
SEAMLESS TEXTILES, LLC
UPCR, INC.
UPEL, INC.

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

BRANCH BANKING AND TRUST COMPANY
as Trustee

By: /s/ Gregory Yanok
Name: Gregory Yanok
Title: Vice President

SEVENTH SUPPLEMENTAL INDENTURE

SEVENTH SUPPLEMENTAL INDENTURE (the "Seventh Supplemental Indenture"), dated as of September 11, 2013, among General Merger Sub Inc. (the "Guaranteeing Subsidiary"), a subsidiary of Hanesbrands Inc. (or its permitted successor), a Maryland corporation (the "Company"), the Company, the other Subsidiary Guarantors (as defined in the Indenture referred to herein) and Branch Banking and Trust Company, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee the indenture, dated as of August 1, 2008 (the "Base Indenture"), among Hanesbrands Inc. (the "Company"), the Subsidiary Guarantors party thereto and the Trustee, as amended and supplemented by the First Supplemental Indenture, dated as of December 10, 2009 (the "First Supplemental Indenture"), among the Company, the Subsidiary Guarantors and the Trustee, as amended and further supplemented by the Second Supplemental Indenture, dated as of August 13, 2010 (the "Second Supplemental Indenture"), as further supplemented by the Third Supplemental Indenture, dated as of November 10, 2010, as further supplemented by the Fifth Supplemental Indenture, dated as of July 1, 2013 (Base Indenture, as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fifth Supplemental Indenture is referred to herein as the "Indenture") providing for the issuance of the Company's 8.000% Senior Notes due 2016 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Note Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the First Supplemental Indenture, the Trustee is authorized to execute and deliver this Seventh Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Agreement to Guarantee. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 11 of the First Supplemental Indenture.

3. No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.
4. Governing Law. THIS SEVENTH SUPPLEMENTAL INDENTURE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO AND THERETO, INCLUDING THE INTERPRETATION, CONSTRUCTION, VALIDITY AND ENFORCEABILITY THEREOF, SHALL BE GOVERNED BY AND SHALL BE CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW).
5. Counterparts. The parties may sign any number of copies of this Seventh Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.
6. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.
7. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Seventh Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Seventh Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GENERAL MERGER SUB INC.

By: /s/ Richard D. Moss
Name: Richard D. Moss
Title: Vice President and Treasurer

HANESBRANDS INC.

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

Signature Page to Seventh Supplemental Indenture

On behalf of each of the Guarantors listed below:

BA INTERNATIONAL, L.L.C.
CARIBESOCK, INC.
CARIBETEX, INC.
CASA INTERNATIONAL, LLC
CC PRODUCTS, INC.
CEIBENA DEL, INC.
EVENT 1, INC.
GEARCO, INC.
GFSI INC.
GFSI HOLDINGS, INC.
HANES MENSWEAR, LLC
HANES PUERTO RICO, INC.
HANESBRANDS DIRECT, LLC
HANESBRANDS DISTRIBUTION, INC.
HBI BRANDED APPAREL ENTERPRISES, LLC
HBI BRANDED APPAREL LIMITED, INC.
HBI INTERNATIONAL, LLC
HBI SOURCING, LLC
INNER SELF LLC
JASPER-COSTA RICA, L.L.C.
PLAYTEX DORADO, LLC
PLAYTEX INDUSTRIES, INC.
SEAMLESS TEXTILES, LLC
UPCR, INC.
UPEL, INC.
HANESBRANDS EXPORT CANADA LLC

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

Signature Page to Seventh Supplemental Indenture

**BRANCH BANKING AND TRUST COMPANY
as Trustee**

By: /s/ Gregory Yanok
Name: Gregory Yanok
Title: Vice President

Signature Page to Seventh Supplemental Indenture

EIGHTH SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE (the “Eighth Supplemental Indenture”), dated as of September 11, 2013, among General Merger Sub Inc. (the “Guaranteeing Subsidiary”), a subsidiary of Hanesbrands Inc. (or its permitted successor), a Maryland corporation (the “Company”), the Company, the other Subsidiary Guarantors (as defined in the Indenture referred to herein) and Branch Banking and Trust Company, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee the indenture, dated as of August 1, 2008 (the “Base Indenture”), among Hanesbrands Inc. (the “Company”), the Subsidiary Guarantors party thereto and the Trustee, as amended and supplemented by the Fourth Supplemental Indenture, dated as of November 9, 2010 (the “Supplemental Indenture”), among the Company, the Subsidiary Guarantors and the Trustee, as further supplemented by the Sixth Supplemental Indenture, dated as of July 1, 2013 (Base Indenture, as amended and supplemented by the Supplemental Indenture and the Sixth Supplemental Indenture is referred to herein as the “Indenture”) providing for the issuance of the Company’s 6.375% Senior Notes due 2020 (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the “Note Guarantee”); and

WHEREAS, pursuant to Section 9.01 of the Supplemental Indenture, the Trustee is authorized to execute and deliver this Eighth Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Agreement to Guarantee. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 11 of the Supplemental Indenture.
4. No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the

consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

5. Governing Law. THIS EIGHTH SUPPLEMENTAL INDENTURE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO AND THERETO, INCLUDING THE INTERPRETATION, CONSTRUCTION, VALIDITY AND ENFORCEABILITY THEREOF, SHALL BE GOVERNED BY AND SHALL BE CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW).

6. Counterparts. The parties may sign any number of copies of this Eighth Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Eighth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed and attested, all as of the date first above written.

GENERAL MERGER SUB INC.

By: /s/ Richard D. Moss
Name: Richard D. Moss
Title: Vice President and Treasurer

Signature Page to Eighth Supplemental Indenture

HANESBRANDS INC.

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

On behalf of each of the Guarantors listed below:

BA INTERNATIONAL, L.L.C.
CARIBESOCK, INC.
CARIBETEX, INC.
CASA INTERNATIONAL, LLC
CC PRODUCTS, INC.
CEIBENA DEL, INC.
EVENT 1, INC.
GEARCO, INC.
GFSI INC.
GFSI HOLDINGS, INC.
HANES MENSWEAR, LLC
HANES PUERTO RICO, INC.
HANESBRANDS DIRECT, LLC
HANESBRANDS DISTRIBUTION, INC.
HBI BRANDED APPAREL ENTERPRISES, LLC
HBI BRANDED APPAREL LIMITED, INC.
HBI INTERNATIONAL, LLC
HBI SOURCING, LLC
INNER SELF LLC
JASPER-COSTA RICA, L.L.C.
PLAYTEX DORADO, LLC
PLAYTEX INDUSTRIES, INC.
SEAMLESS TEXTILES, LLC
UPCR, INC.
UPEL, INC.
HANESBRANDS EXPORT CANADA LLC

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

BRANCH BANKING AND TRUST COMPANY
as Trustee

By: /s/ Gregory Yanok
Name: Gregory Yanok
Title: Vice President

NINTH SUPPLEMENTAL INDENTURE

NINTH SUPPLEMENTAL INDENTURE (the “Ninth Supplemental Indenture”), dated as of October 8, 2013, among Maidenform Brands, Inc.; Maidenform, Inc.; Maidenform International, Ltd.; Elizabeth Needle-Craft, Inc.; MF Retail, Inc.; Nicholas Needlecraft, Inc.; Maidenform (Bangladesh) Limited; Crescent Industries, Inc.; and Maidenform (Indonesia) Limited (together, the “Guaranteeing Subsidiaries”), subsidiaries of Hanesbrands Inc. (or its permitted successor), a Maryland corporation (the “Company”), the Company, the other Subsidiary Guarantors (as defined in the Indenture referred to herein) and Branch Banking and Trust Company, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee the indenture, dated as of August 1, 2008 (the “Base Indenture”), among Hanesbrands Inc. (the “Company”), the Subsidiary Guarantors party thereto and the Trustee, as amended and supplemented by the First Supplemental Indenture, dated as of December 10, 2009 (the “First Supplemental Indenture”), among the Company, the Subsidiary Guarantors and the Trustee, as amended and further supplemented by the Second Supplemental Indenture, dated as of August 13, 2010 (the “Second Supplemental Indenture”), as further supplemented by the Third Supplemental Indenture, dated as of November 10, 2010 (the “Third Supplemental Indenture”), as further supplemented by the Fifth Supplemental Indenture, dated as of July 1, 2013 (the “Fifth Supplemental Indenture”), as further supplemented by the Seventh Supplemental Indenture, dated as of September 11, 2013 (the “Seventh Supplemental Indenture”) and, the Base Indenture, as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fifth Supplemental Indenture and the Seventh Supplemental Indenture is referred to herein as the “Indenture”) providing for the issuance of the Company’s 8.000% Senior Notes due 2016 (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the “Note Guarantee”); and

WHEREAS, pursuant to Section 9.01 of the First Supplemental Indenture, the Trustee is authorized to execute and deliver this Ninth Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee. The Guaranteeing Subsidiaries hereby agree to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 11 of the First Supplemental Indenture.
3. No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.
4. Governing Law. THIS NINTH SUPPLEMENTAL INDENTURE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO AND THERETO, INCLUDING THE INTERPRETATION, CONSTRUCTION, VALIDITY AND ENFORCEABILITY THEREOF, SHALL BE GOVERNED BY AND SHALL BE CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW).
5. Counterparts. The parties may sign any number of copies of this Ninth Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.
6. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.
7. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Ninth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Ninth Supplemental Indenture to be duly executed and attested, all as of the date first above written.

MAIDENFORM BRANDS, INC.
MAIDENFORM, INC.
MAIDENFORM INTERNATIONAL, LTD.
ELIZABETH NEEDLE-CRAFT, INC.
MF RETAIL, INC.
NICHOLAS NEEDLECRAFT, INC.
MAIDENFORM (BANGLADESH) LIMITED
CRESCENT INDUSTRIES, INC.
MAIDENFORM (INDONESIA) LIMITED

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

HANESBRANDS INC.

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

Signature Page to Ninth Supplemental Indenture

On behalf of each of the Guarantors listed below:

BA INTERNATIONAL, L.L.C.
CARIBESOCK, INC.
CARIBETEX, INC.
CASA INTERNATIONAL, LLC
CC PRODUCTS, INC.
CEIBENA DEL, INC.
EVENT 1, INC.
GEARCO, INC.
GFSI INC.
GFSI HOLDINGS, INC.
HANES MENSWEAR, LLC
HANES PUERTO RICO, INC.
HANESBRANDS DIRECT, LLC
HANESBRANDS DISTRIBUTION, INC.
HBI BRANDED APPAREL ENTERPRISES, LLC
HBI BRANDED APPAREL LIMITED, INC.
HBI INTERNATIONAL, LLC
HBI SOURCING, LLC
INNER SELF LLC
JASPER-COSTA RICA, L.L.C.
PLAYTEX DORADO, LLC
PLAYTEX INDUSTRIES, INC.
SEAMLESS TEXTILES, LLC
UPCR, INC.
UPEL, INC.
HANESBRANDS EXPORT CANADA LLC

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

Signature Page to Ninth Supplemental Indenture

**BRANCH BANKING AND TRUST COMPANY
as Trustee**

By: /s/ Gregory Yanok
Name: Gregory Yanok
Title: Vice President

Signature Page to Ninth Supplemental Indenture

TENTH SUPPLEMENTAL INDENTURE

THIS TENTH SUPPLEMENTAL INDENTURE (the “Tenth Supplemental Indenture”), dated as of October 8, 2013, among Maidenform Brands, Inc.; Maidenform, Inc.; Maidenform International, Ltd.; Elizabeth Needle-Craft, Inc.; MF Retail, Inc.; Nicholas Needlecraft, Inc.; Maidenform (Bangladesh) Limited; Crescent Industries, Inc.; and Maidenform (Indonesia) Limited (together, the “Guaranteeing Subsidiaries”), a subsidiaries of Hanesbrands Inc. (or its permitted successor), a Maryland corporation (the “Company”), the Company, the other Subsidiary Guarantors (as defined in the Indenture referred to herein) and Branch Banking and Trust Company, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee the indenture, dated as of August 1, 2008 (the “Base Indenture”), among Hanesbrands Inc. (the “Company”), the Subsidiary Guarantors party thereto and the Trustee, as amended and supplemented by the Fourth Supplemental Indenture, dated as of November 9, 2010 (the “Supplemental Indenture”), among the Company, the Subsidiary Guarantors and the Trustee, as further supplemented by the Sixth Supplemental Indenture, dated as of July 1, 2013 (the “Sixth Supplemental Indenture”), as further amended and supplemented by the Eighth Supplemental Indenture, dated as of September 11, 2013 (the “Eighth Supplemental Indenture” and, the Base Indenture, as amended and supplemented by the Supplemental Indenture, the Sixth Supplemental Indenture and the Eighth Supplemental Indenture is referred to herein as the “Indenture”) providing for the issuance of the Company’s 6.375% Senior Notes due 2020 (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the “Note Guarantee”); and

WHEREAS, pursuant to Section 9.01 of the Supplemental Indenture, the Trustee is authorized to execute and deliver this Tenth Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Agreement to Guarantee. The Guaranteeing Subsidiaries hereby agree to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 11 of the Fourth Supplemental Indenture.
4. No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the

Company or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

5. Governing Law. THIS TENTH SUPPLEMENTAL INDENTURE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO AND THERETO, INCLUDING THE INTERPRETATION, CONSTRUCTION, VALIDITY AND ENFORCEABILITY THEREOF, SHALL BE GOVERNED BY AND SHALL BE CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW).

6. Counterparts. The parties may sign any number of copies of this Tenth Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Tenth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Tenth Supplemental Indenture to be duly executed and attested, all as of the date first above written.

MAIDENFORM BRANDS, INC.
MAIDENFORM, INC.
MAIDENFORM INTERNATIONAL, LTD.
ELIZABETH NEEDLE-CRAFT, INC.
MF RETAIL, INC.
NICHOLAS NEEDLECRAFT, INC.
MAIDENFORM (BANGLADESH) LIMITED
CRESCENT INDUSTRIES, INC.
MAIDENFORM (INDONESIA) LIMITED

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

HANESBRANDS INC.

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

Signature Page to Tenth Supplemental Indenture

On behalf of each of the Guarantors listed below:

BA INTERNATIONAL, L.L.C.
CARIBESOCK, INC.
CARIBETEX, INC.
CASA INTERNATIONAL, LLC
CC PRODUCTS, INC.
CEIBENA DEL, INC.
EVENT 1, INC.
GEARCO, INC.
GFSI INC.
GFSI HOLDINGS, INC.
HANES MENSWEAR, LLC
HANES PUERTO RICO, INC.
HANESBRANDS DIRECT, LLC
HANESBRANDS DISTRIBUTION, INC.
HBI BRANDED APPAREL ENTERPRISES, LLC
HBI BRANDED APPAREL LIMITED, INC.
HBI INTERNATIONAL, LLC
HBI SOURCING, LLC
INNER SELF LLC
JASPER-COSTA RICA, L.L.C.
PLAYTEX DORADO, LLC
PLAYTEX INDUSTRIES, INC.
SEAMLESS TEXTILES, LLC
UPCR, INC.
UPEL, INC.
HANESBRANDS EXPORT CANADA LLC

By: /s/ Donald F. Cook
Name: Donald F. Cook
Title: Treasurer

Signature Page to Tenth Supplemental Indenture

**BRANCH BANKING AND TRUST COMPANY
as Trustee**

By: /s/ Gregory Yanok
Name: Gregory Yanok
Title: Vice President

Signature Page to Tenth Supplemental Indenture

SEVERANCE/CHANGE IN CONTROL AGREEMENT

THIS SEVERANCE/CHANGE IN CONTROL AGREEMENT (the “*Agreement*”), is made and entered into this ____ day of _____, by and between **Hanesbrands Inc.**, a Maryland corporation (the “*Company*”), and _____ (“*Executive*”).

WHEREAS, *Executive* is an employee of *Company*, *Company* desires to foster the continuous employment of *Executive* and has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of *Executive* to his duties free from distractions which could arise in anticipation of an involuntary termination of employment or a *Change in Control* of *Company*;

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, *Company* and *Executive* agree as follows:

1. **Term and Nature of Agreement.** This *Agreement* shall commence on the date it is fully executed (“*Execution Date*”) by all parties and shall continue in effect unless the *Company* gives at least eighteen (18) months prior written notice that this *Agreement* will not be renewed. In the event of such notice, this *Agreement* will expire on the next anniversary of the *Execution Date* that is at least eighteen (18) months after the date of such notice. Notwithstanding the foregoing, if a *Change in Control* occurs during any term of this *Agreement*, the term of this *Agreement* shall be extended automatically for a period of twenty-four (24) months after the end of the month in which the *Change in Control* occurs. Except to the extent otherwise provided, the parties intend for this *Agreement* to be construed and enforced as an unfunded welfare benefit plan under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including without limitation the jurisdictional provisions of ERISA.

2. **Involuntary Termination Benefits.** *Executive* shall be eligible for severance benefits upon an involuntary termination of employment under the terms and conditions specified in this section 2.

(a) **Eligibility for Severance.**

(i) **Eligible Terminations.** Subject to subparagraph (a)(ii) below, *Executive* shall be eligible for severance payments and benefits under this section 2 if his employment terminates under one of the following circumstances:

(A) *Executive*’s employment is terminated involuntarily without *Cause* (defined in subparagraph 2(a)(ii) (A)); or

(B) *Executive* terminates his or her employment at the request of *Company*.

(ii) **Ineligible Terminations.** Notwithstanding subparagraph (a)(i) next above, *Executive* shall not be eligible for any severance payments or benefits under

this section 2 if his employment terminates under any of the following circumstances:

- (A) A termination for *Cause*. For purposes of this *Agreement*, “*Cause*” means *Executive* has been convicted of (or pled guilty or no contest to) a felony or any crime involving fraud, embezzlement, theft, misrepresentation of financial impropriety; has willfully engaged in misconduct resulting in material harm to *Company*; has willfully failed to substantially perform duties after written notice; or is in willful violation of *Company* policies resulting in material harm to *Company*;
 - (B) A termination as the result of *Disability*. For purposes of this *Agreement* “*Disability*” shall mean a determination under *Company*’s disability plan covering *Executive* that *Executive* is disabled;
 - (C) A termination due to death;
 - (D) A termination due to *Retirement*. For purposes of this *Agreement* “*Retirement*” shall mean *Executive*’s voluntary termination of employment on or after *Executive*’s attainment of the normal retirement age as defined in the Hanesbrands Inc. Pension and Retirement Plan (the “*Retirement Plan*”);
 - (E) A voluntary termination of employment other than at the request of *Company*;
 - (F) A termination following which *Executive* is immediately offered and accepts new employment with *Company*, or becomes a non-executive member of the Board;
 - (G) The transfer of *Executive*’s employment to a subsidiary or affiliate of *Company* with his consent;
 - (H) A termination of employment that qualifies *Executive* to receive severance payments or benefits under section 3 below following a *Change in Control*; or
 - (I) Any other termination of employment under circumstances not described in subparagraph 2(a)(i).
- (iii) **Characterization of Termination.** The characterization of *Executive*’s termination shall be made by the *Committee* (as defined in section 5 below) which determination shall be final and binding.
- (iv) **Termination Date.** For purposes of this section 2, *Executive*’s “*Termination Date*” shall mean the date specified in the separation and release agreement described under section 2(e) below.

- (b) **Severance Benefits Payable.** If *Executive* is terminated under circumstances described in subparagraph 2(a)(i), and not described in subparagraph 2(a)(ii), then in lieu of any benefits payable under any other severance plan of the *Company* of any type and in consideration of the separation and release agreement and the covenants contained herein, the following shall apply:
- (i) *Executive* shall be entitled to receive his *Base Salary* (the “*Salary Portion of Severance*”) during the “*Severance Period*,” payable as provided in section 2(c). The “*Severance Period*” shall mean the number of months determined by multiplying the number of *Executive*’s full years of employment with *Company* or any subsidiary or affiliate of *Company* (including periods of employment with Sara Lee Corporation) by two; provided, however, that in no event shall the *Severance Period* be less than twelve months or more than twenty-four months. “*Base Salary*” shall mean the annual salary in effect for *Executive* immediately prior to his *Termination Date*. At the discretion of the *Committee*, *Executive* may receive an additional salary portion in an amount equal to as much as 100% of *Executive*’s target bonus under the *Annual Incentive Plan*.
 - (ii) *Executive* shall receive a pro-rata amount (determined based upon the number of days from the first day of the *Company*’s current fiscal year to *Executive*’s *Termination Date* divided by the total number of days in the applicable performance period and based on actual performance and achievement of any performance goals) of:
 - (A) The annual incentive, if any, payable under the *Annual Incentive Plan* in effect with respect to the fiscal year or *Short Year* in which the *Termination Date* occurs based on actual fiscal year performance (the “*Annual Incentive Portion of Severance*”). “*Annual Incentive Plan*” means the Hanesbrands Inc. annual incentive plan in which *Executive* participates as of the *Termination Date*; and
 - (B) The long-term incentive payable under the *Omnibus Plan* in effect on *Executive*’s *Termination Date* for any performance period or cycle that is at least fifty (50) percent completed prior to *Executive*’s *Termination Date* and which relates to the period of his service prior to his *Termination Date*. The “*Omnibus Plan*” means the Hanesbrands Inc. Omnibus Incentive Plan of 2006, as amended from time to time, and any successor plan or plans. The long-term incentive described in this section (“*Long-Term Cash Incentive Plan*”) includes cash long-term incentives, but does not include stock options, RSUs, or other equity awards.

Such amounts shall be payable as provided in section 2(c). Treatment of stock options, RSUs, or other equity awards shall be determined pursuant to the *Executive*’s award agreement(s). *Executive* shall not be eligible for any new *Annual Incentive Plan* grants, *Long-Term Cash Incentive Plan* grants,

or any other grants of stock options, RSUs, or other equity awards under the *Omnibus Plan* during the *Severance Period*.

- (iii) Beginning on his *Termination Date*, *Executive* shall be eligible to elect continued coverage under the group medical and dental plan available to similarly situated senior executives. If *Executive* elects continuation coverage for medical coverage, dental coverage or both, he shall pay the entire COBRA premium charged for such continuation coverage during the *Severance Period*; provided, however, that during the *Severance Period* *Company* shall reimburse *Executive* for that portion of the COBRA premium paid that exceeds the amount payable by an active executive of *Company* for similar coverage, as adjusted from time to time. Such reimbursement shall be made to *Executive* on the 20th day of each calendar month during the *Severance Period*, or within ten (10) business days thereafter. The amount eligible for reimbursement under this subparagraph in any calendar year shall not affect any amounts eligible for reimbursement to be provided in any other calendar year. In addition, *Executive's* right to reimbursement hereunder shall not be subject to liquidation or exchange for any other benefit. *Executive's* right to COBRA continuation coverage under any such group health plan shall be reduced by the number of months of medical and dental coverage otherwise provided pursuant to this subparagraph. The premium charged for any continuation coverage after the end of the *Severance Period* shall be entirely at *Executive's* expense and shall be the actuarially determined cost of the continuation coverage as determined by an actuary selected by the *Company* (in accordance with the requirements under COBRA, to the extent applicable). *Executive* shall not be entitled to reimbursement of any portion of the premium charged for such coverage after the end of the *Severance Period*. *Executive's* COBRA continuation coverage shall terminate in accordance with the COBRA continuation of coverage provisions under *Company's* group medical and dental plans. If *Executive* is eligible for early retirement under the terms of the *Retirement Plan* (or would become eligible if the *Severance Period* is considered as employment), then, after exhausting any COBRA continuation coverage under the group medical plan, *Executive* may elect to participate in any retiree medical plan available to similarly situated senior executives in accordance with the terms and conditions of such plan in effect on and after *Executive's Termination Date*; provided, that such retiree medical coverage shall not be available to *Executive* unless he or she elects such coverage within thirty (30) days following his *Termination Date*. The premium charged for such retiree medical coverage may be different (greater) than the premium charged an active employee for similar coverage;
- (iv) Except as otherwise provided herein or in the applicable plan, participation in all other *Company* plans available to similarly situated senior executives including but not limited to, qualified pension plans,

stock purchase plans, matching grant programs, 401(k) plans and ESOPs, personal accident insurance, travel accident insurance, short and long term disability insurance, and accidental death and dismemberment insurance, shall cease on *Executive's Termination Date*. During the *Severance Period*, *Company* shall continue to maintain life insurance covering *Executive* under *Company's Executive Life Insurance Plan* in accordance with its terms. If *Executive* is eligible for early retirement or becomes eligible for early retirement during the *Severance Period*, then *Company* will continue to pay the premiums (or prepay the entire premium) so that *Executive* has a paid-up life insurance benefit equal to his annual salary on his *Termination Date*.

(c) **Payment of Severance.** Subject to section 15:

(i) **Salary Portion.** The *Salary Portion of Severance* shall be paid as follows:

(A) That portion of the *Salary Portion of Severance* that exceeds the "*Separation Pay Limit*," if any, shall be paid to *Executive* in a lump sum payment as soon as practicable following the *Termination Date*, but in no event later than the fifteenth day of the third month after the date of the termination of *Executive's* employment. The "*Separation Pay Limit*" shall mean two (2) times the lesser of (1) the sum of *Executive's* annualized compensation based upon the annual rate of pay for services provided to *Company* for the calendar year immediately preceding the calendar year in which the *Termination Date* occurs (adjusted for any increase during that calendar year that was expected to continue indefinitely if *Executive* had not terminated employment); and (2) the maximum dollar amount of compensation that may be taken into account under a tax-qualified retirement plan under *Code* Section 401(a)(17) for the year in which the *Termination Date* occurs. The payment to be made to *Executive* pursuant to this subparagraph (A) is intended to be exempt from *Code* Section 409A (as defined in section 15) under the exemption found in Regulation Section 1.409A-(b)(4) for short-term deferrals.

(B) The remaining portion of the *Salary Portion of Severance* shall be paid during the *Severance Period* in accordance with *Company's* payroll schedule, unless the *Committee* shall elect to pay the remaining *Salary Portion of Severance* in a lump sum payment or a combination of regular payments and a lump sum payment. Any lump sum payment shall be paid to *Executive* as soon as practicable following the *Termination Date*, but in no event later than the fifteenth day of the third month after the date of the termination of *Executive's* employment. Notwithstanding the foregoing, in no event shall such remaining portion of the *Salary Portion of Severance* be paid to *Executive* later than December 31 of the second calendar year following the calendar year in which *Executive's Termination Date*

occurs. The payment(s) to be made to *Executive* pursuant to this subparagraph (B) are intended to be exempt from *Code Section 409A* (as defined in section 15) under the exemption found in Regulation Section 1.409A-1(b)(9)(iii) for separation pay plans (i.e., the so-called “two times” pay exemption).

- (ii) **Incentive Portion.** The *Annual Incentive Portion of Severance*, if any, shall be paid in cash on the same date the active participants under the *Annual Incentive Plan* are paid. The *Long-Term Cash Incentive Plan* payout, if any, shall be paid in the same form and on the same date the active participants under the *Omnibus Plan* are paid.
- (iii) **Withholding.** All payments hereunder shall be reduced by such amount as *Company* (or any subsidiary or affiliate of *Company*) may be required under all applicable federal, state, local or other laws or regulations to withhold or pay over with respect to such payment.
- (d) **Termination of Benefits.** Notwithstanding any provisions in this *Agreement* to the contrary, all rights to receive or continue to receive severance payments and benefits under this section 2 shall cease on the earliest of: (i) the date *Executive* breaches any of the covenants in the separation and release agreement described in section 2(e); or (ii) the date *Executive* becomes reemployed by *Company* or any of its subsidiaries or affiliates.
- (e) **Separation and Release Agreement.** No benefits under this section 2 shall be payable to *Executive* unless *Executive* and *Company* have executed a separation and release agreement within forty-five (45) days following the *Termination Date* and the payment of severance benefits under this section 2 shall be subject to the terms and conditions of the separation and release agreement.
- (f) **Death of Executive.** In the event that *Executive* shall die prior to the payment in full of any benefits described above as payable to *Executive* for *Involuntary Termination*, payments of such benefits shall cease on the date of *Executive*'s death.

3. Change in Control Benefits.

- (a) **Eligibility for Change in Control Benefits.**
 - (i) **Eligible Terminations.** If (A) within three (3) months preceding a *Change in Control*, the *Executive*'s employment is terminated by the *Company* at the request of a third party in contemplation of a *Change in Control*, (B) within twenty-four (24) months following a *Change in Control*, *Executive*'s employment is terminated by *Company* other than on account of *Executive*'s death, disability or retirement and other than for *Cause*, or (C) within twenty-four (24) months following a *Change in Control* *Executive* voluntarily terminates his employment for *Good Reason*, *Executive* shall be entitled to the *Change in Control* benefits as described in section 3(b) below.

- (ii) **Good Reason.** For purposes of this section 3, “*Good Reason*” means the occurrence of any one or more of the following (without *Executive’s* written consent after a *Change in Control*):
- (A) A material adverse change in *Executive’s* duties or responsibilities;
 - (B) A reduction in *Executive’s* annual base salary except any reduction of not more than ten (10) percent;
 - (C) A material reduction in *Executive’s* level of participation in any of *Company’s* short- and/or long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices or arrangements in which *Executive* participates except for any reduction applicable to all senior executives;
 - (D) The failure of any successor to *Company* to assume and agree to perform this *Agreement*; or
 - (E) *Company’s* requiring *Executive* to be based at an office location which is at least fifty (50) miles from his or her office location at the time of the *Change in Control*.

The existence of *Good Reason* shall not be affected by *Executive’s* temporary incapacity due to physical or mental illness not constituting a *Disability*. *Executive’s* retirement shall constitute a waiver of his or her rights with respect to any circumstance constituting *Good Reason*. *Executive’s* continued employment shall not constitute a waiver of his or her rights with respect to any circumstances which may constitute *Good Reason*; provided, however, that *Executive* may not rely on any particular action or event described in clause (A) through (E) above as a basis for terminating his employment for *Good Reason* unless he delivers a *Notice of Termination* based on that action or event within ninety (90) days after its occurrence and *Company* has failed to correct the circumstances cited by *Executive* as constituting *Good Reason* within thirty (30) days of receiving the *Notice of Termination*.

- (iii) **Change in Control.** For purposes of this *Agreement*, a “*Change in Control*” will occur:

- (A) Upon the acquisition by any individual, entity or group, including any *Person* (as defined in the United States Securities Exchange Act of 1934, as amended (the “*Exchange Act*”)), of beneficial ownership (as defined in Rule 13d-3 promulgated under the *Exchange Act*), directly or indirectly, of twenty (20) percent or more of the combined voting power of the then outstanding capital stock of *Company* that by its terms may be voted on all matters submitted to stockholders of *Company* generally (“*Voting Stock*”); provided, however, that the following acquisitions shall not constitute a *Change in Control*:

- 1) Any acquisition directly from *Company* (excluding any acquisition resulting from the exercise of a conversion or exchange privilege in respect of outstanding convertible or exchangeable securities unless such outstanding convertible or exchangeable securities were acquired directly from *Company*);
 - 2) Any acquisition by *Company*;
 - 3) Any acquisition by an employee benefit plan (or related trust) sponsored or maintained by *Company* or any corporation controlled by *Company*; or
 - 4) Any acquisition by any corporation pursuant to a reorganization, merger or consolidation involving *Company*, if, immediately after such reorganization, merger or consolidation, each of the conditions described in clauses (1), (2) and (3) of subparagraph 3(a)(iii)(B) below shall be satisfied; and provided further that, for purposes of clause (2) immediately above, if (i) any *Person* (other than *Company* or any employee benefit plan (or related trust) sponsored or maintained by *Company* or any corporation controlled by *Company*) shall become the beneficial owner of twenty (20) percent or more of the *Voting Stock* by reason of an acquisition of *Voting Stock* by *Company*, and (ii) such *Person* shall, after such acquisition by *Company*, become the beneficial owner of any additional shares of the *Voting Stock* and such beneficial ownership is publicly announced, then such additional beneficial ownership shall constitute a *Change in Control*; or
- (B) Upon the consummation of a reorganization, merger or consolidation of *Company*, or a sale, lease, exchange or other transfer of all or substantially all of the assets of *Company*; excluding, however, any such reorganization, merger, consolidation, sale, lease, exchange or other transfer with respect to which, immediately after consummation of such transaction:
- 1) All or substantially all of the beneficial owners of the *Voting Stock* of *Company* outstanding immediately prior to such transaction continue to beneficially own, directly or indirectly (either by remaining outstanding or by being converted into voting securities of the entity resulting from such transaction), more than fifty (50) percent of the combined voting power of the voting securities of the entity resulting from such transaction (including, without limitation, *Company* or an entity which as a result of such transaction owns *Company* or

all or substantially all of *Company's* property or assets, directly or indirectly) (the “*Resulting Entity*”) outstanding immediately after such transaction, in substantially the same proportions relative to each other as their ownership immediately prior to such transaction; and

- 2) No *Person* (other than any *Person* that beneficially owned, immediately prior to such reorganization, merger, consolidation, sale or other disposition, directly or indirectly, *Voting Stock* representing twenty (20) percent or more of the combined voting power of *Company's* then outstanding securities) beneficially owns, directly or indirectly, twenty (20) percent or more of the combined voting power of the then outstanding securities of the *Resulting Entity*; and
 - 3) At least a majority of the members of the board of directors of the entity resulting from such transaction were members of the board of directors of *Company* (the “*Board*”) at the time of the execution of the initial agreement or action of the *Board* authorizing such reorganization, merger, consolidation, sale or other disposition; or
- (C) Upon the consummation of a plan of complete liquidation or dissolution of *Company*; or
- (D) When the *Initial Directors* cease for any reason to constitute at least a majority of the *Board*. For this purpose, an “*Initial Director*” shall mean those individuals serving as the directors of *Company* as of the date of this *Agreement*; provided, however, that any individual who becomes a director of *Company* at or after the first annual meeting of stockholders of *Company* whose election, or nomination for election by the *Company's* stockholders, was approved by the vote of at least a majority of the *Initial Directors* then comprising the *Board* (or by the nominating committee of the *Board*, if such committee is comprised of *Initial Directors* and has such authority) shall be deemed to have been an *Initial Director*; and provided further, that no individual shall be deemed to be an *Initial Director* if such individual initially was elected as a director of *Company* as a result of: (1) an actual or threatened solicitation by a *Person* (other than the *Board*) made for the purpose of opposing a solicitation by the *Board* with respect to the election or removal of directors; or (2) any other actual or threatened solicitation of proxies or consents by or on behalf of any *Person* (other than the *Board*).
- (iv) **Termination Date.** For purposes of this section 3, “*Termination Date*” shall mean the date specified in the *Notice of Termination* as the date on which the conditions giving rise to *Executive's* termination were first met.

- (b) **Change in Control Benefits.** In the event *Executive* becomes entitled to receive benefits under this section 3, the following shall apply:
- (i) In consideration of *Executive's* covenants hereunder, *Executive* shall be entitled to receive the following amounts, payable as provided in section 3(j):
- (A) A lump sum payment equal to the unpaid portion of *Executive's* annual *Base Salary* and vacation accrued through the *Termination Date*;
 - (B) A lump sum payment equal to *Executive's* prorated *Annual Incentive Plan* payment (as determined in accordance with subparagraph 2(b)(ii)(A) above);
 - (C) A lump sum payment equal to *Executive's* prorated *Long-Term Cash Incentive Plan* payment (as determined in accordance with subparagraph 2(b)(ii)(B) above); and
 - (D) A lump sum payment equal to two times the sum of (1) *Executive's* annual *Base Salary*; and (2) the greater of (i) *Executive's* target annual incentive (as defined in the *Annual Incentive Plan*) for the year in which the *Change in Control* occurs and (ii) *Executive's* average annual incentive calculated over the three (3) fiscal years immediately preceding the year in which the *Change in Control* occurs; and (3) an amount equal to the *Company* matching contribution to the defined contribution plan in which *Executive* is participating at the *Termination Date* (currently 4%).
- Treatment of stock options, RSUs, or other equity awards shall be determined pursuant to the *Executive's* award agreement(s). *Executive* shall not be eligible for any new *Annual Incentive Plan* grants, *Long-Term Cash Incentive Plan* grants, or any other grants of stock options, RSUs, or other equity awards under the *Omnibus Plan* with respect to the *CIC Severance Period* as defined immediately below.
- (ii) For a period of 24 months following *Executive's Termination Date* (the "*CIC Severance Period*"), *Executive* shall have the right to elect continuation of the life insurance, personal accident insurance, travel accident insurance and accidental death and dismemberment insurance coverages which insurance coverages shall be provided at the same levels and the same costs in effect immediately prior to the *Change in Control*. Beginning on his *Termination Date*, *Executive* shall be eligible to elect continued coverage under the group medical and dental plan available to similarly situated senior executives. If *Executive* elects continuation coverage for medical coverage, dental coverage or both, he shall pay the entire COBRA premium charged for such continuation coverage during the *CIC Severance Period*; provided, however, that during the *CIC Severance Period*, *Company* shall reimburse *Executive* for that portion of the COBRA premium paid that exceeds the amount payable

by an active executive of *Company* for similar coverage, as adjusted from time to time. Such reimbursement shall be made to *Executive* on the 20th day of each calendar month during the *CIC Severance Period*, or within ten (10) business days thereafter. The amount eligible for reimbursement under this subparagraph in any calendar year shall not affect any amounts eligible for reimbursement to be provided in any other calendar year. In addition, *Executive's* right to reimbursement hereunder shall not be subject to liquidation or exchange for any other benefit. *Executive's* right to COBRA continuation coverage under any such group health plan shall be reduced by the number of months of coverage otherwise provided pursuant to this subparagraph. The premium charged for any continuation coverage after the end of the *CIC Severance Period* shall be entirely at *Executive's* expense and shall be the actuarially determined cost of the continuation coverage as determined by an actuary selected by the *Company* (in accordance with the requirements under COBRA, to the extent applicable). *Executive* shall not be entitled to reimbursement of any portion of the premium charged for such coverage after the end of the *CIC Severance Period*. *Executive's* COBRA continuation coverage shall terminate in accordance with the COBRA continuation of coverage provisions under *Company's* group medical and dental plans. If *Executive* is eligible for early retirement under the terms of the *Retirement Plan* (or would become eligible if the *CIC Severance Period* is considered as employment), then, after exhausting any COBRA continuation coverage under the group medical plan, *Executive* may elect to participate in any retiree medical plan available to similarly situated senior executives in accordance with the terms and conditions of such plan in effect on and after *Executive's Termination Date*; provided, that such retiree medical coverage shall not be available to *Executive* unless he or she elects such coverage within thirty (30) days following his *Termination Date*. The premium charged for such retiree medical coverage may be different from the premium charged an active employee for similar coverage;

- (iii) If the aggregate benefits accrued by *Executive* as of the *Termination Date* under the savings and retirement plans sponsored by *Company* are not fully vested pursuant to the terms of the applicable plan(s), the difference between the benefits *Executive* is entitled to receive under such plans and the benefits he would have received had he been fully vested will be provided to *Executive* under the Hanesbrands Inc. Supplemental Employee Retirement Plan (the "*Supplemental Plan*"). In addition, for purposes of determining *Executive's* benefits under the *Supplemental Plan* and *Executive's* right to post-retirement medical benefits under *Company's* retiree medical plan, additional years of age and service credits equivalent to the length of the *CIC Severance Period* shall be included. However, *Executive* will not be eligible to begin receiving any retirement benefits under any such plans until the date he or she would otherwise be eligible to begin receiving benefits under such plans;
- (iv) Except as otherwise provided herein or in the applicable plan, participation in all other plans of *Company* or any subsidiary or affiliate of *Company*

available to similarly situated *Executives* of *Company*, shall cease on *Executive's Termination Date*.

- (c) **Termination for Disability.** If *Executive's* employment is terminated due to *Disability* following a *Change in Control*, *Executive* shall receive his *Base Salary* through the *Termination Date*, at which time his benefits shall be determined in accordance with *Company's* disability, retirement, insurance and other applicable plans and programs then in effect, and *Executive* shall not be entitled to any other benefits provided by this *Agreement*.
- (d) **Termination for Retirement or Death.** If *Executive's* employment is terminated by reason of his retirement or death following a *Change in Control*, *Executive's* benefits shall be determined in accordance with *Company's* retirement, survivor's benefits, insurance, and other applicable programs then in effect, and *Executive* shall not be entitled to any other benefits provided by this *Agreement*.
- (e) **Termination for Cause, or Other Than for Good Reason or Retirement.** If *Executive's* employment is terminated either by *Company* for *Cause*, or voluntarily by *Executive* (other than for *Retirement* or *Good Reason*) following a *Change in Control*, *Company* shall pay *Executive* his full *Base Salary* and accrued vacation through the *Termination Date*, at the rate then in effect, plus all other amounts to which such *Executive* is entitled under any compensation plans of *Company*, at the time such payments are due, and *Company* shall have no further obligations to such *Executive* under this *Agreement*.
- (f) **Separation and Release Agreement.** No benefits under this section 3 shall be payable to *Executive* unless *Executive* and *Company* have executed a "*Separation and Release Agreement*" (in substantially the form attached hereto as Exhibit A) within forty-five (45) days following the *Termination Date* and the payment of change in control benefits under this section 3 shall be subject to the terms and conditions of the *Separation and Release Agreement*.
- (g) **Deferred Compensation.** All amounts previously deferred by or accrued to the benefit of *Executive* under any nonqualified deferred compensation plan sponsored by *Company* (including, without limitation, any vested amounts deferred under incentive plans), together with any accrued earnings thereon, shall be paid in accordance with the terms of such plan following *Executive's* termination.
- (h) **Notice of Termination.** Any termination of employment under this section 3 by *Company* or by *Executive* for *Good Reason* shall be communicated by a written notice which shall indicate the specific *Change in Control* termination provision relied upon, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of *Executive's* employment under the provision so indicated (a "*Notice of Termination*").
- (i) **Termination of Benefits.** All rights to receive or continue to receive severance payments and benefits pursuant to this section 3 by reason of a *Change in Control*

shall cease on the date *Executive* becomes reemployed by *Company* or any of its subsidiaries or affiliates.

- (j) **Form and Timing of Benefits.** Subject to the provisions of this section 3 and to section 15, the *Change in Control* benefits described herein shall be paid to *Executive* in cash in a single lump sum payment as soon as practicable following the *Termination Date*, but in no event later than the fifteenth day of the third month after the date of the *Executive's* termination of employment. The *Change in Control* benefits payable to *Executive* pursuant to this subparagraph (j) are intended to be exempt from *Code Section 409A* (as defined in section 15) under the exemption found in Regulation Section 1.409A-(b)(4) for short-term deferrals.
- (k) **Excise Tax Adjustment.** Subject to the limitation below, in the event that *Executive* becomes entitled to any payment or benefit under this section 3 (such benefits together with any other payments or benefits payable under any other agreement with, or plan or policy of, *Company* are referred to in the aggregate as the “*Total Payments*”), if all or any part of the *Total Payments* will, as determined by *Company*, be subject to the tax (the “*Excise Tax*”) imposed by *Code Section 4999* (or any similar tax that may hereafter be imposed), then such payment shall be either: (i) provided to *Executive* in full, or (ii) provided to *Executive* to such lesser extent as would result in no portion of such payment being subject to such *Excise Tax*, whichever of the foregoing amounts, when taking into account applicable federal, state, local and foreign income and employment taxes, such *Excise Tax*, and any other applicable taxes, results in the receipt by *Executive*, on an after-tax basis, of the greatest amount of the payment, notwithstanding that all or some portion of such payment may be taxable under such *Excise Tax*. To the extent such payment needs to be reduced pursuant to the preceding sentence, reductions shall come from taxable amounts before non-taxable amounts and beginning with the payments otherwise scheduled to occur soonest. *Executive* agrees to cooperate fully with *Company* to determine the benefits applicable under this section. For purposes of determining whether any of the *Total Payments* will be subject to the *Excise Tax*, and the amounts of such *Excise Tax*, the following shall apply:
- (i) Any other payments or benefits received or to be received by *Executive* in connection with a *Change in Control* or *Executive's* termination of employment (whether pursuant to the terms of this *Agreement* or any other plan, policy, arrangement or agreement with *Company*, or with any *Person* whose actions result in a *Change in Control* or any *Person* affiliated with *Company* or such *Persons*) shall be treated as “parachute payments” within the meaning of *Code Section 280G(b)(2)*, and all “excess parachute payments” within the meaning of *Code Section 280G(b)(1)* shall be treated as subject to the *Excise Tax*, unless in the opinion of *Company's* tax counsel as supported by *Company's* independent auditors and acceptable to *Executive*, such other payments or benefits (in whole or in part) do not constitute parachute payments, or unless such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of *Code Section 280G(b)(4)* in excess of the

base amount within the meaning of *Code* Section 280G(b)(3), or are otherwise not subject to the *Excise Tax*;

- (ii) The value of any noncash benefits or any deferred payment or benefit shall be determined by *Company's* independent auditors in accordance with the principles of *Code* Sections 280G(d)(3) and (4);
 - (iii) *Executive* shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation, and state and local income taxes at the highest marginal rate of taxation in the state and locality of *Executive's* residence on the *Termination Date*, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes; and
 - (iv) In the event the Internal Revenue Service adjusts any item included in *Company's* computations under this section 3(k) so that *Executive* did not receive the full net benefit intended under the provisions of this section 3(k), *Company* shall reimburse *Executive* for the full amount necessary to make *Executive* whole as determined by the *Committee*. Any such payment shall be treated for *Section 409A* purposes as a payment separate from the payment made pursuant to this subparagraph (k) immediately following *Executive's* termination of employment and shall be made by *Company* to *Executive* within twenty (20) days of the date he remits the additional taxes as a result of such adjustment; provided, however, that no such payment shall be made following the calendar year after the calendar year in which such adjustment was made by the Internal Revenue Service.
- (l) **Company's Payment Obligation.** Subject to the provisions of section 4, *Company's* obligation to make the payments and the arrangements provided in this section 3 shall be absolute and unconditional, and shall not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which *Company* may have against *Executive* or anyone else. All amounts payable by *Company* under this section 3 shall be paid without notice or demand and each and every payment made by *Company* shall be final, and *Company* shall not seek to recover all or any part of such payment from *Executive* or from whomsoever may be entitled thereto, for any reason except as provided in section 3(k) above or in section 4.
- (m) **Other Employment.** *Executive* shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under this section 3, and the obtaining of any such other employment shall in no event result in any reduction of *Company's* obligations to make the payments and arrangements required to be made under this section 3, except to the extent otherwise specifically provided in this *Agreement*.
- (n) **Payment of Legal Fees and Expenses.** To the extent permitted by law, *Company* shall reimburse *Executive* for all reasonable legal fees, costs of litigation or arbitration, prejudgment or pre-award interest, and other expenses incurred in good

faith by *Executive* as a result of *Company*'s refusal to provide benefits under this section 3, or as a result of *Company* contesting the validity, enforceability or interpretation of the provisions of this section 3, or as the result of any conflict (including conflicts related to the calculation of parachute payments or the characterization of *Executive*'s termination) between *Executive* and *Company*; provided that the conflict or dispute is resolved in *Executive*'s favor and *Executive* acts in good faith in pursuing his rights under this section 3. Such reimbursement shall be made within thirty (30) days following final resolution, in favor of *Executive*, of the conflict or dispute giving rise to such fees and expenses. In no event shall *Executive* be entitled to receive the reimbursements provided for in this subparagraph if he acts in bad faith or pursues a claim without merit, or if he fails to prevail in any action instituted by him or *Company*.

- (o) **Arbitration for Change in Control Benefits.** Any dispute or controversy arising under or in connection with the benefits provided under this section 3 shall promptly and expeditiously be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time of such arbitration proceeding utilizing a panel of three (3) arbitrators sitting in a location selected by *Executive* within fifty (50) miles from the location of his employment with *Company*. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The costs and expenses of both parties, including, without limitation, attorneys' fees shall be borne by *Company*. Pending the resolution of any such dispute, controversy or claim, *Executive* (and his beneficiaries) shall, except to the extent that the arbitrator otherwise expressly provides, continue to receive all payments and benefits due under this section 3.

4. **Remedies.** In the event of any actual or threatened breach of the provisions of this *Agreement* or any separation and release agreement, the party who claims such breach or threatened breach shall give the other party written notice and, except in the case of a breach which is not susceptible to being cured, ten calendar days in which to cure. In the event of a breach of any provision of this *Agreement* or any separation and release agreement by *Executive*, (i) *Executive* shall reimburse *Company*: the full amount of any payments made under section 2(b)(i), (ii), or (iii) or section 3(b)(i) of this *Agreement* (as the case may be), (ii) *Company* shall have the right, in addition to and without waiving any other rights to monetary damages or other relief that may be available to *Company* at law or in equity, to immediately discontinue any remaining payments due under subparagraph 2(b)(i), (ii) or (iii) or subparagraph 3(b)(i) of this *Agreement* (as the case may be) including but not limited to any remaining *Salary Portion of Severance* payments, and (iii) the *Severance Period* or the *CIC Severance Period* (as the case may be) shall thereupon cease, provided that *Executive*'s obligations under, if applicable, any separation and release agreement shall continue in full force and effect in accordance with their terms for the entire duration of the *Severance Period* or *CIC Severance Period* as applicable. In addition, *Executive* acknowledges that *Company* will suffer irreparable injury in the event of a breach or violation or threatened breach or violation of the provisions of this *Agreement* or any separation and release agreement and agrees that in the event of an actual or threatened breach or violation of such provisions, in addition to the other remedies or rights available to under this *Agreement* or otherwise, *Company* shall be awarded

injunctive relief in the federal or state courts located in North Carolina to prohibit any such violation or breach or threatened violation or breach, without necessity of posting any bond or security.

5. **Committee.** Except as specifically provided herein, this *Agreement* shall be administered by the Compensation and Benefits Committee of the *Board* (the "*Committee*"). The *Committee* may delegate any administrative duties, including, without limitation, duties with respect to the processing, review, investigation, approval and payment of severance/*Change in Control* benefits, to designated individuals or committees.

6. **Claims Procedure.** If *Executive* believes that he is entitled to receive severance benefits under this *Agreement*, he may file a claim in writing with the *Committee* within ninety (90) days after the date such *Executive* believes he or she should have received such benefits. No later than ninety (90) days after the receipt of the claim, the *Committee* shall either allow or deny the claim in writing. A denial of a claim, in whole or in part, shall be written in a manner calculated to be understood by *Executive* and shall include the specific reason or reasons for the denial; specific reference to the pertinent provisions of this *Agreement* on which the denial is based; a description of any additional material or information necessary for *Executive* to perfect the claim and an explanation of why such material or information is necessary; and an explanation of the claim review procedure. *Executive* (or his duly authorized representative) may within sixty (60) days after receipt of the denial of his claim request a review upon written application to the *Committee*; review pertinent documents; and submit issues and comments in writing. The *Committee* shall notify *Executive* of its decision on review within sixty (60) days after receipt of a request for review unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than one-hundred twenty (120) days after receipt of a request for review. Notice of the decision on review shall be in writing. The *Committee's* decision on review shall be final and binding on *Executive* and any successor in interest. If *Executive* subsequently wishes to file a claim under Section 502(a) of ERISA, any legal action must be filed within ninety (90) days of the *Committee's* final decision. *Executive* must exhaust the claims procedure provided in this section 6 before filing a claim under ERISA with respect to any benefits provided under section 2 of this *Agreement*.

7. **Notices.** Any notice required or permitted to be given under this *Agreement* shall be sufficient if in writing and either delivered in person or sent by first class, certified or registered mail, postage prepaid, if to *Company* at *Company's* principal place of business, and if to *Executive*, at his home address most recently filed with *Company*, or to such other address as either party shall have designated in writing to the other party.

8. **Governing Law.** This *Agreement* shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to any state's conflict of law principles.

9. **Severability and Construction.** If any provision of this *Agreement* is declared void or unenforceable or against public policy, such provision shall be deemed severable and severed from this *Agreement* and the balance of this *Agreement* shall remain in full force and effect. If a court of competent jurisdiction determines that any restriction in this *Agreement* is overbroad or unreasonable under the circumstances, such restriction shall be modified or revised by such court to include the maximum reasonable restriction allowed by law.

10. **Waiver.** Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition.

11. **Entire Agreement Modifications.** This *Agreement* (including all exhibits hereto) constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, oral and written, between the parties hereto with respect to the subject matter hereof. In the event of any inconsistency between any provision of this *Agreement* and any provision of any plan, employee handbook, personnel manual, program, policy, arrangement or agreement of *Company* or any of its subsidiaries or affiliates, the provisions of this *Agreement* shall control. This *Agreement* may be modified or amended only by an instrument in writing signed by both parties. Each of the parties hereto has relied on his or its own judgment in entering into this *Agreement*.

12. **Withholding.** All payments made to *Executive* pursuant to this *Agreement* will be subject to withholding of employment taxes and other lawful deductions, as applicable.

13. **Survivorship.** Except as otherwise set forth in this *Agreement*, to the extent necessary to carry out the intentions of the parties hereunder the respective rights and obligations of the parties hereunder shall survive any termination of *Executive's* employment.

14. **Successors and Assigns.** This *Agreement* shall bind and shall inure to the benefit of *Company* and any and all of its successors and assigns. This *Agreement* is personal to *Executive* and shall not be assignable by *Executive*. *Company* may assign this *Agreement* to any entity which (i) purchases all or substantially all of the assets of *Company* or (ii) is a direct or indirect successor (whether by merger, sale of stock or transfer of assets) of *Company*. Any such assignment shall be valid so long as the entity which succeeds to *Company* expressly assumes *Company's* obligations hereunder and complies with its terms.

15. **Compliance with Code Section 409A.** To the extent applicable, it is intended that the payment of benefits described in this *Agreement* comply with *Code Section 409A* and all guidance or regulations thereunder ("*Section 409A*"), including compliance with all applicable exemptions from *Section 409A* (e.g., the short-term deferral exception and the "two times" pay exemption applicable to severance payments). This *Agreement* will at all times be construed in a manner to comply with *Section 409A* and should any provision be found not in compliance with *Section 409A*, *Executive* hereby agrees to any changes to the terms of this *Agreement* deemed necessary and required by legal counsel for *Company* to achieve compliance with *Section 409A*, including any applicable exemptions. By signing a copy of this *Agreement*, *Executive* irrevocably waives any objections he may have to any changes that may be required by *Section 409A*. In no event will any payment that becomes payable pursuant to this *Agreement* that is considered "deferred compensation" within the meaning of *Section 409A*, if any, and does not satisfy any of the applicable exemptions under *Section 409A*, be accelerated in violation of *Section 409A*. If *Executive* is a "specified employee" as defined in *Section 409A*, any payment that becomes payable pursuant to this *Agreement* that is considered "deferred compensation" within the meaning of *Section 409A* and does not satisfy any of the applicable exemptions under *Section 409A* may not be made before the date that is six months after *Executive's* separation from service (or death, if earlier). To the extent *Executive* becomes subject to the six-month delay rule, all payments that would have been made to *Executive* during the six months following his separation from service that are not otherwise exempt from *Section 409A*, if any, will be accumulated and paid to *Executive* during the seventh

month following his separation from service, and any remaining payments due will be made in their ordinary course as described in this *Agreement*. *Company* will notify *Executive* should he become subject to the six month delay rule.

IN WITNESS WHEREOF, *Company* and *Executive* have duly executed and delivered this *Agreement* as of the day and year first above written.

EXECUTIVE: _____

HANESBRANDS INC.

Signature: _____

By: _____

Title: _____

Exhibit A

MODEL FORM

SEPARATION AND RELEASE AGREEMENT

Hanesbrands Inc.(the “Company”) and _____ (the “Executive”) enter into this Separation and Release Agreement which was received by Executive on the ___ day of _____, 20___, signed by Executive on the ___ day of _____, 20___, and is effective on the ___ day of _____, 20___ (the “Effective Date”). The Effective Date shall be no less than 7 days after the date signed by Executive.

WITNESSETH:

WHEREAS, Executive has been employed by the Company as a _____; and

WHEREAS, Executive’s employment with the Company is terminated as of _____, 20___ (the “Termination Date”); and

WHEREAS, pursuant to that certain Severance/Change in Control Agreement between Company and Executive dated _____, 20___ (the “Change in Control Agreement”), upon a termination of Executive’s employment that satisfies the conditions specified in the Change in Control Agreement, Executive is entitled to the benefits described in the Change in Control Agreement provided Executive executes a separation and release agreement acceptable to Company; and

WHEREAS, this separation and release agreement (the “Agreement”) is intended to satisfy the requirements of the Change in Control Agreement and to form a part of the Change in Control Agreement in such a manner that all the rights, duties and obligations arising between Executive and Company, including, but in no way limited to, any rights, duties and obligations that have arisen or might arise out of or are in any way related to Executive’s employment with the Company and the conclusion of that employment are settled herein through the joinder of the Change in Control Agreement with this Agreement.

NOW, THEREFORE, in consideration of the obligations of the parties under the Change in Control Agreement and the additional covenants and mutual promises herein contained, it is further agreed as follows:

1. **Termination Date.** Executive agrees to resign Executive’s employment and all appointments Executive holds with Company, and its subsidiaries and affiliates, on the Termination Date. Executive understands and agrees that Executive’s employment with the Company will conclude on the close of business on the Termination Date.

2. **Termination Benefits.** Executive and Company agree that Executive shall receive the benefits described in the Change in Control Agreement, less all applicable withholding taxes and other customary payroll deductions, provided in the Change in Control Agreement.

3. **Receipt of Other Compensation.** Executive acknowledges and agrees that, other than as specifically set forth in the Change in Control Agreement or this Agreement, following the

Termination Date, Executive is not and will not be due any compensation, including, but not limited to, compensation for unpaid salary (except for amounts unpaid and owing for Executive's employment with Company, its subsidiaries or affiliates prior to the Termination Date), unpaid bonus, severance and accrued or unused vacation time or vacation pay from the Company or any of its subsidiaries or affiliates. Except as provided herein or in the Change in Control Agreement, Executive will not be eligible to participate in any of the benefit plans of the Company after Executive's Termination Date. However, Executive will be entitled to receive benefits which are vested and accrued prior to the Termination Date pursuant to the employee benefit plans of the Company. Any participation by Executive (if any) in any of the compensation or benefit plans of the Company as of and after the Termination Date shall be subject to and determined in accordance with the terms and conditions of such plans, except as otherwise expressly set forth in the Change in Control Agreement or this Agreement.

4. **Continuing Cooperation.** Following the Termination Date, Executive agrees to cooperate with all reasonable requests for information made by or on behalf of Company with respect to the operations, practices and policies of the Company. In connection with any such requests, the Company shall reimburse Executive for all out-of-pocket expenses reasonably and necessarily incurred in responding to such request(s).

5. **Executive's Representation and Warranty.** Executive hereby represents and warrants that, during Executive's period of employment with the Company, Executive did not willfully or negligently breach Executive's duties as an employee or officer of the Company, did not commit fraud, embezzlement, or any other similar dishonest conduct, and did not violate the Company's business standards.

6. **Non-Solicitation and Non-Compete.** In consideration of the benefits provided under this Agreement and in the Change in Control Agreement, Executive agrees that during Executive's employment and for the duration of the applicable Severance Period as determined pursuant to the terms of the Change in Control Agreement, Executive will not, without the prior written consent of Company, either alone or in association with others, solicit for employment or assist or encourage the solicitation for employment, any employee of Company, or any of its subsidiaries or affiliates; will not, without the prior written consent of Company, solicit any customer of Company, or any of its subsidiaries or affiliates, to induce or attempt to induce such person or entity to cease or reduce doing business with Company, or any of its subsidiaries or affiliates, or interfere with the relationship between Company and any such customer; and will not, without the prior written consent of Company, directly or indirectly counsel, advise, perform services for, or be employed by, or otherwise engage or participate in any Competing Business (regardless of whether Executive receives compensation of any kind). For purposes of this Agreement, a "Competing Business" shall mean any commercial activity which competes or is reasonably likely to compete with any business that the Company conducts, or demonstrably anticipates conducting, as of Executive's Termination Date.

7. **Confidentiality.** At all times after the Effective Date, Executive will maintain the confidentiality of all information in whatever form concerning Company or any of its subsidiaries or affiliates relating to its or their businesses, customers, finances, strategic or other plans, marketing, employees, trade practices, trade secrets, know-how or other matters which are not generally known outside Company or any of its subsidiaries or affiliates, and Executive will not, directly or indirectly, make any disclosure thereof to anyone, or make any use thereof, on Executive's own behalf or on

behalf of any third party, unless specifically requested by or agreed to in writing by an executive officer of Company. In addition, Executive agrees that Executive will not disclose the existence or terms of this Agreement to any third parties with the exception of Executive's accountants, attorneys, or spouse, and shall ensure that none of them discloses such existence or terms to any other person, except as required to comply with law. Executive will promptly return to Company all reports, files, memoranda, records, computer equipment and software, credit cards, cardkey passes, door and file keys, computer access codes or disks and instructional manuals, and other physical or personal property which Executive received or prepared or helped prepare in connection with Executive's employment and Executive will not retain any copies, duplicates, reproductions or excerpts thereof. The obligations of this paragraph 7 shall survive the expiration of this Agreement.

8. **Non-Disparagement.** At all times after the Effective Date, Executive will not disparage or criticize, orally or in writing, the business, products, policies, decisions, directors, officers or employees of Company or any of its subsidiaries or affiliates to any person. Company also agrees that none of its executive officers will disparage or criticize Executive to any person or entity. The obligations of this paragraph 8 shall survive the expiration of this Agreement.

9. **Breach of Agreement.** Any actual or threatened breach of this Agreement will be handled as provided in the Change in Control Agreement.

10. **Release.**

- (a) Executive on behalf of Executive, Executive's heirs, executors, administrators and assigns, does hereby knowingly and voluntarily release, acquit and forever discharge Company and any of its subsidiaries, affiliates, successors, assigns and past, present and future directors, officers, employees, trustees and shareholders (the "Released Parties") from and against any and all complaints, claims, cross-claims, third-party claims, counterclaims, contribution claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses of any nature whatsoever, known or unknown, suspected or unsuspected, foreseen or unforeseen, matured or unmatured, which, at any time up to and including the date on which Executive signs this Agreement, exists, have existed, or may arise from any matter whatsoever occurring, including, but not limited to, any claims arising out of or in any way related to Executive's employment with Company or its subsidiaries or affiliates and the conclusion thereof, which Executive, or any of Executive's heirs, executors, administrators, assigns, affiliates, and agents ever had, now has or at any time hereafter may have, own or hold against any of the Released Parties based on any matter existing on or before the date on which Executive signs this Agreement. Executive acknowledges that in exchange for this release, Company is providing Executive with total consideration, financial or otherwise, which exceeds what Executive would have been given without the release. By executing this Agreement, Executive is waiving, without limitation, all claims (except for the filing of a charge with an administrative agency) against the Released Parties arising under federal, state and local labor and antidiscrimination laws, any employment related claims under the employee Retirement Income Security Act of 1974, as amended, and any other restriction on the right to terminate employment, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act of 1990, as amended, and the North

Carolina Equal Employment Practices Act, as amended. Nothing herein shall release any party from any obligation under this Agreement. Executive acknowledges and agrees that this release and the covenant not to sue set forth in paragraph (c) below are essential and material terms of this Agreement and that, without such release and covenant not to sue, no agreement would have been reached by the parties and no benefits under the Change in Control Agreement would have been paid. Executive understands and acknowledges the significance and consequences of this release and this Agreement.

- (b) EXECUTIVE SPECIFICALLY WAIVES AND RELEASES THE RELEASED PARTIES FROM ALL CLAIMS EXECUTIVE MAY HAVE AS OF THE DATE EXECUTIVE SIGNS THIS AGREEMENT REGARDING CLAIMS OR RIGHTS ARISING UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, 29 U.S.C. § 621 (“ADEA”). EXECUTIVE FURTHER AGREES: (i) THAT EXECUTIVE’S WAIVER OF RIGHTS UNDER THIS RELEASE IS KNOWING AND VOLUNTARY AND IN COMPLIANCE WITH THE OLDER WORKERS BENEFIT PROTECTION ACT OF 1990; (ii) THAT EXECUTIVE UNDERSTANDS THE TERMS OF THIS RELEASE; (iii) THAT EXECUTIVE’S WAIVER OF RIGHTS IN THIS RELEASE IS IN EXCHANGE FOR CONSIDERATION THAT WOULD NOT OTHERWISE BE OWING TO EXECUTIVE PURSUANT TO ANY PREEXISTING OBLIGATION OF ANY KIND HAD EXECUTIVE NOT SIGNED THIS RELEASE; (iv) THAT EXECUTIVE HEREBY IS AND HAS BEEN ADVISED IN WRITING BY COMPANY TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTING THIS RELEASE; (v) THAT COMPANY HAS GIVEN EXECUTIVE A PERIOD OF AT LEAST FORTY-FIVE (45) DAYS WITHIN WHICH TO CONSIDER THIS RELEASE; (vi) THAT EXECUTIVE REALIZES THAT FOLLOWING EXECUTIVE’S EXECUTION OF THIS RELEASE, EXECUTIVE HAS SEVEN (7) DAYS IN WHICH TO REVOKE THIS RELEASE BY WRITTEN NOTICE TO THE UNDERSIGNED, AND (vii) THAT THIS ENTIRE AGREEMENT SHALL BE VOID AND OF NO FORCE AND EFFECT IF EXECUTIVE CHOOSES TO SO REVOKE, AND IF EXECUTIVE CHOOSES NOT TO SO REVOKE, THAT THIS AGREEMENT AND RELEASE THEN BECOME EFFECTIVE AND ENFORCEABLE UPON THE EIGHTH DAY AFTER EXECUTIVE SIGNS THIS AGREEMENT.
- (c) To the maximum extent permitted by law, Executive covenants not to sue or to institute or cause to be instituted any action in any federal, state, or local agency or court against any of the Released Parties, including, but not limited to, any of the claims released this Agreement. Notwithstanding the foregoing, nothing herein shall prevent Executive or any of the Released Parties from filing a charge with an administrative agency, from instituting any action required to enforce the terms of this Agreement, or from challenging the validity of this Agreement. In addition, nothing herein shall be construed to prevent Executive from enforcing any rights Executive may have to recover vested benefits under the Employee Retirement Income Security Act of 1974, as amended.

- (d) Executive represents and warrants that: (i) Executive has not filed or initiated any legal, equitable, administrative, or other proceeding(s) against any of the Released Parties; (ii) no such proceeding(s) have been initiated against any of the Released Parties on Executive's behalf; (iii) Executive is the sole owner of the actual or alleged claims, demands, rights, causes of action, and other matters that are released in this paragraph 10; (iv) the same have not been transferred or assigned or caused to be transferred or assigned to any other person, firm, corporation or other legal entity; and (v) Executive has the full right and power to grant, execute, and deliver the releases, undertakings, and agreements contained in this Agreement.
- (e) The consideration offered herein is accepted by Executive as being in full accord, satisfaction, compromise and settlement of any and all claims or potential claims, and Executive expressly agrees that Executive is not entitled to and shall not receive any further payments, benefits, or other compensation or recovery of any kind from Company or any of the other Released Parties. Executive further agrees that in the event of any further proceedings whatsoever based upon any matter released herein, Company and each of the other Released Parties shall have no further monetary or other obligation of any kind to Executive, including without limitation any obligation for any costs, expenses and attorneys' fees incurred by or on behalf of Executive.

11. **Executive's Understanding.** Executive acknowledges by signing this Agreement that Executive has read and understands this document, that Executive has conferred with or had opportunity to confer with Executive's attorney regarding the terms and meaning of this Agreement, that Executive has had sufficient time to consider the terms provided for in this Agreement, that no representations or inducements have been made to Executive except as set forth in this Agreement, and that Executive has signed the same KNOWINGLY AND VOLUNTARILY.

12. **Non-Reliance.** Executive represents to Company and Company represents to Executive that in executing this Agreement they do not rely and have not relied upon any representation or statement not set forth herein made by the other or by any of the other's agents, representatives or attorneys with regard to the subject matter, basis or effect of this Agreement, or otherwise.

13. **Severability of Provisions.** In the event that any one or more of the provisions of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in this Agreement are held to be excessively broad as to duration, scope, activity or subject, such provisions will be construed by limiting and reducing them so as to be enforceable to the maximum extent compatible with applicable law.

14. **Non-Admission of Liability.** Executive agrees that neither this Agreement nor the performance by the parties hereunder constitutes an admission by any of the Released Parties of any violation of any federal, state, or local law, regulation, common law, breach of any contract, or any other wrongdoing of any type.

15. **Assignability.** The rights and benefits under this Agreement are personal to Executive and such rights and benefits shall not be subject to assignment, alienation or transfer, except to the extent such rights and benefits are lawfully available to the estate or beneficiaries of

Executive upon death. Company may assign this Agreement to any parent, affiliate or subsidiary or any entity which at any time whether by merger, purchase, or otherwise acquires all or substantially all of the assets, stock or business of Company.

16. **Choice of Law.** This Agreement shall be constructed and interpreted in accordance with the internal laws of the State of North Carolina without regard to any state's conflict of law principles.

17. **Entire Agreement.** This Agreement, together with the Change in Control Agreement, sets forth all the terms and conditions with respect to compensation, remuneration of payments and benefits due Executive from Company and supersedes and replaces any and all other agreements or understandings Executive may have or may have had with respect thereto. This Agreement may not be modified or amended except in writing and signed by both Executive and an authorized representative of Company.

18. **Notice.** Any notice to be given hereunder shall be in writing and shall be deemed given when mailed by certified mail, return receipt requested, addressed as follows:

To Executive at:

[add address]

To the Company at:

Hanesbrands Inc.
Attention: General Counsel
1000 East Hanes Mill Road
Winston-Salem, NC 27105

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

EXECUTIVE: _____

HANESBRANDS INC.

Signature: _____

By: _____

Title: _____

Exhibit B

Schedule of Parties to Severance/Change in Control Agreement

Name	Date of Agreement
Elizabeth L. Burger	August 22, 2013
Michael E. Faircloth	August 21, 2013
John T. Marsh	August 22, 2013

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Richard A. Noll, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hanesbrands Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Richard A. Noll

Richard A. Noll
Chief Executive Officer

Date: October 31, 2013

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Richard D. Moss, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hanesbrands Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Richard D. Moss

Richard D. Moss
Chief Financial Officer

Date: October 31, 2013

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Hanesbrands Inc. ("Hanesbrands") on Form 10-Q for the fiscal quarter ended September 28, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard A. Noll, Chief Executive Officer of Hanesbrands, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Hanesbrands.

/s/ Richard A. Noll

Richard A. Noll
Chief Executive Officer

Date: October 31, 2013

The foregoing certification is being furnished to accompany Hanesbrands Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended September 28, 2013 (the "Report") solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed as part of the Report or as a separate disclosure document and shall not be deemed incorporated by reference into any other filing of Hanesbrands Inc. that incorporates the Report by reference. A signed original of this written certification required by Section 906 has been provided to Hanesbrands Inc. and will be retained by Hanesbrands Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Hanesbrands Inc. ("Hanesbrands") on Form 10-Q for the fiscal quarter ended September 28, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard D. Moss, Chief Financial Officer of Hanesbrands, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Hanesbrands.

/s/ Richard D. Moss

Richard D. Moss
Chief Financial Officer

Date: October 31, 2013

The foregoing certification is being furnished to accompany Hanesbrands Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended September 28, 2013 (the "Report") solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed as part of the Report or as a separate disclosure document and shall not be deemed incorporated by reference into any other filing of Hanesbrands Inc. that incorporates the Report by reference. A signed original of this written certification required by Section 906 has been provided to Hanesbrands Inc. and will be retained by Hanesbrands Inc. and furnished to the Securities and Exchange Commission or its staff upon request.