Hanes brands Inc. Supplemental Information Regarding the Consolidated Statements of Income (Amounts in thousands, except per-share amounts) (Unaudited)

Fiscal 2012 4,525,721 3,105,674 1,420,047 31.4% 979,932 21,7%	\$	Fiscal 2011 4,434,291 2,941,083 1,493,208	\$	Fiscal 2010 4,146,012 2,770,174	\$	Fiscal 2009 3,746,201	\$	Fiscal 2008 4,048,497
4,525,721 3,105,674 1,420,047 31.4% 979,932		4,434,291 2,941,083		4,146,012		3,746,201		
3,105,674 1,420,047 31.4% 979,932	\$	2,941,083	\$, ,	\$, ,	\$	4,048,497
1,420,047 31.4% 979,932				2,770,174				, ,
31.4% 979,932		1,493,208				2,503,829		2,717,635
979,932		, ,		1,375,838		1,242,372		1,330,862
		33.7%		33.2%		33.2%		32.9%
21.7%		1,046,081		994,973		926,103		988,491
21.7 /0		23.6%		24.0%		24.7%		24.4%
				<u>-</u>		53,888		50,263
440,115		447,127		380,865		262,381		292,108
9.7%		10.1%		9.2%		7.0%		7.2%
40,315		6,377		20,221		49,301		(634)
136,855		156,198		150,143		162,625		155,056
262,945		284,552		210,501		50,455		137,686
30,502		41,983		17,889		7,642		30,564
12%		15%		8%		15%		22%
232,443		242,569		192,612		42,813		107,122
(67,762)		24,119		18,681		8,470		20,047
164,681	\$	266,688	\$	211,293	\$	51,283	\$	127,169
2.32	\$	2.44	\$	1.97	\$	0.45	\$	1.13
(0.68)		0.24		0.19		0.09		0.21
1.64	\$	2.69	\$	2.16	\$	0.54	\$	1.34
	30,502 12% 232,443 (67,762) 164,681 2.32 (0.68)	30,502 12% 232,443 (67,762) 164,681 \$ 2.32 \$ (0.68)	30,502 41,983 12% 15% 232,443 242,569 (67,762) 24,119 164,681 \$ 266,688 2.32 \$ 2.44 (0.68) 0.24	30,502 41,983 12% 15% 232,443 242,569 (67,762) 24,119 164,681 \$ 266,688 \$ \$ 2.32 \$ 2.44 \$ \$ 0.68) 0.24	30,502 41,983 17,889 12% 15% 8% 232,443 242,569 192,612 (67,762) 24,119 18,681 164,681 \$ 266,688 \$ 211,293 2.32 \$ 2.44 \$ 1.97 (0.68) 0.24 0.19	30,502 41,983 17,889 12% 15% 8% 232,443 242,569 192,612 (67,762) 24,119 18,681 164,681 \$ 266,688 \$ 211,293 \$ 2.32 \$ 2.44 \$ 1.97 \$ (0.68) 0.24 0.19	30,502 41,983 17,889 7,642 12% 15% 8% 15% 232,443 242,569 192,612 42,813 (67,762) 24,119 18,681 8,470 164,681 \$ 266,688 \$ 211,293 \$ 51,283 2.32 \$ 2.44 \$ 1.97 \$ 0.45 (0.68) 0.24 0.19 0.09	30,502 41,983 17,889 7,642 12% 15% 8% 15% 232,443 242,569 192,612 42,813 (67,762) 24,119 18,681 8,470 164,681 \$ 266,688 \$ 211,293 \$ 51,283 2.32 \$ 2.44 \$ 1.97 \$ 0.45 \$ (0.68) 0.68) 0.24 0.19 0.09

		Continuing Operations - Excluding Actions Information [
		Fiscal	Fiscal			Fiscal		Fiscal	Fiscal				
	<u>*</u>	2012	•	2011	7	2010	7	2009		2008			
Gross profit		1,420,047		1,493,208		1,375,838		1,255,148		1,373,420			
As a % of net sales		31.4%		33.7%		33.2%		33.5%		33.9%			
Operating profit		440,115		447,127		380,865		334,961		384,915			
As a % of net sales		9.7%		10.1%		9.2%		8.9%		9.5%			
Net income		262,417		242,569		192,612		150,068		179,017			
Diluted earnings per share	\$	2.62	\$	2.44	\$	1.97	\$	1.57	\$	1.88			

In the second quarter of 2012, the Company sold its European imagewear business and completed the discontinuation of its private-label and Outer Banks domestic imagewear operations serving wholesalers that sell to the screen-print industry. The information above reflects these operations as discontinued operations. This information is solely for illustrative purposes and the information regarding income that we previously reported in our SEC filings remains accurate.

Updated February 5, 2013

¹ The charges excluded from our financial results primarily relate to bond prepayment expenses in fiscal 2012; debt refinancing, restructuring and related expenses and spin-off related charges in fiscal 2009; and restructuring and related expenses in fiscal 2008. No charges were excluded from the financial results for fiscal 2010 or fiscal 2011. For reconciliation to GAAP, please see press releases dated January 27, 2010 and February 5, 2013, both of which are available under the "Investor" tab on our website at www.hanesbrands.com. GAAP gross profit, operating profit and net income reconciliations for fiscal 2008 and fiscal 2009 reflect results of both continuing and discontinued operations.

Hanesbrands Inc. Supplemental Information Regarding the Condensed Consolidated Statement of Income (Loss) (Amounts in thousands, except per-share amounts) (Unaudited)

				2011				2012	
	First Quarter Ended April 2, 2011	Second Quarter Ended July 2, 2011	Second Quarter Year to Date July 2, 2011	Third Quarter Ended October 1, 2011	Third Quarter Year to Date October 1, 2011	Fourth Quarter Ended December 31, 2011	Year Ended December 31, 2011	First Quarter Ended March 31, 2012	
Net sales Cost of sales	\$ 980,050 639,092	\$ 1,167,986 757,962	\$ 2,148,036 1,397,054	\$ 1,185,304 771,251	\$ 3,333,340 2,168,305	\$ 1,100,951 772,778	\$ 4,434,291 2,941,083	\$ 973,133 718,019	
Gross profit As a % of net sales	340,958 34.8%	410,024 35.1%	750,982 35.0%	414,053 34.9%	1,165,035 35.0%	328,173 29.8%	1,493,208 33.7%	255,114 26.2%	
Selling, general and administrative expenses As a % of net sales	248,866 25.4%	274,202 23.5%	523,068 24.4%	269,109 22.7%	792,177 23.8%	253,904 23.1%	1,046,081 23.6%	244,469 25.1%	
Operating profit As a % of net sales	92,092 9.4%	135,822 11.6%	227,914 10.6%	144,944 12.2%	372,858 11.2%	74,269 6.7%	447,127 10.1%	10,645 1.1%	
Other expenses	601	814	1,415	880	2,295	4,082	6,377	645	
Interest expense, net	41,101	39,127	80,228	38,255	118,483	37,715	156,198	36,995	
Income (loss) from continuing operations before income tax expense (benefit)	50,390	95,881	146,271	105,809	252,080	32,472	284,552	(26,995)	
Income tax expense (benefit) Effective tax rate	9,423 19%	18,121 19%	27,544 19%	20,739 20%	48,283 19%	(6,300) -19%	41,983 15%	(2,724) 10%	
Income (loss) from continuing operations Income (loss) from discontinued operations, net of tax	40,967 7,142	77,760 9,022	118,727 16,164	85,070 5,762	203,797 21,926	38,772 2,193	242,569 24,119	(24,271) (2,559)	
Net income (loss)	\$ 48,109	\$ 86,782	\$ 134,891	\$ 90,832	\$ 225,723	\$ 40,965	\$ 266,688	\$ (26,830)	
Earnings (loss) per share - basic: Continuing operations	\$ 0.42 0.07	\$ 0.80 0.09	\$ 1.22 0.17	\$ 0.87	\$ 2.09 0.22	\$ 0.39 0.02	\$ 2.48	\$ (0.25)	
Discontinued operations Net income (loss)	\$ 0.07	\$ 0.89	\$ 1.39	\$ 0.06 \$ 0.93	\$ 2.31	\$ 0.42	\$ 0.25 \$ 2.73	\$ (0.03) \$ (0.27)	
Earnings (loss) per share - diluted: Continuing operations Discontinued operations	\$ 0.42 0.07	\$ 0.78 0.09	\$ 1.20 0.16	\$ 0.85 0.06	\$ 2.05 0.22	\$ 0.39 0.02	\$ 2.44 0.24	\$ (0.25) (0.03)	
Net income (loss)	\$ 0.49	\$ 0.87	\$ 1.36	\$ 0.91	\$ 2.28	\$ 0.41	\$ 2.69	\$ (0.27)	
Weighted average shares outstanding: Basic Diluted	97,194 98,589	97,537 99,224	97,366 98,927	97,925 99,535	97,559 99,200	98,157 99,375	97,710 99,251	98,533 98,533	

In May 2012, the Company sold its European imagewear business, and the Company is completing the discontinuation of its private-label and Outer Banks domestic imagewear operations serving wholesalers that sell to the screen-print industry. As a result of these actions, the current year and prior-year disclosures reflect these operations as discontinued operations. This information is solely for illustrative purposes and the information regarding income that we previously reported in our SEC filings remains accurate. For more information about our income as reported for periods prior to the second quarter of 2012, please refer to our periodic reports for those periods.

Updated July 31, 2012

Hanesbrands Inc.
Supplemental Information Regarding Sales and Operating Profit by Segment (Amounts in thousands)
(Unaudited)

	2011										2012					
		First arter Ended oril 2, 2011	• • • • • • • • • • • • • • • • • • • •		Second Quarter Year to Date July 2, 2011		Third Quarter Ended October 1, 2011		Third Quarter Year to Date October 1, 2011		Fourth Quarter Ended December 31, 2011		Year Ended December 31, 2011		First Quarter Ended March 31, 2012	
Net sales:																
Innerwear	\$	502,683	\$	650,697	\$	1,153,380	\$	558,422	\$	1,711,802	\$	549,364	\$	2,261,166	\$	509,038
Outerwear		286,305		291,788		578,093		392,683		970,776		318,537		1,289,313		272,564
Direct to Consumer		82,798		97,456		180,254		97,565		277,819		97,621		375,440		84,713
International		108,264		128,045		236,309		136,634		372,943		135,429		508,372		106,818
Total net sales	\$	980,050	\$	1,167,986	\$	2,148,036	\$	1,185,304	\$	3,333,340	\$	1,100,951	\$	4,434,291	\$	973,133
Segment operating profit (loss):																
Innerwear	\$	74,765	\$	102,837	\$	177,602	\$	88,372	\$	265,974	\$	70,719	\$	336,693	\$	51,642
Outerwear		18,632		27,254		45,886		48,379		94,265		10,792		105,057		(21,244)
Direct to Consumer		327		9,360		9,687		12,268		21,955		7,267		29,222		1,082
International		16,754		11,724		28,478		14,797		43,275		10,679		53,954		4,696
Total segment operating profit		110,478		151,175		261,653		163,816		425,469		99,457		524,926		36,176
Items not included in segment operating profit:																
General corporate expenses Amortization of trademarks and other		(15,201)		(12,171)		(27,372)		(15,680)		(43,052)		(21,930)		(64,982)		(22,104)
identifiable intangibles		(3,185)		(3,182)		(6,367)		(3,192)		(9,559)		(3,258)		(12,817)		(3,427)
Total operating profit		92,092		135,822		227,914		144,944		372,858	-	74,269		447,127		10,645
Other expenses		(601)		(814)		(1,415)		(880)		(2,295)		(4,082)		(6,377)		(645)
Interest expense, net		(41,101)		(39,127)		(80,228)		(38,255)		(118,483)		(37,715)		(156,198)		(36,995)
Income (loss) from continuing operations																
before income tax expense	\$	50,390	\$	95,881	\$	146,271	\$	105,809	\$	252,080	\$	32,472	\$	284,552	\$	(26,995)

As a result of the reduced size of sheer hosiery and changing trends, we decided in the first quarter of 2012 to change our external segment reporting to include hosiery operations within the Innerwear segment. Hosiery had previously been reported as a separate segment. Prior-year segment sales and operating profit results, including other minor allocation changes, have been revised to conform to the current-year presentation. In addition, in May 2012, HanesBrands sold its European imagewear business, and the Company is completing the discontinuation of its private label and Outer Banks domestic imagewear operations serving wholesalers that sell to the screen-print industry. As a result, the current year and prior-year segment disclosures do not reflect the sales and operating profit results of these discontinued businesses. This information is solely for illustrative purposes and the information regarding segment sales and operating profit that we previously reported in our SEC filings remains accurate. For more information about our segments as reported for periods prior to the second quarter of 2012, please refer to our periodic reports for those periods.

Updated July 31, 2012

Discontinued Operations FAQ

Updated July 31, 2012

Q: Was there a choice as to the accounting treatment of the sale of European Imagewear, private-label Imagewear and Outer Banks businesses as discontinued operations?

A: No. Generally Accepted Accounting Principles (GAAP) dictates the accounting treatment of these actions. In addition, we are required to provide revised historical results in future 10-K and 10-Q filings for comparative purposes.

Q: For 2012, what was the expected impact from discontinued operations on sales, profits and free cash flow?

A: In February, inherent in our initial guidance was that discontinued operations were expected to generate full year 2012 sales of about \$190 million, an operating profit loss less than \$1 million, and about \$15 million of cash flow from operations.

Q: Were you expecting back-half profits from the discontinued operations that you will no longer have?

A: Yes. While the businesses were expected to lose less than \$1 million for the full-year, they were expected to lose money in the first half when cotton costs were high and contribute to profits in the second half as costs come down.

Q: Should we see 2012 margins change when excluding discontinued operations?

A: Yes. Annual operating margins should increase by approximately 40 basis points due to the exit from discontinued operations.

Q: Is the promotional sector of Branded Printwear included in discontinued operations?

A: No. While we are pulling back from this sector, these results are still included in ongoing operations.

Q: How much did the removal of discontinued operations help gross margins in the first half of the year?

A: Gross margins in the first quarter benefited by 100 basis points. For the second quarter, as we initiated specific actions to exit those businesses, the operating results were negatively impacted, and therefore we cannot quantify the potential gross margin impact.

Q: What are sales now expected to be in the Branded Printwear sector?

A: Branded Printwear sales for 2012 are now expected to be between \$180 million - \$190 million dollars, and could decline to around \$150 million in 2013 as we overlap the reduction in the promotional sector.

Q: What were the components of the profits and losses associated with discontinued operations?

A: In the second quarter, the sale of European Imagewear resulted in a pre-tax loss of roughly \$32 million and the Company-incurred pretax charges, substantially all noncash, for the write-down of intangibles, inventory markdowns and other negative operating impacts from winding down those operations totaling about \$58 million. In addition, operating losses from the discontinued operations are included. More specifics will be provided in the second guarter 10-Q.

Q: Were the charges associated with the supply chain adjustments attributable to discontinued operations?

A: No. Per GAAP guidelines, only costs directly related to the affected businesses can be included in discontinued operations. Approximately \$16 million of supply chain restructuring charges are still included in continuing operations for 2012.

Q: What was the forecast for discontinued operations in the second guarter of 2012?

A: We will not be providing guidance for discontinued operations going forward. The majority of costs associated with exiting those operations have been recognized, with minimal activity expected in the second half of the year.

Q: How is the supplemental information regarding the condensed consolidated statement of income prepared?

A: In accordance with GAAP rules, the same methodology is used and only items directly attributable to the discontinued operations may be used. This is true for historical revisions as well as any future activity within the discontinued operations.

Q: Is the balance sheet or cash flow statement revised?

A: No, they are not required to be revised.

Q: When calculating historical Days Sales Outstanding (DSO) or inventory turn metrics, will they change by removing discontinued operations?

A: Yes. We would advise using the as-reported financials as a better indication of asset productivity. For example, calculating DSO at the end of the second quarter for all sales would be 43, but using only continuing operations would be 45, a difference of 2 days.

Updated September 5, 2012

Q: Per the second quarter 2012 10-Q, why was there such a large gross profit loss on the discontinued operations? A: The \$25 million gross profit loss was primarily attributable to inventory markdown and returns of Outer Banks product, which was slightly over \$20 million. The balance of the gross profit loss was attributable to the actual loss related to sales generated by the discontinued operations. As stated above, removing the discontinued operations benefited the gross margins of ongoing operations by roughly 100 basis points.

Q: Were other excess costs related to ongoing operations recognized in discontinued operations?

A: No. Generally Accepted Accounting Principles (GAAP) dictate only costs directly related to the affected businesses can be included in discontinued operations.

Q: What is the impact of discontinued operations on free cash flow?

A: The costs associated with discontinued operations were substantially non-cash. When initial guidance was provided in February, what would become discontinued operations were expected to contribute about \$15 million of operating cash flow.

Q: Did discontinued operations have any impact on the allowance for doubtful accounts?

A: No. As we entered the recession at the end of 2008, Hanesbrands had two customers enter into bankruptcy. In a press release dated October 24, 2008, the company indicated it would take pre-tax charges of \$5.5 million related to the Mervyn's bankruptcy. This reserve, in addition to reserves established for smaller accounts, was established within the allowance for doubtful accounts. As bankruptcy proceedings have neared completion, we have trued up the reserves related to these bankruptcies and as the economic environment has improved, Hanesbrands' has experienced fewer customer bankruptcies resulting in a lower level of reserves.

Q: Do discontinued operations have any impact on the company's compliance with debt covenants?

A: The discontinued operations had a minimal impact on covenant compliance. As actions associated with these operations were substantially non-cash, these costs are added back to EBITDA for covenant calculation purposes. In a press release dated July 17, 2012, Hanesbrands announced an amendment to its revolving loan facility resulting in a 100 basis point reduction in the borrowing rate with no changes in covenant requirements. The company remains in good standing with ample covenant cushion under the current debt agreements.

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This document includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 "will," "anticipate," "estimate," "expect," "should," and "may" or similar expressions. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated: current economic conditions, including consumer spending levels and the price elasticity of our products; the loss of or material reduction in sales to any of our top customers; our ability to keep pace with evolving consumer preferences and trends; the impact of significant fluctuations and volatility in various input costs, such as cotton; our ability to remain competitive in the areas of price, quality, brand recognition and research and product development; and our debt and debt service requirements that restrict our operating and financial flexibility and impose interest and financing costs. For additional information concerning factors that could cause actual results to materially differ from those projected herein, please refer to our most recent Form 10-K, 10-Q and 8-K reports filed with the SEC, as well as the investors section of our corporate website at http://tiny.cc/HanesBrandsIR. Except as required by law, we undertake no obligation to update or revise forwardlooking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time.