



News Release

For immediate release

Gildan Activewear Announces Agreement to Acquire Marketer and Manufacturer of Branded Sheer Hosiery, Legwear and Shapewear

- Owner of Secret®, Silks®, TherapyPlus® and Kushyfoot® Brands –
- Provides Platform for Distribution of Gildan® and Gold Toe® Brands in Canada –
- Enhances Product Offering as Full-Line Supplier of Basic Family Apparel in U.S. –
- Provides Strong Presence in Food and Drug Channel and Entry into Ladies Intimates Category –

Montréal, Thursday, June 19, 2014 – Gildan Activewear Inc. (GIL: TSX and NYSE) today announced that it has signed a definitive agreement to acquire substantially all of the assets of Doris Inc. (Doris), a marketer and manufacturer of branded sheer hosiery, legwear and shapewear products to retailers in Canada and the United States. The initial purchase price is approximately CDN \$110 million (U.S. \$101.4 million), with possible additional contingent payments of up to CDN \$10 million (U.S. \$9.2 million), which are based on the achievement of targets for growth in sales revenues. The purchase consideration will be paid in cash and will be financed out of Gildan’s bank credit facility.

Doris is the third largest marketer of branded ladies legwear in North America and the market leader in Canada, with products sold throughout all retail channels of distribution. Its company-owned brands include Secret®, one of the most recognized sheer pantyhose brands and a growing brand for shapewear in Canada, the Silks® brand, and TherapyPlus®, which provides therapeutic legwear solutions for medical conditions and everyday activities. Doris also markets its brands including Kushyfoot® and TherapyPlus® in the U.S. Revenues in the U.S. account for close to 30% of Doris’ total sales. In addition, Doris has brand licenses and supplies selective retailer private label programs.

Revenues of Doris for the year ended March 31, 2014 amounted to approximately CDN \$95 million (U.S. \$87.6 million), and adjusted EBITDA for the same period amounted to approximately CDN \$14 million (U.S. \$12.9 million), so that the acquisition is expected to be immediately accretive to Gildan’s earnings in fiscal 2015.

The acquisition of Doris immediately provides Gildan with a strong sales organization and platform for retail distribution of the Gildan® and Gold Toe® brands in Canada. The acquisition also further enhances the Company’s consumer brand portfolio within its existing U.S. retail distribution and positions it to increase its penetration in the basic women’s apparel

markets. It will position the Company for entry into the ladies intimates' category and, in addition, further broadens the Company's retail distribution network in the United States due to Doris' strong presence in the food and drug channel.

Doris' head office is located in Montréal, Québec. Doris operates a distribution facility and a sheer hosiery manufacturing facility with knitting, dyeing and packaging capabilities in Montréal. Approximately half of Doris' production is vertically-integrated. Doris' management team, including the founder's son, President and Chief Executive Officer Jack Hasen, will join Gildan and contribute to the further development of Gildan's Canadian retail branding strategy.

The acquisition is subject to customary closing conditions and is expected to close in early July 2014.

About Gildan

Gildan is a leading supplier of quality branded basic family apparel, including T-shirts, fleece, sport shirts, socks and underwear. The Company sells its products under a diversified portfolio of company-owned brands, including the Gildan®, Gold Toe® and Anvil® brands and brand extensions, as well as under licensing arrangements for the Under Armour®, Mossy Oak® and New Balance® brands. The Company distributes its products in printwear markets in the U.S. and Canada, where Gildan® is the industry-leading brand, and the Company is increasing its penetration in international printwear markets. The Company is also one of the largest suppliers of branded athletic, casual and dress socks for a broad spectrum of retailers in the U.S. The Company is also developing Gildan® as a consumer brand for underwear and activewear.

Gildan owns and operates vertically-integrated, large-scale manufacturing facilities which are primarily located in Central America and the Caribbean Basin to efficiently service the replenishment needs of its customers in the printwear and retail markets. Gildan has approximately 39,000 employees worldwide and is committed to industry-leading labour and environmental practices in all of its facilities. More information about the Company and its corporate citizenship practices and initiatives can be found at its corporate websites www.gildan.com and www.genuinegildan.com, respectively.

Forward-Looking Statements

Certain statements included in this press release constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Canadian securities legislation and regulations, and are subject to important risks, uncertainties and assumptions. This forward-looking information includes, amongst others, information with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions, including, without limitation, our expectation with regards to earnings accretion and revenue growth synergies from the announced acquisition. Forward-looking statements generally can be identified by the use of conditional or forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "project", "assume", "anticipate", "plan", "foresee", "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. We refer you to the Company's filings with the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission, as well as the risks described under the "Financial risk

management”, “Critical accounting estimates and judgments” and “Risks and uncertainties” sections of the 2013 Annual MD&A for a discussion of the various factors that may affect the Company’s future results. Material factors and assumptions that were applied in drawing a conclusion or making a forecast or projection are also set out throughout this document.

Forward-looking information is inherently uncertain and the results or events predicted in such forward-looking information may differ materially from actual results or events. Material factors, which could cause actual results or events to differ materially from a conclusion, forecast or projection in such forward-looking information, include, but are not limited to:

- *our ability to implement our growth strategies and plans, including achieving market share gains, obtaining and successfully introducing new sales programs, increasing capacity, implementing cost reduction initiatives and completing and successfully integrating acquisitions, including the announced acquisition;*
- *the intensity of competitive activity and our ability to compete effectively;*
- *adverse changes in general economic and financial conditions globally or in one or more of the markets we serve;*
- *our reliance on a small number of significant customers;*
- *the fact that our customers do not commit contractually to minimum quantity purchases;*
- *our ability to anticipate changes in consumer preferences and trends;*
- *our ability to manage production and inventory levels effectively in relation to changes in customer demand;*
- *fluctuations and volatility in the price of raw materials used to manufacture our products, such as cotton, polyester fibres, dyes and other chemicals;*
- *our dependence on key suppliers and our ability to maintain an uninterrupted supply of raw materials and finished goods;*
- *the impact of climate, political, social and economic risks in the countries in which we operate or from which we source production;*
- *disruption to manufacturing and distribution activities due to such factors as operational issues, disruptions in transportation logistic functions, labour disruptions, political or social instability, bad weather, natural disasters, pandemics and other unforeseen adverse events;*
- *changes to international trade legislation that the Company is currently relying on in conducting its manufacturing operations or the application of safeguards thereunder;*
- *factors or circumstances that could increase our effective income tax rate, including the outcome of any tax audits or changes to applicable tax laws or treaties;*
- *compliance with applicable environmental, tax, trade, employment, health and safety, anti-corruption, privacy and other laws and regulations in the jurisdictions in which we operate;*
- *our significant reliance on computerized information systems for our business operations, including our JD Edwards Enterprise Resource Planning (ERP) system which is currently being upgraded to the latest system release, Enterprise One;*
- *changes in our relationship with our employees or changes to domestic and foreign employment laws and regulations;*

- *negative publicity as a result of actual, alleged or perceived violations of labour and environmental laws or international labour standards, or unethical labour or other business practices by the Company or one of its third-party contractors;*
- *our dependence on key management and our ability to attract and/or retain key personnel;*
- *changes to and failure to comply with consumer product safety laws and regulations;*
- *adverse changes in third party licensing arrangements and licensed brands;*
- *our ability to protect our intellectual property rights;*
- *changes in accounting policies and estimates;*
- *exposure to risks arising from financial instruments, including credit risk, liquidity risk, foreign currency risk and interest rate risk, as well as risks arising from commodity prices; and*
- *the adverse impact of any current or future legal and regulatory actions.*

These factors may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made, may have on the Company's business. For example, they do not include the effect of business dispositions, acquisitions, other business transactions, asset write-downs, asset impairment losses or other charges announced or occurring after forward-looking statements are made. The financial impact of such transactions and non-recurring and other special items can be complex and necessarily depends on the facts particular to each of them.

There can be no assurance that the expectations represented by our forward-looking statements will prove to be correct. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's future financial performance and may not be appropriate for other purposes. Furthermore, unless otherwise stated, the forward-looking statements contained in this press release are made as of the date of this press release, and we do not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise unless required by applicable legislation or regulation. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

Non-GAAP Financial Measures

This press release includes reference to adjusted EBITDA, which is a non-GAAP financial measure. This non-GAAP measure does not have any standardized meaning prescribed by International Financial Reporting Standards (IFRS) and is therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, it should not be considered in isolation. Adjusted EBITDA is calculated as earnings before financial expenses, income taxes and depreciation and amortization and excludes the impact of restructuring and acquisition-related costs. The Company uses adjusted EBITDA, among other measures, to assess the operating performance of its business. The Company also believes this measure is commonly used by investors and analysts to measure a company's ability to service debt and to meet other payment

obligations, or as a common valuation measurement. The Company excludes depreciation and amortization expenses, which are non-cash in nature and can vary significantly depending upon accounting methods or non-operating factors such as historical cost. Excluding these items does not imply they are necessarily non-recurring.

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