



February 6, 2002

Gildan Activewear Announces First Quarter Results

Company Reconfirms Earnings and Cash Flow Guidance for Full Fiscal Year

Montreal, February 6, 2002 – Gildan Activewear Inc. (NYSE: GIL; TSE: GIL.A) today announced its results for its first fiscal quarter ended December 30, 2001.

Gildan reported sales of \$88.3 million, up 2.6% from 86.1 million in the first quarter of fiscal 2001. Net earnings for the quarter were \$2.8 million or \$0.10 per share on a fully diluted basis, compared with \$7.7 million, or \$0.26 per share, last year. The prior year net earnings are before reflecting a charge of \$2.9 million after-tax, or \$0.10 per share, which related to the closure and relocation of the Company's former U.S. distribution center in Miami.

Results for the first quarter were ahead of the Company's guidance, as well as the consensus of analyst estimates, due to slightly higher than planned sales and lower interest costs resulting from the lower levels of debt outstanding during the quarter.

There was an average of 29.1 million shares outstanding on a fully diluted basis during the first quarter of fiscal 2002, compared with 29.2 million shares in the first quarter of last year. For both years, the number of fully diluted shares has been calculated using the treasury stock method.

In the first quarter of the fiscal year, which is seasonally the lowest calendar quarter of the year for activewear, overall market conditions continued to be weak, but in line with the Company's expectations. According to the S.T.A.R.S. report from ACNielsen Market Decisions, unit shipments from distributors to screenprinters were essentially flat for T-shirts in the December quarter, in spite of strong sales in the first half of October. Fleece sales were also flat compared with last year, while unit shipments of sport shirts declined by 18.0% in the quarter. Inventories in the distributor channel continued to be significantly down from last year.

Against this industry background, Gildan's unit shipments for the first quarter increased by 4.3%, versus the first quarter of last year, due to the Company's continuing penetration in its newer production lines. Fleece and sport shirts accounted together for 22.6% of net sales for the quarter, compared with 7.9% of sales a year ago. However, the positive earnings impact of higher unit sales and more favourable product-mix was more than offset by reduced gross margins compared with last year, together with higher selling, general and administrative expenses and increased depreciation and interest expenses.

Gross margins were 27.0% for the quarter, compared with 29.2% in the first quarter last year. The reduction in gross margins was due to higher cotton costs as sales in the quarter were fulfilled out of inventory which had been produced with higher-cost cotton purchased prior to the beginning of fiscal 2002. By the start of the third fiscal quarter, Gildan expects to be in a position to fully take advantage of the current lower price of cotton.

The Company used \$8.5 million of cash during the quarter, after capital expenditures, compared with \$33.0 million in the first quarter last year. The Company traditionally uses cash in the first quarter of the year as it builds up working capital in advance of the peak selling season in the third fiscal quarter. In the first quarter, cash from operating earnings and strong receivables collections, together with the Company's available bank lines, were used to fund the seasonal build-up of inventories, cash payments in relation to provisions for special charges recorded at the end of fiscal 2001, and capital expenditures. The seasonal increase in inventories in the first

quarter was significantly lower than in the first quarter of last year, at \$25.4 million versus \$50.0 million, as the Company is managing production levels carefully in line with anticipated demand, with the objective of significantly reducing inventories in the second half of the fiscal year. The Company also reported good progress in its objective to improve receivables balances. Days' sales outstanding in trade receivables stood at 76 days at the quarter-end, compared with 92 days at the end of fiscal 2001.

At the quarter-end, the balance on the Company's revolving bank credit facility was \$43.6 million, compared with \$35.1 million at September 30, 2001. The majority of the Company's \$145 million bank facility was unutilized at the end of the quarter, and the Company has excellent liquidity available in relation to its foreseeable requirements for seasonal working capital and capital expenditures.

While demand levels for the peak selling season in the third quarter remain difficult to anticipate, the Company continues to be comfortable with the earnings guidance previously provided of \$1.80 - \$2.00 per share for the full year, even if overall market demand remains flat. The Company is also committed to its objectives to generate positive free cash flow for the full fiscal year, after capital expenditures, and to bring its total debt/total capitalization ratio below 35% by the fiscal year-end.

Gildan's Chairman and Chief Executive Officer, H. Greg Chamandy, commented, "We believe that our first quarter has set us firmly on-track to re-establish our positive earnings momentum. On the marketing side, we have maintained our No. 1 market share position in 100% cotton T-shirts. We continue to add to our distributor and customer base, and achieve further penetration in our newer product-lines. We are also continuing to expand in Europe. At the same time, we are progressing well with the major capital projects we are undertaking, in particular, the modernization of our Long Sault yarn-spinning facility, and the start-up of our world-class integrated fabric manufacturing plant in Honduras. These projects will enable us to achieve further significant cost reductions starting at the end of this fiscal year. In addition to achieving our goals for fiscal 2002, we are well positioned to realize our objective of minimum 20% sales and earnings growth in 2003, as well as to take advantage of the upside potential from any recovery in overall market conditions."

Profile Gildan Activewear is a vertically integrated manufacturer and marketer of premium quality branded basic activewear for sale principally in the wholesale imprinted activewear segment of the Canadian, U.S., European and other international apparel markets. The Company manufactures and sells premium quality 100% cotton T-shirts, 50% cotton/50% polyester T-shirts, placket collar golf shirts and premium quality sweatshirts in a variety of weights, sizes, colours and styles. The company sells its products as blanks, which are ultimately decorated with designs and logos for sale to consumers.

As of January 31, 2002, there were 22,181,988 Class A subordinate shares and 6,094,000 Class B multiple voting shares issued and outstanding, along with 2,108,696 options outstanding.

(Unless otherwise indicated, all amounts are expressed in Canadian dollars.)

Certain statements included in this press release may constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. We refer you to the Company's filings with the U.S. Securities and Exchange Commission and Canadian securities regulatory authorities for a discussion of the various factors that may affect the Company's future results. - 30 - Information for Shareholders:

Gildan Activewear Inc. will hold a conference call to discuss these results today at 5:00 PM Eastern Standard Time. Interested parties can join the call by dialing (888) 873-1943. The

conference call can also be accessed via live webcast at www.newswire.ca or www.q1234.com.

If you are unable to call in at this time, you may access a tape recording of the meeting by calling 1-800-558-5253 and entering the passcode 20262544 on your phone. This tape recording will be available on Wednesday, February 6th as of 7:00 PM until 11:00 PM on Wednesday, February 13th.