



For Immediate Release

Contact: Laurence G. Sellyn, Executive Vice President,
Chief Financial and Administrative Officer
Tel: (514) 343-8805
Email: lsellyn@gildan.com

Gildan Activewear Provides Clarification of Short Position

- **Reconfirms E.P.S. Guidance and Strategy to Enter U.S. Sock Market Via Acquisition** -

Montréal, June 9, 2006 – Gildan Activewear Inc. (GIL; TSX and NYSE) today announced that, as a result of enquiries made by the Company into the Consolidated Short Positions Report published by the TSX on May 30, 2006, it has established that the large increase in the short position in Gildan shares indicated in this report was due to a change in reporting by the financial institution which acted as agent for an equity monetization transaction undertaken in May 2004. At that time, two of the founders of the Company, who were retiring from their positions in management, entered into a transaction to monetize a total of 6,598,400 shares of the Company. The agent shorted 6,800,520 Gildan shares to fully hedge this monetization transaction, as well as a further balance of shares subsequently monetized by the same individuals. However, the agent included only 1,600,120 of those shares in its short position previously reported to the TSX. The balance of the monetization hedge, amounting to 5,200,400 shares, was included by the financial institution for the first time in the May 30, 2006 report, and accounts for the entire amount of the increase in Gildan's short position. The total amount of the monetization hedge, including the amount previously reported, represents close to the full Gildan short position of 6,865,029 shares reported in the May 30, 2006 TSX Consolidated Short Positions Report.

In response to investor concern resulting from the apparent increase in the Company's short position, the Company has confirmed that it was not aware of any issues which would negatively impact its confidence in its ability to achieve or exceed its previously published earnings guidance for its third fiscal quarter and 2006 fiscal year, or in the timely execution of its strategic plan to enhance its entry into the athletic sock market via the acquisition of an existing U.S. hosiery supplier. The Company also confirmed that there have been no further monetization transactions by Gildan insiders since the transaction in May 2004.

Profile

Gildan Activewear is a vertically-integrated marketer and manufacturer of premium quality branded basic apparel. The Company manufactures premium quality basic T-shirts, sport shirts and sweatshirts for sale in the wholesale imprinted sportswear market. The Company sells its products as blanks, which are ultimately decorated by screenprinters with designs and logos for sale to consumers. Gildan has announced plans to sell its products into the mass-market retail channel, in addition to the screenprint market. In conjunction with this strategy, Gildan is expanding its product-line to include underwear and athletic socks.

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.