



News Release

For immediate release

Gildan Announces Agreement to Acquire Anvil for Approximately U.S. \$88 Million

Montréal, Thursday, May 3, 2012 – Gildan Activewear Inc. (GIL; TSX and NYSE) today announced that it has signed a definitive agreement to acquire 100% of the common shares of Anvil Holdings, Inc. (Anvil) for a total purchase price of approximately U.S. \$88 million. The acquisition will be financed by utilization of Gildan’s bank credit facility. Gildan will not assume any of Anvil’s currently outstanding indebtedness.

Anvil is a supplier of high-quality basic T-shirts and sport shirts for the printwear market. It has positioned itself as a supplier of high-value branded niche products within the U.S. distributor channel, including products such as Anvil Organic®, Anvil Recycled® and Anvil Sustainable®. It has also increasingly established itself as a strategic supplier of basic apparel products which meet rigorous quality and social compliance criteria for major non-retailer brands.

For its fiscal year ended January 28, 2012, Anvil generated EBITDA of approximately U.S. \$17 million on sales revenues in excess of U.S. \$200 million. Gildan expects to generate significant acquisition synergies as a result of integrating Anvil’s production for the printwear market into Gildan’s low-cost vertical manufacturing, the integration of Anvil’s U.S. and international distributor sales into Gildan’s Printwear business, consolidation of purchasing of raw materials and other purchased cost inputs, the elimination of certain duplicate administrative functions, and savings in ongoing working capital requirements. The acquisition is expected to be immediately accretive. The projected EPS accretion, including synergies, is currently estimated to reach a run rate of approximately U.S. \$0.20 per share in fiscal 2014, when the integration plan has been implemented. EPS accretion in fiscal 2013 is not currently expected to include any material impact of acquisition synergies.

The acquisition immediately provides Gildan with higher market share in the U.S. distributor channel, for the same investment that would be required to support the incremental sales revenues from the acquisition if they were generated through organic growth. Subsequent to the acquisition, Gildan intends to continue to pursue further sales growth in the printwear market, through leveraging the combined strengths of the two companies.

Anthony Corsano, President and CEO of Anvil, will continue his career with Gildan as a member of Gildan’s senior management team. Mr. Corsano will join Gildan’s Branded Apparel division and focus on the continuing development of Anvil’s strategy to grow its business of providing high-volume quality products for non-retailer brands.

“We believe that the acquisition of Anvil and the combination of the compatible cultures and strengths of our two companies will position Gildan to further enhance our product offering for our printwear customers and build further on our leadership position in this market”, said Glenn Chamandy, President and CEO of Gildan. “In addition, the projected economic returns from the acquisition are highly attractive and are expected to create further value for our shareholders.”

The acquisition is subject to customary closing conditions and is expected to close by the end of May.

About Gildan

Gildan is a marketer and global low-cost vertically-integrated manufacturer of quality branded basic apparel. Gildan® is the leading activewear brand in the screenprint market in the U.S. and Canada. The brand is continuing to grow in Europe, Mexico and the Asia-Pacific region. The Company sells T-shirts, sport shirts and fleece as undecorated blanks, which are subsequently decorated by screenprinters with designs and logos. The Company is also one of the world’s largest suppliers of athletic, casual and dress socks sold to a broad spectrum of retailers in the U.S. Gildan markets its sock products under a diversified portfolio of company-owned brands, including Gold Toe®, PowerSox®, SilverToe®, Auro®, All Pro®, GT®, and the Gildan® brand. In addition, the Company supplies selective national retailer brands. The Company is also the exclusive U.S. sock licensee for the Under Armour® and New Balance® brands. In addition to socks, the Company is pursuing a strategy to grow its sales of branded underwear and activewear products in the U.S. retail market. With approximately 30,000 employees worldwide, Gildan owns and operates highly efficient, large-scale, environmentally and socially responsible manufacturing facilities in Central America and the Caribbean Basin and has begun the development of a manufacturing hub in Bangladesh to support its planned growth in Asia and Europe. More information on the Company can be found on Gildan’s website at www.gildan.com and more information on its corporate citizenship practices can be found at www.genuinegildan.com.

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 per share, sales revenue, cost reductions and efficiencies, gross margins, selling, general and administrative expenses, cost synergies from the integration of the Anvil acquisition and the impact of non-recurring items. 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 and Uncertainties” section and the risks described under the “Critical Accounting Estimates” and “Financial Risk Management” sections in our most recent Management’s Discussion and Analysis 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, implementing cost reduction initiatives and completing and successfully integrating acquisitions;
- 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 and polyester fibres;
- 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 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, and other laws and regulations in the jurisdictions in which we operate;
- our significant reliance on computerized information systems for our business operations;
- changes in our relationship with our employees or changes to domestic and foreign employment laws and regulations;
- negative publicity as a result of violation of local labour 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; and
- 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.

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.

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