



# News Release

*For Immediate Release*

## **Gildan Initiates Quarterly Dividend and Announces Normal Course Issuer Bid**

**Montreal, December 2, 2010** – Gildan Activewear Inc. (GIL; TSX and NYSE) is pleased to announce that its Board of Directors has approved the introduction of a quarterly cash dividend. The initial quarterly dividend of U.S. \$0.075 per share will be paid on March 18, 2011, to shareholders of record on February 23, 2011. The dividend policy will be reviewed annually by the Board of Directors.

The Company continues to be committed to investing in capital expenditures for capacity expansion and cost reductions, and will also consider selective complementary acquisitions which, in the opinion of management and the Board of Directors, will provide an attractive return on capital. The Company believes that its strong balance-sheet and strong free cash flow generation provide it with significant financing capacity and flexibility to be able to continue to pursue its growth strategy, at the same time as introducing a dividend to provide yield and further enhance total returns to its shareholders. The Company ended its 2010 fiscal year with cash and cash equivalents amounting to U.S. \$258.4 million. In addition, the Company has no amounts outstanding under its U.S. \$400 million revolving bank credit facility and has significant unused debt financing capacity even under conservative debt leverage parameters.

In addition, the Company announced that it is reinstating a normal course issuer bid to repurchase outstanding shares of the Company in the open market. Gildan intends to purchase up to 1,000,000 common shares, representing approximately 0.8% of the Company's issued and outstanding common shares, in accordance with the requirements of the TSX. As of today's date, the Company has 121,357,204 shares issued and outstanding.

Gildan is authorized to make purchases under the bid during the period from December 6, 2010 to December 5, 2011, or until such time as the bid is completed or terminated at Gildan's option. Purchases will be made on the open market on both the TSX and the NYSE. Under the bid, Gildan may purchase up to a maximum of 105,782 shares daily which represents 25% of the average daily trading volume on the TSX for the most recently completed six calendar months. The price to be paid will be the market price of the shares on the stock exchange on which such shares are purchased at the time of acquisition. Shares purchased under the bid will be cancelled.

At the date hereof, directors, senior officers and other insiders of the Company have indicated that they may sell up to approximately 400,000 shares of the Company during the course of the bid in order to cover tax liabilities from the exercise of certain stock option awards that are expiring, having reached their maximum ten-year term, and

certain restricted shares units that are vesting. The benefits to any insider whose shares are purchased would be the same as the benefits available to all other shareholders whose shares are purchased.

The purchase of shares under the normal course issuer bid will, in the Company's opinion, represent an appropriate use of funds in the event that the shares trade at a price which does not adequately reflect their value in relation to Gildan's assets, business and future business prospects. The purchase of shares will also offset the dilutive effect of the issuance of shares pursuant to Gildan's compensation plans.

### 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 unit volume growth, sales revenue, cost reductions and efficiencies, gross margins, selling, general and administrative expenses, capital expenditures 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 section "Financial Risk Management" in our more 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;*
- *the impact of climate, political, social and economic risks in the countries in which we operate;*
- *disruption to manufacturing and distribution activities due to labour disruptions, political 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 labour laws 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 retain key personnel;*
- *changes to and failure to comply with consumer product safety laws and regulations;*
- *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 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.*

*We believe that the expectations represented by our forward-looking statements are reasonable, yet there can be no assurance that such expectations 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 fiscal 2011 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.*

## Profile

Gildan is a vertically-integrated marketer and manufacturer of quality branded basic apparel. The Company is the leading supplier of activewear for the screenprint market in the U.S. and Canada. It is also a leading supplier to this market in Europe, and is establishing a growing presence in Mexico and the Asia-Pacific region. The Company sells T-shirts, sport shirts and fleece in large quantities to wholesale distributors as undecorated “blanks”, which are subsequently decorated by screenprinters with designs and logos. Consumers ultimately purchase the Company’s products, with the Gildan label, in venues such as sports, entertainment and corporate events, and travel and tourism destinations. The Company’s products are also utilized for work uniforms and other end-uses to convey individual, group and team identity. The Company is also a leading supplier of private label and Gildan branded socks primarily sold to mass-market retailers. In addition, Gildan has an objective to become a significant supplier of men’s and boys’ underwear and undecorated activewear products to mass-market retailers in North America.

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