



*For Immediate Release*

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

**Gildan Activewear Announces Acquisition of U.S. Sock Manufacturer**  
- **Company Updates Fiscal 2008 Earnings Guidance to Include Acquisition Accretion** -

**Montréal, Tuesday, September 18, 2007** – Gildan Activewear Inc. (GIL; TSX and NYSE) today announced that it has entered into an agreement to purchase 100% of the capital stock of V.I. Prewett & Son, Inc. (“Prewett”), a large U.S. private label supplier of basic family socks to U.S. mass-market retailers, which is located in Fort Payne, Alabama. The initial purchase price is U.S. \$125 million, with further contingent payments of up to U.S. \$10 million. The purchase consideration will be paid in cash and will be financed out of Gildan’s revolving bank credit facilities. The acquisition of Prewett, which is subject to U.S. regulatory approvals, is expected to close around the end of October 2007.

Gildan and Prewett believe that the combination of the two companies will enhance the global cost-competitiveness of Prewett’s basic athletic sock programs, and result in significant cost reduction synergies. At the same time, the companies have jointly developed an integration plan designed to ensure the continuation of Prewett’s capabilities and reputation for outstanding customer service to mass-market retailers and to further strengthen Gildan’s positioning as a full-product supplier of socks, activewear and underwear for the retail channel.

Prewett currently has annualized sales of approximately U.S. \$190 million. The acquisition of Prewett is expected to be accretive to Gildan’s EPS in fiscal 2008, and to increase annual EPS by approximately U.S. \$0.20 per share after the acquisition integration is complete. Based on the projected first year accretion from the Prewett acquisition, and a U.S. \$7 million further incremental capacity expansion of Gildan’s first Honduran sock manufacturing facility, Gildan now expects to achieve or exceed the high end of its previously announced earnings guidance range for fiscal 2008 of U.S. \$1.80-\$1.85 per share, representing an increase of over 40% compared with the Company’s fiscal 2007 projected EPS of approximately U.S. \$1.30 before restructuring charges.

## Profile

Gildan is a vertically-integrated marketer and manufacturer of quality branded basic apparel. The Company is the leading supplier of activewear for the wholesale imprinted sportswear market in the U.S. and Canada, and also a leading supplier to this market in Europe. 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. Other end-uses include work uniforms and similar applications to convey individual, group and team identity. In addition to continuing its growth within the wholesale channel, Gildan is implementing a major new growth initiative to sell athletic socks, underwear and activewear to mass-market retailers in North America.

*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 and Canadian securities legislation and regulations. Such forward-looking statements involve assumptions and known and unknown risks, uncertainties and other factors, including, but not limited to: general economic conditions such as currency exchange rates, commodity prices and other factors over which we have no control; the impact of economic and business conditions, industry trends and other external and political factors in the countries in which we operate; the intensity of competitive activity; changes in environmental, tax, trade and other laws and regulations, including possible implementation of safeguards on sock imports from Honduras currently under review by the Committee for the Implementation of Trade Agreements; our ability to implement our strategies and plans, including our plans to profitably increase our athletic sock manufacturing capacity; our ability to complete and successfully integrate acquisitions, including the Prewett acquisition; changes in customer demand for our products and our ability to maintain customer relationships and grow our business; the seasonality of our business; our ability to attract and retain key personnel; changes in accounting policies and estimates; and, disruption to manufacturing and distribution activities due to the impact of weather, natural disasters and other unforeseen adverse events, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. You should not place undue reliance on these forward-looking statements, which are made only as of the date of this press release. 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 other factors that may affect the Company’s future results.*