



News Release

For immediate Release

Gildan Activewear Enters into Agreement to Settle Proposed Class Action Litigation

– No Impact on Company's Earnings or Cash Flows –

Montréal (Québec), Tuesday, August 3, 2010 – Gildan Activewear Inc. (GIL; TSX and NYSE) today announced that it has entered into an agreement to settle all proposed securities class action proceedings filed in 2008 before the Ontario Superior Court of Justice, the Quebec Superior Court and the United States District for the Southern District of New York (the 'Courts'). The proposed litigation related to, among other things, the Company's April 29, 2008 announcement revising its fiscal 2008 earnings guidance.

The settlement will be entirely funded by the Company's insurance policies and will have no impact on the Company's earnings or cash flows. The settlement agreement provides for a total settlement amount of U.S. \$22.5 million for distribution to eligible class members in accordance with a plan of allocation to be approved by the Courts, net of court approved expenses and attorneys' fees for class counsel.

The settlement agreement acknowledges that the Company and its senior officers deny all of the claims and charges of wrongdoing, liability or violation of laws.

The settlement agreement is conditional upon approval of the settlement by each of the Courts. Dates have not yet been set for settlement approval hearings. The settlement agreement is also subject to the Company's option to terminate the agreement if opt-outs by shareholders eligible to participate in the settlement exceed a certain pre-determined threshold.

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 channel 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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