

Important Canadian Tax Information for Shareholders Concerning the Hanesbrands Inc. Share Distribution

The *Income Tax Act* (Canada) (the “Canadian Tax Act”) provides that the distribution by a U.S. corporation of common shares of a subsidiary to shareholders resident in Canada can, in certain circumstances, qualify for tax-deferred treatment for Canadian income tax purposes. One of the conditions for a shareholder resident in Canada to qualify for this treatment is that the U.S. corporation must file an application providing certain information with the Canada Revenue Agency (the “CRA”). Provided the corporation’s application is accepted by the CRA, the shareholder resident in Canada must file an election with the CRA to get the tax-deferred benefit.

On September 5, 2006, Sara Lee Corporation spun-off its U.S. subsidiary, Hanesbrands Inc., by distribution shares of Hanesbrands Inc. common stock to the shareholders of Sara Lee Corporation. On March 2, 2007, Sara Lee Corporation filed an application with the CRA. On March 7, 2007, the CRA ruled that the information provided by Sara Lee Corporation meets the requirements set out in paragraph 86.1(2)(e) of the Canadian Tax Act, and that the distribution of the Hanesbrands Inc. shares is an eligible distribution under subsection 86.1(2) of the Canadian Tax Act. As such, shareholders resident in Canada who wish to take advantage of the tax-deferred treatment may make an election under section 86.1 in respect of their receipt of Hanesbrands Inc. common stock in connection with the spin-off. This election is generally required to be made in the taxpayer’s income tax return for the taxation year in which the distribution of common shares occurred.

Information regarding the filing of the election may be found on the CRA website at <http://www.cra-arc.gc.ca/tax/business/topics/cdnshareholders-e.html>.

Note: The information regarding the Canadian income tax consequences of the spin-off presented in this letter is for general reference only and does not constitute tax advice. The letter does not purport to cover all income tax consequences that may apply to all categories of shareholders. **Shareholders should consult their own tax advisors regarding the federal, foreign and provincial tax consequences of the spin-off as these consequences relate to their particular circumstances.**

Nothing in this communication is U.S. tax or other legal advice that is intended or written to be used, and it cannot be used, by any person to (i) avoid penalties under U.S. federal, state or local tax law, or (ii) promote, market or recommend to any person any transaction or matter addressed herein.