

Hanesbrands Inc.
Form 11-K
June 13, 2013
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

☐ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

or

○ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 333-137143

Full title of the plan and the address of the plan, if different from that of the issuer named below:

Hanesbrands Inc. Hourly Retirement
Savings Plan of Puerto Rico

Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Hanesbrands Inc.
1000 East Hanes Mill Road
Winston-Salem, North Carolina 27105

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Note: Schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations For Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA") have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Hanesbrands Inc. Employee Benefits Administrative Committee of the Hanesbrands Inc. Hourly Retirement Savings Plan of Puerto Rico:

We have audited the accompanying statements of net assets available for benefits of the Hanesbrands Inc. Hourly Retirement Savings Plan of Puerto Rico (the "Plan") as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years ended December 31, 2012 and 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Hanesbrands Inc. Hourly Retirement Savings Plan of Puerto Rico as of December 31, 2012 and 2011, and the changes in net assets available for benefits for the years ended December 31, 2012 and 2011, in conformity with accounting principles generally accepted in the United States of America.

/s/ Grant Thornton LLP
Raleigh, North Carolina
June 12, 2013

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Statements of Net Assets Available for Benefits

	December 31, 2012	December 31, 2011
Assets		
Plan interest in Hanesbrands Inc. Master Investment Trust for Defined Contribution Plans at fair value	\$ 1,330,516	\$ 1,201,405
Receivables		
Discretionary Company contribution receivable	140,879	117,575
Other Company contribution receivable	13,783	5,163
	154,662	122,738
Total assets	1,485,178	1,324,143
Liabilities		
Payable to Hanesbrands Inc. Salaried Retirement Savings Plan of Puerto Rico	—	(8,011)
Accrued expenses	(265)	(567)
Net Assets Available for Benefits at Fair Value	1,484,913	1,315,565
Adjustment from fair value to contract value for interest in fully benefit-responsive investment contracts	(27,190)	(26,541)
Net Assets Available for Benefits	\$ 1,457,723	\$ 1,289,024

The accompanying notes are an integral part of these financial statements.

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Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31, 2012	Year Ended December 31, 2011
Plan interest in Hanesbrands Inc. Master Investment Trust for Defined Contribution Plans' net investment income	\$ 82,944	\$ 31,302
Contributions		
Company	132,570	15,619
Participants	80,126	68,294
Other	34,262	—
Total contributions	246,958	83,913
Benefits paid to participants	(160,938)	(142,797)
Administrative expenses	(265)	(1,511)
Net increase (decrease)	168,699	(29,093)
Net assets available for benefits		
Beginning of year	1,289,024	1,318,117
End of year	\$ 1,457,723	\$ 1,289,024

The accompanying notes are an integral part of these financial statements.

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Hanesbrands Inc. Hourly Retirement Savings Plan of Puerto Rico
Notes to Financial Statements
December 31, 2012 and 2011

NOTE A - DESCRIPTION OF PLAN

The following brief description of the Hanesbrands Inc. Hourly Retirement Savings Plan of Puerto Rico (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering eligible hourly employees of participating divisions and subsidiaries located in Puerto Rico of Hanesbrands Inc. (the "Company"), who have attained the age of 21 and completed 90 days of credited service, as defined in the Plan document. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Contributions

Eligible employees can contribute between 1% and 10% of their pre-tax compensation, as defined in the Plan document. Contributions are subject to certain limitations under the Internal Revenue Code ("IRC") and the Puerto Rico Internal Revenue Code of 2011 ("PRIRC"). Although employees were previously permitted to make after-tax contributions, this is no longer permitted and was not permitted during the periods presented.

The Company will contribute an amount equal to 100% of the portion of a participant's pre-tax contributions that does not exceed 2% of a participant's eligible compensation, subject to certain limitations defined in the Plan document. For the years ended December 31, 2012 and 2011, the total matching contribution by the Company was \$51,510 and \$33,674, respectively.

The Company may also make a discretionary Company contribution in the amount of 2% of a participant's eligible compensation. For the years ended December 31, 2012 and 2011, the total discretionary Company contribution was \$140,879 and \$117,575, respectively.

For the years ended December 31, 2012 and 2011, \$59,819 and \$135,630 of forfeitures, respectively, were used to offset Company contributions.

Participant Accounts

Individual accounts are maintained for each of the Plan's participants to reflect Company contributions, the participant's contributions and any rollover contributions, as well as the participant's related share of the Plan's income and losses and certain related administrative expenses. Allocations of income and losses are made within each separate investment fund in proportion to each participant's investment in those funds. Allocations of certain related administrative expenses are made based on the proportion that each participant's account balance has to the total of all participants' account balances.

Vesting

Participants' contributions and amounts received as Company matching and rollover contributions are 100% vested at all times. Vesting in the annual discretionary Company contributions is 100% after completing three years of service, or in the case of termination due to death, disability or normal retirement without regard to years of service.

Investment Options

Participants may direct their total account balances among the various investment options currently available through the Plan in 1% increments and may change their investment elections at any time.

Forfeitures

If a participant terminates employment for reasons other than death, disability or normal retirement age before any amounts received as annual discretionary Company contributions are vested, the unvested amount shall be forfeited. Forfeited balances shall first be allocated to participants who are reemployed and are entitled to reinstatement of portions of their annual discretionary Company contributions that were forfeited previously and then the remainder, if any, may be used to reduce future Company matching contributions or pay administrative expenses of the Plan.

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Hanesbrands Inc. Hourly Retirement Savings Plan of Puerto Rico
Notes to Financial Statements - Continued
December 31, 2012 and 2011

Forfeited balances as of December 31, 2012 and 2011 were \$0 and \$54,406, respectively.

Benefit Payments

Upon termination of service due to death, disability, retirement, resignation or dismissal, distribution of the vested balance in the participant's accounts will be made to the participant or, in the case of the participant's death, to his or her beneficiary by a lump-sum payment in cash (or stock, if elected, for amounts invested in the Hanesbrands Inc. Common Stock Fund).

Withdrawals

Participants may withdraw all or a portion of their vested account balances, provided they have attained age 59-1/2; participants may also withdraw their after-tax contributions at any time. Participants who have an immediate and substantial financial need may take a hardship withdrawal from their accounts, subject to certain limitations defined in the Plan document.

New Accounting Pronouncements

Fair Value Measurements

In 2011, the FASB issued new accounting rules providing guidance on fair value measurement and disclosure requirements. The guidance generally clarifies the application of existing requirements on topics including the concepts of highest and best use and valuation premise and disclosing quantitative information about the unobservable inputs used in the measurement of instruments categorized within Level 3 of the fair value hierarchy. Additionally, the guidance includes changes on topics such as measuring fair value of financial instruments that are managed within a portfolio and additional disclosure for fair value measurements categorized within Level 3 of the fair value hierarchy. The adoption of the disclosures effective in 2012 did not have an impact on the Plan's net assets or changes in net assets.

NOTE B - SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Valuation of Investments

The Plan's sole investment is an interest in the Hanesbrands Inc. Master Investment Trust for Defined Contribution Plans (the "HBI Investment Trust"). The Plan's interest in the HBI Investment Trust is based on the Plan's relative aggregate contributions, benefit payments and other relevant factors. Purchases and sales of securities in the HBI Investment Trust are recorded on a trade-date basis. Interest is recorded in the period earned. Dividends are recorded on the ex-dividend date.

The HBI Investment Trust's investments consist of investments in registered investment companies, Hanesbrands common stock, a collective trust and a stable value fund. Investments in registered investment companies and

Hanesbrands common stock are valued using quoted market prices. The collective trust is valued at fair value of participant units owned by the HBI Investment Trust based on quoted redemption values.

The stable value fund is reported at fair value based on the fair value of the underlying investments. These underlying investments, which are comprised of high quality, fixed income securities held in various collective trusts and separate accounts that are “wrapped” by synthetic investment contracts issued by high quality financial institutions, are required to be reported at fair value. However, contract value is a relevant measurement attribute as these investment contracts are fully benefit-responsive.

Contract value represents the principal balance of the underlying investment contracts, plus accrued interest at the stated contract rates, less withdrawals and administrative charges by the financial institutions. There are no material reserves against

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Hanesbrands Inc. Hourly Retirement Savings Plan of Puerto Rico
Notes to Financial Statements - Continued
December 31, 2012 and 2011

contract value for credit risk of the contract issuers or otherwise. Under the terms of the contracts, the crediting interest rates are rates negotiated by the Company with the financial institutions. The average crediting interest rate of the investment contracts as of December 31, 2012 and 2011 was approximately 2.52% and 3.12%, respectively. The average yield for the investment contracts for the years ended December 31, 2012 and 2011 was approximately 0.91% and 1.39%, respectively. Certain events, which we refer to as "market value events," may limit the ability of the stable value fund to realize the contract value of investment contracts and may therefore result in payments to participants that reflect fair value rather than contract value. Such events include, but are not limited to, certain amendments to the Plan documents or the stable value fund's investment guidelines not approved by issuers of investment contracts, failure to comply with certain contract provisions, complete or partial Plan termination or merger with another plan, suspension or substantial reduction of Plan sponsor contributions to the Plan, debt default by the Plan sponsor, bankruptcy of the Plan sponsor or other Plan sponsor events that could cause substantial withdrawals from the Plan or the stable value fund, failure of the trust which holds the assets of the Plan to qualify for exemption from federal income taxes, and the occurrence of certain prohibited transactions under ERISA. The Plan administrator does not believe that any events that have occurred to date constitute market value events. The Plan may terminate its investment in the stable value fund upon election and sixty days' notice. The Statements of Net Assets Available for Benefits present the fair value of the stable value fund as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statements of Changes in Net Assets Available for Benefits present the contract value of the investment contracts.

In general, the investments provided by the Plan are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and participants' individual account balances.

Administrative Expenses

Costs of administering the Plan for the years ended December 31, 2012 and 2011 were paid by the Company, except for certain investment management fees which were paid directly by the HBI Investment Trust or offset against the HBI Investment Trust's investment returns.

NOTE C - PLAN INTEREST IN HBI INVESTMENT TRUST

The Plan's investments are in the HBI Investment Trust which provides for the investment of assets of the Plan, the Hanesbrands Inc. Retirement Savings Plan and the Hanesbrands Inc. Salaried Retirement Savings Plan of Puerto Rico (collectively, the "Savings Plans"). The interest of each Savings Plan in the HBI Investment Trust is based on that Savings Plan's participants' account balances within each investment fund.

The Plan's interest in the net assets of the HBI Investment Trust was approximately 0.24% and 0.24% at December 31, 2012 and 2011, respectively. Investment income relating to the HBI Investment Trust is allocated to the Savings Plans based on the balances invested by each Savings Plan. The Plan's interest in the net assets of the HBI Investment Trust is included in the accompanying Statements of Net Assets Available for Benefits.

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Hanesbrands Inc. Hourly Retirement Savings Plan of Puerto Rico
 Notes to Financial Statements - Continued
 December 31, 2012 and 2011

A summary of the net assets of the HBI Investment Trust is as follows:

	December 31, 2012	December 31, 2011
Investments, at fair value		
Hanesbrands common stock	\$26,056,256	\$19,198,414
Investment in collective trust	9,625,705	7,016,318
Investment in registered investment companies	318,042,926	277,397,728