November 1995

Just My Size Offers New Line

Adams-Millis is adding a new line of casual and athletic socks designed for the outsize market as part of the Just My Size[®] line.

"Just My Size socks are not simply larger versions of existing socks, but rather they are constructed with the inherent needs of tall and full figured women in mind," said John Fryer, marketing manager for Adams-Millis.

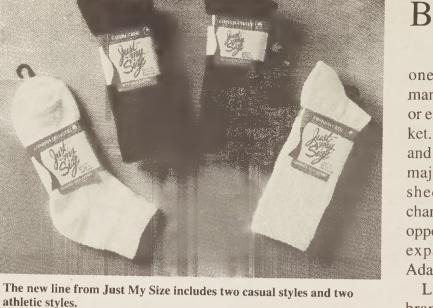
"Our research with plussize women told us that fit is of paramount importance," he said. "So we made Just My Size socks with Memory Yarn[™], which is a combination of cotton and spandex that stretches and conforms to the individual contours of a woman's foot. It ensures unsurpassed fit and improved durability. In addition, the socks feature a knit-in arch that provides comfortable, all-day support."

The line contains four styles — two casual and two athletic. Each comes in size 10 to 12 and fits women with a shoe size of 8 to 12, which accounts for some 57 percent of all women. Standard socks are sized nine to 11 and accommodate shoe sizes 5 to 9.

The casual crew and the cuffed anklet, which also can be worn slouched, come in basic fashion colors of white, black, natural, navy and khaki, and two seasonal colors of garnet and forest green.

The suggested retail price is \$2.49 for a single pack and \$5.99 for a three-pair pack.

The cushion quarter and cushion crew offer extra cushioning, making this style appropriate for both athletic and casual wear. They come only in white and have a suggested retail price of \$2.49 for a single pack and \$5.99 for a threepair pack.

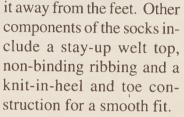


Cool Comfort Comes To Hot Perspiring Feet

Relief from the common discomfort of hot and perspiring feet is the distinctive benefit of new Hanes® Cool Comfort[™] socks for men. The socks are available in discount, food and drug stores beginning this fall.

Hanes Cool Comfort is a multipurpose sock appropriate for a variety of athletic, work and casual activities that challenge hardworking feet. The line has three styles --- crew, quarter and over-the-calf --- made of cotton and acrylic blend.

Hanes Cool Comfort socks incorporate a durable CoolKnit[™] mesh fabric at the top of the foot to allow air to flow in and out. On the bottom of the foot a special CoolKnit terry cushion has wicking properties that absorb moisture and draw



According to Bill Britt, product manager, "Consumers frequently complain of hot and sweaty feet. The potential for this condition is always there, regardless of the types of shoes they wear, their activities or the time of year. However, the thickness, softness and absorbency of Hanes Cool Comfort socks will ensure that their feet are comfortable.

"Hanes Cool Comfort socks are ideal for men who work on their feet all day or who play sports. They also are appropriate for less strenuous activities, like driving, or anytime you want your feet to stay cooler and drier," Britt added.

Building Brands

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one percent of the total market up to around seven or eight percent of the market. As a contrast, L'eggs and Hanes brands have a majority market share of sheer hosiery in their channels. That means the opportunities for business expansion are great for Adams-Millis.

Lineberger says that the branded approach offers many advantages. "One of the most promising benefits is related to megabranding," he says. "When a consumer buys underwear, he quite often buys socks at the same time. It's a real advantage to us because someone who buys Hanes underwear is more likely to buy Hanes socks. Hanes socks are preferred three-to-one over Fruit of the Loom, in part because of the strengths of megabranding. The Hanes name represents quality, value and comfort."

Lineberger says that Adams-Millis is already benefitting from the current Just My Size advertising efforts which promote a wide range of apparel for outsize women. Model Christine Ault is appearing in print and television commercials for Just My Size.

"The branded approach also provides more operational and manufacturing efficiencies. Because we have fewer product lines and fewer SKUs, we're able to increase volume at the same time we increase efficiency and quality. In 1995, for example, our on-time deliveries for our top 40 customers hit 98 percent. This shows how well all of the areas of Adams-Millis are working together." He said that the expansion of the Mount Airy plant and the opening of the Barnwell plant three years ago put Adams-Millis in a position to become the industry's lowcost producer and take full advantage of the focus on branded sales. Mount Airy makes Champion, Hanes and Hanes Her Way, while Barnwell makes Hanes and Hanes Her Way primarily. Kernersville produces the new Champion Sports Specific, The Gap and Hot Socks for Polo.



Hanes[®] Cool Comfort[™] socks keep men's feet cooler and drier whether they are pounding the basketball court or at work on a factory floor.

Market Share Goals Set

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Adams-Millis is concentrating its efforts on brand-name sales rather than private label sales. The share of the sock market held by private label socks has shrunk 10 percent over the last five years. The biggest decline has been in the largest sector of the sock market — men's socks where the private label share has dropped 20 percent.

In the last two years we have invested much time and consumer research into an effort to develop products that provide the kind of features and benefits that consumers want. Our line of Champion sports specific socks and the introduction of the Hanes Cool Comfort line are two examples. These socks provide new features consumers will pay more for.

Consumers prefer our products! We now have the No. I branded position in the mass market for men's, women's and boys'. Hanes has a 17 percent share versus Fruit of the Loom's 10 percent share and Wilson's 6 percent share. Hanes Her Way women's tops Gitano 10.4 percent versus 9.9 percent. Hanes boys' beats both Fruit and Keds.

Because of our strong brands, Adams-Millis has established aggressive sales goals for the next few years. By the year 2000 our goals are to increase our

market share significantly in the three major sectors of the industry. Our goal is to reach 25 percent market share in both men's and women's and 15 percent in children's by the turn of the century. Our goal is to raise Champion's market share in department and sports stores from two percent to 10 percent. Champion's major competition is from Nike and Gold Toe.

With Hanes Her Way we are well positioned to capture an increasing share of the women's market. Our expanded line of Just My Size socks enables us to capitalize on the trend for better fit and comfort. The recent television and print advertising support for the Just My Size megabrand is generating the trials that will result in growth of sales.

Our acquisition of the license to market socks under the Spalding name will help us in both mass outlets and in department stores. The challenge is to create a preference for the Spalding brand in those markets.

By reaching our share goals by the year 2000, Adams-Millis will become a \$275 million company, about 35 percent larger than we are now. It has taken hard work and dedication to get to where we are today. The challenge to continue our growth is exceeded only by the opportunities that growth will create.