ARMSTRONG WORLD INDUSTRIES INC
Form DEF 14A
April 30, 2018

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

ARMSTRONG WORLD INDUSTRIES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Thomas M. Armstrong

Founder 1860

ARMSTRONG WORLD INDUSTRIES, INC.

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P.O. BOX 3001, LANCASTER, PA 17604

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April 30, 2018

2018 ANNUAL MEETING OF SHAREHOLDERS

ARMSTRONG WORLD INDUSTRIES, INC.

Dear Fellow Shareholders:

We look forward to your attendance virtually via the Internet, in person, or by proxy at the 2018 Armstrong World Industries, Inc. Annual Shareholders Meeting. We will hold the meeting at 8:00 a.m. Eastern Time on Thursday, July 12, 2018.

In fiscal 2017, we continued to execute on our strategy, driving significant consolidated net sales growth and delivering strong adjusted EBITDA performance, in large part driven by our innovative product portfolio, including our Total Acoustics solutions and our new Sustain family of products.

We also addressed key strategic priorities through an agreement to sell our European, Middle East, African, and Pacific Rim businesses to Knauf International GmbH; the closure of our St. Helens plant; and the acceleration of our business development strategies, which resulted in the acquisition of Tectum, Inc. in early 2017.

As we look ahead to our future as an Americas-focused business, we are well-positioned and poised for growth as we focus on serving our customers, now and in the future, in both our Mineral Fiber and Architectural Specialties segments, with an experienced leadership team, industry-leading innovation and a strong financial position.

At this year s Annual Shareholders Meeting, I will step down as a director and Chairman of the Board. It has been an honor to serve as Chairman since 2010, following my tenure as independent lead director. I have had the great pleasure to closely observe our Company emerge from bankruptcy, separate the flooring business into an independent publicly traded company and transition into an Americas-focused total ceilings and wall solutions provider.

At this year s Annual Shareholders Meeting, we will vote on the election of directors, vote to ratify the selection of KPMG LLP as our independent registered public accounting firm, and vote on a non-binding advisory basis on the compensation of our named executive officers. Please refer to the proxy statement for detailed information on each of the matters to be acted on at the meeting. Your vote is important, and we strongly urge you to cast your vote. For most items, including the election of directors, your shares will not be voted if you do not provide voting instructions via the Internet, by telephone, or by returning a proxy or voting instruction card. We encourage you to vote promptly, even if you plan to attend the meeting.

On behalf of your Board of Directors, thank you for your continued support of Armstrong World Industries and your participation in this year s Annual Meeting.

Very truly yours,

James J. O Connor

Chairman of the Board

NOTICE OF 2018 ANNUAL MEETING OF SHAREHOLDERS

Time and Date

8:00 a.m. Eastern Time on Thursday, July 12, 2018

Attendance

Online at *www.virtualshareholdermeeting.com/awi2018*, or in person at 2500 Columbia Avenue, Lancaster, Pennsylvania 17603

Record Date

April 20, 2018

Agenda

Items of Business	Board Recommendation
1. Elect as directors the nine (9) nominees named in the attached proxy statement	**FOR EACH DIRECTOR NOMINEE**
2. Ratify the selection of KPMG LLP as our independent registered public accounting firm for 2018	**FOR**
3. Approve, on an advisory basis, our executive compensation program	**FOR**

How To Vote

Please act as soon as possible to vote your shares, even if you plan to attend the annual meeting via the Internet or in person.

Your broker will not be able to vote your shares with respect to the election of directors unless you have given your broker specific instructions to do so. We strongly encourage you to vote.

You may vote via the Internet, by telephone, or, if you have received a printed version of these proxy materials, by mail.

See ADDITIONAL MEETING INFORMATION on page 57 of this proxy statement for further information.

Attending the Meeting

via the Internet:

Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at *www.virtualshareholdermeeting.com/awi2018*.

Shareholders may vote and submit questions while attending the meeting on the Internet.

in person:

Proof of Armstrong World Industries, Inc. stock ownership and photo identification will be required to attend the annual meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF

PROXY MATERIALS FOR THE ANNUAL MEETING

TO BE HELD ON JULY 12, 2018:

The Notice of Annual Meeting, this Proxy Statement and

the Company s 2017 Annual Report are available at www.proxyvote.com.

PROXY STATEMENT

This proxy statement was prepared under the direction of our Board of Directors (Board) to solicit your proxy for use at the 2018 Armstrong World Industries, Inc. annual meeting of shareholders (the Annual Meeting). When we refer to we, our, us, Armstrong and the Company proxy statement, we are referring to Armstrong World Industries, Inc. This proxy statement and the related materials are first being distributed to shareholders on or about May 7, 2018.

On November 20, 2017, we announced the sale of our businesses and operations in Europe, the Middle East, and Africa (including Russia) and the Pacific Rim (the International Business), including the corresponding businesses and operations conducted by Worthington Armstrong Venture, a Delaware general partnership (WAVE), in which we hold a fifty percent (50%) interest, to Knauf International GmbH (Knauf). Following the sale of our International Businesses, which we currently expect to close during the third quarter of 2018, Armstrong will be an Americas-focused ceilings and wall buildings products company, and the leader in the design, innovation and manufacturer of commercial and residential ceiling, wall and suspension solutions.

At the 2017 Annual Meeting of Shareholders (the 2017 Annual Meeting), which was held on July 13, 2017, our shareholders elected Stan A. Askren, Victor D. Grizzle, Tao Huang, Larry S. McWilliams, James C. Melville, James J. O Connor, John J. Roberts, Gregory P. Spivy, Roy W. Templin and Cherryl T. Thomas to the Board.

On the recommendation of the Nominating and Governance Committee (Governance Committee), our Board has nominated the nine directors listed below for election at the Annual Meeting. Mr. James J. O Connor, who is currently Chairman of the Board, will not stand for reelection at the Annual Meeting. Effective as of Mr. O Connor s resignation from the Board at the Annual Meeting, the size of the Board will be decreased from ten to nine members. The nominees include eight independent directors, as determined by the Board in accordance with the New York Stock Exchange (NYSE) listing standards and our Corporate Governance Principles. The ninth nominee is our President and Chief Executive Officer (CEO), Victor D. Grizzle. Each nominee s term would, if elected, run from the date of his or her election until our next annual shareholders meeting, or until his or her successor, if any, is elected or appointed. We have no reason to believe that any of the nominees will be unwilling or unable to serve if elected.

The Governance Committee performs an assessment of the qualifications and experience needed to properly oversee the interests of the

Company. In doing so, the Governance Committee believes that aligning director qualifications and skill sets with our business and strategy is essential to forming a board of directors that adds value for shareholders. While our Board does not have a formal diversity policy with respect to director nominations, it believes that a board of directors composed of individuals with diverse attributes and backgrounds enhances the quality of our Board s deliberations and decisions. Our Board has an expansive view of diversity, going beyond the traditional concepts of race, gender and national origin, and emphasizing a diversity of viewpoints, educational backgrounds and professional experiences. Our Board believes that this diversity, coupled with strong personal and professional ethics, integrity and values, results in a board of directors that is well-qualified to guide the Company with good business judgment.

The Governance Committee expects each of the Company s directors to have proven leadership, sound judgment, integrity and a commitment to the success of the Company. In evaluating director candidates and considering incumbent directors for nomination to the Board, the Governance Committee considers a variety of factors. These include each nominee s independence, financial literacy, personal and professional accomplishments, and experience in light of the needs of the Company. For incumbent directors,

the factors also include past performance on our Board and contributions to their respective committees. Our Board is also particularly interested in maintaining a mix of skills and qualifications that include the following:

Public Company CEO or COO within past 5 years

Senior Executive Leadership

Manufacturing & Distribution Operations

Financial Literacy

Significant International Experience
Finance and Capital Markets Transactions

Technology

M&A

Risk Management

Corporate Governance/Law

Each director nominee s biography in the pages that follow includes notable skills and qualifications that contributed to his or her selection as a nominee. Director skills and qualifications are also featured in the chart immediately following the biographies.

DIRECTOR NOMINEES

OUR BOARD RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE FOLLOWING NOMINEES:

Name	Age	Director Since	Committee(s)	Independent^
Stan A. Askren	57	2008	MDCC	
Victor D. Grizzle	56	2016		

Tao Huang	55	2010	AC, FC
Larry S. McWilliams	62	2010	AC, MDCC
James C. Melville	66	2012	FC, MDCC, NGC
John J. Roberts	73	2006	AC , NGC
Gregory P. Spivy	49	2014	FC, MDCC
Roy W. Templin	57	2016	AC, FC , MDCC
Cherryl T. Thomas	71	2016	AC, MDCC

Committees: AC (Audit); FC (Finance); MDCC (Management Development & Compensation); NGC (Nominating & Governance)

^ As defined in NYSE listing standards and our Corporate Governance Principles

Denotes Chair of the Committee

All nominees currently serve as directors. Information concerning the nominees is provided below:

STAN A. ASKREN

Director since: 2008

Age: 57

Independent

Mr. Askren has been chairman and CEO of HNI Corporation (HNI), the second largest office furniture manufacturer in the world and the nation s leading manufacturer and marketer of hearth products, since 2004, and president since 2003. Previously, he was executive vice president of HNI from 2001 to 2003. Mr. Askren has worked at HNI for 26 years, including as vice president of marketing, vice president of human resources, and as an executive vice president and president of HNI s hearth products operating segment. Mr. Askren has also worked in several industries and previously held multiple executive management and general management positions with Emerson Electric, Thomson S.A. and HNI. Mr. Askren also serves on the boards of directors of Allison Transmission Holdings, Inc., a commercial duty automatic transmission and hybrid propulsion systems manufacturer (since 2015), the Business and Institutional Furniture Manufacturers Association (past chair) and the Iowa Business Council (past chair). Mr. Askren formerly served on the board of directors of the Iowa Heritage Foundation. Mr. Askren brings to our Board extensive operating, senior executive leadership, manufacturing, sales and distribution expertise, as well as valuable insights from his experience as a public company chief executive officer.

VICTOR D. GRIZZLE

Director since: 2016

Age: 56

Mr. Grizzle was appointed as our President and Chief Executive Officer on March 30, 2016. Previously, Mr. Grizzle served as Executive Vice President and Chief Executive Officer of Armstrong Building Products, a business unit of Armstrong, since January 2011. Prior to joining Armstrong, Mr. Grizzle served as Group President of Global Engineered Support Structures Coatings & Tubing and President of International Division for Omaha at Valmont Industries, Inc., an infrastructure and agricultural equipment manufacturer, since January 2006. Prior to Valmont, he served as President of the Commercial Power Division of EaglePicher Corporation, a manufacturing and resource extractive company. Before that, Mr. Grizzle spent 16 years at General Electric Corporation, where he served as an American business leader for General Electric s Silicones Division. As President and Chief Executive Officer, Mr. Grizzle provides our Board with significant insight regarding our operations, strategic planning and operational design. In addition, Mr. Grizzle brings to our Board broad leadership and business expertise, as well as comprehensive experience in global operations and manufacturing matters.

TAO HUANG

Director since: 2010

Age: 55

Independent

Mr. Huang was previously the chief operating officer of Morningstar, Inc., a leading independent provider of investment research, until his retirement in December 2010. Mr. Huang spent almost 20 years with Morningstar, taking on increasing levels of responsibility from his start as an entry level technical programmer. He was named director of technology in 1992 and chief technology officer in 1996; he started Morningstar s International Operation in 1998, held the position of president of International Division until 2000; he was promoted as the Company s chief operating officer in October 2000 and served in this position until his retirement. Mr. Huang led Morningstar initiatives enabling significant growth, both organically and through acquisition, and oversaw continuous improvements in the operations of the firm s core businesses. Mr. Huang is a founder and managing partner of Range Light, LLC, an investment firm (since 2012). Mr. Huang also serves on the board of directors of Equity Lifestyle Properties, Inc., a publicly-traded real estate investment trust (since 2015) and Principal Mutual Funds, an asset management firm (since 2013). Mr. Huang brings to our Board expertise developed from his experience in a data-intense and technology-driven organization managing growth and integration of acquisitions, as well as experience in international operations.

LARRY S. MCWILLIAMS

Director since: 2010

Age: 62

Independent

Mr. McWilliams was previously the president and chief executive officer of Keystone Foods, a producer of proteins, from May 2011 to May 2012. From May 2005 to October 2010, he served as a senior vice president at Campbell Soup Company and subsequently became the president of Campbell International, responsible for all of Campbell Soup s business in Europe, Latin America and Asia Pacific. Mr. McWilliams joined Campbell Soup in March 2001 as senior vice president sales and chief customer officer, overseeing the company s relationships with its global retail partners. In April 2003, he assumed the position of president North America Soup. Mr. McWilliams was named senior vice president and president Campbell USA in March 2004. Prior to Campbell Soup, Mr. McWilliams held positions at Coca-Cola from 1995 to 2001 and the Pillsbury Company from 1993 to 1995. Mr. McWilliams has also served on the board of directors of Armstrong Flooring, Inc. (AFI) since April 1, 2016. Mr. McWilliams formerly served on the Boards of Directors of Godiva Chocolatiers International, a privately held company, and Bob Evans Farms, a full-service restaurant company, and the Board of Governors of St. Joseph s University Food Marketing Council and the Grocery Manufacturers Association s Industry Affairs Council. Mr. McWilliams offers our Board senior executive leadership capabilities and experience, as well as extensive knowledge of sales, marketing, customer service relationships, international markets and distribution channels.

JAMES C. MELVILLE

Director since: 2012

Age: 66

Independent

Mr. Melville is a member of the Minneapolis-based law firm of Kaplan, Strangis and Kaplan, P.A., where he has practiced in the corporate, governance, mergers and acquisitions, securities and financial areas since 1994. Prior to joining Kaplan, Strangis and Kaplan, P.A., Mr. Melville practiced with Dorsey and Whitney in their Minneapolis and London, England offices. Mr. Melville previously served as a member of our Board from September 2009 until July 2010 and now also serves on the board of directors of AFI (since April 1, 2016). Mr. Melville is active in numerous local and civic organizations and their boards. Mr. Melville is also a National Association of Corporate Directors Board Leadership Fellow. Mr. Melville served as an observer of our Board on behalf of the Armstrong World Industries, Inc. Asbestos Personal Injury Settlement Trust (the Trust) from August 2010 until February 2012. Mr. Melville brings to our Board extensive knowledge of the law, mergers and acquisitions, executive compensation, and corporate governance matters, as well as international experience and financial acumen. He has also gained intimate knowledge of the Company through his prior service on our Board and his prior role as a board observer for the Trust.

JOHN J. ROBERTS

Director since: 2006

Age: 73

Independent

Mr. Roberts served as global managing partner for PricewaterhouseCoopers LLP from 1998 until his retirement in June 2002. Mr. Roberts held numerous positions at Coopers & Lybrand LLP from 1967 until its merger with Pricewaterhouse LLP in 1998. From 1994 to 1998, Mr. Roberts served as one of three members of the Office of the chairman of Coopers & Lybrand s United States operations. Prior to that time, Mr. Roberts held other positions at Coopers & Lybrand, including deputy vice chairman, vice chairman and managing partner. While serving in various executive capacities at PricewaterhouseCoopers, Mr. Roberts performed and supervised audit, tax and business consultative services, and developed extensive expertise in public company audits and financial reporting matters. Mr. Roberts serves on the boards of directors and audit committees of the following companies: Safeguard Scientifics, Inc., a provider of capital as well as strategic, operational and management resources to growth-stage businesses (since 2003; also serves on the compensation committee and nomination and governance committee), the Pennsylvania Real Estate Investment Trust, a business trust with primary investment focus on retail shopping malls (since 2003; also serves on the compensation committee), and Vonage Holdings Corporation, a provider of communications services (since 2004; also serves as lead director). Mr. Roberts previously served on the board of directors of Sicor, Inc. (2002 to 2004) and served as a director of our former holding company, Armstrong Holdings, Inc. (2003 to 2006). Mr. Roberts brings to our Board an extensive public accounting background, financial expertise, experience as an accounting executive and as a board member of businesses in diverse industries, and risk management, strategic planning and corporate governance capabilities.

GREGORY P. SPIVY

Director since: 2014

Age: 49

Independent

Mr. Spivy is a Partner of ValueAct Capital. Prior to joining ValueAct Capital in September 2004, Mr. Spivy worked with Gryphon Investors, a private equity fund with $500 million in investments. Previously, Mr. Spivy was a Managing Director at Fremont Partners, a private equity firm. Prior to joining Fremont Partners, Mr. Spivy was a Director with The Bridgeford Group, and began his career in the mergers and acquisitions department of Lehman Brothers. Mr. Spivy is the former chairman of Seitel, Inc., (from 2006 to 2017), the former chairman of MSD Performance, Inc., and a former director of Allison Transmission Holdings, Inc. (from 2015 to 2017), KAR Auction Services, Inc., MDS, Inc., MSC Software Corp. and PRA International. Mr. Spivy is also the Chair of the Board of Directors of Matriculate, a charitable organization dedicated to sending high-achieving, low-income high school students to college. Mr. Spivy brings to our Board his experience as a director of other public and private corporations, his advisory experience with ValueAct Capital s portfolio companies, as well as his extensive financial services industry experience generally.

ROY W. TEMPLIN

Director since: 2016

Age: 57

Independent

Mr. Templin served as Chairman of the Board of Directors of Con-Way Incorporated (NYSE:CNW), a multinational freight transportation and logistics company, from January 2014 until its acquisition by XPO Logistics Inc. in 2015. He previously served as Executive Vice President and Chief Financial Officer of Whirlpool Corporation (NYSE:WHR), a multinational manufacturer and marketer of home appliances, from 2004 to 2012, and as Vice President and Controller of Whirlpool Corporation from 2003 to 2004. Prior, he served as Vice President, Finance and Chief Accounting Officer of Kimball International, Inc. He currently serves on the Board of Trustees of the Goldman Sachs Mutual Funds.

Mr. Templin brings to our Board extensive experience as a senior executive, public company board member and executive of manufacturing and distribution industries, as well as experience in risk management, strategic planning, finance, and mergers and acquisitions.

	67,971,981	31,998,437
Net investment income	$ 105,602,117	$56,324,443

NOTE D - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, affected participants will become entitled to be fully vested in their accounts.

NOTE E - FAIR VALUE MEASUREMENTS

Fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The HBI Investment Trust utilizes market data or assumptions that market participants would use in pricing the asset or liability. A three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value, is utilized for disclosing the fair value of the assets and liabilities of the HBI Investment Trust. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on one or more of the following three valuation techniques:

- Market approach - prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach - amount that would be required to replace the service capacity of an asset or replacement cost.
- Income approach - techniques to convert future amounts to a single present amount based on market expectations, including present value techniques, option-pricing and other models.

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Hanesbrands Inc. Salaried Retirement Savings Plan of Puerto Rico
Notes to Financial Statements - Continued
December 31, 2013 and 2012

The HBI Investment Trust primarily applies the market approach for its investment assets and attempts to utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

As of December 31, 2013 and 2012, the HBI Investment Trust held certain financial assets that are required to be measured at fair value on a recurring basis. These consisted of Hanesbrands common stock, a collective trust, registered investment companies and a stable value fund. The fair values of the Hanesbrands common stock and the registered investment companies are determined based on quoted prices in public markets and are categorized as Level 1.

The underlying investment portfolio of the stable value fund is comprised of high quality, fixed income securities that are held in various collective trusts and separate accounts valued at net asset values which approximate fair value and are categorized as Level 2. The inputs used in valuing the underlying investments in the collective trusts and separate accounts include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities and inputs that are derived principally from or corroborated by observable market data. Participant transactions (issuances and redemptions) may occur daily.

The HBI Investment Trust did not hold any investments whose value was determined based on unobservable inputs and categorized as Level 3 at December 31, 2013 and 2012. There were no transfers in or out of any level during the years ended December 31, 2013 and 2012. There were no changes during the years ended December 31, 2013 and 2012 to the valuation techniques used to measure asset fair values on a recurring basis. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following table sets forth by level within the fair value hierarchy the HBI Investment Trust's investment assets accounted for at fair value on a recurring basis at December 31, 2013 and 2012, respectively. As required by the accounting rules, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

	Investment Assets at Fair Value as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Hanesbrands common stock	$51,718,931	$—	$—	$51,718,931
Short-term investment fund collective trust	—	9,625,778	—	9,625,778
Registered investment company:				
U.S. bond index funds	17,942,561	—	—	17,942,561
U.S. equity index funds	232,466,870	—	—	232,466,870
Foreign equity index funds	29,821,637	—	—	29,821,637
Target retirement date funds	108,293,255	—	—	108,293,255
Total registered investment company	388,524,323	—	—	388,524,323
Stable value fund:				

Collective trusts	—	145,563,571	—	145,563,571
Separate accounts	—	41,924,134	—	41,924,134
Total stable value fund	—	187,487,705	—	187,487,705
Total investment assets at fair value	$440,243,254	$197,113,483	$—	$637,356,737

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Hanesbrands Inc. Salaried Retirement Savings Plan of Puerto Rico
Notes to Financial Statements - Continued
December 31, 2013 and 2012

	Investment Assets at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Hanesbrands common stock	$26,056,256	$—	$—	$26,056,256
Short-term investment fund collective trust	—	9,625,705	—	9,625,705
Registered investment company:				
U.S. bond index funds	23,920,410	—	—	23,920,410
U.S. equity index funds	181,094,797	—	—	181,094,797
Foreign equity index funds	25,282,337	—	—	25,282,337
Target retirement date funds	87,745,382	—	—	87,745,382
Total registered investment company	318,042,926	—	—	318,042,926
Stable value fund:				
Collective trusts	—	155,278,588	—	155,278,588
Separate accounts	—	45,899,076	—	45,899,076
Total stable value fund	—	201,177,664	—	201,177,664
Total investment assets at fair value	$344,099,182	$210,803,369	$—	$554,902,551

NOTE F - TAX STATUS

By letter dated August 15, 2013, the Internal Revenue Service determined that the Plan and trust meet the qualification requirements set forth in Sections 401(a) and 501(a) of the IRC. The Plan has been subsequently amended since the determination, but the Plan's management believes the Plan remains in compliance with the applicable requirements of the IRC.

U.S. GAAP requires the Plan's management to evaluate tax positions taken by the Plan and to recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan's management has analyzed the tax positions taken by the Plan, and has concluded that as of 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan's management believes the Plan is no longer subject to income tax examinations for years prior to 2010.

NOTE G - PARTY-IN-INTEREST TRANSACTIONS

As of December 31, 2013 and 2012, certain assets of the HBI Investment Trust and the Plan, respectively, were invested in investments managed by State Street or ING, the trustee and recordkeeper of the Plan, respectively; therefore, these transactions qualify as party-in-interest transactions.

Approximately 8.1% and 4.7% of the HBI Investment Trust's assets as of December 31, 2013 and 2012, respectively, were invested in Hanesbrands common stock, in each case through participant-directed account balances. At December 31, 2013 and 2012, the Plan held 8,395 and 4,950 shares, respectively, of Hanesbrands common stock that had a fair value of $589,926 and $177,263, respectively.

NOTE H - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2013 and 2012 to the Form 5500:

	2013	2012
Net assets available for benefits per the financial statements	$3,728,919	$3,239,653
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	30,714	66,458
Net assets available for benefits per the Form 5500	$3,759,633	$3,306,111

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Hanesbrands Inc. Salaried Retirement Savings Plan of Puerto Rico
Notes to Financial Statements - Continued
December 31, 2013 and 2012

The following is a reconciliation of investment income according to the financial statements for the year ended December 31, 2013 to the Form 5500:

Investment income per the financial statements	$604,170
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	(35,744)
Investment income per the Form 5500	$568,426

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 16, 2014	HANESBRANDS INC. SALARIED RETIREMENT SAVINGS PLAN OF PUERTO RICO	
	By:	/s/ M. Scott Lewis M. Scott Lewis Authorized Member of the Hanesbrands Inc. Employee Benefits Administrative Committee

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INDEX TO EXHIBITS

Exhibit Number	Description
23.1	Consent of Grant Thornton LLP

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