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Canadian company to buy Gold Toe Moretz for \$350 million

By John Dayberry

Canadian sportswear company Gildan Activewear Inc. will buy Newton-based sock maker Gold Toe Moretz Holding Corp. for \$350 million.

Gildan will not assume any of Gold Toe Moretz's outstanding indebtedness.

Gold Toe Moretz employs about 300 people at three facilities in Newton and Conover. The company is not aware of any plans for employment changes at the Catawba County plants, said Chuck Ward, Gold Toe Moretz executive vice president and chief financial officer.

Gold Toe Moretz is a leading supplier of high-quality branded athletic, casual and dress socks for mass-market retailers, national chains, price clubs, department stores and specialty sporting goods stores in the United States. Its company-owned labels include the Gold Toe brand. It is also the exclusive U.S. licensee for Under Armour and New Balance branded socks.

"The acquisition of Gold Toe Moretz represents an important and exciting step in Gildan's ongoing strategic development," said Glenn J. Chamandy, president and chief executive officer of Gildan Activewear. "In addition to the introduction of leading consumer brands, the acquisition provides Gildan with enhanced brand management experience and expertise, best-in-class merchandising and strong technical innovation and design capabilities to complement Gildan's existing competitive strengths for retail. These capabilities can also be utilized to further the development of our own Gildan brand."

Gold Toe Moretz's senior management team, including John Moretz, chairman and chief innovation officer, and Steve Lineberger, president and CEO, is expected to remain with Gildan.

Gold Toe Moretz was formed in late 2006 when buyout firm The Blackstone Group acquired Newton-based Moretz, founded in 1946, and merged it with 90-year-old, Burlington-based Gold Toe Brands. That deal was valued at more than \$400 million.

The current acquisition will more than double Gildan's current revenues from the sale of socks and will significantly expand and diversify its customer base and channels of distribution within the U.S. retail market. Revenues reported by Gold Toe Moretz for 2010, totaled \$280 million.

Montreal-based Gildan owns and operates facilities in Central America and the Caribbean Basin and has begun development of a manufacturing hub in Bangladesh to support planned growth in Asia and Europe. It employs more than 28,000 people worldwide.

On the Web:

www.gildan.com