

# DELTA

GALIL INDUSTRIES LTD.

## Delta has Published its Results for Q1 2011

### **A 12% increase in sales to \$157.4 million; Profit attributed to shareholders increased 51% to \$5.8 million**

### **Isaac Dabah, Company CEO: The Results Reflect Continued Growth**

Delta Galil ended Q1 2011 with sales reaching \$157.4 million compared to \$140.5 million in Q1 2010, a 12% increase. Profit attributed to Company shareholders amounted to \$5.8 million in Q1 this year, compared to \$3.8 million in the same quarter last year, a 51% increase.

Isaac Dabah, Company CEO announced: “The quarterly results reflect a continuation of the Company’s growth. In the first quarter of the year the Company increased the sale of innovative products including seamless products in the Global Upper Market Segment and expanded its customer base. The Company dealt with a short temporary shutdown of the Company’s Egyptian plants, but these returned to full and regular operation and contributed to the increase in sales. Likewise, the Company continued to manage rising product costs, mainly the increase in cotton prices and it anticipates an adjustment of sales prices in the US mass market in the second half of 2011.”

The increase in Company sales in the first quarter of the year derived from improvements in most sales markets. North American sales increased by 11% in the first quarter of the year and amounted to \$101.7 million, compared to \$91.5 million in the corresponding quarter last year. European sales increased by 34% in the first quarter of 2011 to \$23.4 million compared to \$17.5 million in the same quarter last year. Most of the increase in European sales resulted from sales to new customers as well as from an increase in the sale of seamless products and socks to existing customers. Israeli sales increased by 6% in the first quarter of the year and amounted to \$19.6 million, compared to \$18.4 million in the corresponding quarter last year. The increase in sales was due mainly to the expansion of the Company’s chain of stores and the launch of the new chain of children’s stores (Delta Kids).

The Company’s operating income in the first quarter of 2011 amounted to \$7.6 million compared to an operating income of \$6.2 million in the first quarter of 2010 and compared to \$7.3 million before restructuring expenses and capital loss from the realization of a subsidiary.

The increase in profits attributed to the Company’s shareholders from the first quarter last year to the first quarter this year, in the amount of \$2 million, is due mainly to the improvement in operating profit as noted above and from a \$1 million reduction in finance expenses.

Subsequent to the balance sheet date the Company declared that it would be distributing dividends to the amount of \$2 million, or 8.54 cents per share, to be distributed on June 14, 2011.