Free translation from Hebrew

Key points regarding Delta's 2010 results

- Sales amounted to $620.1 million compared to $572.5 million in 2009, an 8% increase.
- Gross profits amounted to $121.3 million, constituting 19.6% of sales compared to $103.7 million in 2009, constituting 18.1% of sales, a 16.9% increase.
- Operating profit amounted to $31.1 million compared to $15.6 million in 2009, a 100% increase. Before reorganization costs, fixed assets impairment and capital loss from the sale of a subsidiary, operating profit amounted to $33.2 million compared to $16.2 million in 2009, a 105% increase.
- Net profit attributed to Company shareholders amounted to $21.1 million compared to $7.7 million in 2010, a 174% increase. Before reorganization costs, fixed assets impairment and capital loss from the sale of a subsidiary, net profit amounted to $23.2 million compared to $8.3 million in 2009, a 179% increase.
- Improvement in the Company's financial indicators: the net financial debt at the end of 2010 amounted to $75.0 million compared to $84.1 million at the end of 2009; the current ratio increased to 1.77 versus 1.19 in 2009 and the quick ratio increased to 0.98 versus 0.76 in 2009.
- The Company raised, in January and December 2010, in two issues of NIS debentures, from the same series, some 211 million NIS (or $58 million).
- Over the course of Q4 2010 the Company signed an agreement to sell land in Nahariyah; the expected capital gain from the transaction is estimated at $18 to $20 million before tax and shall be recognized in the financial statements upon the completion of the terms included in the sale agreement.
- The comprehensive dividend sum to be divided by the Company for 2010 shall reach $7 million, $2 million of which will be paid on March 15, 2011.

Key points for the fourth quarter of 2010:

- Sales amounted to $153.2 million, compared to $150.7 million in the corresponding quarter last year, a 2% increase.
- Operating profit amounted to $8.1 million compared to $7.8 million in the corresponding quarter last year, a 4% increase. Before the impairment of fixed assets, operating profit amounted to $9.1 million compared to $7.9 million before one-time items in the corresponding quarter last year, a 15% increase.
- Profit attributed to Company shareholders amounted to $6.2 million, or $7.2 million before impairment of fixed assets, compared to $6.0 or $6.1 million in the same quarter last year, respectively.

Delta summarizes a year of constant improvement in its results:
Profit in the fourth quarter: $6.2 million in 2010 compared to $6 million in 2009;
2010 profits amounted to $21.1 million compared to $7.7 million in 2009.

Delta Galil ended Q4 2010 with sales to the amount of $153.2 million compared to $150.7 million in Q4 2009, a 2% increase. Profit attributed to Company shareholders amounted to $6.2 million, or $7.2 million before the impairment of fixed assets, this compared to $6.0 or $6.1 million in the same quarter last year, respectively. The Company finished 2010 with $620.1 million in sales compared to $572.5 million in 2009, an 8% increase. Profit attributed to Company shareholders amounted to $21.1 million, or $23.2 million before reorganization costs, the impairment of fixed assets and loss of capital from the sale of a subsidiary, this compared to $7.7 or $8.3 million in profits in 2009.

Delta Galil CEO Isaac Dabah, announced that 2010 saw a continuation of the gradual improvement in the Company's results, an improvement that began in the second half of 2009 and is a result of streamlining steps and implementation of the reorganization plan declared by the Company in 2009. These steps included a decrease in overhead, improvement in supplying customers on time, reducing failure costs, improvements to inventory management, an increase in brassiere sales and assimilation of activity purchased from Gibor. Isaac Dabah added that the improved results were achieved in spite of rising costs of raw materials and the cost of finished products which led to an erosion of gross profits in the second half of the year due to time required to adapt sales prices to customers.

Sales breakdown for Q4 2010 indicates stability in North American sales to the amount of $87.3 million; a 43% increase (51% in the original currency) in European sales to an amount of $24.9 million, deriving mainly from an increase in sales to existing customers in light of the recovery in sales in Europe, and from sales to new customers; a 2% increase in sales in Israel to a total of $23.5 million and a 25% decrease in sales in the UK to $16.9 million, mainly as a result of a reduction of activity with a specific customer and in accordance with Company plans as well as a result of the transition to FOB-based sales, which decreased selling prices.

Operating profit amounted to $8.1 million in Q4 2010 compared to $7.8 million in Q4 2009. Operating profit before the impairment of fixed assets amounted to $9.1 million compared to $7.9 million before one-time items in the corresponding quarter last year, a 15% increase. The improvement in operating profit derived mainly from an increase in sales and in gross profit.

The increase in sales in 2010 reflects a 14% increase in North American sales to the amount of $400.2 million deriving mainly from an increase in brassiere sales and a certain recovery in retail chain sales, a 27% increase (33% in the original currency) in

European sales to a total of $83.1 million as a result of the increase in sales to existing customers and sales to new customers. In Israel sales increased by 4% (a 1% decrease in the original currency) to $78.2 million, and in the UK sales decreased by 28% to $56 million as a result of the same causes impacting the quarter.

The Company's financial indicators indicate a decrease in net financial debt to an amount of $75.0 million at the end of 2010, compared to $84.1 million at the end of 2009. The decrease in debt derived mainly from the positive operating cash flow in 2010. Operating cash flow amounted to $14.3 million compared to $40.8 million last year. The decrease in cash flow derived mainly from an increase in inventory at Delta Galil USA, which was offset by a decrease in receivables. The Company's adjusted EBITDA amounted to $44.3 million compared to $29.1 million last year. The Company has decided to distribute dividends to the amount of $2 million, following dividends already distributed this year to the amount of $5 million. The dividends will be distributed on March 15, 2011 and the determining date for the distribution shall be February 28, 2011.