FOR IMMEDIATE RELEASE

Delta Galil Reports Strong 2015 Second Quarter Results

Sales Increase 8% in Original Currency; Operating Cash Flow More than Doubles

Reaffirms 2015 Guidance; Sales Expected to Reach $1,065 Million-$1,085 Million and Full-Year EPS Expected to Reach $1.88-2.00

Key Senior Management Appointments Announced:
Yossi Hajaj Named Deputy CEO, EVP and Head of Global Operations;
Jacob Heen Joins Delta Galil as CFO

2015 Second Quarter Highlights

- Sales increased to $255.5 million in the 2015 second quarter, growing 8% in original currency (or 3% after the effect of currency translation).

- Operating cash flow rose to $24.0 million in the 2015 second quarter, up by 135% compared to $10.2 million a year ago.

- Operating income was $14.5 million in the 2015 second quarter, a 7% decrease from the comparable period a year ago, primarily reflecting currency exchange rates.

- Net income attributed to shareholders was $9.3 million in the 2015 second quarter, compared with $9.7 million for the year-ago period.

- Diluted earnings per share attributed to shareholders were $0.36 for the 2015 second quarter, versus $0.38 a year ago.

- Financial guidance for 2015 was reaffirmed: full-year sales expected to be a record $1,065 million-$1,085 million, rising 7%-9% in constant currency. Full-year 2015 diluted EPS is expected to be $1.88- $2.00.

- The Board of Directors declared a dividend of $3.5 million or $0.139 per share, to be distributed on August 20, 2015. The determining and "ex-dividend" date will be August 6, 2015, per the Tel Aviv Stock Exchange.

- Strong balance sheet was highlighted by $343.2 million in equity and $199.6 million in cash as of June 30, 2015.

- Isaac Dabah, CEO of Delta Galil, stated: "Our results for the 2015 second quarter demonstrate the strength of the Company's business model, which is built on a diverse blend of branded and private label products, an expanding global presence, and a range of market segments that, together, provide both growth momentum and balance. Thus, while the volatile currency exchange environment posed headwinds to profit growth, we still delivered our second-highest quarter for sales and increased our cash flow substantially. This also has been an important year for strategic growth initiatives."

Tel Aviv, July 29, 2015 – Delta Galil Industries, Ltd. (DELT/Tel Aviv Stock Exchange, DELTY.PK/OTCQX), the global manufacturer and marketer of branded and private label apparel products for men, women and children, as well as leisurewear and activewear, today reported its financial results for the second quarter ended June 30, 2015.

The Company reported sales of $255.5 million for the second quarter of 2015, up from $249.2 million for the same quarter last year, an increase of 3% after the effect of currency translation, and an 8% increase in original currency. Sales in the first six months of 2015 were $508.4 million, an increase of 4% from $487.2 million in the same period of 2014. Sales growth over the past six months benefitted from Delta Galil's focus on increasing the diversity of its geographic base and customer mix, as well as an increase in sales of branded products.

Operating income was $14.5 million for second quarter of 2015, down 7% from $15.5 million in the same quarter of 2014. For the first six months of 2015, operating income was down 2%, to $29.8 million from $30.4 million a year earlier. The decrease in operating income was driven primarily by currency translation.

Net income attributable to shareholders was $9.3 million in the 2015 second quarter, compared to $9.8 million in the same quarter of 2014, a 5% decrease. Diluted earnings per share attributed to shareholders were $0.36 for the 2015 second quarter, compared to $0.38 for the 2014 period. For the first six months of 2015, net income attributable to shareholders was $18.2 million or $0.71 per diluted share, compared to $18.5 million or $0.73 per diluted share for the same period of 2014.

Management Comment

Isaac Dabah, CEO of Delta Galil, stated: "Our results for the 2015 second quarter demonstrate the strength of the Company's business model, which is built on a diverse blend of branded and private label products, an expanding global presence, and a range of market segments that, together, provide both growth momentum and balance. Thus, while the volatile currency exchange environment posed headwinds to profit growth, we still delivered our second-highest quarter for sales and increased our cash flow substantially."

"This also has been an important year for strategic growth initiatives," Mr. Dabah continued. "We recently announced the acquisition of the PJ Salvage brand, which will add to our branded business, increase our penetration of the upper market segment, and broaden our international footprint. The opening of our seamless R&D center at Nike HQ in Oregon, and our men's and ladies' underwear license with Columbia reflect the growth of these two important customer relationships. And, we are adding capacity with a factory in Vietnam and a dye house in Egypt, to support our continued global expansion."

"Thanks to our balanced and diversified business model and investments in growth, we are on track to deliver $1,065 million-$1,085 million in sales for full-year 2015, with low double-digit increases in EBITDA, net profit and diluted EPS, in constant currency. We will also continue to strengthen our operational resources, management team and to pursue growth both through organic means and strategic acquisitions."

Cash Flow, EBITDA, Net Debt, Equity and Dividend

Operating cash flow showed significant growth, rising to $24.0 million in the second quarter and $4.2 million in the first six months of 2015. In the respective second quarter and six month periods of 2014, operating cash flow was $10.2 million and $3.6 million.

EBITDA was $19.0 million or 7.5% of sales in the 2015 second quarter, decreasing 5% compared with $19.9 million or 8.0% of sales in the 2014 period. For the first six months of 2015, EBITDA was $38.7 million or 8.0% of sales, compared to $38.9 million or 8.0% of sales in the same period of 2014.

Net financial debt as of June 30, 2015 was $71.1 million, compared to $82.4 million as of June 30, 2014 and $64.5 million as of December 31, 2014.

The net financial debt to EBITDA ratio was improved to 0.8 as of June 30 2015 comparing a ratio of 0.9 in June 30 2014.

Equity on June 30, 2015 was $343.2 million, compared to $336.3 million a year earlier.

Delta Galil declared a dividend of $3.5 million, or $0.139 per share, to be distributed on August 20, 2015. The determining and "ex-dividend" date will be August 6, 2015, per the Tel Aviv Stock Exchange.

Reaffirming Guidance for 2015

The Company today reiterated its 2015 financial guidance, excluding non-recurring items, which is based on current market conditions and current exchange rates of $1.10 per Euro and 3.80NIS per US$, reflecting a strong outlook for sales and profitability.

- Full-year 2015 sales are expected to range between $1,065 million-$1,085 million, representing an increase of 3%-5% (equivalent to 7% to 9% in constant currency) from 2014 actual sales of $1,031.9 million.

- Full-year 2015 EBIT is expected to range between $75 million-$79 million, representing an increase of 1%-6% from 2014 actual EBIT of $74.4 million; excluding the exchange rate impact the increase is between 12%-17%.

- Full-year 2015 EBITDA is expected to range between $94 million-$99 million, representing an increase of 1%-6% from 2014 actual EBITDA of $93 million; excluding the exchange rate impact the increase is between 10%-15%.

- Full-year 2015 net income is expected to range between $48.5 million-$51.5 million, representing an increase of 0%-6% from 2014 actual net income of $48.4 million; excluding the exchange rate impact the increase is between 12%-18%.

- Full-year 2015 diluted EPS is expected to range between $1.88-$2.00, representing an increase of 1%-8% from 2014 actual EPS of $1.86; excluding the exchange rate impact the increase is between 13%-19%.

Key Senior Management Appointments

Separately, Delta Galil today announced several key appointments to its senior management team, in a moved designed to continue and accelerate the Company’s growth.

Yossi Hajaj, currently the Company's CFO, will be appointed Deputy CEO, EVP and Head of Global Operations. In this capacity, he will be responsible for Delta's growing global production and other key operations.

Jacob Heen will join Delta's senior management team and will succeed Mr. Hajaj as CFO, effective in October 2015. Mr. Heen comes with deep financial management experience, having served as CFO of Tnuva, Israel's leading food products group, and Cellcom, Israel's largest telecommunications company.

Mr. Dabah stated: "We are pleased to announce significant senior management appointments that will enable us to continue Delta Galil's transformation as a major global apparel company and support our increased scale, global reach and operation diversification. The promotion of Yossi Hajaj as Deputy CEO, EVP and Head of Global Operations, along with the addition of Jacob Heen as CFO, demonstrates the Company's strategy to grow managers from within, as well as recruit talented personnel from the outside. We are fortunate to have the new expertise of Jacob Heen and the long-term contributions of Yossi Hajaj to strengthen Delta's senior management team and advance our business goals."

Yossi Hajaj joined Delta in 1997, and has served as Chief Financial Officer since 2004. During his tenure, he contributed to the Company's growth over the last 6 years

Delta's incoming CFO, Jacob Heen, comes from Tnuva, Israel's largest food products group, where he serves as Corporate CFO since 2013. During his tenure, he was responsible for preparing the company for an IPO and its eventual acquisition by the Chinese Bright Food Group, during which he managed and supported the transition process with the new shareholders.

Prior to Tnuva, Mr. Heen served as CFO of Cellcom, where he was responsible for all financial activities of the group, including strategy, business development and investor relations in Israel and abroad, and managed all financial processes for the dual-listed company (NYSE, TASE) in compliance with SEC standards. He also was active in capital raising, having led three debenture offerings in the TASE raising a total sum of over NIS 3 billion, and led the negotiation, completion and integration of two strategic transactions (the Netvision and Dynamica acquisitions).

Miki Laxer has been promoted to VP Finance. Miki joined the Company in 1999 and since 2004 has acted as Chief Comptroller and Secretary. In the last few years Mr. Laxer played an integral part in the Company's strategic process.

Yaniv Benedek has been promoted to Chief Comptroller. Yaniv has been with the Company since 2011 as Assistant Comptroller.

About Delta Galil Industries

Delta Galil Industries is a global manufacturer and marketer of branded and private label apparel products for men, women and children. Since its inception in 1975, the Company has continually strived to create products that follow a body-before-fabric philosophy, placing equal emphasis on comfort, aesthetics and quality. Delta Galil develops innovative seamless apparel including bras, shapewear and socks; intimate apparel for women;

extensive lines of underwear for men; babywear, activewear, sleepwear, and leisurewear. For more information, visit www.deltagalil.com.

Safe Harbor Statement

Matters discussed in this press release contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this press release, the words "anticipate," "believe," "estimate," "may," "intend," "expect" and similar expressions identify such forward-looking statements. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein, and while expected, there is no guarantee that we will attain the aforementioned anticipated developmental milestones. These forward-looking statements are based largely on the expectations of the Company and are subject to a number of risks and uncertainties. These include, but are not limited to, risks and uncertainties associated with: the impact of economic, competitive and other factors affecting the Company and its operations, markets, product, and distributor performance, the impact on the national and local economies resulting from terrorist actions, and U.S. actions subsequently; and other factors detailed in reports filed by the Company.

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DELTA GALIL INDUSTRIES LTD.

Concise Consolidated Balance Sheets

As of June 30, 2015

	June 30		December 31
	2015	**2014**	**2014**
	(Unaudited)		**(Audited)**
	Thousands of Dollars		
Assets			
Current assets:			
Cash and cash equivalents	**199,602**	116,820	166,958
Restricted Cash	**438**	453	369
Other accounts receivable:			
Trade receivables	**119,022**	121,676	108,559
Taxes on income receivable	**6,947**	4,084	6,096
Others	**16,262**	12,110	26,202
Financial derivative	**808**	2,875	329
Inventory	**197,516**	188,801	181,687
Assets classified as held for sale	**1,793**	1,000	1,000
Total current assets	**542,388**	447,819	491,200
Non-current assets:			
Long-term receivables	**6,615**	20,493	8,013
Investment property	**3,741**	4,722	4,132
Fixed assets, net of accumulated depreciation	**111,681**	99,987	98,861
Intangible assets, net of accumulated amortization	**116,075**	124,200	118,506
Deferred tax assets	**11,018**	10,157	11,348
Financial derivative	**4,373**	16,202	1,254
Total non-current assets	**253,503**	275,761	242,114
Total assets	**795,891**	723,580	733,314

	June 30		December 31
	2015	2014	2014
	(Unaudited)		(Audited)
	Thousands of Dollars		
Liabilities and Equity			
Current liabilities:			
Short-term bank loans		6,566	931
Current maturities of debentures	**24,549**	18,667	23,054
Financial derivative	**2,323**		2,235
Other accounts payable:			
Trade payables	**88,145**	82,650	80,648
Taxes on income payable	**5,833**	4,461	4,961
Others	**61,019**	55,839	57,548
Total current liabilities	**181,869**	168,183	169,377
Non-current liabilities:			
Severance pay liabilities less plan assets	**2,228**	2,328	2,339
Other non-current liabilities	**17,949**	22,228	19,999
Debentures	**243,686**	191,866	197,262
Reserve for deferred taxes	**2,061**	2,688	2,954
Financial derivative	**4,866**		8,784
Total non-current liabilities	**270,790**	219,110	231,338
Total liabilities	**452,659**	387,293	400,715
Equity:			
Equity attributable to equity holders of the parent company:			
Share capital	**23,652**	23,515	23,579
Share premium	**129,797**	127,257	128,274
Other capital reserves	**(9,603)**	19,069	(6,598)
Retained earning	**209,145**	176,331	197,135
Treasury shares	**(10,933)**	(10,996)	(10,933)
	342,058	335,176	331,457
Minority interests	**1,174**	1,111	1,142
Total equity	**343,232**	336,287	332,599
Total liabilities and equity	**795,891**	723,580	733,314

DELTA GALIL INDUSTRIES LTD.

Consolidated Statement of Comprehensive Income
For the 3-month and 6-month periods ending June 30, 2015

	Six months ended June 30		% Increase/(Decrease)	Three months ended June 30		% Increase/(Decrease)
	2015	2014		2015	2014	
	(Unaudited) Thousands of Dollars Except for Earnings per Share Data					
Sales	**508,375**	487,226	*%4*	**255,537**	249,152	*%3*
Cost of sales	**363,010**	337,033		**183,038**	171,398	
Gross profit	**145,365**	150,193	*(%3)*	**72,499**	77,754	*(%7)*
% of sales	***%28.6***	*%30.8*		***%28.4***	*%31.2*	
Selling and marketing expenses	**99,175**	103,520	*(%4)*	**49,316**	53,570	*(%8)*
% of sales	***%19.5***	*%21.2*		***%19.3***	*%21.5*	
General and administrative expenses	**17,520**	17,815	*(2%)*	**8,324**	9,029	*(%8)*
% of sales	***%3.4***	*%3.7*		***%3.3***	*%3.6*	
Other income, net	**735**	1,619		**(604)**	484	
Share in profits (losses) of associated companies accounted for using the equity method	**395**	(101)		**216**	(101)	
Operating income	**29,800**	30,376	*(%2)*	**14,471**	15,538	*(%7)*
% of sales	***%5.9***	*%6.2*		***%5.7***	*%6.2*	
Finance expenses, net	**7,567**	6,088	*%24*	**3,368**	3,041	*%11*
Income before tax on income	**22,233**	24,288		**11,103**	12,497	
Taxes on income	**4,002**	5,186		**1,791**	2,725	
Net income for the period	**18,231**	19,102	*(%5)*	**9,312**	9,772	*(%5)*
Attribution of net earnings for the period:						
Attributed to company's shareholders	**18,171**	18,491	*(%2)*	**9,282**	9,742	*(%5)*
Attributed to non-controlling interests	**60**	611		**30**	30	
	18,231	19,102		**9,312**	9,772	
Net diluted earnings per share attributed to company's shareholders	**0.71**	0.73	*(3%)*	**0.36**	0.38	*(5%)*

DELTA GALIL INDUSTRIES LTD.

Consolidated Cash Flow Reports
For the 3-month and 6-month periods ending June 30, 2015

	Six months ending June 30		Three months ending June 30	
	2015	2014	2015	2014
	(Unaudited)			
	Thousands of Dollars			
Cash flows from operating activities:				
Net income for the period	**18,231**	19,102	**9,312**	9,772
Adjustments required to reflect cash flows deriving from operating activities	**(4,161)**	(5,733)	**20,551**	6,318
Interest paid in cash	**(6,437)**	(4,866)	**(2,651)**	(1,888)
Interest received in cash	**1,312**	182	**101**	80
Taxes on income paid in cash, net	**(4,729)**	(5,080)	**(3,268)**	(4,063)
Net cash generated from operating activities	**4,216**	3,605	**24,045**	10,219
Cash flows from investment activities:				
Acquisition of fixed assets and intangible assets	**(16,178)**	(12,368)	**(9,464)**	(6,186)
Restricted cash release (deposit)	**(85)**	981	**1**	1,091
Acquisition of a subsidiary	**(2,000)**	-		-
Investments in associated companies		(5,000)	**-**	(2,204)
Proceeds from selling of fixed asset	**116**	1,739	**30**	285
Payments related to realization of asset held for sale (Tax payment related to the realization)	**10,879**	(1,989)		-
Others	**81**	25	**99**	12
Net cash used for Investing activities	**(7,187)**	(16,612)	**(9,334)**	(7,002)
Cash flows from financing activities:				
Dividends paid to non-controlling interest holders in consolidated subsidiary	**(28)**	(1,661)	-	(86)
Long term payables credit for fixed assets purchase	**(1,842)**	(1,802)	**(192)**	(734)
Dividend paid	**(7,000)**	(6,500)	**(3,500)**	(3,500)
Repayment of loans and other long-term liabilities	**(215)**	(330)	**(59)**	(91)
Short-term credit from banking corporations, net	**(852)**	(19,829)	**(402)**	4,416
Issuance of debentures, net of issuance costs	**40,006**	61,882	**40,006**	61,882
Release of bank deposit used as a security with respect of SWAP transaction	**4,950**		**2,242**	
Proceeds from exercise of employee options	**1,596**	249	**975**	68
Net cash generated from financing activities	**36,615**	32,009	**39,070**	61,955
Net increase in cash and cash equivalents	**33,644**	19,002	**53,781**	65,172
Exchange rate differences and revaluation of cash and cash equivalents, net	**(1,000)**	472	**478**	420
Balance of cash and cash equivalents at the beginning of the period	**166,958**	97,346	**145,343**	51,228
Balance of cash and cash equivalents at the end of the Period	**199,602**	116,820	**199,602**	116,820

DELTA GALIL INDUSTRIES LTD.

Consolidated Cash Flow Reports
For the 3-month and 6-month periods ending June 30, 2015

	Six months ending June 30		Three months ending June 30	
	2015	2014	2015	2014
	(Unaudited)			
	Thousands of Dollars			
Adjustments required to reflect cash flows from operating activities:				
Revenues and expenses not involving cash flow:				
Depreciation	7,668	7,232	3,994	3,691
Amortization	1,253	1,281	609	634
Cash erosion (revaluation), net	190	(539)	(99)	(537)
Interest paid in cash	6,437	4,866	2,651	1,888
Interest received in cash	(1,312)	(182)	(101)	(80)
Taxes on income paid in cash, net	4,729	5,080	3,268	4,063
Deferred taxes on income, net	(596)	(1,395)	(1,040)	(1,551)
Severance pay liability, net	139	224	(15)	103
Capital gain from sale of fixed assets and asset held for sale	(93)	(1,319)	(103)	(264)
Change to the benefit component of options granted to employees	839	350	408	174
Share in losses (profits) of associated companies accounted for using the equity method	(395)	101	(216)	101
Increase in liabilities of Long-term employee bonuses		995		829
Changes in long term balances	86	314	177	685
Others	(281)	(936)	99	(343)
	18,664	16,072	9,632	9,393
Changes to operating assets and liabilities:				
Increase in trade receivables	(11,049)	(8,538)	(8,185)	(13,942)
Decrease (Increase) in other receivable and balances	(417)	(3,453)	974	(185)
Increase (decrease) in trade payables	8,156	11,746	23,944	20,344
Increase (decrease) in other payables	(442)	(2,198)	3,363	793
Increase in inventory	(19,073)	(19,362)	(9,177)	(10,085)
	(22,825)	(21,805)	10,919	(3,075)
	(4,161)	(5,733)	20,551	6,318