



For Immediate Release

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Gildan Announces Further Reduction Of Canadian and U.S. Textile Manufacturing Operations As Dominican Republic Facility Ramps Up to Full Capacity

Montréal, Thursday, July 13, 2006 – Gildan Activewear Inc. (GIL; TSX and NYSE) today announced that, in line with its ongoing strategy to enhance its overall cost structure by maximizing large-scale production of basic T-shirts at the Company's textile manufacturing facilities in Honduras and the Dominican Republic, it had informed employees at its textile facilities at Valleyfield, near Montréal, Québec, and at Bombay, N.Y., that operations at these facilities will be reduced to a 5-day work week, starting in August 2006. Gildan is currently ramping up a state-of-the-art textile facility in the Dominican Republic to full capacity, and is achieving significant manufacturing efficiencies at this location as the scale of production increases.

The Canadian and U.S. textile facilities will continue to manufacture fabric for fleece and sport shirts, as well as for a T-shirt sewing facility in Mexico. As a result of the reduction of Canadian and U.S. capacity which has already been effected during fiscal 2006 and the further reduction announced today, total annualized production capacity for the Canadian and U.S. textile facilities will amount to approximately 6 million dozens, as previously projected. The Company continues to significantly increase its overall capacity through major new expansions in both its Central American and Caribbean manufacturing hubs, and will continue on an ongoing basis to evaluate the role and global competitiveness of its Canadian and U.S. textile manufacturing facilities within its overall capacity planning to support its growth strategy.

In excess of 60 positions at Valleyfield and Bombay will be eliminated. Gildan is committed to alleviating the impact of this decision on its employees and to facilitating the transition to the maximum extent practical. The restructuring costs expected to be incurred by the Company as a result of today's announcement will not impact the Company's EPS guidance for fiscal 2006.

Profile

Gildan is a vertically-integrated marketer and manufacturer of quality branded basic apparel. The Company is the leading supplier of activewear for the wholesale imprinted sportswear market in the U.S. and Canada, and also a leading supplier to this market in Europe. The Company sells T-shirts, sport shirts and sweatshirts in large quantities to wholesale distributors as undecorated “blanks”, which are subsequently decorated by screenprinters with designs and logos. Consumers ultimately purchase the Company’s products, with the Gildan label, in venues such as sports, entertainment and corporate events, and travel and tourism destinations. Other end-uses include work uniforms and similar applications to convey individual, group and team identity. In addition to continuing its growth within the wholesale channel, Gildan is implementing a major new growth initiative to sell athletic socks, underwear and activewear to mass-market retailers in North America.

Forward Looking Statements

Certain statements included in this press release may constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. We refer you to the Company’s filings with the U.S. Securities and Exchange Commission and Canadian securities regulatory authorities for a discussion of the various factors that may affect the Company’s future results.