



For Immediate Release

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Gildan Announces Closing of Acquisition of Kentucky Derby Hosiery

Montréal, Thursday, July 6, 2006 – Gildan Activewear Inc. (GIL; TSX and NYSE) announced that it had completed the acquisition of Kentucky Derby Hosiery Co., Inc., effective July 6, 2006. Gildan had previously announced on June 20, 2006 that it had entered into an agreement to acquire Kentucky Derby Hosiery. The acquisition is intended to enhance and accelerate Gildan’s strategy to enter the North American retail channel as a supplier of athletic socks, underwear and activewear.

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.