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G WILLI FOOD INTERNATIONAL LTD
Form 6-K
August 16, 2006

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2006

G. WILLI-FOOD INTERNATIONAL LTD.
(Translation of registrant's name into English)

3 Nahal Snir St., Yavne, Israel 81224
(Address of principal executive offices)

Indicate by check mark whether registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

FORM 20-F FORM 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (1):.....

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (7):.....

Indicate by check mark whether registrant by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

YES NO

If "YES" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.

Attached hereto and incorporated by reference herein is a press release issued by G. Willi-Food International Ltd. ("Registrant") on August 16, 2006 with respect to its unaudited financial results for the quarter and six months ended June 30, 2006.

This report on Form 6-K shall be deemed to be incorporated by reference in the Registration Statement on Form F-3 (File No. 333-11848) of the Registrant.

SIGNATURES

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In accordance with the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

G. WILLI-FOOD INTERNATIONAL LTD.

Dated: August 16, 2006

By: /s/ Joseph Williger

Joseph Williger
Chief Executive Officer

News

FOR IMMEDIATE RELEASE

G. WILLI-FOOD REPORTS 376% INCREASE IN OPERATING INCOME,
155% INCREASE IN INCOME BEFORE TAXES AND 117% NET
INCOME GROWTH FOR Q2 2006 OVER Q2 2005

YAVNE, ISRAEL - AUGUST 16, 2006 - G. WILLI-FOOD INTERNATIONAL LTD. (NASDAQ: WILC) (the "COMPANY" or "WILLI FOOD"), one of Israel's largest food importers and a single-source supplier of one of the world's most extensive range of quality kosher food products, today announced its unaudited financial results for the quarter and six months ended June 30, 2006.

SECOND QUARTER 2006 FINANCIAL HIGHLIGHTS

- o 11% increase in revenues over second quarter 2005
- o 376% increase in operating income over second quarter 2005
- o 155% increase in income before taxes over second quarter 2005
- o 117% increase in net income over second quarter 2005

The Company's revenues for the second quarter of 2006 increased 11% to NIS 43.2 million (US \$9.7 million) compared to revenues of NIS 39.0 million (US \$8.8 million) in the second quarter of 2005. Gross profits increased 6% to NIS 11.4 million (US \$2.6 million) compared to gross profits of NIS 10.8 million (US \$2.4 million) in the second quarter of 2005.

Mr. Zwi Williger, President and COO of Willi-Food commented, "We are very excited about our strong results for the second quarter and first half of 2006. We were able to achieve revenue growth through successfully launching new items into our product line, as well as increasing sales of existing products to new and existing customers. We expect to launch additional new product lines in the second half of 2006. Our strong financial results for the first six months of 2006 demonstrate Willi-Food's ability to capitalize on the growing interest of consumers in the kosher market."

Mr Williger noted that the Company has to date seen revenue growth in the third quarter, which is in part due to increased consumption relating to the recent

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conflict in Israel. He also remarked that Willi Food has donated more than NIS 150,000 (US \$34,000) worth of food products as aid to those affected in the northern region of Israel.

Second quarter operating income increased 376% to NIS 3.8 million (US \$0.9 million) compared to operating income of NIS 0.8 million (US \$0.2 million) in the second quarter of 2005.

Second quarter 2006 income before taxes increased 155% to NIS 4.6 million (US \$1.0 million) compared to a income before taxes of NIS 1.8 million (US \$0.4 million) recorded in the second quarter of 2005. Net income for second quarter increased 117% to NIS 2.6 million (US \$0.6 million), or NIS 0.31 (US \$0.07) per share compared to a net income of NIS 1.2 million (US \$0.3 million), or NIS 0.14 (US \$0.03) per share, recorded in the second quarter of 2005.

SIX-MONTH RESULTS

The Company's revenues for the six months ended June 30, 2006 increased 23% to NIS 97.7 million (US \$22.0 million) compared to revenues of NIS 79.5 million (US \$17.9 million) in the first half of 2005. Gross profits for the period increased 35% to NIS 25.8 million (US \$5.8 million) compared to gross profits of NIS 19.2 million (US \$4.3 million) in the six months ended June 30, 2005. First half gross margins improved to 26.4% compared to gross margins of 24.1% in the same period in 2005.

Operating income for the first half of 2006 increased 157% to NIS 8.3 million (US \$1.9 million) from NIS 3.2 million (US \$0.7 million) reported in the comparable period of last year. 2006 first half operating income includes NIS 1.9 million (US \$0.4 million) of expense that was recorded during the period for an advertising campaign and promotional activities to promote Willi-Food's brand name and products compared to NIS 0.4 million (US \$0.1 million) in the first half of 2005 for promotional activities during that period. In addition, 2006 first half operating income includes a NIS 1.9 million (US \$0.4 million) one-time general and administrative expense due to a management bonus attributed to an unrealized capital gain resulting from the commencement of the trading of shares of the Company's majority-owned subsidiary, Gold Frost Ltd., on London's AIM market on March 9, 2006.

First half 2006 income before taxes increased 520% to NIS 28.8 million (US \$6.5 million) compared to a income before taxes of NIS 4.6 million (US \$1.0 million) recorded in the first half of 2005. Net income for the first half of 2006 increased 724% to NIS 25.3 million (US \$5.7 million), or NIS 2.94 (US \$0.66) per share compared to a net income of NIS 3.1 million (US \$0.7 million), or NIS 0.36 (US \$0.08) per share, recorded in the first half of 2005. Net income for first half of 2006 includes NIS 17.8 million (US \$4.0 million) as a net one-time unrealized capital gain due to the public listing of the shares of Gold Frost Ltd.

"The fundamentals of our business are strong," concluded Mr. Williger. "Our innovative approach to the rapidly expanding kosher food market continues to drive revenue and margin growth. In addition, we are executing our strategic plan to expand internationally. We look forward to the remainder of the year."

ABOUT G. WILLI-FOOD INTERNATIONAL, LTD.

G. Willi-Food International Ltd. is one of Israel's largest food importers and a single-source supplier of one of the world's most extensive ranges of quality kosher food products. It currently imports, markets and distributes more than 400 food products manufactured by some 100 top-tier suppliers throughout the world to more than 1,000 customers. The Company excels in identifying changing

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tastes in its markets and sourcing high-quality kosher products to address them. For more information, please visit the Company's website at www.willi-food.co.il.

EXCEPT FOR HISTORICAL INFORMATION CONTAINED HEREIN, THE MATTERS SET FORTH IN THIS PRESS RELEASE ARE FORWARD-LOOKING STATEMENTS THAT ARE DEPENDENT ON CERTAIN RISKS AND UNCERTAINTIES, INCLUDING SUCH FACTORS, AMONG OTHERS, AS MARKET ACCEPTANCE, MARKET DEMAND, PRICING, COMPETITION, CHANGING ECONOMIC CONDITIONS AND OTHER RISK FACTORS DETAILED IN THE COMPANY'S SEC FILINGS.

NOTE A: CONVENIENCE TRANSLATION TO DOLLARS

The convenience translation of New Israeli Shekels (NIS) into U.S. dollars was made at the rate of exchange prevailing on June 30, 2006: U.S. \$1.00 equals NIS 4.44. The translation was made solely for the convenience of the reader.

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G. WILLI-FOOD INTERNATIONAL LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

| | JUNE 30, ----- 2 0 0 6 ----- | DECEMBER 31, ----- 2 0 0 5 ----- | JUNE 30, ----- 2 0 0 6 (*) ----- | DECEMBER 31, ----- 2 0 0 5 (*) ----- |
|--------------------------------------|---|---|---|---|
| | NIS | | US DOLLARS | |
| | ----- I N T H O U S A N D S ----- | | | |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 66,452 | 30,431 | 14,967 | 6,854 |
| Marketable securities | 6,518 | 3,229 | 1,468 | 727 |
| Trade receivables | 49,125 | 48,396 | 11,063 | 10,900 |
| Receivables and other current assets | 5,300 | 7,673 | 1,194 | 1,728 |
| Inventories | 18,708 | 30,798 | 4,214 | 6,937 |
| | ----- | ----- | ----- | ----- |
| TOTAL CURRENT ASSETS | 146,103 | 120,527 | 32,906 | 27,146 |
| | ----- | ----- | ----- | ----- |
| PROPERTY AND EQUIPMENT, NET | 24,542 | 16,657 | 5,527 | 3,752 |
| | ----- | ----- | ----- | ----- |

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| | | | | |
|---|---------|---------|--------|--------|
| OTHER ASSETS, NET | 90 | 90 | 20 | 20 |
| | ===== | ===== | ===== | ===== |
| | 170,735 | 137,274 | 38,453 | 30,918 |
| | ===== | ===== | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Payables: | | | | |
| Trade payables | 18,050 | 19,938 | 4,065 | 4,491 |
| Related parties | 3,463 | 2,193 | 780 | 494 |
| Other and accrued expenses | 7,702 | 12,973 | 1,735 | 2,922 |
| | ----- | ----- | ----- | ----- |
| TOTAL CURRENT LIABILITIES | 29,215 | 35,104 | 6,580 | 7,907 |
| LONG TERM LIABILITIES | | | | |
| Accrued severance pay | 299 | 299 | 67 | 67 |
| | ----- | ----- | ----- | ----- |
| MINORITY INTEREST | 14,023 | - | 3,158 | - |
| | ----- | ----- | ----- | ----- |
| SHAREHOLDERS' EQUITY | | | | |
| Ordinary shares NIS 0.10 par value (authorized - 50,000,000 shares, issued and outstanding - 8,615,000 shares) | 948 | 948 | 213 | 213 |
| Additional paid-in capital | 20,258 | 20,258 | 4,563 | 4,563 |
| Retained earnings | 105,992 | 80,665 | 23,872 | 18,168 |
| | ----- | ----- | ----- | ----- |
| | 127,198 | 101,871 | 28,648 | 22,944 |
| | ===== | ===== | ===== | ===== |
| | 170,735 | 137,274 | 38,453 | 30,918 |
| | ===== | ===== | ===== | ===== |

(*) Convenience translation into U.S. dollars.

G. WILLI-FOOD INTERNATIONAL LTD.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | SIX MONTHS | | THREE MONTHS | | |
|---------------|--|---------|--------------|---------|---------|
| | ----- | | | | ----- |
| | ENDED JUNE 30, | | | | |
| | 2 0 0 6 | 2 0 0 5 | 2 0 0 6 | 2 0 0 5 | 2 0 0 5 |
| | ----- | ----- | ----- | ----- | ----- |
| | NIS | | | | |
| | ----- | | | | |
| | I N T H O U S A N D S (EXCEPT PER SHARE AND SH | | | | |
| | ----- | | | | |
| Sales | 97,745 | 79,469 | 43,200 | 38,972 | |
| Cost of sales | 71,910 | 60,294 | 31,783 | 28,187 | |
| | ----- | ----- | ----- | ----- | |
| GROSS PROFIT | 25,835 | 19,175 | 11,417 | 10,785 | |

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| | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| | ----- | ----- | ----- | ----- | ----- |
| Selling expenses | 9,866 | 7,099 | 4,711 | 3,541 | |
| General and administrative expenses | 7,709 | 8,867 | 2,885 | 6,441 | |
| | ----- | ----- | ----- | ----- | ----- |
| Total operating expenses | 17,575 | 15,966 | 7,596 | 9,982 | |
| | ----- | ----- | ----- | ----- | ----- |
| OPERATING INCOME | 8,260 | 3,209 | 3,821 | 803 | |
| Financial income, net | 1,380 | 1,396 | 767 | 963 | |
| Other income | 19,113 | 35 | - | 35 | |
| | ----- | ----- | ----- | ----- | ----- |
| Income before taxes on income | 28,753 | 4,640 | 4,588 | 1,801 | |
| Taxes on income | 2,687 | 1,568 | 1,218 | 585 | |
| | ----- | ----- | ----- | ----- | ----- |
| Income after taxes on income | 26,066 | 3,072 | 3,370 | 1,216 | |
| Minority interest | 735 | - | 735 | - | |
| | ----- | ----- | ----- | ----- | ----- |
| NET INCOME | 25,331 | 3,072 | 2,635 | 1,216 | |
| | ===== | ===== | ===== | ===== | ===== |
| Earnings per share data: | | | | | |
| Earnings per share: | | | | | |
| Basic | 2.94 | 0.36 | 0.31 | 0.14 | |
| | ===== | ===== | ===== | ===== | ===== |
| Diluted | 2.90 | 0.36 | 0.30 | 0.14 | |
| | ===== | ===== | ===== | ===== | ===== |
| Shares used in computing basic and diluted earnings per ordinary share: | 8,615,000 | 8,615,000 | 8,615,000 | 8,615,000 | 8,615,000 |
| | ===== | ===== | ===== | ===== | ===== |

(*) Convenience translation into U.S. dollars.