

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported): October 17, 2003

Delta Apparel, Inc.

(Exact name of registrant as specified in its charter)

Georgia

(State or Other Jurisdiction
of Incorporation)

1-15583

(Commission File Number)

58-2508794

(IRS Employer Identification No.)

2750 Premiere Parkway, Suite 100, Duluth, Georgia

(Address of principal executive offices)

30097

(Zip Code)

(678) 775-6900

(Registrant's Telephone Number
Including Area Code)

Not Applicable

(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press release issued by Delta Apparel, Inc. on October 17, 2003.

Item 9. Regulation F-D Disclosure.

On October 17, 2003, Delta Apparel, Inc. issued its earnings release for the fiscal quarter ended September 27, 2003. The earnings release is set forth as Exhibit 99.1 to this Current Report and is incorporated herein by reference. Robert W. Humphreys, President and CEO, will hold an analyst conference call on Friday, October 17, 2003 at 10:00 a.m. Eastern Time to discuss financial results and give a business update. The conference call will be broadcast through the Company's web site at www.deltaapparel.com. Investors may listen to the call by selecting "investor relations" then "company news." A replay of the webcast will be available within one hour of the call and will be archived at the above address for 30 days following the release.

Item 12. Results of Operations and Financial Condition.

The information set forth under Item 9 above is incorporated herein by reference.

SIGNATURES

Pursuant to 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 hereunto duly authorized.

DELTA APPAREL, INC.

Date: October 17, 2003

/s/ Herbert M. Mueller

Herbert M. Mueller
Vice President and Chief
Financial Officer

EXHIBIT INDEX

Exhibit Number Description

99.1 Press release issued by Delta Apparel, Inc. on October 17, 2003.

DELTA APPAREL REPORTS INCREASED SALES FOR THE FIRST QUARTER OF FISCAL YEAR 2004

DULUTH, Ga.--(BUSINESS WIRE)--October 17, 2003--Delta Apparel, Inc. (AMEX-DLA) announces net sales of \$30.8 million for the quarter ended September 27, 2003, up 6.6% from \$28.9 million net sales achieved in the prior year quarter.

The higher sales were the result of a 21.3% increase in unit volume, partially offset by a 12.1% decrease in average selling prices. The higher unit volume resulted primarily from increased sales in heavyweight and private label styles. In addition, unit sales increased in the Company's specialty tee products. Pricing in the marketplace continued to decrease during the quarter causing Delta Apparel's average selling prices to decline from the prior year quarter. The price declines were primarily in the basic white and colored tees. Delta Apparel's specialty tees continued to generate above average margins and helped offset declining margins on basic tees.

Gross profit as a percentage of net sales decreased to 13.3% for the quarter ended September 27, 2003 from 20.8% in the prior year quarter. The \$1.9 million decrease in gross margin for the quarter was primarily the result of the decrease in selling prices, offset partially by increased sales volume, decreased depreciation expense and other textile manufacturing improvements. The lower sales prices had an unfavorable impact on the gross margin of \$4.5 million. Additional sales volume contributed \$1.3 million, lower depreciation expense contributed \$0.5 million and other textile manufacturing improvements contributed \$0.8 million to the gross margin for the quarter ended September 27, 2003.

Interest expense was \$154 thousand for the quarter ended September 27, 2003, compared to \$148 thousand in the prior year quarter. The increase in interest expense resulted from an increase in the average debt outstanding, partially offset by a reduction in the average interest rates.

The effective income tax rate on pretax income for the three months ended September 27, 2003 was 38.0%, compared to 38.5% for the first fiscal quarter of the prior year and 38.3% for the fiscal year ended June 28, 2003.

Net earnings for the quarter were \$0.6 million, or 1.9% of sales, down \$1.2 million from the prior year quarter. Basic and diluted earnings per share for the quarter ended September 27, 2003 were \$0.15 and \$0.14 per share on 4.04 million and 4.17 million shares, respectively. Basic and diluted earnings per share for the quarter ended September 28, 2002 were \$0.44 and \$0.43 on 4.05 million and 4.21 million shares, respectively (after giving effect to the 2-for-1 stock split effective as of September 20, 2002). On September 27, 2003, the Company had 4.06 million shares outstanding.

Accounts receivable increased \$2.8 million from September 28, 2002 to \$17.4 million on September 27, 2003. The increase was primarily the result of higher sales during the current year quarter.

Inventories on September 27, 2003 were \$50.2 million, up \$3.0 million from June 28, 2003 and up \$1.8 million from the prior year quarter. The increase from June 28, 2003 was primarily the result of a \$1.5 million increase in in-process inventory and a \$1.6 million increase in finished goods. The increase in inventory was primarily the result of planned inventory increases in anticipation of increased unit volume sales. The increase in inventory from September 28, 2002 was the result of a \$6.1 million decrease in raw materials, a \$3.5 million increase in in-process inventory and a \$4.5 million increase in finished goods. In the prior year, the Company began increasing its raw material inventory to take advantage of lower cotton prices and to support its increased textile capacity. The Company lowered its raw materials in the fourth fiscal quarter of 2003 and expects to maintain its current levels of raw materials during fiscal 2004. The Company increased its in-process and finished goods inventory from the prior year to support its new distribution centers and its anticipated sales growth.

Robert W. Humphreys, President and CEO, commented, "Pricing for commodity activewear products remained difficult; however, we are pleased with the sales growth that we achieved during the quarter and expect sales of our products to continue to grow in unit and total dollar sales in our second fiscal quarter. We made progress during the quarter on our cost reduction programs, including improvements in our production efficiencies, improvements in our material

utilization and reductions in our off quality production. We feel we have good momentum and expect further cost improvements in the second quarter."

Commenting on the Company's recently completed acquisition of M. J. Soffe Co., Mr. Humphreys said, "We are pleased to have completed the acquisition this month. M. J. Soffe Co. has a strong management team in place that will continue to direct this business. We welcome all of the Soffe employees to Delta Apparel and look forward to working with them in the coming years."

On a pro forma basis after giving effect to the acquisition of M. J. Soffe Co., Delta Apparel's sales would have been approximately \$223.3 million and net income would have been approximately \$12.0 million for the twelve months ended June 28, 2003. Our fiscal year 2003 diluted earnings per share on a pro forma basis would have increased \$1.43 to \$2.88 per share.

M. J. Soffe was founded in 1946 and has a long history of profitability and growth in the branded activewear market. For the twelve months ended December 31, 2002 Soffe had sales of approximately \$96 million and served four distinct channels of distribution. The Soffe brand is well recognized at specialty sporting goods stores and department stores. In addition to these retail channels, Soffe also supplies college bookstores and has a long history of producing activewear products for the U.S. Military. M. J. Soffe Co. employs about 1,400 in the United States.

Delta Apparel, Inc. is a vertically integrated marketer, manufacturer and distributor of high quality knit apparel. Apart from the M. J. Soffe operations, the Company specializes in selling a variety of unembellished short and long sleeve T-shirts, golf shirts and activewear tops for the entire family, which are available to both the domestic and international marketplace; has operations in six states, two company-operated sewing facilities in Honduras and one company-operated sewing facility in Mexico; and employs about 3,200 worldwide.

Statements and other information in this press release that are not reported financial results or other historical information are forward-looking statements. These are based on Delta Apparel's expectations and are necessarily dependent upon assumptions, estimates and data that the Company believes are reasonable and accurate but may be incorrect, incomplete or imprecise. Forward-looking statements are also subject to a number of business risks and uncertainties, any of which could cause actual results to differ materially from those set forth in or implied by the forward-looking statements. The risks and uncertainties include, among others, changes in the retail demand for apparel products, the cost of raw materials, competitive conditions in the apparel and textile industries, the relative strength of the United States dollar as against other currencies, changes in United States trade regulations, the discovery of unknown conditions (such as with respect to environmental matters and similar items) and other risks described from time to time in the Company's reports filed with the Securities and Exchange Commission. In addition, there are risks and uncertainties associated with the Soffe business that may not be known at this time. Accordingly, any forward-looking statements do not purport to be predictions of future events or circumstances and may not be realized. The Company does not undertake publicly to update or revise the forward-looking statements even if it becomes clear that any projected results will not be realized.

Contact: Delta Apparel, Inc.
Herb Mueller 678/775-6900

<CAPTION>
 SELECTED FINANCIAL DATA:
 (In thousands, except per share amounts)

| Months Ended | Three |
|-------------------------------------|---------------|
| Sept 28, 2002 | Sept 27, 2003 |
| ----- | ----- |
| <S> | <C> |
| <C> | |
| Net Sales | \$ 30,802 |
| \$ 28,883 | |
| Cost of Goods Sold | 26,720 |
| 22,879 | |
| ----- | ----- |
| Gross Margin | 4,082 |
| 6,004 | |
| SG&A | 3,059 |
| 2,835 | |
| Other Income (Expense) | 81 |
| (108) | |
| ----- | ----- |
| Operating Income | 1,104 |
| 3,061 | |
| Interest Expense | 154 |
| 148 | |
| Taxes | 361 |
| 1,122 | |
| ----- | ----- |
| Net Income | \$ 589 |
| \$ 1,791 | |
| ===== | ===== |
| Weighted Average Shares Outstanding | |
| Basic | 4,044 |
| 4,053 | |
| Diluted | 4,168 |
| 4,209 | |
| Net Income per Common Share | |
| Basic | \$ 0.15 |
| \$ 0.44 | |
| Diluted | \$ 0.14 |
| \$ 0.43 | |

| Sept 28, 2002 | Sept 27, 2003 | June 28, 2003 |
|-----------------------|---------------|---------------|
| ----- | ----- | ----- |
| Current Assets | | |
| Cash | \$ 189 | \$ 203 |
| \$ 1,115 | | |
| Receivables, Net | 17,370 | 22,196 |
| 14,486 | | |
| Income Tax Receivable | 416 | 434 |
| - | | |
| Inventories | 50,210 | 47,174 |
| 48,395 | | |
| Deferred Income Taxes | 505 | 620 |
| 818 | | |
| Other Assets | 1,484 | 1,689 |
| 1,220 | | |
| ----- | ----- | ----- |
| Total Current Assets | 70,174 | 72,316 |

| | | |
|--|-----------|-----------|
| 66,034 | | |
| Noncurrent Assets | | |
| Property, Plant & Equipment, Net | 21,461 | 22,077 |
| 22,058 | | |
| Other Noncurrent Assets | 39 | 54 |
| 97 | | |
| ----- | ----- | ----- |
| Total Noncurrent Assets | 21,500 | 22,131 |
| 22,155 | | |
| ----- | ----- | ----- |
| Total Assets | \$ 91,674 | \$ 94,447 |
| \$ 88,189 | | |
| ===== | ===== | ===== |
| ----- | ----- | ----- |
| Current Liabilities | | |
| Current Portion of Long Term Debt | \$ 2,000 | \$ 2,000 |
| \$ 2,000 | | |
| Income Tax Payable | - | - |
| 789 | | |
| Other Current Liabilities | 17,112 | 16,033 |
| 17,100 | | |
| ----- | ----- | ----- |
| Total Current Liabilities | 19,112 | 18,033 |
| 19,889 | | |
| ----- | ----- | ----- |
| Noncurrent Liabilities | | |
| Long-Term Debt | 3,321 | 7,865 |
| 3,167 | | |
| Deferred Income Taxes | 1,224 | 1,162 |
| 448 | | |
| Other Noncurrent Liabilities | 1,567 | 1,418 |
| 1,275 | | |
| ----- | ----- | ----- |
| Total Noncurrent Liabilities | 6,112 | 10,445 |
| 4,890 | | |
| ----- | ----- | ----- |
| Stockholders' Equity | 66,450 | 65,969 |
| 63,410 | | |
| ----- | ----- | ----- |
| Total Liabilities and Stockholders' Equity | \$ 91,674 | \$ 94,447 |
| \$ 88,189 | | |
| ===== | ===== | ===== |

</TABLE>