

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): August 20, 2004

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 August 20, 2004.

Item 9. Regulation F-D Disclosure.

On August 20, 2004, Delta Apparel, Inc. issued its earnings release for the fiscal quarter and fiscal year ended July 3, 2004. 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, August 20, 2004 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.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

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: August 20, 2004

/s/ Herbert M. Mueller
Herbert M. Mueller
Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release issued by Delta Apparel, Inc. on August 20, 2004.

Delta Apparel Reports Record Sales and Earnings for the Fourth Quarter of Fiscal Year 2004

Board of Directors Declared Quarterly Dividend of \$0.07 per share

DULUTH, Ga.—(BUSINESS WIRE)—August 20, 2004—Delta Apparel, Inc. (AMEX-DLA) announced record sales for three months ended July 3, 2004 of \$72.9 million, an increase of \$36.1 million, or 98.2%, from the prior year quarter due primarily to the acquisition of M. J. Soffe Co. (“Soffe”). The three months ended July 3, 2004 included 14 weeks of operations compared to the 13 weeks of operations in the fourth fiscal quarter of the prior year.

Gross margins for the quarter ended July 3, 2004 improved to 28.6% compared to 18.3% in the prior year quarter. The improvement in gross margin was primarily the result of the higher gross margins associated with the Soffe branded apparel business, offset partially by lower gross margins in the basic tee shirt business. The gross margin on basic tee shirts declined in the fourth fiscal quarter compared to the prior year quarter principally due to higher raw material costs, offset partially by lower conversion costs and improved mix. The Company achieved record operating income of \$9.7 million for the quarter ended July 3, 2004, an increase of \$6.8 million, or 242.3%, from \$2.8 million in the fourth fiscal quarter of the prior year.

Basic and diluted earnings per share for the quarter ended July 3, 2004 were \$1.32 and \$1.28 per share, respectively, compared to basic and diluted earnings per share in the prior year quarter of \$0.41 and \$0.39, respectively.

Sales for twelve months ended July 3, 2004 were a record \$208.1 million, an increase of \$78.6 million, or 60.7%, from the prior year. Gross margins for the year ended July 3, 2004 improved to 23.2% compared to 18.5% in the prior year as a result of the higher gross margins associated with the Soffe business which was included in the results for the last nine months of the 2004 fiscal year. The gross margin on basic tee shirts declined during the year compared to the prior year principally due to lower average selling prices and higher raw material costs, offset partially by lower conversion costs. Fiscal year 2004 included 53 weeks of operations compared to the 52 weeks of operations in the prior fiscal year.

The Company achieved record operating income of \$17.0 million for the twelve months ended July 3, 2004, an increase of \$6.5 million, or 61.3%, from \$10.6 million in the prior fiscal year. Basic and diluted earnings per share for the year ended July 3, 2004 were \$2.39 and \$2.32 per share, respectively, compared to basic and diluted earnings per share in the prior year of \$1.50 and \$1.45, respectively.

Robert W. Humphreys, President and CEO, commented, “The acquisition of Soffe, coupled with solid results in the Delta business, drove record sales and earnings for Delta Apparel during the year. In addition, the integration of the Soffe business with Delta has gone very well, and our combined financial results continue to exceed our expectations. Delta continued to grow its business by servicing new accounts in the catalog direct segment of our business while strong retail demand for Soffe branded products drove increased sales on the Soffe side of our business.

In addition to the strong sales and earnings achieved, we also exceeded our inventory and debt reduction goals during the fourth quarter. While we will continue to ship product with higher raw material cost during the first part of fiscal year 2005, we are looking forward to the year with great anticipation. We will have the Soffe business for the full fiscal year, the benefit of our cost reduction efforts should be more apparent and we should start shipping product with lower cost raw materials in the second half of the year. We also expect to expand our marketing efforts in both business segments during the upcoming year.”

Delta Apparel’s financial results were positively impacted by the acquisition of Soffe in October 2003. The Soffe business contributed \$32.2 million in sales during the fourth fiscal quarter and \$71.8 million for the year ended July 3, 2004. Selling prices and gross margins in this branded apparel business continued to be robust and demand for the Soffe brand remained strong. Operating income in the Soffe business for the fourth fiscal quarter and fiscal year were \$6.1 million and \$9.6 million, respectively.

The Delta business reported sales of \$42.3 million for the three months ended July 3, 2004, an increase of \$5.5 million, or 15.0%, from sales in the prior year quarter. For the twelve months ended July 3, 2004, the Delta business contributed \$138.0 million, an increase of \$8.4 million, or 6.5%, from sales in the prior fiscal year. Operating income for the fourth fiscal quarter was \$3.9 million, an increase of \$1.1 million, or 38.0% from the prior year quarter as a result of lower selling, general and administrative expenses. Bad debt expense was lower in the three months ended July 3, 2004 due to improved accounts receivable agings. Operating income in the Delta business for the 2004 fiscal year was \$7.6 million, a decrease of \$2.9 million, or 27.6%, from fiscal year 2003.

Accounts receivable increased \$16.4 million from June 28, 2003 to \$38.6 million on July 3, 2004. The increase in accounts receivable was the result of the addition of Soffe. Through improved cash collections, the Delta business lowered its accounts receivable balance by \$1.3 million while achieving an increase in sales of \$5.5 million from the prior year quarter.

Inventories increased \$58.7 million from June 28, 2003 to \$105.9 million on July 3, 2004. The acquisition of M. J. Soffe Co. resulted in an increase of \$52.0 million in inventory compared to the prior year. The increase in inventory in the Delta business is primarily the result of the higher raw material prices in inventory. The Company continues to focus on managing its inventory levels while maintaining the inventory necessary to achieve its expected sales growth in the upcoming fiscal year.

Delta Apparel also announces today that in a meeting held on August 19, 2004, the Board of Directors declared a dividend of seven cents per common share of stock payable September 13, 2004 to shareholders of record as of the close of business on September 1, 2004. This dividend was declared pursuant to the Company’s previously announced quarterly dividend program, which the Company may amend or terminate at any time.

Delta Apparel, Inc., along with its wholly owned subsidiary M. J. Soffe Co., is a vertically integrated marketer, manufacturer and distributor of high quality branded and private label activewear apparel. The Company specializes in selling a variety of branded casual and athletic activewear tops and bottoms, embellished and unembellished T-shirts, and fleece products for the ever-changing apparel market. These products are sold to screen printers, private label accounts and distributors, as well as being sold through specialty sporting goods stores and department stores. In addition, certain products are sold in college bookstores and to the U.S. Military. Delta Apparel has operations in the United States, Honduras, Mexico and Costa Rica and employs about 4,500 worldwide. Additional information on Delta Apparel is available at www.deltaapparel.com.

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. 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

SELECTED FINANCIAL DATA:

(In thousands, except per share amounts)

	Three Months Ended		Twelve Months Ended	
	July 3, 2004	June 28, 2003	July 3, 2004	June 28, 2003
Net Sales	\$72,883	\$36,766	\$208,113	\$129,521
Cost of Goods Sold	52,044	30,037	159,852	105,552
Gross Margin	20,839	6,729	48,261	23,969
SG&A	10,959	3,867	31,043	13,220
Other Expense	221	40	192	194
Operating Income	9,659	2,822	17,026	10,555
Interest Expense	777	204	2,622	732
Taxes	3,463	986	4,674	3,760
Net Income	\$ 5,419	\$ 1,632	\$ 9,730	\$ 6,063
Weighted Average Shares Outstanding				
Basic	4,112	4,013	4,078	4,045
Diluted	4,227	4,149	4,188	4,176
Net Income per Common Share				
Basic	\$ 1.32	\$ 0.41	\$ 2.39	\$ 1.50
Diluted	\$ 1.28	\$ 0.39	\$ 2.32	\$ 1.45

	July 3, 2004	June 28, 2003
Current Assets		
Cash	\$ 333	\$ 203
Receivables, Net	38,610	22,196
Income Tax Receivable	--	434
Inventories	105,888	47,174
Deferred Income Taxes	1,075	620
Other Assets	1,616	1,689
Total Current Assets	147,522	72,316
Noncurrent Assets		
Property, Plant & Equipment, Net	19,529	22,077
Deferred Income Taxes	178	--
Other Noncurrent Assets	2,150	54
Total Noncurrent Assets	21,857	22,131

Total Assets	<u>\$169,379</u>	<u>\$94,447</u>
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 30,511	\$16,033
Current Portion of Long Term Debt	20,810	2,000
Income Tax Payable	1,793	--
Total Current Liabilities	<u>53,114</u>	<u>18,033</u>
Noncurrent Liabilities		
Long-Term Debt	29,246	7,865
Deferred Income Taxes	--	1,162
Other Noncurrent Liabilities	11,527	1,418
Total Noncurrent Liabilities	<u>40,773</u>	<u>10,445</u>
Stockholders' Equity	75,492	65,969
Total Liabilities and Stockholders' Equity	<u>\$169,379</u>	<u>\$94,447</u>