

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 23, 2005

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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below)

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition**

On August 23, 2005, the Company issued a press release containing financial information and accompanying discussion for the fiscal quarter and fiscal year ended July 2, 2005. The full text of the press release is attached hereto as Exhibit 99.1.

**Item 7.01 Regulation F-D Disclosure**

On August 23, 2005, Delta Apparel, Inc. issued its earnings release for the fiscal quarter and fiscal year ended July 2, 2005. 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 Tuesday, August 23, 2005 at 4:30 p.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](http://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 8.01 Other Events**

On August 23, 2005, the Company issued a press release announcing the acquisition of Liquid Blaino Designs, Inc. d/b/a Junkfood Clothing. The full text of the press release is attached hereto as Exhibit 99.2.

**Item 9.01 Financial Statements and Exhibits**

(c) The following exhibits are included with this Report:

- 99.1 Press release issued by Delta Apparel, Inc. on August 23, 2005.
- 99.2 Press release issued by Delta Apparel, Inc. on August 23, 2005.

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.

## 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 23, 2005

/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 23, 2005.
99.2	Press release issued by Delta Apparel, Inc. on August 23, 2005.

**EXHIBIT 99.1**

Company Contact: Herb Mueller  
Chief Financial Officer  
(678) 775-  
6900

Investor Relations Contact: Bill Zima  
Integrated Corporate Relations  
(203) 682-  
8200

**Delta Apparel Reports Fourth Quarter and Fiscal Year 2005 Results**

***Announces Acquisition of Junkfood Clothing***

***—Issues Preliminary Guidance for 2006 First Quarter and Full Fiscal Year—***

***--Declares Quarterly Dividend of \$0.04--***

DULUTH, Ga.—August 23, 2005—Delta Apparel, Inc. (AMEX: DLA) today reported financial results for the fourth fiscal quarter and fiscal year ended July 2, 2005.

For the three months ended July 2, 2005, net sales were \$66.3 million compared to \$72.9 million in the prior year's fourth quarter. The three months ended July 2, 2005 included 13 weeks of operations, compared to the 14 weeks of operations in the fourth fiscal quarter of the prior year. Net income for the fiscal quarter was \$3.2 million compared to the prior year's level of \$5.4 million. Diluted earnings per share for the quarter ended July 2, 2005 was \$0.37 compared to \$0.64 in the fourth quarter of the prior year. Earnings per share results reflect the Company's 2-for-1 stock split that occurred on May 31, 2005.

For the twelve months ended July 2, 2005, net sales increased 9.6% to a record \$228.1 million compared to \$208.1 million in the prior year. Net income for fiscal year 2005 increased 15.5% to \$11.2 million, or \$1.33 per diluted share, compared to \$9.7 million, or \$1.16 per diluted share for fiscal year 2004. The current fiscal year results included 52 weeks of operations compared to 53 weeks of operations in the prior year. The prior year results included nine months of operations from M. J. Soffe Co., which was acquired on October 3, 2003.

Robert W. Humphreys, President and CEO, commented, "While we are certainly pleased with our record results for the fiscal year, the fourth quarter sales and margins were below our expectations. Sales were impacted by both a fiscal calendar that was one week shorter than last year, and by inventories which were too lean in certain categories which prevented us from maximizing our sales opportunities. Although the sell-through of the Soffe product was good, re-orders from the retailers did not ship during the quarter. Our Delta business reported solid sales, but a larger number of basic tee shirt orders compared to higher margin specialty products hurt our gross margins. Currently our overall business is strengthening and the price of basic tee shirts is holding steady. Retail sales reorders that were not realized in the fourth quarter in our Soffe business have shipped in the first quarter of fiscal 2006, resulting in a strong start to our first quarter."

The Company today also announced, in a separate release, that it completed the purchase of substantially all of the assets of privately held Junkfood Clothing. The purchase price consists of \$20 million of cash (subject to a post-closing adjustment based on the actual working capital purchased), a \$2.5 million seller promissory note, and contingent payments with respect to each of the four fiscal years following closing, payable if certain performance targets are met. Delta Apparel financed the cash portion of the purchase price through an amendment to its asset-based secured revolving credit facility.

Liquid Blaino Designs d/b/a Junkfood Clothing is owned by designers Natalie Grof and Blaine Halvorson. In 1998 the two began a t-shirt line with nostalgic licenses such as Twister, Candy Land, and My Little Pony. Over the past seven years, the Company has experienced impressive growth through innovative designs and great sense of style. For the twelve months ended June 30, 2005, Junkfood Clothing had sales of approximately \$27 million. Delta Apparel expects the Junkfood acquisition to add approximately \$33 to \$38 million in sales and \$0.30 to \$0.35 in earnings per share for the fiscal year ended July 1, 2006.

Mr. Humphreys continued, "We look forward to having Junkfood Clothing join our expanding business operations. The purchase of Junkfood keeps with our strategy of acquiring profitable apparel operations that expand our channels of distribution. We are excited by the opportunities associated with this acquisition and believe it will make a significant contribution to our top and bottom line growth in our upcoming fiscal year."

With the addition of Junkfood Clothing, the Company has decided to issue sales and earnings per share guidance for the 2006 fiscal year. For the first fiscal quarter ended October 1, 2005, the Company expects sales to be in the range of \$59 to \$62 million and basic earnings per share to be in the range of \$0.36 to \$0.39 per share. For the 2006 fiscal year ended July 1, 2006, the Company expects sales to be in the range of \$265 to \$275 million and basic earnings per share to be in the range of \$1.67 to \$1.76. The following chart shows the Company's fiscal year 2005 basic earnings per share, adjusted for the impact of the sale its Edgefield, South Carolina yarn spinning facility and adjusted for the reversal of the tax liability associated with the Company's decision to permanently reinvest its foreign earnings in Honduras.

Actual FY05 Basic Earnings per Share	\$1.35
Sale of Edgefield Plant	(0.26)
Reversal of Foreign Earnings Tax Liability	<u>(0.08)</u>
Adjusted FY05 Basic Earnings per Share	\$1.01

Mr. Humphreys concluded, "We are excited by the direction of our two core businesses as well as the opportunities associated with Junkfood Clothing going forward. In the Delta business, we are looking for continued sales growth and a better mix of higher margin goods. On the Softe side, we are seeing an increase in re-orders once again and believe that our efforts to expand our product offering in areas such as fashion fleece will improve results going forward. In addition, our cost savings initiatives will flow through cost of sales in the second half of our 2006 fiscal year. We could not be more excited about the opportunities we have with the Junkfood brand and believe that we have the capacity, experience and management team in place at Junkfood to continue to grow this highly compelling business."

The Delta business reported sales of \$40.7 million for the three months ended July 2, 2005, a 2.6% decrease from the prior year quarter. For fiscal year 2005, the Delta business achieved record sales of \$143.4 million, compared to \$137.4 million in the prior year. Operating income for the fourth quarter of 2005 was \$2.0 million compared to \$3.9 million in the prior year. The Delta business incurred approximately \$0.7 million in bad debt expense due to the non-collection of sales from one customer. Operating income for the twelve months ended July 3, 2005 was \$10.0 million compared to \$7.6 million in the prior year. The improvement in operating income resulted from the gain on the sale of the Company's Edgefield, South Carolina yarn spinning facility, offset partially by higher distribution expenses from the transition of the Tennessee distribution to a new facility and the opening of the new distribution facility in Cranbury, New Jersey.

The Softe business contributed \$25.6 million in sales for the fourth quarter of fiscal year 2005, a \$5.5 million decrease, or 17.7%, from sales in the prior year's quarter. Sales in the fourth quarter of the prior year were an all-time record for the Softe business, and included 14 weeks of shipping, as compared to the 13 weeks of shipping in the fourth quarter of fiscal 2005. The sales decline is also attributable to a reduction in retail re-orders shipped during the fourth fiscal quarter. Sales for the 2005 fiscal year were \$84.6 million, an increase of \$13.9 million, or 19.7%, from the prior year. Operating income for the quarter ended July 2, 2005 decreased from \$6.1 million to \$4.4 million due to the lower sales volume and shift in the mix of products sold during the quarter. For the year, operating income was \$10.4 million, an 8.2% increase from the prior year level of \$9.6 million.

In a meeting held on August 17, 2005, the Board of Directors declared a dividend of four cents per common share of stock payable on September 12, 2005 to shareholders of record as of the close of business on August 31, 2005. This dividend was declared pursuant to the Company's previously announced quarterly dividend program, which the Company may amend or terminate at any time.

The Company will hold a conference call with senior management to discuss the financial results at 4:30 p.m. ET today. A live webcast of the conference call will be available on the Company's web site at [www.deltaapparel.com](http://www.deltaapparel.com). Minimum requirements to listen to the webcast are access to the Internet through at least a 28.8 baud modem connection and Windows Media Player™ software, which is available for a free download on the Company's event details page.



**About Delta Apparel, Inc.**

Delta Apparel, Inc., along with its wholly owned subsidiaries, M. J. Soffe Co. and Junkfood Clothing Company, is a marketer, designer, manufacturer and distributor of high quality branded and private label apparel. We specialize in selling a variety of casual and athletic tops and bottoms, embellished and unembellished T-shirts, and fleece products for the ever-changing apparel market. We focus on our broad distribution of products, currently serving over 13,000 customers. We sell our products to specialty, high-end and mid-tier retail stores, sporting goods stores, screen printers and private label accounts. In addition, certain products are sold in college bookstores and to the U.S. Military. Our operations are in the United States, Honduras, Mexico and Costa Rica and we employ approximately 4,200 worldwide. Additional information on our company is available at [www.deltaapparel.com](http://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 our expectations and are necessarily dependent upon assumptions, estimates and data that we believe 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 our 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. We do not undertake publicly to update or revise the forward-looking statements even if it becomes clear that any projected results will not be realized.*

**(Tables to follow)**



**SELECTED FINANCIAL DATA:**

(In thousands, except per share amounts)

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b><u>July 2, 2005</u></b>	<b><u>July 3, 2004</u></b>	<b><u>July 2, 2005</u></b>	<b><u>July 3, 2004</u></b>
Net Sales	\$ 66,297	\$72,883	\$ 228,065	\$208,113
Cost of Goods Sold	49,524	52,044	174,156	159,852
Gross Margin	16,773	20,839	53,909	48,261
SG&A	10,949	10,959	37,881	31,043
Other (Income)/Expense	(505)	221	(4,117)	192
Operating Income	6,329	9,659	20,145	17,026
Interest Expense	805	777	3,022	2,622
Taxes	2,324	3,463	5,880	4,674
Net Income	<u>\$ 3,200</u>	<u>\$ 5,419</u>	<u>\$ 11,243</u>	<u>\$ 9,730</u>
Weighted Average Shares Outstanding **				
Basic	8,470	8,224	8,355	8,156
Diluted	8,595	8,454	8,463	8,376
Net Income per Common Share **				
Basic	\$ 0.38	\$ 0.66	\$ 1.35	\$ 1.19
Diluted	\$ 0.37	\$ 0.64	\$ 1.33	\$ 1.16

\*\*Adjusted to reflect 2-for-1 stock split effective May 31, 2005

	<b><u>July 2, 2005</u></b>	<b><u>July 3, 2004</u></b>
Current Assets		
Cash	\$ 298	\$ 333
Receivables, Net	36,611	38,610
Inventories	99,026	105,888
Deferred Income Taxes	1,252	1,075
Other Assets	1,968	1,616
Total Current Assets	<u>139,155</u>	<u>147,522</u>
Noncurrent Assets		
Property, Plant & Equipment, Net	19,950	19,529
Deferred Income Taxes	--	178
Other Noncurrent Assets	409	2,150
Total Noncurrent Assets	<u>20,359</u>	<u>21,857</u>
Total Assets	<u>\$159,514</u>	<u>\$169,379</u>
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 36,700	\$ 30,511
Current Portion of Long Term Debt	15,065	20,810
Income Tax Payable	480	1,793
Total Current Liabilities	<u>52,245</u>	<u>53,114</u>
Noncurrent Liabilities		
Long-Term Debt	17,236	29,246
Deferred Income Taxes	171	--
Other Noncurrent Liabilities	3,398	11,527
Total Noncurrent Liabilities	<u>20,805</u>	<u>40,773</u>

Stockholders' Equity

86,464

75,492

Total Liabilities and Stockholders' Equity

\$159,514

\$169,379

## EXHIBIT 99.2

Company Contact: Herb Mueller  
Chief Financial Officer  
(678) 775-6900

Investor Relations Contact: Bill Zima  
Integrated Corporate Relations  
(203) 682-8200

### **Delta Apparel, Inc. Acquires Junkfood Clothing**

DULUTH, Ga.--(BUSINESS WIRE)—August 23, 2005--Delta Apparel, Inc. (AMEX:DLA) announced today that it has acquired substantially all of the assets of Liquid Blaino Designs, Inc. d/b/a Junkfood Clothing.

The purchase price for the transaction consists of \$20 million of cash (subject to a post-closing adjustment based on the actual working capital purchased), a \$2.5 million seller promissory note, and contingent payments with respect to each of the four fiscal years following closing, payable if certain performance targets are met. The Company financed the cash portion of the purchase price through an amendment to its asset-based secured revolving credit facility. The Sage Group, LLC served as Junkfood Clothing's financial advisor in connection with the sale.

Liquid Blaino Designs d/b/a Junkfood Clothing is owned by designers Natalie Grof and Blaine Halvorson. In 1998 the two began a t-shirt line with nostalgic licenses such as Twister, Candy Land, and My Little Pony. Over the past seven years, they have experienced impressive growth with their innovative designs and great sense of style. For the twelve months ended June 30, 2005, Junkfood Clothing had sales of approximately \$27 million. Delta Apparel expects the Junkfood acquisition to add approximately \$33 to \$38 million in sales and \$0.30 to \$0.35 in earnings per share for the fiscal year ended July 1, 2006.

Robert W. Humphreys, President and CEO, commented, "We look forward to having Junkfood Clothing join our expanding business operations. The purchase of Junkfood keeps with our strategy of acquiring profitable apparel operations that expand our channels of distribution. The current owners and management team at Junkfood will continue to operate the business from its current location in Los Angeles, California. All of us at Delta Apparel look forward to working with them as they continue to build the Junkfood brand."

Natalie Grof, Chief Executive Officer of Junkfood Clothing Company said, “We are excited to be teaming up with Delta Apparel. This will give us the resources to build our infrastructure to support our growth as the Junkfood brand continues to lead the way in vintage retro apparel in the specialty market. We have strong retail relationships, wonderful licensing partners and a loyal customer following, all of which we expect will strengthen over the next several years. We are glad to be offering future opportunities to our employees and we look forward to this new association with high expectations.”

**About Delta Apparel, Inc.**

Delta Apparel, Inc., along with its wholly owned subsidiaries, M. J. Soffe Co. and Junkfood Clothing Company, is a marketer, designer, manufacturer and distributor of high quality branded and private label apparel. We specialize in selling a variety of casual and athletic tops and bottoms, embellished and unembellished T-shirts, and fleece products for the ever-changing apparel market. We focus on our broad distribution of products, currently serving over 13,000 customers. We sell our products to specialty, high-end and mid-tier retail stores, sporting goods stores, screen printers and private label accounts. In addition, certain products are sold in college bookstores and to the U.S. Military. Our operations are in the United States, Honduras, Mexico and Costa Rica and we employ approximately 4,200 worldwide. Additional information on our company is available at [www.deltaapparel.com](http://www.deltaapparel.com).

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