

**UNITED STATES**  
**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): January 26, 2012

**DELTA APPAREL, INC.**

(Exact name of registrant as specified in its charter)

Georgia

\_\_\_\_\_  
(State or Other Jurisdiction  
of Incorporation)

1-15583

\_\_\_\_\_  
(Commission File Number)

322 South Main Street, Greenville, South Carolina

\_\_\_\_\_  
(Address of principal executive offices)

58-2508794

\_\_\_\_\_  
(IRS Employer Identification No.)

29601

\_\_\_\_\_  
(Zip Code)

(864) 232-5200

\_\_\_\_\_  
(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))

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

On January 26, 2012, Delta Apparel, Inc. ("the Company") issued a press release announcing its financial results for the second fiscal quarter ended December 31, 2011. A copy of the press release is attached as Exhibit 99.1 hereto, incorporated herein by reference and also made available through the Company's website at [www.deltaapparelinc.com](http://www.deltaapparelinc.com).

**Item 7.01. Regulation FD Disclosure.**

Robert W. Humphreys, Chairman and Chief Executive Officer, and Deborah H. Merrill, Vice President, Chief Financial Officer and Treasurer, will hold a conference call on Thursday, January 26, 2012, at 4:30 p.m. Eastern Time to discuss financial results and provide a business update. The conference call will be broadcast through the Company's website at [www.deltaapparelinc.com](http://www.deltaapparelinc.com). Investors may listen to the call by selecting the webcast link on the homepage of the website. A replay of the webcast will be available within one hour of the call and accessible at the above website through February 26, 2012.

The information in this Current Report on Form 8-K, including the exhibit, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release issued by Delta Apparel, Inc. on January 26, 2012. The information contained in the attached exhibit is unaudited and should be read in conjunction with Delta Apparel, Inc.'s annual and quarterly reports filed with the U.S. Securities and Exchange Commission.

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**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: January 26, 2012

/s/ Deborah H. Merrill

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Deborah H. Merrill

Vice President, Chief Financial Officer & Treasurer

**Delta Apparel Reports FY12 Second Quarter and First Half Results**  
**Revenue Increased 1% for Second Quarter and 8% for First Six Months**  
**Earnings Negatively Affected by One-time Inventory Markdown**

GREENVILLE, SC—January 26, 2012—Delta Apparel, Inc. (NYSE Amex: DLA) today reported that while revenue continued to grow in its fiscal 2012 second quarter and first half, earnings were negatively impacted by a one-time second quarter inventory markdown of \$16.2 million.

The inventory markdown, previously announced, was necessitated by the unprecedented record high cotton costs combined with selling price discounts in the Company's line of basic undecorated t-shirts. As a result of the markdown, the Company's results for the remainder of fiscal 2012 in this business should be free from the effects of these high cotton prices flowing through cost of sales.

Sales for the second quarter ended December 31, 2011 totaled \$105.5 million, up from the \$104.7 million reported in the prior year's second quarter. The Company had a net loss in the fiscal 2012 second quarter of \$13.6 million, or \$1.61 per share, compared with net income of \$1.4 million, or \$0.16 per diluted share, in the fiscal 2011 second quarter. The net loss was due primarily to the inventory markdown in the basics segment and lower than anticipated demand from retailers stemming from price increases on branded products necessitated by higher cotton costs.

For the first six months of fiscal 2012, sales increased approximately 8% to \$229.0 million versus \$212.6 million for the first six months of fiscal 2011. The Company had a net loss in the fiscal 2012 six month period of \$9.2 million, or \$1.09 per share, stemming from the second quarter loss partially offset by the record earnings that the Company reported in its 2012 first quarter. This compares to net income of \$3.1 million, or \$0.35 per diluted share, in the prior year six month period.

Branded Segment Review

Branded segment sales for the second quarter were \$47.9 million, a slight decrease from prior year

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sales of \$48.5 million. Vintage t-shirt sales were strong during the quarter, with double-digit sales growth over the prior year period, and Art Gun more than doubled sales during the quarter. The Salt Life® brand also experienced another good quarter with continuing geographic and sales-channel expansion. While increased pricing intended to offset higher cotton costs produced a greater than expected fall-off in volume for the branded segment and slightly lower margins overall, margins did improve in the Company's Art Gun and Junkfood businesses.

#### Basics Segment Review

Second quarter 2012 sales in the basics segment increased to \$57.6 million, a 2.4% increase over the prior year second quarter. The increase was due to a 36% improvement in the FunTees private label business driven by higher volume and pricing. The Company's undecorated t-shirt business experienced lower volume on reduced selling prices, and elevated manufacturing costs due to the higher cotton prices. The second quarter inventory markdown should allow this business to operate in the third and fourth fiscal quarters without the negative effect of high cotton costs.

Robert W. Humphreys, Delta Apparel's Chairman and Chief Executive Officer, commented that the Company is positioned for growth in the last half of fiscal 2012 due to the tough decisions that were made in the second quarter. He further commented, "Had we not taken the entire markdown in the second quarter, the Company would have had to deal with the impact of high cotton prices throughout the remainder of the year. We now can focus on growing our operations with the effect of this unprecedented increase in cotton prices behind us. In the second half of fiscal 2012, we currently expect revenue and earnings growth over the prior year. This should allow us to end fiscal 2012 on a positive note and position us to resume annual sales and earnings growth in fiscal 2013."

#### Fiscal 2012 Guidance

Due to the effect of the inventory markdown and selling price discounts on the second quarter and first six months, the Company has reduced its fiscal year 2012 outlook for sales and earnings. For the fiscal year ending June 30, 2012, the Company anticipates net sales to be in the \$480 to \$500 million range and earnings to be in the range of \$0.50 to \$0.60 per diluted share.

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## **Conference Call**

The Company will hold a conference call with senior management to discuss the financial results at 4:30 p.m. ET today. The Company invites you to join the call by dialing (888) 293-6979. If calling from outside the United States, dial (719) 457-2702. Use confirmation number 4640928. A live webcast of the conference call will be available at [www.deltaapparelinc.com](http://www.deltaapparelinc.com). Please visit the website at least 15 minutes early to register for the teleconference webcast and download any necessary software. A replay of the call will be available through February 26, 2012. To access the telephone replay, participants should dial toll-free (877) 870-5176. International callers can dial (858) 384-5517. The access code for the replay is 4640928.

## **About Delta Apparel, Inc.**

Delta Apparel, Inc., along with its operating subsidiaries, M. J. Soffe, LLC, Junkfood Clothing Company, To The Game, LLC and Art Gun, LLC, is an international design, marketing, manufacturing, and sourcing company that features a diverse portfolio of lifestyle branded activewear apparel and headwear, and produces high quality private label programs. The Company specializes in selling casual and athletic products across distribution tiers and in most store types, including specialty stores, boutiques, department stores, mid-tier and mass chains. From a niche distribution standpoint, the Company also has strong distribution at college bookstores and the U.S. military. The Company's products are made available direct-to-consumer on its websites at [www.soffe.com](http://www.soffe.com), [www.junkfoodclothing.com](http://www.junkfoodclothing.com), [www.saltlife.com](http://www.saltlife.com) and [www.deltaapparel.com](http://www.deltaapparel.com). Additional products can be viewed at [www.2thegame.com](http://www.2thegame.com) and [www.thecottonexchange.com](http://www.thecottonexchange.com). The Company's operations are located throughout the United States, Honduras, El Salvador, and Mexico, and it employs approximately 7,200 people worldwide. Additional information about the Company is available at [www.deltaapparelinc.com](http://www.deltaapparelinc.com).

*Statements and other information in this press release that are not reported financial results or other historical information are forward-looking statements subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. 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, the general U.S and international economic conditions; the ability to grow, achieve synergies and realize the expected profitability of recent acquisitions; the volatility and uncertainty of raw material, transportation and energy prices and the availability of these products and services; changes in consumer confidence, consumer spending, and demand for apparel products; the ability of our brands and products to meet consumer preferences within the prevailing retail environment; significant interruptions in our distribution network or information systems; the financial difficulties encountered by our customers and higher credit risk exposure; the competitive conditions in the apparel and textile industries; changes in environmental, tax, trade, employment and other laws and regulations; changes in the economic, political and social*

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*stability of our offshore locations; significant litigation in either domestic or international jurisdictions, the relative strength of the United States dollar as against other currencies; 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. Further, any forward-looking statements are made only as of the date of this press release and 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.*

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**SELECTED FINANCIAL DATA:**

(In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	December 31, 2011	January 1, 2011	December 31, 2011	January 1, 2011
<b>Net Sales</b>	\$ 105,486	\$ 104,722	\$ 229,009	\$ 212,639
<b>Cost of Goods Sold</b>	105,345	82,844	197,613	164,851
<b>Gross Profit</b>	141	21,878	31,396	47,788
<b>Selling, General and Administrative</b>	20,182	20,076	44,744	42,971
<b>Change in Fair Value of Contingent Consideration</b>	—	(1,530)	—	(1,530)
<b>Goodwill Impairment Charge</b>	—	612	—	612
<b>Other (Income) Expense, Net</b>	(52)	95	(59)	152
<b>Operating (Loss) Income</b>	(19,989)	2,625	(13,289)	5,583
<b>Interest Expense, Net</b>	992	601	1,885	1,202
<b>(Loss) Income Before (Benefit) Provision for Income Taxes</b>	(20,981)	2,024	(15,174)	4,381
<b>(Benefit) Provision for Income Taxes</b>	(7,389)	608	(5,996)	1,315
<b>Net (Loss) Income</b>	<u>\$ (13,592)</u>	<u>\$ 1,416</u>	<u>\$ (9,178)</u>	<u>\$ 3,066</u>
<b>Weighted Average Shares Outstanding</b>				
<b>Basic</b>	8,465	8,500	8,458	8,512
<b>Diluted</b>	8,465	8,756	8,458	8,769
<b>Net (Loss) Income per Common Share</b>				
<b>Basic</b>	\$ (1.61)	\$ 0.17	\$ (1.09)	\$ 0.36
<b>Diluted</b>	\$ (1.61)	\$ 0.16	\$ (1.09)	\$ 0.35

	December 31, 2011	July 2, 2011	January 1, 2011
<b>Current Assets</b>			
<b>Cash</b>	\$ 355	\$ 656	\$ 270
<b>Receivables, Net</b>	51,389	76,821	53,179
<b>Income Tax Receivable</b>	6,736	—	1,362
<b>Inventories, Net</b>	182,917	159,209	144,373
<b>Deferred Income Taxes</b>	4,810	2,931	2,959
<b>Other Assets</b>	4,869	4,059	4,733
<b>Total Current Assets</b>	251,076	243,676	206,876
<b>Noncurrent Assets</b>			
<b>Property, Plant &amp; Equipment, Net</b>	39,427	39,756	39,021



<b>Goodwill and Other Intangibles, Net</b>	23,913	24,217	24,520
<b>Other Noncurrent Assets</b>	3,912	4,216	3,142
<b>Total Noncurrent Assets</b>	<u>67,252</u>	<u>68,189</u>	<u>66,683</u>
<b>Total Assets</b>	<u>\$ 318,328</u>	<u>\$ 311,865</u>	<u>\$ 273,559</u>
<b>Current Liabilities</b>			
<b>Accounts Payable and Accrued Expenses</b>	\$ 62,142	\$ 79,262	\$ 58,181
<b>Income Tax Payable</b>	—	969	—
<b>Current Portion of Long-Term Debt</b>	3,286	2,799	5,718
<b>Total Current Liabilities</b>	<u>65,428</u>	<u>83,030</u>	<u>63,899</u>
<b>Noncurrent Liabilities</b>			
<b>Long-Term Debt</b>	117,222	83,974	78,675
<b>Deferred Income Taxes</b>	3,583	2,877	2,417
<b>Other Noncurrent Liabilities</b>	147	19	48
<b>Total Noncurrent Liabilities</b>	<u>120,952</u>	<u>86,870</u>	<u>81,140</u>
<b>Shareholders' Equity</b>	131,948	141,965	128,520
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 318,328</u>	<u>\$ 311,865</u>	<u>\$ 273,559</u>