

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): July 16, 2007

Delta Apparel, Inc.

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(Exact Name of Registrant as Specified in its Charter)

Georgia

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(State or Other Jurisdiction  
of Incorporation)

1-15583

-----  
(Commission File Number)

58-2508794

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(IRS Employer Identification No.)

2750 Premiere Parkway, Suite 100, Duluth, Georgia

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(Address of Principal Executive Offices)

30097

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(Zip Code)

(678) 774-6900

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(Registrant's Telephone Number,  
Including Area Code)

Not Applicable

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(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 July 18, 2007, the Company issued a press release containing financial information and accompanying discussion for the fourth fiscal quarter and the full fiscal year ended June 30, 2007.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On July 16, 2007, the Company's management committed to restructure the Company's U.S. textile operations by closing its manufacturing plant in Fayette, Alabama. The Company expects to complete the closing of its Fayette, Alabama plant by the end of September 2007. The information set forth in the press

release included as Exhibit 99.1 to this Current Report, other than the information set forth under the headings "Fiscal 2007 Preliminary Results" and "Fiscal 2008 Guidance," is incorporated herein by reference. In connection with the closing of its manufacturing plant in Fayette, Alabama, the Company expects to record restructuring and impairment charges of approximately \$1.6 million. The Company expects to record an asset impairment charge of approximately \$1.5 million in the fourth quarter of fiscal year 2007. In the first quarter of fiscal year 2008, the Company expects to record a cash restructuring charge of approximately \$0.1 million relating to employee termination benefits. In addition, the Company also expects in first quarter of fiscal year 2008 to record in cost of sales approximately \$0.7 million in cash expenses related to the closing of its Fayette, Alabama plant.

Item 2.06. Material Impairments.

On July 16, 2007, the Company's management concluded that a material charge for impairment to assets is required in connection with the closing of its manufacturing plant in Fayette, Alabama. The information set forth in the press release included as Exhibit 99.1 to this Current Report, other than the information set forth under the headings "Fiscal 2007 Preliminary Results" and "Fiscal 2008 Guidance," is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On July 18, 2007, Delta Apparel, Inc. issued a press release including certain financial information regarding the results of operations for the fourth fiscal quarter and the full fiscal year ended June 30, 2007. The press release is not the Company's regular fourth quarter earnings release which will be released later. The press release is set forth as Exhibit 99.1 to this Current Report, and the information set forth under the headings "Fiscal 2007 Preliminary Results" and "Fiscal 2008 Guidance" is incorporated herein by reference.

The Company will hold a conference call with senior management to discuss its restructuring initiatives on July 18, 2007 at 8:30 a.m. ET. Investors can access the call by dialing 913-981-4911. A live webcast of the conference call will be available on the Company's Web site at [www.deltaapparelinc.com](http://www.deltaapparelinc.com). Participants should visit the Web site at least 15 minutes early to register for the teleconference webcast and download any necessary software. A replay of the call will be available from July 18, 2007 through July 25, 2007. To access the telephone replay, participants should dial 719-457-0820. The access code for the replay is: 2954693.

The information under Items 2.02 and 7.01 of this Form 8-K and set forth under the headings "Fiscal 2007 Preliminary Results" and "Fiscal 2008 Guidance" in Exhibit 99.1 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 9.01. Financial Statements and Exhibits.

99.1 Press release issued by Delta Apparel, Inc. on July 18, 2007.

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: July 18, 2007

/s/ Deborah H. Merrill

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Deborah H. Merrill  
Vice President, Chief Financial Officer,  
and Treasurer

Exhibits.

99.1 Press release issued by Delta Apparel, Inc. on July 18, 2007.

Delta Apparel Announces Restructuring of U.S. Textile Operations  
 Company Expects to Incur \$10.0 Million in Restructuring Related  
 Charges  
 Restructuring Initiatives Expected to Result in Cost Savings of  
 Approximately \$0.26, \$0.62 and \$0.80 in Fiscal 2008, 2009 & 2010  
 Company Discusses Preliminary Fourth Quarter and FY2007 Results  
 Announces FY 2008 Revenue and Earnings Guidance

DULUTH, Ga.--(BUSINESS WIRE)--July 18, 2007--Delta Apparel, Inc. (AMEX: DLA) today announced its plans to restructure its U.S. textile operations by closing its manufacturing facility in Fayette, Alabama. As a part of the Company's overall restructuring of its textile manufacturing operations, the Company is also expensing its start-up and excess manufacturing costs associated with the integration of FunTees and the opening of its Honduran textile facility.

This reorganization is expected to occur in the Company's fiscal first quarter of 2008, leaving the Company with two U.S. textile operations, one located in Maiden, North Carolina and the other in Fayetteville, North Carolina. Approximately 110 U.S. jobs will be eliminated by the manufacturing restructuring.

The Company expects to incur total costs of approximately \$10.0 million, or \$0.75 per diluted share, associated with the restructuring. The expenses will impact the Company's fiscal fourth quarter of 2007 and the first two quarters of fiscal 2008. The expenses are expected to impact the Company's financials as follows:

	FY 07 Qtr 4	FY 08 Qtr 1	FY 08 Qtr 2	Total
Cost of Sales	\$5.4 million	\$1.7 million	\$1.4 million	\$ 8.4 million
Restructuring Charges	\$1.5 million	\$0.1 million	--	\$ 1.6 million
Total	\$6.9 million	\$1.8 million	\$1.4 million	\$10.0 million
Diluted EPS Impact	\$0.51	\$0.13	\$0.10	\$0.75

The \$0.51 per diluted share expense in fiscal year 2007 includes \$0.40 per diluted share of start-up, excess and other cash costs associated with the integration of FunTees and the opening of its Honduran textile facility and includes \$0.11 per diluted share for the non-cash impact of asset impairments related to the reduction of textile operations in the U.S. The Company expects its restructuring initiatives will result in costs savings per diluted share of approximately \$0.26 in fiscal 2008, \$0.62 in fiscal 2009, and \$0.80 in fiscal 2010.

This restructuring comes as the Company recently completed its integration of FunTees textiles into its existing Maiden, N.C. facility, which has improved operating margins in the FunTees business by approximately 300 basis points over pre-acquisition operating margin levels. Additionally, construction of the Company's new textile facility in Honduras is on schedule and the Company expects to open this facility in the second quarter of fiscal 2008. The Company expects to be producing 500,000 pounds of fabric per week by its fourth quarter of fiscal 2008 and anticipates increasing production to one million pounds per week by its third quarter of fiscal 2009.

Robert W. Humphreys, President and CEO, commented, "We continue to focus on improving the performance of our wholesale activewear

business. After evaluating our alternatives, we determined that we must eliminate some of our domestic manufacturing capacity. It is difficult to eliminate the jobs of these employees who have contributed significantly to our growth and success over the years. However, we believe the relocation of some of our U.S. textile capacity to Central America is necessary to be cost-competitive against other global producers. We believe our actions will result in improved margins and profitability in fiscal 2008 and beyond."

Mr. Humphreys concluded, "We will continue to focus on maximizing our operating performance in all key areas of our business. The changes we are making should allow us to continue profitable growth in the highly competitive apparel industry and provide us with a platform to generate superior investment returns for our shareholders. We remain encouraged by the opportunities within both our private label and branded apparel businesses and believe the steps we are taking now will result in a stronger, more competitive company in the years to come."

#### Fourth Quarter and Fiscal 2007 Preliminary Results

The Company's sales for its 2007 fourth fiscal quarter are approximately \$92 million. This brings sales for the full 2007 fiscal year to approximately \$312 million, almost a 16% increase over the prior fiscal year.

Including the \$6.9 million, or \$0.51 per diluted share, of start-up, excess and impairment charges associated with its textile restructuring, the Company now expects diluted earnings per share for its fourth quarter to be in the range of \$0.06 to \$0.08 versus its prior expectation of \$0.50 to \$0.55. As a result, earnings for the full 2007 fiscal year are expected to be in the range of \$0.71 to \$0.73 per diluted share. This compares to the Company's previously disclosed expectations of earnings in the range of \$1.15 to \$1.20 per diluted share prior to the restructuring related charges.

#### Fiscal 2008 Guidance

For the 2008 fiscal year ending June 28, 2008, the Company expects net sales to be in the range of \$335 to \$350 million and diluted earnings per share to be in the range of \$1.36 to \$1.52. This includes the \$3.2 million, or \$0.23 per diluted share, of anticipated expenses associated with the start-up of the new Honduran textile facility and the shutdown of the Fayette, Alabama facility that will impact results in the first two quarters of fiscal 2008.

#### Conference Call Information

The Company will hold a conference call with senior management to discuss its restructuring initiatives today at 8:30 a.m. ET. Investors can access the call by dialing 913-981-4911. A live webcast of the conference call will be available on the Company's Web site at [www.deltaapparelinc.com](http://www.deltaapparelinc.com). Please visit the Web site at least 15 minutes early to register for the teleconference webcast and download any necessary software. A replay of the call will be available from July 18, 2007 through July 25, 2007. To access the telephone replay, participants should dial 719-457-0820. The access code for the replay is: 2954693.

#### About Delta Apparel, Inc.

Delta Apparel, Inc., along with its wholly owned subsidiaries, M. J. Soffe Company and Junkfood Clothing Company, is a marketer, manufacturer and distributor of high quality branded and private label activewear apparel. The Company specializes in selling a variety of casual and athletic activewear tops and bottoms, embellished and unembellished T-shirts, and fleece products for the ever-changing apparel market. The Company focuses on its broad distribution of apparel products to specialty and boutique stores, 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. The Company's operations are located throughout the United States, Honduras, El Salvador and Mexico and the Company employs approximately 6,200 people worldwide. Additional information on the Company is available at

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, the ability to achieve synergies in connection with the FunTees acquisition and to integrate it successfully into our business, 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 environmental matters and similar items) and other risks described in "Item 1A. Risk Factors" in our annual Report on Form 10-K for the fiscal year ended July 1, 2006 and 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.

CONTACT: Delta Apparel, Inc.  
Deborah Merrill, 864-232-5200 x6620  
Chief Financial Officer  
or  
Integrated Corporate Relations  
Investor Relations:  
Bill Zima, 203-682-8200