

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): April 25, 2008

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

On April 25, 2008, Delta Apparel, Inc. (the "Company") issued a press release containing financial information and accompanying discussion for the fiscal quarter ended, March 29, 2008.

**Item 7.01 Regulation F-D Disclosure**

On April 25, 2008, Delta Apparel, Inc. issued its earnings release for the fiscal quarter ended March 29, 2008. 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, April 25, 2008 at 9:00 a.m. Eastern Time to discuss financial results and give 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 "News Releases" then the appropriate webcast from the listing. 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 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 April 25, 2008

**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: April 25, 2008

By: /s/ Deborah H. Merrill

Deborah H. Merrill

Vice President, Chief Financial Officer and Treasurer

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EXHIBIT INDEX

Exhibit Number

Description

99.1

Press release dated April 25, 2008

## Delta Apparel Reports Third Quarter 2008 Results

DULUTH, Ga.--(BUSINESS WIRE)--Delta Apparel, Inc. (AMEX: DLA) today reported financial results for its third fiscal quarter ended March 29, 2008.

Net sales for the three months ended March 29, 2008, were \$75.4 million compared to \$85.0 million in the prior year's third quarter. The decrease was due to lower sales in the activewear segment offset by increased sales in the retail-ready segment. Gross margins declined 360 basis points to 20.8% compared to 24.4% in the prior year third quarter primarily as a result of textile restructuring related costs, higher raw material prices, increased energy and transportation costs and sales of a more basic mix in the catalog tee business.

The Company previously announced on July 18, 2007, an overall restructuring plan which included the closing of its Fayette, Alabama manufacturing facility, the expensing of excess manufacturing costs with the FunTees integration and the expensing of start-up costs stemming from the opening of its Honduran textile facility. In the third quarter of fiscal 2008, the Company expensed \$0.9 million, or \$0.07 per diluted share, predominantly related to start-up costs from the opening of its Honduran textile facility. We expect that these third quarter restructuring costs will be the final charges relating to the Company's textile restructuring plan announced on July 18, 2007. Expenses associated with the restructuring plan impacted the Company's financials as follows:

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	<u>FY 07 Qtr 4</u>	<u>FY 08 Qtr 1</u>	<u>FY 08 Qtr 2</u>	<u>FY 08 Qtr 3</u>	<u>Total</u>
Cost of Sales	\$5.4 million	\$2.0 million	\$2.0 million	\$0.9 million	\$10.3 million
Restructuring Charges	1.5 million	0.1 million	--	--	1.6 million
Total	<u>\$6.9 million</u>	<u>\$2.1 million</u>	<u>\$2.0 million</u>	<u>\$0.9 million</u>	<u>\$11.9 million</u>
Diluted EPS Impact	<u>\$0.51</u>	<u>\$0.16</u>	<u>\$0.15</u>	<u>\$0.07</u>	<u>\$0.90</u>

Net loss for the third quarter, inclusive of the textile restructuring charges, was \$0.4 million, or (\$0.05) per diluted share, compared to the prior year's net income of \$2.8 million, or \$0.32 per diluted share.

Robert W. Humphreys, President and Chief Executive Officer, commented, "We are pleased that during the quarter we completed our previously announced textile restructuring plan. Our new, state-of-the-art textile facility in Honduras continues to increase its production of first-quality dyed fabric and is on pace to reach our initial goal of producing over 500,000 pounds of fabric per week in our fiscal fourth quarter. Based on our experience to date, we continue to believe this facility can provide our activewear business with annual pre-tax savings of \$7 million when producing at the one million pound per week production level. We remain focused on continued cost savings and quality improvement in our manufacturing operations."

Mr. Humphreys continued, "While we did not meet our initial expectations for the quarter, we are continuing to see positive aspects in our businesses. The sell-through of our Softe product line at retail met our expectations despite the slowing in consumer spending. We continue to see double-digit sales growth in our Softe college bookstore distribution channel and our Intensity Athletics business. Our Junkfood business had its fourth consecutive quarter of sales growth, resulting from both its traditional customers as well as its new partnership with GapKids. In our activewear segment, we believe we are servicing our private label customers well and are seeing the rewards with new, additional programs for shipment in the upcoming seasons. Unfortunately, retailers are taking a more cautious approach with their re-orders and inventory positions due to the slowdown of the general economy and weakness in consumer spending, which is offsetting our results more than we originally expected."

#### Fourth Quarter and Fiscal 2008 Guidance

For the fourth fiscal quarter ending June 28, 2008, the Company expects sales to be in the range of \$88 to \$98 million and diluted earnings to be in the range of \$0.40 to \$0.46 per share. This compares to sales of \$91.8 million and diluted earnings of \$0.08 per share in the prior year fourth fiscal quarter. The earnings in the fourth quarter of 2007 included \$0.51 per diluted share of costs associated with the textile restructuring plan.

For the 2008 fiscal year, the Company expects net sales to be in the range of \$305 to \$315 million and diluted loss per share to be in the range of (\$0.10) to (\$0.16), inclusive of restructuring related expenses of (\$0.39) per diluted share. The Company remains concerned about the general slowdown of the U.S. economy and consumer demand for apparel. Further deterioration in the economy and retail marketplace may negatively impact the Company's results of operations.

#### Retail-Ready Apparel

This segment, which is comprised of the Softe and Junkfood businesses, reported a 7.1% sales increase to \$35.0 million for the third quarter of fiscal year 2008 compared to \$32.7 million in the prior year third quarter. The higher sales were driven primarily by a 37.1% increase in Junkfood sales, the fourth consecutive quarter of double-digit sales growth. Junkfood sales were positively impacted by sales of the new co-branded products to GapKids, increased foreign sales, and new boutique customers. Sales in the Softe business were flat with the prior year, with increased sales in its military and college bookstore distribution channels being offset by lower sales in its retail and sporting goods channels. Operating income in the retail-ready segment was \$4.7 million for the third fiscal quarter of 2008, an increase of \$0.6 million from the prior year third quarter due primarily to the increased sales and leveraged fixed costs in the Junkfood business.

#### Activewear Apparel

The activewear segment, which is comprised of the Delta and FunTees businesses, reported sales of \$40.3 million for the three months ended March 29, 2008, a 22.9% decrease from the prior year third quarter sales of \$52.3 million. The decrease in sales was due to lower sales in both the Delta and FunTees businesses, caused by customers taking a more cautious approach with their orders due to weakness in consumer spending and a slowdown in the release of orders from retailers. Although pricing increased during the quarter in the catalog business, these increases were offset by higher cotton, energy and transportation costs. In addition, a higher sales mix of more basic products lowered overall margins. The activewear segment generated an operating loss of \$3.6 million compared to operating income of \$1.1 million in the prior year third quarter due primarily to \$0.9 million in restructuring related costs, increased raw material prices, higher energy and transportation costs, a higher mix of core basic tees in the Delta business, and lower sales in the FunTees business.

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Mr. Humphreys concluded, “Despite the challenging economic conditions and difficult retail environment, we remain focused on our strategies to better position our businesses for the long-term. During fiscal 2008, we are completing a number of initiatives that we believe will allow us to deliver top-line growth, improve profitability, and increase shareholder value in the future.”

#### Conference Call

The Company will hold a conference call with senior management to discuss the financial results at 9:00 a.m. ET today. The Company invites you to join the call by dialing (913) 312-1392. 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 from April 25, 2008 through May 2, 2008. To access the telephone replay, participants should dial (719) 457-0820. The access code for the replay is: 2603974

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

Delta Apparel, Inc., along with its wholly owned subsidiaries, M. J. Soffe Co. 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 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. The Company employs approximately 6,300 people worldwide. Additional information on the Company is available at [www.deltaapparelinc.com](http://www.deltaapparelinc.com).

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*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 June 30, 2007 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.*

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**SELECTED FINANCIAL DATA:**  
(In thousands, except per share amounts)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>		
	<b>March 29, 2008</b>	<b>March 31, 2007</b>	<b>March 29, 2008</b>	<b>March 31, 2007</b>	
<b>Net Sales</b>	\$ 75,364	\$ 85,013	\$ 216,706	\$ 220,642	
<b>Cost of Goods Sold</b>	59,654	64,294	177,184	166,494	
<b>Gross Profit</b>	15,710	20,719	39,522	54,148	
<b>Selling, General and Administrative</b>	14,645	15,471	42,232	42,984	
<b>Restructuring Costs</b>	-	-	62	-	
<b>Other Income (Expense), Net</b>	9	(18)	57	74	
<b>Operating Income (loss)</b>	1,074	5,230	(2,715)	11,238	
<b>Interest Expense, Net</b>	1,648	1,384	4,703	3,813	
<b>(Loss) Income Before (Benefit) Provision for Income Taxes and Extraordinary Gain</b>	(574)	3,846	(7,418)	7,425	
<b>(Benefit) Provision for Income Taxes</b>	(189)	1,068	(2,651)	2,440	
<b>(Loss) Income before Extraordinary Gain</b>	(385)	2,778	(4,767)	4,985	
<b>Extraordinary Gain, Net of Taxes</b>	-	-	-	672	
<b>Net (Loss) Income</b>	\$ (385)	\$ 2,778	\$ (4,767)	\$ 5,657	
<b>Weighted Average Shares Outstanding</b>					
<b>Basic</b>	8,497	8,524	8,474	8,536	
<b>Diluted</b>	8,497	8,686	8,474	8,701	
<b>Net (Loss) Income per Common Share , before Extraordinary Gain</b>					
<b>Basic</b>	\$ (0.05)	\$ 0.33	\$ (0.56)	\$ 0.58	
<b>Diluted</b>	\$ (0.05)	\$ 0.32	\$ (0.56)	\$ 0.57	
<b>Net (Loss) Income per Common Share, after Extraordinary Gain</b>					
<b>Basic</b>	\$ (0.05)	\$ 0.33	\$ (0.56)	\$ 0.66	
<b>Diluted</b>	\$ (0.05)	\$ 0.32	\$ (0.56)	\$ 0.65	
			<b>March 29, 2008</b>	<b>June 30, 2007</b>	<b>March 31, 2007</b>
<b>Current Assets</b>					
<b>Cash</b>			\$ 607	\$ 792	\$ 465
<b>Receivables, Net</b>			44,329	46,444	49,046
<b>Income Tax Receivable</b>			2,696	2,192	1,023
<b>Inventories, Net</b>			136,192	124,604	132,534
<b>Deferred Income Taxes</b>			3,392	1,891	2,217
<b>Other Assets</b>			3,366	2,597	3,253
<b>Total Current Assets</b>			190,582	178,520	188,538
<b>Noncurrent Assets</b>					
<b>Property, Plant &amp; Equipment, Net</b>			37,933	29,407	26,584
<b>Goodwill and Other Intangibles, Net</b>			21,948	22,313	22,435
<b>Other Noncurrent Assets</b>			2,724	2,550	2,317
<b>Total Noncurrent Assets</b>			62,605	54,270	51,336
<b>Total Assets</b>			\$ 253,187	\$ 232,790	\$ 239,874
<b>Current Liabilities</b>					
<b>Accounts Payable and Accrued Expenses</b>			\$ 53,391	\$ 54,948	\$ 55,879
<b>Current Portion of Long Term Debt</b>			6,273	2,927	2,938
<b>Total Current Liabilities</b>			59,664	57,875	58,817
<b>Noncurrent Liabilities</b>					
<b>Long-Term Debt</b>			91,159	70,491	75,464
<b>Deferred Income Taxes</b>			1,056	749	942
<b>Other Noncurrent Liabilities</b>			1,375	6	7
<b>Total Noncurrent Liabilities</b>			93,590	71,246	76,413
<b>Stockholders' Equity</b>			99,933	103,669	104,644
<b>Total Liabilities and Stockholders' Equity</b>			\$ 253,187	\$ 232,790	\$ 239,874

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