

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 23, 2010

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.)

322 South Main Street, Greenville, South Carolina

(Address of principal executive offices)

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 April 23, 2010, Delta Apparel, Inc. (the "Company") issued a press release containing financial information and accompanying discussion for the third fiscal quarter ended March 27, 2010.

Item 7.01. Regulation FD Disclosure.

On April 23, 2010, Delta Apparel, Inc. issued its earnings release for the third fiscal quarter ended March 27, 2010. The earnings release is set forth as Exhibit 99.1 to this Current Report and is incorporated herein by reference. Robert W. Humphreys, Chairman and Chief Executive Officer, will hold an analyst conference call on Friday, April 23, 2010 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. 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 dated April 23, 2010 |

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 23, 2010

/s/ Deborah H. Merrill

Deborah H. Merrill

Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

Exhibit Number

Description

99.1

Press release dated April 23, 2010

Delta Apparel Reports Third Quarter Fiscal 2010 Results**– Revenue Increased 26.0% to a Record \$107.9 Million –****– 3Q10 Diluted EPS grows 143% to \$0.34 –****– Raises Full Year Sales Expectations to \$400 - \$405 Million –**

GREENVILLE, S.C.--(BUSINESS WIRE)--April 23, 2010--Delta Apparel, Inc. (NYSE Amex: DLA) today reported sales growth of 26.0% and a per share earnings increase of 143% for its third quarter ended March 27, 2010 compared to the prior year third quarter.

Third Quarter Results

Net sales for the three months ended March 27, 2010 were a record \$107.9 million, an increase of \$22.3 million from the prior year third quarter. Both of the Company's business segments achieved double-digit sales growth compared to the prior year quarter. Gross margins increased 370 basis points to 23.3% compared to 19.6% in the prior year third quarter. The gross margins in both business segments improved in the third quarter from the first half of fiscal year 2010. However, the higher mix of activewear segment sales in the third quarter lowered the overall gross margins by 60 basis points from the 23.9% gross margin in the first half of fiscal year 2010. Net income for the quarter ended March 27, 2010 was \$3.0 million, or \$0.34 per diluted share, compared to \$0.14 per diluted share in the prior year third quarter.

Fiscal 2010 Year to Date Results

Net sales for the nine months ended March 27, 2010 were \$298.2 million, an increase of \$47.8 million, or 19.1%, from the prior year nine month period. The sales expansion included organic growth of 11.2% and the net sales contributed by To The Game, LLC, the Company's headwear business, which was acquired during the fourth quarter of fiscal year 2009. Net income for the nine months ended March 27, 2010 was \$6.5 million, or \$0.76 per diluted share, a 162.0% increase from the earnings of \$0.29 per diluted share in the first nine months of fiscal year 2009.

Robert W. Humphreys, Chairman and Chief Executive Officer, commented, "The strong sales and earnings we delivered in the third quarter resulted from the dedicated focus of our management team to successfully capitalize on the Company's many growth opportunities. We believe the ability to achieve 26.0% sales growth on top of a 13.7% sales gain in the prior year quarter, especially in today's marketplace, validates our strategy of having diversified distribution channels, broad product offerings, a portfolio of brands and extensive license agreements. Our flexible manufacturing platform supports our business growth by providing consistent, high quality products to our customers at competitive prices. We continue to improve our manufacturing process and have completed speed-to-market initiatives that allow us to fulfill retail orders with shorter lead times while continuing to lower our investments in inventory."

Fiscal 2010 Guidance

On March 2, 2010, the Company raised its guidance for the 2010 fiscal year ending July 3, 2010, expecting net sales in the range of \$395 to \$400 million and earnings of \$1.20 to \$1.30 per diluted share. Based on the stronger than anticipated third quarter sales, the Company now raises its expectations for net sales to be in the range of \$400 million to \$405 million for the 2010 fiscal year. This compares to fiscal year 2009 net sales of \$355.2 million. The Company reiterates its expectations for earnings to be in the range of \$1.20 to \$1.30 per diluted share compared to \$0.76 per diluted share in fiscal year 2009.

Mr. Humphreys added, "Throughout fiscal year 2010 we have been successful in growing market share and improving our bottom line, despite less than ideal conditions. While there is still uncertainty and risk regarding the recovery of the general economy, we believe we are well positioned for continued sales growth and earnings expansion in the years ahead."

Retail-Ready Apparel

The retail-ready segment, comprised of the Sofie, Junkfood, To The Game and Art Gun businesses, had sales of \$46.3 million, a 42.9% increase from the prior year third quarter. Excluding sales of the businesses the Company has owned for less than a year, sales grew organically by 17.9% in the third quarter of fiscal year 2010. The sales increase was driven by a 69.7% sales growth at Junkfood compared with the prior year quarter. Sofie also had sales growth over the prior year third quarter, driven from strong sales in the department store channel as retailers stocked with expectations of a spring selling season stronger than in the prior year. Sales in the other businesses within the retail-ready segment totaled \$8.1 million and were on target with the Company's expectations.

Gross margins in the retail-ready segment increased 50 basis points compared to the prior year third quarter and increased 90 basis points from the first half of fiscal year 2010. Operating income in the retail-ready segment was \$3.5 million for the third fiscal quarter of 2010, an increase of \$0.7 million from the prior year third quarter.

Activewear Apparel

The activewear segment, comprised of Delta Catalog and FunTees, had sales of \$61.7 million for the quarter ended March 27, 2010, an increase of 15.7% compared to the prior year third quarter. Sales growth in the Delta Catalog business was partially offset by sales declines at FunTees. Delta Catalog shipped approximately 32% more units in the third quarter compared to the prior year quarter. This compares to an overall tee shirt market that grew approximately 3.5%. We believe the gains in market share were the result of Delta Catalog's new merchandising strategies and high service level to its customers. The sales decline at FunTees was driven from lower unit sales, partially offset by an increase in average revenue per unit.

Gross margins in the activewear segment in the third quarter improved 350 basis points from the prior year third quarter and improved 280 basis points from the first half of fiscal year 2010. The activewear segment returned to profitability in the third quarter with an operating profit of \$1.4 million, an improvement of \$1.9 million from the \$0.5 million loss in the prior year third quarter. The Company now expects the activewear segment to be profitable both for the fourth fiscal quarter and the full fiscal year 2010.

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) 312-1467. A live webcast of the conference call will be available at 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 23, 2010 through May 21, 2010. To access the telephone replay, participants should dial (719) 457-0820. The access code for the replay is: 6394892.

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 high quality branded and private label activewear apparel and headwear. The Company specializes in selling a variety of casual and athletic products through most distribution channels for these types of goods. Its products are sold to specialty and boutique shops, upscale and traditional department stores, mid-tier retailers, sporting goods stores, screen printers, and private label accounts. In addition, certain products are sold to college bookstores and to the U.S. military. Through its newest acquisition, Art Gun, LLC, the Company provides shoppers a "virtual art studio" to create customized graphics on apparel products. Many of the Company's products are available direct to consumers on its websites at www.soffe.com, www.junkfoodclothing.com, and www.deltaapparel.com. The headwear products can be viewed at www.2thegame.com. The Company's operations are located throughout the United States, Honduras, El Salvador, and Mexico, and it employs approximately 6,800 people worldwide. Additional information about the Company is available at 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. 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; 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; 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; the uncertainty of raw material and energy prices; changes in the economic, political and social stability of our offshore locations; 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. 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.

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

| | Three Months Ended | | Nine Months Ended | |
|---|---------------------------|---------------------|--------------------------|---------------------|
| | Mar 27, 2010 | Mar 28, 2009 | Mar 27, 2010 | Mar 28, 2009 |
| Net Sales | \$ 107,942 | \$ 85,685 | \$ 298,224 | \$ 250,458 |
| Cost of Goods Sold | 82,739 | 68,915 | 227,600 | 198,327 |
| Gross Profit | 25,203 | 16,770 | 70,624 | 52,131 |
| Selling, General and Administrative | 20,345 | 14,450 | 59,164 | 45,850 |
| Other Income (Expense), Net | 56 | (34) | 189 | (49) |
| Operating Income | 4,914 | 2,286 | 11,649 | 6,232 |
| Interest Expense, Net | 948 | 1,028 | 2,805 | 3,669 |
| Income Before Provision for Income Taxes | 3,966 | 1,258 | 8,844 | 2,563 |
| Provision for Income Taxes | 1,008 | 95 | 2,324 | 131 |
| Net Income | \$ 2,958 | \$ 1,163 | \$ 6,520 | \$ 2,432 |
| Weighted Average Shares Outstanding | | | | |
| Basic | 8,516 | 8,503 | 8,513 | 8,501 |
| Diluted | 8,731 | 8,505 | 8,578 | 8,502 |
| Net Income per Common Share | | | | |
| Basic | \$ 0.35 | \$ 0.14 | \$ 0.77 | \$ 0.29 |
| Diluted | \$ 0.34 | \$ 0.14 | \$ 0.76 | \$ 0.29 |

| | Mar 27, 2010 | June 27, 2009 | Mar 28, 2009 |
|---|---------------------|----------------------|---------------------|
| Current Assets | | | |
| Cash | \$ 555 | \$ 654 | \$ 1,162 |
| Receivables, Net | 62,258 | 57,884 | 49,702 |
| Income Tax Receivable | - | 1,755 | 2,440 |
| Inventories, Net | 125,871 | 125,887 | 136,469 |
| Deferred Income Taxes | 3,492 | 3,475 | 3,402 |
| Other Assets | 3,474 | 3,387 | 3,014 |
| Total Current Assets | 195,650 | 193,042 | 196,189 |
| Noncurrent Assets | | | |
| Property, Plant & Equipment, Net | 36,142 | 36,480 | 37,650 |
| Goodwill and Other Intangibles, Net | 25,618 | 23,928 | 24,049 |
| Other Noncurrent Assets | 3,312 | 3,543 | 3,330 |
| Total Noncurrent Assets | 65,072 | 63,951 | 65,029 |
| Total Assets | \$ 260,722 | \$ 256,993 | \$ 261,218 |
| Current Liabilities | | | |
| Accounts Payable and Accrued Expenses | \$ 56,000 | \$ 51,955 | \$ 52,039 |
| Income Tax Payable | 211 | - | - |
| Current Portion of Long Term Debt | 5,718 | 5,718 | 5,718 |
| Total Current Liabilities | 61,929 | 57,673 | 57,757 |
| Noncurrent Liabilities | | | |
| Long-Term Debt | 77,045 | 85,936 | 93,650 |
| Deferred Income Taxes | 1,566 | 1,223 | 985 |
| Other Noncurrent Liabilities | 336 | 16 | 1,070 |
| Total Noncurrent Liabilities | 78,947 | 87,175 | 95,705 |
| Stockholders' Equity | 119,846 | 112,145 | 107,756 |
| Total Liabilities and Stockholders' Equity | \$ 260,722 | \$ 256,993 | \$ 261,218 |

CONTACT:
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Chief Financial Officer
or
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Integrated Corporate Relations