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Delta Apparel Updates Outlook for Fiscal Year 2001

DULUTH, Ga.--(BUSINESS WIRE)--June 21, 2001--Delta Apparel, Inc. (AMEX: DLA) said today that its earnings would fall short of its expectations for the fourth fiscal quarter due to pricing pressures amid weaker than anticipated demand in the activewear market.

Delta Apparel expects fourth quarter earnings of \$1.00 to \$1.18 per share. This would result in basic earnings per share of \$3.94 to \$4.12 for fiscal year 2001, down from earlier expectations.

The lower than expected earnings are primarily the result of pricing declines in the activewear market, along with an increase in operating cost due to manufacturing curtailments to lower inventory levels, and a charge related to the closing of the Washington, Georgia sewing facility announced last week.

Robert W. Humphreys, President and CEO, said, "While we are disappointed in the lower than expected results for the fourth quarter of this fiscal year, our unit volume has remained strong despite the weak economy. We believe our Company can continue to grow profitably during the upcoming year. While our first fiscal 2002 quarter will also experience depressed margins, we expect that the balance of the year should benefit from lower cotton prices and the cost savings related to the closing of the Washington, Georgia sewing facility, as well as improved operating cost in our new facility in Mexico. We are excited about our Sales and Distribution Center in Southern California that opened the first week in June. This new center allows us to provide immediate delivery to our West Coast customers."

On June 11, 2001 the Company announced the closing of its Washington, Georgia sewing facility. The closing of its last domestic sewing plant completes the Company's movement of sewing offshore and is expected to save the Company over \$1 million of operating expenses annually.

Mr. Humphreys commented, "We continue to believe our common stock is undervalued, and as a result we have repurchased 14,900 shares of our stock this quarter, at an average price of \$16.66 per share. Since the inception of our share repurchase program, we have acquired a total of 30,900 shares at an average price of \$17.64."

Delta Apparel, Inc. is a vertically integrated supplier of knit apparel, particularly T-shirts. The Company sells its products as blanks, which are then screen printed or embroidered with designs and logos for sales to consumers. Delta Apparel was spun-off on June 30, 2000 as an independent business when Delta Woodside Industries, Inc. separated into three businesses. Delta Apparel has operations in five states, two company-operated sewing facilities in Honduras and one company-operated sewing facility in Mexico. The Company employs about 2,400 worldwide.

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 Delta Apparel's expectations and are necessarily dependent upon assumptions, estimates and data that the Company believes 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. These 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 and the discovery of unknown conditions (such as with respect to environmental matters and similar items). Accordingly, any forward-looking statements do not purport to be predictions of future events or circumstances and may not be realized. The Company does not undertake to publicly update or revise the forward-looking statements even if it becomes clear that any projected results will not be realized.

Source: Delta Apparel, Inc.

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CONTACT: Delta Apparel, Inc., Duluth
Herb Mueller, 678-775-6948