

April 19, 2001



Delta Apparel Reports Record Third Quarter Results

DULUTH, Ga.--(BUSINESS WIRE)--April 19, 2001--For the third fiscal quarter ended March 31, 2001, Delta Apparel, Inc. (AMEX: DLA) recorded sales of \$28.0 million, up \$0.7 million or 2.5% from the third fiscal quarter of last year.

Operating earnings were \$3.0 million, up \$0.1 million, or 4.2% from the third fiscal quarter of last year. EBITDA for the quarter was \$4.5 million, which is consistent with the third fiscal quarter of last year.

Interest expense was \$0.4 million for the quarter, compared to \$2.1 million in the prior year quarter. This reduction was a result of the contribution to equity of intercompany debt in connection with the spin-off from Delta Woodside Industries, Inc. on June 30, 2000.

The effective income tax rate on pretax income for the three months ended March 31, 2001 was 18.0%, compared to 1.3% for the fiscal year ended July 1, 2000. Based on results to date and projections for the remainder of fiscal year 2001, the Company expects to use its remaining net operating loss carryforwards and be subject to income taxes on a portion of its income. Based on these projections, management estimates that the valuation allowances on the tax benefit resulting from net operating loss carryforwards will be reduced or eliminated, resulting in an annualized forecasted effective income tax rate of approximately 18.0%.

Net earnings for the quarter were \$2.2 million, up \$1.4 million from the third fiscal quarter of last year. Net earnings were 7.8% of sales, compared with 2.7% of sales in the prior year quarter.

Basic and diluted earnings per share in the quarter ended March 31, 2001 were \$0.91 and \$0.88 per share, respectively.

Sales for the first nine months of fiscal year 2001 were \$85.0 million, up \$7.5 million, or 9.7% from the first nine months of last year. For the nine months ended March 31, 2001, operating earnings were \$9.6 million, up \$3.7 million, or 61.4%, from the nine months ended April 1, 2000. EBITDA for the first nine months of fiscal year 2001 was \$14.4 million, up \$3.5 million or 32.2% from the first nine months of last year.

Interest expense for the nine months ended March 31, 2001 was \$0.9 million, a decrease of \$5.5 million from the first nine months of the prior year. This reduction was a result of the contribution to equity of intercompany debt in connection with the spin-off from Delta Woodside Industries, Inc. on June 30, 2000.

Net earnings for the nine months ended March 31, 2001 were \$7.1 million, versus a \$0.5 million loss in the first nine months of fiscal year 2000. Basic and diluted earnings per share for the nine months ended March 31, 2001 were \$2.94 and \$2.86 per share, respectively.

The Company purchased 12,700 shares of its stock through its Stock Repurchase Program in the third quarter of fiscal year 2001. During the nine months ended March 31, 2001, the Company purchased a total of 16,000 shares of its stock.

"We are very pleased with our continued growth in sales and operating earnings for the third quarter of the fiscal year, especially considering the challenging retail conditions in recent months," commented President and CEO Robert W. Humphreys. "Our unit volume increased from the prior year quarter by just under 10%. However, various price promotions in the activewear market drove our prices slightly lower as compared to the previous year. It is uncertain to what extent, if any, these price promotions will affect our fourth quarter results."

"We are excited about our new Sales and Distribution Center that will open in Southern California in the next several weeks, allowing us immediate delivery to our West Coast customers. We will be able to support the expected growth in this region with our current inventory levels. Our sewing expansion into Mexico is also progressing well. We are training over 200 operators and they are producing first quality shirts. We plan to move from our training center into our new sewing facility in the next several weeks."

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 four 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.

SELECTED FINANCIAL DATA:

(In thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	March 31, 2001	April 1, 2000	March 31, 2001	April 1, 2000
Net Sales	\$ 27,975	27,292	\$ 84,994	77,513
Cost of Goods Sold	22,185	22,336	67,247	65,847
Gross Margin	5,790	4,956	17,747	11,666
SG&A	2,745	2,021	8,167	5,700
Other Income/(Expense)	3	(9)	17	(21)
Operating Income	3,048	2,926	9,597	5,945
Interest Expense	386	2,145	942	6,431
Taxes	479	46	1,558	(13)
Net Income (Loss)	\$ 2,183	\$ 735	\$ 7,097	\$ (473)

Weighted Average Shares Outstanding (2000 Proforma)

Basic	2,411,743	2,351,400	2,410,453	2,372,700
Diluted	2,479,729	2,351,400	2,478,439	2,372,700

Net Income (Loss) per Common Share (2000 Proforma)

Basic	\$ 0.91	\$ 0.31	\$ 2.94	\$ (0.20)
Diluted	\$ 0.88	\$ 0.31	\$ 2.86	\$ (0.20)

	March 31, 2001	April 1, 2000
Current Assets		
Cash	\$ 25	\$ 116
Receivables	19,373	17,482
Income Tax Receivable	70	-
Inventories	48,277	31,217
Other Assets	2,691	1,032
Total Current Assets	70,436	49,847
Noncurrent Assets		
Property, Plant & Equipment	24,036	27,778
Other Noncurrent Assets	165	150
Total Noncurrent Assets	24,201	27,928
Total Assets	\$ 94,637	\$ 77,775
Current Liabilities		
Current Portion of Long Term Debt	\$ 2,000	\$ -
Other Current Liabilities	14,132	113,866

Total Current Liabilities	16,132	113,866
Noncurrent Liabilities		
Long Term Debt	16,945	30,417
Other Noncurrent Liabilities	848	522
Total Noncurrent Liabilities	17,793	30,939
Stockholders' Equity/(Divisional Deficit)	60,712	(67,030)
Total Liabilities and Stockholders' Equity/ (Divisional Deficit)	\$ 94,637	\$ 77,775

FY01 PROJECTED SALES AND EARNINGS
(In thousands, except per share amounts)

YTD Actual

	FY 00 Act	FY 01 Act	Inc/(Dec)	Inc/(Dec)
Net Sales \$	77,513	84,994	7,481	9.7%
EBIT	5,945	9,597	3,652	61.4%
E.P.S. (Basic)	(0.20)	2.94	3.14	--
EBITDA	10,867	14,362	3,495	32.2%

Annual Projections
Low Range

	FY 00 Act	FY 01 Fcst	Inc/(Dec)	% Chg
Net Sales \$	114,466	118,500	4,034	3.5%
EBIT	12,206	15,000	2,794	22.9%
E.P.S. (Basic)	2.00	4.88	2.88	144.0%
EBITDA	18,805	21,524	2,719	14.5%

Annual Projections
High Range

	FY 00 Act	FY 01 Fcst	Inc/(Dec)	% Chg
Net Sales \$	114,466	132,900	18,434	16.1%
EBIT	12,206	18,600	6,394	52.4%
E.P.S. (Basic)	2.00	5.79	3.79	189.5%
EBITDA	18,805	25,124	6,319	33.6%

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