

August 16, 2001



Delta Apparel Reports Record Earnings on Increased Sales for Fiscal Year 2001

DULUTH, Ga.--(BUSINESS WIRE)--Aug. 16, 2001--Delta Apparel, Inc. (AMEX:DLA) today announced that its net sales for the twelve months ended June 30, 2001 were \$120.4 million, a 5.2% increase from the prior year.

Fully diluted earnings per share for fiscal year 2001 were \$4.03, up \$2.03 per share from \$2.00 earnings per share in fiscal year 2000.

For the fourth fiscal quarter ended June 30, 2001, the Company recorded sales of \$35.4 million, down \$1.5 million or 4.2% from the fourth fiscal quarter of last year. Decreased sales were the result of lower unit prices, partially offset by increased unit volume. Operating earnings were \$2.7 million, down \$3.6 million from the prior year fourth fiscal quarter. Lower operating earnings were the result of manufacturing shutdowns required to maintain inventory levels. EBITDA for the quarter was \$4.3 million, down \$3.7 million from the fourth fiscal quarter of last year.

Interest expense was \$0.4 million for the quarter, compared to \$1.0 million in the prior year quarter. This reduction was primarily 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 June 30, 2001 was (24.7%), compared to 1.3% for the fiscal year ended July 1, 2000. Because of lower than expected fourth quarter results, the Company's annualized effective income tax rate for the year ended June 30, 2001 is 9.0%, down from the 18.0% expected through the first three quarters of the year. This resulted in the income tax benefit in the fourth fiscal quarter.

Net earnings for the quarter were \$2.9 million, down \$2.3 million from the fourth fiscal quarter of last year. Net earnings were 8.1% of sales, compared with 14.1% of sales in the prior year quarter.

Basic and diluted earnings per share in the quarter ended June 30, 2001 were \$1.20 and \$1.16 per share, respectively, down from the \$2.22 earnings per share for the same quarter in fiscal year 2000.

Sales for the year ended June 30, 2001 were \$120.4 million, up \$5.9 million, or 5.2% from the prior year. Operating earnings for fiscal year 2001 were \$12.3 million, up \$0.1 million, or 0.8%, from fiscal year 2000. EBITDA for the year ended June 30, 2001 was \$18.6 million, down \$0.2 million from the year ended July 1, 2000.

Interest expense for the twelve months ended June 30, 2001 was \$1.3 million, a decrease of \$6.1 million from the prior year. This reduction was primarily 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 year ended June 30, 2001 were \$10.0 million, up \$5.2 million, or 111.0%, from the previous year. Basic and diluted earnings per share for the twelve months ended June 30, 2001 were \$4.15 and \$4.03 per share, respectively, up from \$2.00 per share for the twelve months ended July 1, 2000.

During the three months and the twelve months ended June 30, 2001, the Company purchased 18,700 and 34,700 shares, respectively, of its stock through its Stock Repurchase Program. The stock was purchased at an average cost of \$17.49 per share.

Robert W. Humphreys, President and CEO, commented on the year's performance, "We are excited by the results for the 2001 fiscal year, especially considering the challenging retail conditions in recent months. Our unit volume increased from the prior year by just over 10%. Price promotions in the activewear market, however, drove our prices slightly lower than in the previous year."

"Although we are disappointed in the lower than expected results for the fourth quarter, we believe our Company can continue to grow profitably during the upcoming year. While the first half of fiscal 2002 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."

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 2,500 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		Twelve Months Ended	
	June 30, 2001	July 1, 2000	June 30, 2001	July 1, 2000
Net Sales	\$ 35,406	36,953	\$ 120,400	114,466
Cost of Goods Sold	29,854	28,297	97,101	94,144
Gross Margin	5,552	8,656	23,299	20,322
SG&A	2,857	2,399	11,024	8,099
Other Income/(Expense)	11	4	28	(17)
Operating Income	2,706	6,261	12,303	12,206
Interest Expense	397	986	1,339	7,417
Taxes	(571)	73	987	60
Net Income	\$ 2,880	\$ 5,202	\$ 9,977	\$ 4,729

Weighted Average Shares Outstanding

Basic	2,392,393	2,342,200	2,403,069	2,365,100
Diluted	2,480,251	2,342,200	2,473,971	2,365,100

Net Income per Common Share

Basic	\$ 1.20	\$ 2.22	\$ 4.15	\$ 2.00
Diluted	\$ 1.16	\$ 2.22	\$ 4.03	\$ 2.00

	June 30, 2001	July 1, 2000
Current Assets		
Cash	\$ 165	\$ 415
Receivables, Net	22,042	22,115
Income Tax Receivable	1,086	-
Inventories	41,619	28,207
Deferred Income Taxes	925	-
Other Assets	1,597	1,186
Total Current Assets	67,434	51,923
Noncurrent Assets		
Property, Plant & Equipment, Net	23,750	26,871
Other Noncurrent Assets	139	313
Total Noncurrent Assets	23,889	27,184
Total Assets	\$ 91,323	\$ 79,107

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Current Liabilities		
Current Portion of Long Term Debt	\$ 8,435	\$ 2,000
Other Current Liabilities	12,627	15,116
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Total Current Liabilities	21,062	17,116
Noncurrent Liabilities		
Long-Term Debt	5,667	7,667
Deferred Income Taxes	375	-
Other Noncurrent Liabilities	736	522
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Total Noncurrent Liabilities	6,778	8,189
Stockholders' Equity	63,483	53,802
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Total Liabilities and Stockholders' Equity	\$ 91,323	\$ 79,107
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CONTACT: Delta Apparel, Inc.
Herb Mueller, 678/775-
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