

September 13, 2016



## **Delta Apparel Completes Sale of Maiden, North Carolina Textile Facility**

GREENVILLE, S.C., Sept. 13, 2016 (GLOBE NEWSWIRE) -- Delta Apparel, Inc. (NYSE MKT:DLA) today reported that it has completed the sale of its Maiden, North Carolina textile facility and certain assets used in those operations. The closure of this facility in July 2016 was part of the Company's previously announced manufacturing realignment aimed at maximizing production at its lower cost facilities, eliminating duplicative fixed costs, and leveraging the latest dyeing and finishing technology available. The realignment is expected to significantly lower production costs, improve gross margins and ultimately boost operating earnings by an estimated \$8 million annually, or approximately \$0.70 per diluted share.

More than half of the expense associated with the manufacturing realignment was recorded in the Company's fiscal 2016 third quarter earnings, and the remainder, approximately \$0.12 per diluted share, will be recorded in the Company's fiscal 2016 fourth fiscal quarter. Cash flow realized from the sale of the Maiden assets was approximately \$1.7 million, which will be used to lower debt levels.

Robert W. Humphreys, Delta Apparel's Chairman and Chief Executive Officer, commented, "While it was a difficult decision to close the Maiden facility, we are pleased that the new owner plans to continue using it as a wet-processing facility that will provide continued employment opportunities in the Maiden community. We have successfully partnered with established domestic textile producers to source fabric for our made-in-the-USA products previously produced at this plant, and will continue to sew the fabric into garments at our Rowland, North Carolina apparel facility."

"In addition, we are efficiently sourcing in-country fabric to use in our Mexico sew and screen print facilities, which now serve as a quick-turn operation to support continued growth in our full-package catalog programs. We began increasing fabric production in our Honduran textile facility in June, and have successfully increased output in that facility on schedule, and should be at full production levels by the end of calendar 2016."

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

Delta Apparel, Inc., along with its operating subsidiaries, M. J. Soffe, LLC, Junkfood Clothing Company, Salt Life, LLC and Art Gun, LLC, is an international design, marketing, manufacturing, and sourcing company that features a diverse portfolio of lifestyle basic and branded activewear apparel, headwear and related accessories. The Company specializes in selling casual and athletic products across distribution tiers, including specialty stores, boutiques, department stores, mid-tier and mass chains, and the U.S. military. The Company's products are made available direct-to-consumer on its websites at [www.soffe.com](http://www.soffe.com), [www.junkfoodclothing.com](http://www.junkfoodclothing.com), [www.saltlife.com](http://www.saltlife.com) and [www.deltaapparel.com](http://www.deltaapparel.com).

The Company's operations are located throughout the United States, Honduras, El Salvador, and Mexico, and it employs approximately 7,900 people worldwide. Additional information about the Company is available at [www.deltaapparelinc.com](http://www.deltaapparelinc.com).

### **Cautionary Note Regarding Forward Looking Statements**

*Statements and other information in this press release that are not reported financial results or other historical information are forward-looking statements subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. 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 volatility and uncertainty of cotton and other raw material prices; the general U.S. and international economic conditions; deterioration in the financial condition of our customers and suppliers and changes in the operations and strategies of our customers and suppliers; the competitive conditions in the apparel and textile industries; the inability to successfully implement certain strategic initiatives; our ability to predict or react to changing consumer preferences or trends; pricing pressures and the implementation of cost reduction strategies; changes in the economic, political and social stability of our offshore locations; our ability to retain key management; the effect of unseasonable weather conditions on purchases of our products; significant changes in our effective tax rate; restrictions on our ability to borrow capital or service our indebtedness; interest rate fluctuations increasing our obligations under our variable rate indebtedness; the ability to raise additional capital; the ability to grow, achieve synergies and realize the expected profitability of acquisitions; the volatility and uncertainty of energy and fuel prices; material disruptions in our information systems related to our business operations; data security or privacy breaches; significant interruptions within our distribution network; changes in or our ability to comply with safety, health and environmental regulations; significant litigation in either domestic or international jurisdictions; the ability to protect our trademarks and other intellectual property; the ability to obtain and renew our significant license agreements; the impairment of acquired intangible assets; changes in ecommerce laws and regulations; changes to international trade regulations; changes in employment laws or regulations or our relationship with our employees; cost increases and reduction in future profitability due to recent healthcare legislation; foreign currency exchange rate fluctuations; violations of manufacturing or employee safety standards, labor laws, or unethical business practices by our suppliers and independent contractors; the illiquidity of our shares; price volatility in our shares and the general volatility of the stock market; and the costs required to comply with the regulatory landscape regarding public company governance and disclosure; 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. Further, any forward-looking statements are made only as of the date of this press release and 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.*

Company Contact:  
Deborah Merrill  
Chief Financial Officer

(864) 232-5200 x6620

Investor Relations Contact:

Sally Wallick, CFA

(404) 806-1398

[investor.relations@deltaapparel.com](mailto:investor.relations@deltaapparel.com)



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