

DELTA APPAREL INC
Form DEF 14A
October 01, 2004

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**SCHEDULE 14A
(Rule 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

DELTA APPAREL, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**DELTA APPAREL, INC.
2750 Premiere Parkway, Suite 100
Duluth, Georgia 30097
Telephone (678) 775-6900**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD
NOVEMBER 11, 2004**

TO THE SHAREHOLDERS OF DELTA APPAREL, INC.:

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders of Delta Apparel, Inc., a Georgia corporation will be held on Thursday, November 11, 2004, at 10:00 a.m. local time at our corporate offices located at 2750 Premiere Parkway, Suite 100, Duluth, Georgia 30097, for the following purposes, as more fully described in the proxy statement accompanying this notice:

1. To elect eight directors to serve until the next annual meeting of shareholders or until their successors have been duly elected and qualified;
2. To vote on a proposal to approve the Delta Apparel, Inc. 2004 Non-Employee Director Stock Plan pursuant to which up to 25,000 shares of Delta Apparel's common stock, par value \$0.01 per share, may be issued as director compensation through December 31, 2009;
3. To ratify the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending July 2, 2005; and
4. To transact such other business as may properly come before the annual meeting or any adjournment or adjournments thereof.

Only stockholders of record at the close of business on September 17, 2004, are entitled to notice of, and to vote at, the annual meeting and any adjournment or postponement thereof.

All shareholders are cordially invited to attend the annual meeting in person. Whether or not you plan to attend, please sign and return the enclosed proxy as promptly as possible in the envelope enclosed for your convenience. In the event you are able to attend the meeting, you may revoke your proxy and vote your shares in person.

By Order of the Board of Directors,

Martha M. Watson
Secretary

October 1, 2004
Duluth, Georgia

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DELTA APPAREL, INC.
2750 Premiere Parkway, Suite 100
Duluth, Georgia 30097
Telephone (678) 775-6900

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

November 11, 2004

General

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Delta Apparel, Inc., a Georgia corporation, of proxies for the annual meeting of shareholders to be held on November 11, 2004, at 10:00 a.m. local time. The annual meeting will be held at our corporate offices located at 2750 Premiere Parkway, Suite 100, Duluth, Georgia 30097. These proxy solicitation materials shall be first mailed on or about Friday, October 1, 2004, to all shareholders entitled to notice of, and to vote at, the annual meeting. We will refer to Delta Apparel, Inc. in this proxy statement as either "Delta Apparel" or the "company".

All materials filed by us with the Securities and Exchange Commission can be obtained through the SEC's web site at www.sec.gov or through our web site at www.deltaapparel.com.

Purpose of the Annual Meeting

At our annual meeting, holders of our common stock will be asked:

1. To elect eight directors to serve until the next annual meeting of shareholders or until their successors have been duly elected and qualified;

2. To vote on a proposal to approve the Delta Apparel, Inc. 2004 Non-Employee Director Stock Plan pursuant to which up to 25,000 shares of Delta Apparel's common stock, par value \$0.01 per share, may be issued as director compensation through December 31, 2009. (We will refer to the plan in this proxy statement as the Non-Employee Director Stock Plan);
3. To ratify the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending July 2, 2005; and
4. To transact such other business as may properly come before the annual meeting or any adjournment or adjournments thereof.

Record Date and Share Ownership

The close of business on Friday, September 17, 2004, has been fixed as the record date for determining the holders of shares of our common stock entitled to notice of, and to vote at, the annual meeting and any adjournment or postponement thereof. As of that date, there were 4,145,181 shares of our common stock, \$0.01 par value, outstanding and entitled to vote at the annual meeting. Each share is entitled to one vote.

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Voting

Only shareholders of record on the record date will be entitled to vote at the annual meeting. If any shareholder is unable to attend the annual meeting, the shareholder may vote by proxy. When the proxy is returned properly completed, it will be voted as directed by the shareholder on the proxy. Shareholders are urged to specify their choices on the enclosed proxy. If a proxy is signed and returned without choices specified, in the absence of contrary instructions, the shares of our common stock represented by the proxy will be voted FOR the (1) election to the Board of Directors of the nominees described herein, (2) approval of the Non-Employee Director Stock Plan, (3) ratification of the appointment of Ernst & Young LLP as independent auditors for the company for fiscal year 2005, and in the discretion of the proxy holders as to all other matters that may properly come before the annual meeting or any adjournment or adjournments thereof.

Revocability of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. If the shares are held in the shareholder's name, the proxy may be revoked by (i) sending written notice of revocation to our Secretary, Martha M. Watson, (ii) executing and delivering to our Secretary a proxy bearing a later date, or (iii) attending the annual meeting and giving notice of revocation to our Secretary or giving notice of revocation in open meeting prior to the proxy being voted. Attendance at the annual meeting will not in and of itself constitute a revocation of a proxy. Any written notice revoking a proxy should be sent to: Delta Apparel, Inc., 2750 Premiere Parkway, Suite 100, Duluth, Georgia 30097, Attention: Martha M. Watson, Secretary. If you are a beneficial owner of shares held in street name by your broker, you should follow the directions provided by your broker regarding how to revoke the proxy.

Quorum and Voting Requirement

The presence, either in person or by proxy, of the holders of two-thirds of the outstanding shares of common stock at September 17, 2004 is necessary to constitute a quorum at the annual meeting. Directors will be elected by a plurality of the votes cast at the annual meeting. Shareholders do not have the right to cumulate their votes with respect to the election of directors. Approval of the Non-Employee Director Stock Plan and ratification of the appointment of Ernst & Young LLP as independent auditors will require the affirmative vote of holders of a majority of the shares voting on the issue at the annual meeting. Abstentions and broker non-votes, which are separately tabulated, are included in the determination of the number of shares present for quorum purposes, but have no effect on the election of directors, the vote to approve the Non-Employee Director Stock Plan or the ratification of the appointment of Ernst & Young as independent auditors. Shareholders do not have any dissenters' rights or appraisal rights with respect to any matter described in this proxy statement.

Other

A copy of our 2004 Annual Report to Shareholders is being furnished with this Proxy Statement to each shareholder of record as of the Record Date.

ELECTION OF DIRECTORS

(Item 1)

Our by-laws provide that the number of directors to be elected at any meeting of shareholders may be determined by the board of directors. Our board of directors has determined that eight directors shall be elected at the annual

meeting. The shareholders' common stock may not be voted cumulatively in the election of directors.

The eight persons listed below are nominees for election as directors at the annual meeting to serve until our next annual meeting of shareholders or until their successors are duly elected and qualified. Unless authority to

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vote at the election of directors is withheld, it is the intention of the persons named in the enclosed form of proxy to nominate and vote for the persons named below, all of who are currently directors. Each such person is a citizen of the United States. There are no family relationships among the directors and our executive officers.

We believe that all of the nominees will be available and able to serve as directors. In the event any nominee is not available or able to serve, the shares represented by the proxies will be voted for such substitute as shall be designated by the board of directors.

Name, Age & Business Address	Principal Occupation	Committee Assignments 2004 and 2005	Director Since
David S. Fraser (66)* 3010 Rivermeade Lane, NW Atlanta, GA 30327	Business Consultant Atlanta, Georgia (1)	Audit	2002
William F. Garrett (63)* 1071 Avenue of the Americas New York, NY 10018	President & Chief Executive Officer Delta Woodside Industries, Inc. Greenville, South Carolina (2)	Compensation Compensation Grants	1999 (9)
Robert W. Humphreys (47) 300 N. Main Street, Suite 201 Greenville, SC 29601	President & Chief Executive Officer Delta Apparel Duluth, Georgia (3)		1999
Dr. Max Lennon (64)* Post Office Box 1775 Mars Hill, NC 28754	President of Education & Research Services (ERS) Mars Hill, North Carolina (4)	Audit Compensation Corporate Governance	1999 (9)
E. Erwin Maddrey, II (63)* 233 N. Main Street, Suite 200 Greenville, SC 29601	President of Maddrey & Associates Greenville, South Carolina (5)	Compensation Corporate Governance	1999 (9)
Philip J. Mazzilli, Jr. (63)* 321 Edwards Brook Lane Canton, GA 30115	Business Consultant Atlanta, Georgia (6)	Audit (2005 only)	2004
Buck A. Mickel (48)* Post Office Box 6721 Greenville, SC 29606	President & Chief Executive Officer RSI Holdings, Inc. Greenville, South Carolina (7)	Compensation Corporate Governance	1999 (9)
David Peterson (52)* 1002 Lullwater Road Atlanta, GA 30307	Chairman & Chief Executive Officer The North Highland Company Atlanta, Georgia (8)	Compensation Compensation Grants	2003

* Independent within the meaning of AMEX Rule 121A as determined by our board of directors.

(1) David S. Fraser served as Chief Financial Officer and Treasurer of Graphic Industries, Inc. from 1994 until 1997. Graphic Industries, Inc. was a publicly held commercial printing company. From 1997 until 1998, Mr. Fraser was a private investor and a business consultant. In 1998, Mr. Fraser became Vice President and Chief Financial

Officer of Crown Crafts, Inc., a publicly held manufacturer of home textile products. He served in this capacity until 2000. Since 2000, Mr. Fraser has been a private investor and a business consultant. Mr. Fraser is also a director of Jameson Inns, Inc. and is a member of their audit committee.

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(2) William F. Garrett served as a divisional Vice President of J. P. Stevens & Company, Inc. from 1982 to 1984, and as a divisional President of J. P. Stevens & Company, Inc. from 1984 until 1986. From 1986 until June 2000 he served as the President of Delta Mills Marketing Company, a division of a subsidiary of Delta Woodside Industries, Inc. or its predecessors (collectively, Delta Woodside). Mr. Garrett became President and Chief Executive Officer of Delta Woodside in June 2000. Delta Woodside is in the business of manufacturing and selling textile fabric. Mr. Garrett is also a director of Delta Woodside.

(3) Robert W. Humphreys was elected President and Chief Executive Officer of Delta Apparel in December 1999. He was elected President of the Delta Apparel Company division of Delta Woodside in April 1999. He served as Vice President-Finance and Assistant Secretary of Delta Woodside from May 1998 to November 1999. From January 1987 to May 1998, Mr. Humphreys was President of Stevcoknit Fabrics Company, the former knit fabrics division of a subsidiary of Delta Woodside.

(4) Dr. Max Lennon was President of Clemson University from March 1986 until August 1994. He was President and Chief Executive Officer of Eastern Foods, Inc., which was engaged in the business of manufacturing and distributing food products, from August 1994 until March 1996. He served as President of Mars Hill College from 1996 until 2002. Currently, Mr. Lennon is President of Education and Research Services (ERS), a nonprofit economic development organization. He also serves as a director of Delta Woodside and Duke Energy Corporation. During fiscal year 2003, Dr. Lennon attended the Harvard Faculty Program for continuing education on board governance.

(5) E. Erwin Maddrey, II was President and Chief Executive Officer of Delta Woodside from its founding in 1984 until June 2000. He is currently the President of Maddrey & Associates, which oversees its investments and provides consulting services. Mr. Maddrey is the chairman of the board of directors. He also serves as a director of Delta Woodside and Kemet Corporation.

(6) Philip J. Mazzilli, Jr. was Executive Vice President and Chief Financial Officer of Nova Corporation, a payment services company from 1999 until 2000. From February 2000 until December 2003, Mr. Mazzilli was the Chief Financial Officer of Equifax. Equifax is a publicly traded company in the business of providing information for global commerce. Since 2003, Mr. Mazzilli has been a financial and business consultant.

(7) Buck A. Mickel was a Vice President of Delta Woodside from its founding in 1984 until November 1989. He served as Vice President and a director of RSI Holdings, Inc. from before 1990 until January 1995 and as Vice President of RSI Holdings, Inc. from September 1996 until July 1998 and has served as President, Chief Executive Officer and a director of RSI Holdings, Inc. from July 1998 to the present. RSI Holdings, Inc. is in the business of locating and providing labor to industrial companies in the United States. Mr. Mickel also serves as a director of Delta Woodside.

(8) David Peterson is currently the Chairman and Chief Executive Officer of The North Highland Company, a management and technology consulting services firm based in Atlanta, Georgia. Mr. Peterson has served in this role since the start of the North Highland Company in 1992. Previously, he held management positions with Georgia-Pacific Corporation and Arthur Andersen & Co. Mr. Peterson has over thirty years of business experience, including assisting large multi-national enterprises, small entrepreneurial and medium sized organizations improve their businesses. During fiscal year 2003, Mr. Peterson attended Emory University's continuing education program for board governance. In the past year, Mr. Peterson attended Emory University Goizueta Directors Institute for continuing education on Board Governance.

(9) Served as a director of Delta Woodside or any predecessor company to Delta Woodside for one or more years prior to Delta Apparel's spin-off from Delta Woodside on June 30, 2000.

Mr. C. C. Guy, who has been a director since 1999, is retiring and will not stand for re-election.

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Our directors hold office until the next annual meeting of shareholders or until their successors are duly elected and qualified.

Board and Committee Information

Our board of directors held eight meetings during the fiscal year ended July 3, 2004. Each director attended or participated in at least 75% of the meetings of the board and of any committee on which such director served.

Code of Ethics

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, rules promulgated thereunder by the SEC and Section 807 of the American Stock Exchange (AMEX) Listed Companies Manual, our board of directors adopted a code of business conduct and ethics known as the Ethics Policy Statement that applies to all of our employees, including but not limited to our Chief Executive Officer and our Chief Financial Officer (who is also our principal accounting officer). The Ethics Policy Statement is available on our web site at www.deltaapparel.com. Any amendments or waivers to provisions applicable to our Chief Executive Officer or our Chief Financial Officer will be posted on our web site.

Director Independence

The AMEX requires that a majority of our directors meet the criteria for independence set forth in Sections 121(A) and 802 of the AMEX Listed Company Guide. Generally, an independent director is a director who is not also an officer or employee of the company or any parent or subsidiary of the company. In addition, no director qualifies as independent unless the board of directors affirmatively determines that the director does not have a material relationship with the company that would interfere with the exercise of independent judgment. Our board of directors has reviewed the relationships between each member of the board and the company. Based on its review, our board of directors has affirmatively determined that with the exception of Robert W. Humphreys, President and Chief Executive Officer, none of our current directors have any material relationship with the company and each is independent within the independence standards set forth in Section 121(A) of the AMEX Listed Company Guide at this time.

Board Committees

Our board of directors has an audit committee, a compensation committee, a compensation grants committee and a corporate governance committee. All members of these committees are independent as defined by Section 121(A) of the AMEX Listed Company Guide. Our board designates the members of these committees and has adopted written charters for each of these committees, setting forth the roles and responsibilities of each committee. These charters are available on our web site at www.deltaapparel.com.

Audit Committee

In September 2004, our board of directors adopted a revised audit committee charter in order to address various changes in the role and responsibilities of the audit committee in light of the enactment of the Sarbanes-Oxley Act of 2002, rules promulgated thereunder by the Securities and Exchange Commission and new corporate governance rules adopted by AMEX. A copy of the new audit committee charter is included as Appendix 1 to this proxy statement.

Our audit committee serves as an independent and objective party to oversee the financial and reporting processes of our company, the audits of the financial statements of our company and our company's internal control system. Our audit committee appoints (subject to shareholder ratification), evaluates, and, when appropriate, replaces the registered

public accounting firm or outside auditors engaged to audit our financial statements and perform other audit, review, or attest services for our company, determines the compensation and other terms of engagement of our outside auditors, and oversees their work. The outside auditors report directly

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to our audit committee. Our audit committee also oversees the internal audit function of our company. In addition, our audit committee is responsible for establishing procedures for the receipt, retention, and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by company employees of concerns regarding questionable accounting or auditing matters. Our audit committee held four meetings during the fiscal year ended July 3, 2004.

After considering relationships between each member of the audit committee and our company and our subsidiaries and reviewing the qualifications of the members of the audit committee, our board of directors has determined that all current members of the audit committee are independent as that term is defined in both Section 121(A) of the AMEX's listing standards and Section 10A of the Securities Exchange Act of 1934, as amended, and Rule 10A-3(b)(1) thereunder. Furthermore, our board of directors has determined that Mr. David S. Fraser qualifies as an audit committee financial expert, as defined in Item 401(h) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended.

Compensation Committee and Compensation Grants Committee

Our compensation and compensation grants committees assist our board in fulfilling its oversight responsibilities relating to senior executive and director compensation. Our compensation committee oversees, reviews and administers all of the company's present and future compensation and executive benefit plans and programs except for equity compensation plans, director benefit plans and plans pursuant to which compensation may be granted which is intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (Section 162(m)). The compensation grants committee oversees, reviews and administers equity compensation plans, director benefit plans and plans pursuant to which performance-based compensation may be granted, except that the full board is expected to oversee, review and administer the Non-Employee Director Stock Plan if it is approved by shareholders at the annual meeting.

Our compensation committee reviews and submits to the board of directors suggested executive officers' salaries and bonuses, other than bonuses under our Short-Term Incentive Compensation Plan (the Short-Term Incentive Compensation Plan). Our compensation grants committee grants awards under our Incentive Stock Award Plan (the Incentive Stock Award Plan), options under our 2000 Stock Option Plan (the Stock Option Plan), and bonuses under our Short-Term Incentive Compensation Plan. Our compensation committee held three meetings and our compensation grants committee held two meetings during the fiscal year ended July 3, 2004.

Corporate Governance Committee

Our corporate governance committee identifies, interviews and recommends to the board candidates for election to the board. They also review and report to the board as to various corporate governance matters. Our corporate governance committee held two meetings during the fiscal year ended July 3, 2004.

The corporate governance committee does not currently retain the services of any director search firm to assist in identifying and evaluating director candidates for its consideration, although it may do so from time to time in the future. Accordingly, no fees have been paid to a search firm or other third party in the past fiscal year.

The process for identifying and evaluating nominees for director, including nominees recommended by shareholders, involves compiling names of potentially eligible candidates, evaluating candidates' qualifications, conducting interviews with candidates, and meeting to consider and recommend final candidates to the board of directors. The corporate governance committee will consider director nominees recommended by holders of our common stock, and there is no difference in the manner in which our corporate governance committee evaluates nominees for directors who are recommended by a shareholder and nominees who are selected by our company.

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The corporate governance committee is authorized to retain (and terminate) search firms to assist it in identifying candidates to serve as directors of the company and has sole authority to approve the fees payable to such search firm and other terms of their retention. Our newest board member, Philip J. Mazzilli, Jr. was recommended to our company by our President and Chief Executive Officer, Robert W. Humphreys.

Our director nominations policy is posted on our web site at *www.deltapparel.com*. At a minimum, a nominee for our board must (i) be over 21 years of age at the time of election; (ii) have experience in a position with a high degree of responsibility in a business or other organization; (iii) be able to read and understand basic financial statements; (iv) possess integrity and have high moral character; (v) be willing to apply sound, independent business judgment; and (vi) have sufficient time to devote to the company. It is our policy for our corporate governance committee to consider the following criteria when evaluating candidates to be nominated for director:

- (a) whether the potential nominee has leadership, strategic, or policy setting experience in a complex organization, including any governmental, educational, or other non-profit organization;
- (b) whether the potential nominee has experience and expertise that is relevant to the company's business, including any specialized business experience, technical expertise, or other specialized skills, and whether the potential nominee has knowledge regarding issues affecting the company;
- (c) whether the potential nominee is highly accomplished in his or her respective field;
- (d) in light of the relationship of the company's business to the textile industry, whether the potential nominee has received any awards or honors from any industry groups or associations or other relevant professional associations or actively participates in any such groups or associations;
- (e) whether the addition of the potential nominee to our board would assist the board in achieving a mix of board members that represents a diversity of background and experience;
- (f) whether the potential nominee has high ethical character and a reputation for honesty, integrity, and sound business judgment;
- (g) whether the potential nominee is independent, as defined by AMEX listing standards, whether he or she is free of any conflict of interest or the appearance of any conflict of interest with the best interests of the company and its shareholders, and whether he or she is willing and able to represent the interests of all shareholders of the company;
- (h) whether the potential nominee is financially sophisticated, as defined by AMEX listing standards, or qualifies as an audit committee financial expert, as defined by SEC rules and regulations; and
- (i) any factor affecting the ability or willingness of the potential nominee to devote sufficient time to Board activities and to enhance his or her understanding of the company's business.

In determining whether to re-nominate an incumbent director, it is our policy that our corporate governance committee review and consider the incumbent director's service to the company during his or her term, including the number of meetings attended, level of participation, and overall contribution to the company, in deciding whether to nominate such incumbent director for re-election.

If a shareholder desires to recommend one or more director nominees to the corporate governance committee for nomination by the company, the shareholder must provide the company with the following information in writing:

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- (i) the name, telephone number, and address of the nominating shareholder and the name(s), telephone number(s), and address(es) of his or her nominee(s);
- (ii) biographical information regarding each nominee, including each nominee's employment and other relevant experience; and
- (iii) the written consent of each nominee to serve as a director of the company.

The director candidate recommendation materials are to be sent to our Secretary, Martha M. Watson, at our principal executive offices by mail to 2750 Premiere Parkway, Suite 100, Duluth Georgia 30097, or by fax to (678) 775-6999, or by e-mail to martha.watson@deltaapparel.com. Director candidate recommendations may

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be submitted at any time; however, the corporate governance committee is not required to consider shareholder nominees for a given annual meeting of shareholders unless the written notice is received no later than 120 days prior to the first anniversary of the date of the company's proxy statement for the previous year's annual meeting. Thus shareholder recommendations for nominees to be considered at the 2005 annual meeting of shareholders must be received no later than June 3, 2005.

If a shareholder desires to actually nominate one or more director candidates himself or herself, our bylaws require the shareholder to provide written notice of the intent to nominate to our Secretary, Martha M. Watson. If the shareholder desires to make the nomination at our regular annual meeting of shareholders, the notice must be received not less than 120 days prior to the anniversary of the preceding year's annual meeting of shareholders. If we move our annual meeting to a date more than 30 days away from the anniversary of the previous year's annual meeting, or if the shareholder desires to make the nomination at a special meeting of shareholders, the notice must be received no later than 10 days after we notify shareholders of, or publicly disclose, the meeting date. A shareholder's notice must contain the following information:

- (a) the name and address of the shareholder who intends to make the nomination and the name and address of each of that shareholder's nominees;
- (b) the class and number of shares held of record, beneficially owned and represented by proxy by the nominator as of the record date of the meeting (if the record date has been established) and as of the date of the notice, the name in which those shares are registered and a representation that the nominator intends to appear in person or by proxy at the meeting to make the nominations;
- (c) a description of all arrangements or understandings between the nominator, the nominee(s) and any other persons (whose names must be disclosed) relating to the nomination;
- (d) the same information about the nominee(s) that we would be required to include in a proxy statement under the Securities and Exchange Commission's proxy rules if we were making the nomination;
- (e) the written consent of each nominee to serve as a director of the company; and
- (f) any other information we may reasonably request.

Copies of our bylaws may be obtained by writing or calling at 2750 Premiere Parkway, Suite 100, Duluth, Georgia, 30097, Tel: (678) 775-6900, Attention: Martha M. Watson, Secretary.

Communicating with the Board of Directors

It is the policy of our board of directors to encourage all forms of information to be provided to the board of directors and/or its members by our shareholders. All such communications shall be in written form, addressed to the board of directors or to one or more individual members of the board of directors, and sent care of our Secretary, Martha M. Watson, at 2750 Premiere Parkway, Suite 100, Duluth, Georgia, 30097 or via fax to 678-775-6999 or by email to martha.watson@deltaapparel.com. Such communications will be reviewed by our Secretary, who shall remove communications relating to solicitations, junk mail, or other correspondence relating to customer service concerns. All other shareholder communications shall be promptly forwarded to the applicable member(s) of our board of directors or to the entire board of directors, as requested in the shareholder communication.

Director Attendance at Shareholder Meetings

We encourage, but do not require, that all members of our board of directors attend the annual meeting of our shareholders. All directors then in office attended the 2003 annual meeting of shareholders.

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AND MANAGEMENT**

The following table sets forth certain information as of September 17, 2004, regarding the beneficial ownership of our common stock by (i) persons beneficially owning in any case more than five percent of the common stock, (ii) the directors, (iii) the executive officers named in the Summary Compensation Table under Management Compensation, and (iv) all current directors and executive officers as a group. Unless otherwise noted in the notes to the table, we believe that the persons named in the table have sole voting and investment power with respect to all shares of common stock of the company shown as beneficially owned by them.

Beneficial Owner	Shares Beneficially Owned	Percentage
Royce & Associates (1) 1414 Avenue of the Americas Ninth Floor New York, NY 10019	420,680	10.1
FMR Corporation (2) Edward C. Johnson Abigail P. Johnson 82 Devonshire Street Boston, MA 02109	404,000	9.7
Franklin Resources, Inc. (3) Franklin Advisory Services, LLC Charles B. Johnson Rupert H. Johnson, Jr. One Franklin Parkway San Mateo, CA 94403	340,000	8.2
Dimensional Fund Advisors Inc. (4) 1299 Ocean Avenue, 11th Floor Santa Monica, CA 90401	328,592	7.9
Aegis Financial Corporation (5) 1100 North Glebe Road, Suite 1040 Arlington, VA 22201	208,800	5.0
E. Erwin Maddrey, II (6) 233 North Main Street, Suite 200 Greenville, SC 29601	696,428	16.8
Buck A. Mickel (7)(8) Post Office Box 6721 Greenville, SC 29606	320,224	7.7

Micco Corporation (8)
Post Office Box 9278
Greenville, SC 29604

248,126

6.0

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Beneficial Owner	Shares Beneficially Owned	Percentage
Minor M. Shaw (8)(9) 16 Hemlock Drive Greenville, SC 29601	300,776	7.3
Charles C. Mickel (8)(10) Post Office Box 6847 Greenville, SC 29606	299,386	7.2
David S. Fraser (11)	1,772	(21)
William F. Garrett (12)	1,456	(21)
C. C. Guy (13)	9,154	(21)
Robert W. Humphreys (14)	179,466	4.3
Dr. Max Lennon (15)	6,885	(21)
Philip J. Mazzilli, Jr. (16)		
Herbert M. Mueller (17)	48,068	1.2
David Peterson (18)	3,346	(21)
Martha M. Sam Watson (19)	25,182	(21)
All current directors and executive officers as a group (11 Persons) (20)	1,291,979	31.2

(1) The number of shares currently held by Royce & Associates, Inc. (Royce) is based on an amendment to its Schedule 13G that was filed by Royce with the Securities and Exchange Commission on September 7, 2004. The amendment reported that Royce has sole power to vote and/or dispose of the shares disclosed above.

(2) The information set forth above is based on a Schedule 13F-HR that was filed by FMR Corporation (FMR) with the Securities and Exchange Commission on August 16, 2004 with respect to our common stock. In Amendment No. 3 to Schedule 13G that was filed by FMR with the Securities and Exchange Commission on February 17, 2004 with respect to the company's common stock, FMR reported that Fidelity Management & Research Company (Fidelity), which has the same business address as FMR, is a wholly-owned subsidiary of FMR and is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940. As a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940, Fidelity is the beneficial owner of all of the shares reported above. The Schedule 13G/A reported that one investment company, Fidelity Low Priced Stock Fund, owns all shares set forth above. The Schedule 13G/A reported that Edward C. Johnson III, Chairman of FMR, owns 12.0% and Abigail P. Johnson, Director of FMR, owns 24.5% of the aggregate outstanding voting stock of FMR. They have entered into a shareholders' voting agreement with the other holders of all of the other Class B shares under which all Class B shares will be voted in accordance with the majority

vote of Class B shares. Accordingly, through their ownership of voting common stock and the execution of the shareholders' voting agreement, they may be deemed to form a controlling group with respect to FMR. The Schedule 13G/A indicates that neither FMR nor Edward C. Johnson III has the sole power to vote or direct the voting of the

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shares owned directly by the Fidelity Funds, which power resides with the Funds' Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds' Boards of Trustees.

(3) The information set forth above is based on a Schedule 13F-HR that was filed by Franklin Resources, Inc. (FRI) with the Securities and Exchange Commission on August 13, 2004 with respect to our company's common stock. In Amendment No. 3 to Schedule 13G that was filed by FRI with the Securities and Exchange Commission on February 10, 2004 with respect to our company's common stock, FRI reported that the shares are beneficially owned by one or more investment companies or other managed accounts that are advised by direct and indirect investment advisory subsidiaries of FRI. The Schedule 13G/A reported that the advisory contracts grant to the applicable investment advisory subsidiary(ies) all investment and/or voting power over the securities owned by their investment advisory clients. Accordingly, such subsidiary(ies) may be deemed to be the beneficial owner of the shares shown in the table. The Schedule 13G/A reported that Charles B. Johnson and Rupert H. Johnson, Jr. (the FRI Principal Shareholders) (each of whom has the same business address as FRI) each own in excess of 10% of the outstanding common stock and are the principal shareholders of FRI and may be deemed to be the beneficial owners of securities held by persons and entities advised by FRI subsidiaries. The Schedule 13G/A reported that one of the investment advisory subsidiaries, Franklin Advisory Services, LLC (whose address is One Parker Plaza, Sixteenth Floor, Fort Lee, New Jersey 07024), has sole voting and dispositive power with respect to all of the shares shown. FRI, the FRI Principal Shareholders and the investment advisory subsidiaries disclaim any economic interest or beneficial ownership in the shares and are of the view that they are not acting as a group for purposes of the Securities Exchange Act of 1934, as amended. The Schedule 13G/A reported that Franklin Microcap Value Fund, a series of Franklin Value Investors Trust, a company registered under the Investment Company Act of 1940, has an interest in more than 5% of the class of securities reported.

(4) The number of shares currently held by Dimensional Fund Advisors Inc. (Dimensional) is based on a Schedule 13F-HR that was filed by Dimensional with the Securities and Exchange Commission on July 14, 2004. In an Amendment to Schedule 13G that was filed by Dimensional with the Securities and Exchange Commission on February 6, 2004, Dimensional reported that it had sole voting power and sole dispositive power with respect to all of the shares. The Schedule 13G/A reported that Dimensional furnishes investment advice to four investment companies and serves as investment manager to certain other commingled group trusts and separate accounts. The Schedule 13G/A reported that all of the shares of our company's common stock were owned by such investment companies, trusts or accounts and that in its role as investment adviser or manager, Dimensional possesses voting and/or investment power over our company's shares reported. The Schedule 13G/A reported that Dimensional disclaims beneficial ownership of such securities and that, to the knowledge of Dimensional, no such investment company, trust or account client owned more than 5% of the outstanding shares of our company's common stock.

(5) The number of shares currently held by Aegis Financial Corporation (Aegis) is based on a Schedule 13F-HR that was filed by Aegis with the Securities and Exchange Commission on August 13, 2004. In an Amendment to Schedule 13G filed by Aegis (formerly Berno, Gambal & Barbee, Inc.) with the Securities and Exchange Commission on February 13, 2004, Aegis reported that each of William S. Berno, Paul Gambal and Scott L. Barbee have shared voting and dispositive power as to all of the shares beneficially owned by Aegis.

(6) Mr. Maddrey is the chairman of the board and a director of our company. The number of shares shown as beneficially owned by Mr. Maddrey includes 86,294 shares held by the E. Erwin and Nancy B. Maddrey, II Foundation, a charitable trust, as to which shares Mr. Maddrey holds sole voting and investment power but disclaims beneficial ownership.

(7) Buck A. Mickel is a director of our company. The number of shares shown as beneficially owned by Buck A. Mickel includes 70,348 shares directly owned by him, all of the 248,126 shares owned by Micco Corporation, and 1,750 shares held by him as custodian for a minor. Buck A. Mickel disclaims beneficial ownership with respect to the

1,750 shares of our company's common stock held by him as custodian for a minor.

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(8) Micco Corporation owns 248,126 shares of our company's common stock. The shares of common stock of Micco Corporation are owned in equal parts by Buck A. Mickel (a director of the company), Minor M. Shaw and Charles C. Mickel, who are siblings. Each of them is an officer and director of Micco Corporation, and each of them disclaims beneficial ownership of two thirds of the Delta Apparel shares owned by Micco Corporation.

(9) The number of shares shown as beneficially owned by Minor M. Shaw includes 52,446 shares owned by her directly, 204 shares beneficially owned by her husband through an individual retirement account, and all of the 248,126 shares owned by Micco Corporation. Minor M. Shaw disclaims beneficial ownership with respect to the 204 shares beneficially owned by her husband.

(10) The number of shares shown as beneficially owned by Charles C. Mickel includes 50,538 shares owned by him directly, 702 shares held by him as custodian for his children, 20 shares owned by his wife and all of the 248,126 shares owned by Micco Corporation. Charles C. Mickel disclaims beneficial ownership with respect to the 20 shares owned by his wife and to the 702 shares of the held by him as custodian for his children.

(11) David S. Fraser is a director of our company.

(12) William F. Garrett is a director of our company.

(13) C. C. Guy is currently a director of our company but is retiring and will not stand for re-election at the Annual Meeting. The number of shares shown as beneficially owned by C. C. Guy includes 3,792 shares owned by his wife, as to which shares Mr. Guy disclaims beneficial ownership.

(14) Robert W. Humphreys is President and Chief Executive Officer and a director of our company. The number of shares shown as beneficially owned in the table above includes 31,250 shares subject to options exercisable within 60 days of the record date for the annual meeting.

(15) Dr. Max Lennon is a director of our company.

(16) Philip J. Mazzilli is a director of our company.

(17) Herbert M. Mueller is Vice President, Chief Financial Officer and Treasurer of our company. The number of shares shown as beneficially owned in the table above includes 7,000 shares subject to options exercisable within 60 days of record date for the annual meeting.

(18) David Peterson is a director of our company.

(19) Martha M. Sam Watson is Vice President and Secretary of our company. The number of shares shown as beneficially owned in the table above includes 12,000 shares subject to options exercisable within 60 days of the record date for the annual meeting.

(20) Includes all shares deemed to be beneficially owned by any current director or executive officer.

(21) Less than one percent.

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EXECUTIVE OFFICERS

The following provides certain information regarding our current executive officers. Our company's primary business address is Delta Apparel, Inc., 2750 Premiere Parkway, Suite 100, Duluth, Georgia, 30097.

Name and Age	Position
Robert W. Humphreys (47)	President and Chief Executive Officer (1)
Herbert M. Mueller (47)	Vice President, Chief Financial Officer and Treasurer (2)
Martha M. Sam Watson (51)	Vice President and Secretary (3)

(1) See information under the subheading Election of Directors .

(2) Herbert M. Mueller was elected to serve as Vice President, Chief Financial Officer and Treasurer of Delta Apparel in December 1999. He was elected to serve as Vice President of the Delta Apparel Company division of Delta Woodside in April 1998. Prior to joining the Delta Apparel Company division, Mr. Mueller served as Corporate Controller (from June 1991 to June 1997 and from October 1997 to April 1998) and Senior Director of Business Planning (from July 1997 to October 1997) of Swift Denim, a manufacturer of denim fabric.

(3) Martha M. Watson was elected to serve as Vice President and Secretary of the company in October 2000. Prior to joining Delta Apparel, Inc., Ms. Watson served as President of Carolina Benefit Services (from September 1999 to October 2000), Vice President of Operations for Sunland Distribution, Inc., a public warehousing company (from January 1999 to September 1999), and Director of Human Resources for the following divisions of Delta Woodside: Stevcoknit Fabrics Company (from January 1990 to January 1999) and Delta Apparel Company (from July 1987 to January 1990).

Our executive officers are appointed by the board of directors and serve at the pleasure of the board.

Table of Contents**MANAGEMENT COMPENSATION****Summary Compensation Table**

The following table provides summary information concerning the compensation earned by our Chief Executive Officer and the other executive officers for their services to our company and our subsidiaries, for the fiscal years ended July 3, 2004, June 28, 2003 and June 29, 2002. The executive officers listed below are referred to as the Named Executive Officers.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long Term Awards		
		Salary \$(a)	Bonus \$(a)(b)	Other Annual Compensation \$(c)	Securities Underlying Options #(e)	All Other Compensation (\$)	
Robert W. Humphreys President & Chief Executive Officer	2004	568,462	427,294	144,695	8,000	24,347	(f)(i)
	2003	500,000	487,500	97,672	24,000	19,562	
	2002	375,000	570,300	306,858	(d)	12,063	
Herbert M. Mueller Vice President, Chief Financial Officer & Treasurer	2004	200,385	160,067	41,673	2,400	11,281	(g)(i)
	2003	188,462	113,750	28,130	7,200	9,616	
	2002	177,692	133,070	88,435	(d)	6,762	
Martha M. Watson Vice President & Secretary	2004	134,890	68,910	26,666	1,600	3,606	(h)(i)
	2003	123,500	56,875	14,582	4,800	3,034	
	2002	114,327	62,030	53,082	(d)	2,403	

(a) The amounts shown in the column include sums, the receipt of which were deferred pursuant to our company's Savings and Investment Plan (the Delta Apparel 401(k) Plan) and our company's deferred compensation plan.

(b) Amounts in this column are cash bonuses paid to reward performance.

(c) The amounts shown in the column were paid by our company in connection with the vesting of awards under our company's Incentive Stock Award Plan and were approximately sufficient to pay the participant's federal and state income taxes attributable to the acquisition of the vesting shares (and the receipt of the tax reimbursement itself). Shares are issued upon vesting, subject to payment of the applicable price per share. The tax assistance related to the vesting of these awards is earned in, and shown above for, the fiscal year in which the related award vests (which in many instances is the last day of the fiscal year), though such amounts in some instances were actually paid in the fiscal year following vesting of the related award.

(d) The performance portion of awards made in fiscal 2001 (constituting 40% of each award) under our company's Incentive Stock Award Plan vested on August 29, 2002 when we filed our Annual Report on Form 10-K for fiscal

2002 based on the achievement of performance criteria measured by financial data in the fiscal 2002 Form 10-K. The related payments to cover applicable income taxes were made later in fiscal year 2003; however, these amounts are included in fiscal 2002 compensation because the vesting of the performance portion of the awards was based on achieving fiscal 2002 performance goals.

(e) Includes awards under our company's Incentive Stock Award Plan. These awards are treated as options.

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(f) The fiscal 2004 amount represents \$3,714 contributed by our company to the Delta Apparel 401(k) Plan for Mr. Humphreys with respect to his compensation deferred under the Delta Apparel 401(k) Plan and \$20,633 earned on Mr. Humphreys' deferred compensation at a rate in excess of 120% of the federal mid-term rate.

(g) The fiscal 2004 amount represents \$3,810 contributed by our company to the Delta Apparel 401(k) Plan for Mr. Mueller with respect to his compensation deferred under the Delta Apparel 401(k) Plan and \$7,471 earned on Mr. Mueller's deferred compensation at a rate in excess of 120% of the federal mid-term rate.

(h) The fiscal 2004 amount represents \$3,606 contributed by our company to the Delta Apparel 401(k) Plan for Ms. Watson with respect to her compensation deferred under the Delta Apparel 401(k) Plan.

(i) The 401(k) Plan allocation shown for the fiscal year was allocated to the participant's account during that fiscal year, although all or part of the allocation may have been determined in whole or in part on the basis of the participant's compensation during the prior fiscal year.

The amounts shown in the table above do not include reimbursement by our company or our subsidiaries for certain automobile expenses and other items. The non-business personal benefit to any Named Executive of these amounts does not exceed the lesser of \$50,000 or 10% of the Named Executive's total salary and bonus.

Option Grants in Last Fiscal Year

The following table provides certain information respecting the grant to any Named Executive during fiscal 2004 of awards under our company's Incentive Stock Award Plan or options under our company's Stock Option Plan. For purposes of this table, awards under our company's Incentive Stock Award Plan are treated as options.

OPTION GRANTS IN LAST FISCAL YEAR

Individual Grants		Potential Realizable Value At Assumed Annual Rate of Stock Price Appreciation for
Number of	Percent Of	