SUPERIOR UNIFORM GROUP INC

FORM 10-K
(Annual Report)

Filed 03/24/95 for the Period Ending 12/31/94

Address	10055 SEMINOLE BLVD SEMINOLE, FL 33772
Telephone	7273979611
CIK	0000095574
Symbol	SGC
SIC Code	2300 - Apparel & Other Finishd Prods of Fabrics & Similar Matl
Industry	Apparel & Accessories
Sector	Consumer Cyclicals
Fiscal Year	12/31

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FORM 10-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1994

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-5869-1

SUPERIOR SURGICAL MFG. CO., INC.

Incorporated - New York	I.R.S. Employer Identification No. 11-1385670
10099 Seminole Blvd. Seminole, Florida 34642	
Telephone	(813) 397-9611

Securities registered pursuant to Section 12 (b) of the Act:

Common Shares with a par value Listed on
of $1.00 each American Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to
Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of March 17, 1995, 8,363,552 common shares were outstanding, and the aggregate market value of the registrant's common shares held by non-affiliates was approximately $62.5 million (based on the closing price of the registrant's common shares on the American Stock Exchange on said date).

Documents Incorporated by Reference:

Registrant's Proxy Statement to be filed on or before March 30, 1995, for its Annual Meeting of Shareholders to be held May 1, 1995, is incorporated by reference to furnish the information required by Items 10, 11, 12 and 13 of

Part III.

Exhibit index may be found on Page 22.

PART I

Item 1. Business

(a) The business (organized in 1920) of Superior Surgical Mfg. Co., Inc. ("registrant" or the "Company") has not changed in any significant way during the past five years.

(b) Although registrant operates, for selling, promotional and other reasons through various divisions, nevertheless there are no distinct segments or lines of business; registrant's entire business consists of the sale of uniforms and service apparel, and miscellaneous products directly related thereto.

(c) Registrant manufactures and sells a wide range of apparel and accessories for the medical and health fields as well as for the industrial, commercial, leisure, and public safety markets. Its principal products are:

1. Uniforms and service apparel for personnel of:

A) Hospitals and health facilities;
B) Hotels, commercial buildings, residential buildings, and food service facilities;
C) General and special purpose industrial uses;
D) Commercial enterprises (career apparel for banks, airlines, etc.);
E) Public and private safety and security organizations;
F) Miscellaneous service uses.

2. Miscellaneous products directly related to:

A) Uniforms and service apparel specified above (e.g. operating room masks, boots, and sheets);
B) Linen suppliers and industrial launderers, to whom a substantial portion of the registrant's uniforms and service apparel are sold; such products being primarily industrial laundry bags.

Uniforms and service apparel account for 90-95% of total sales and revenues; no single class of product listed above as a miscellaneous product of the registrant accounts for more than 10% of total sales and revenues.

Registrant competes with national and regional manufacturers and also with local firms in most major metropolitan areas. Industry statistics are not available, but the registrant believes that it is one of the leading suppliers of garments to hospitals and industrial clean rooms, hotels and motels, food service establishments and uniforms to linen suppliers. Registrant experiences competition primarily in the areas of product development, styling and pricing.

Registrant competes with more than three dozen firms including divisions of larger corporations. The nature and degree of competition varies with the customer and market where it occurs.

Registrant has a substantial number of customers, the largest of which accounted for no more than 4% of registrant's 1994 sales. Although registrant at all times has a substantial backlog of orders, registrant does not consider this significant since its backlog of orders at any time consists primarily of recurrent firm orders being processed and filled. Registrant normally completes shipments of orders from stock between 1 and 2 weeks after their receipt. As of February 28, 1995, the backlog of all orders was approximately $9,300,000, compared to approximately $9,800,000 a year earlier.

Registrant markets itself to its customers as a "stock house". Therefore, registrant at all times carries substantial inventories of raw materials (principally piece goods) and finished garments which requires substantial working capital. Registrant's principal raw materials are textile products, generally available from a number of sources.

While registrant owns and uses several trademarks, its mark "Fashion Seal Uniforms" (presently registered to August 7, 2007, subject to renewal) is important since more than 50% of registrant's products are sold under that name. In view of the nature of registrant's business, compliance with Federal, state, or local laws regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, has had no serious effect upon its operations or earnings. Substantially all of registrant's business is non-seasonal in nature. The registrant has about 1,900 employees.

Item 2. Properties

All Properties are in satisfactory condition, are currently fully utilized (except as otherwise noted), and have aggregate productive capacity to meet registrant's present needs as well as those of the foreseeable future.

(a) Seminole, Florida - Plant of approximately 60,000 square feet owned by the registrant; used as principal administrative office and for warehousing and shipping, as well as the corporate design center.
(b) Eudora, Arkansas - Plant of approximately 217,000 square feet, partially leased from the City of Eudora under lease requiring payment of only a nominal rental; used for manufacturing, warehousing, and shipping.
(c) Leesburg, Georgia - Plant of approximately 85,000 square feet, leased from Development Authority of Leesburg, Georgia under lease requiring payment of only a nominal rental; used for manufacturing, warehousing, and shipping.
(d) Lake Village, Arkansas - Plant of approximately 35,000 square feet, leased from the City of Lake Village under lease requiring payment of only a nominal amount; used for manufacturing.
(e) Tampa, Florida - Plant of approximately 46,000 square feet, owned by the registrant; used for regional administrative offices, warehousing, shipping, and small retail operation.

(f) Miami, Florida - Plant of approximately 9,000 square feet, leased from private owners under a lease expiring in 1997; used for regional sales office, warehousing, shipping, and small retail operation.
(g) McGehee, Arkansas - Plant of approximately 26,000 square feet, leased from the City of McGehee under lease requiring payment of only a nominal rental; used for manufacturing.
(h) Memphis, Tennessee - Plant of approximately 15,000 square feet, leased from private owners under lease expiring 1995; used for warehousing, shipping and retail sales.
(i) Miscellaneous- New Orleans, Louisiana, sales office - leased; Burbank, California, warehouse and sales office - leased; Atlanta, Georgia, warehouse and sales office
- leased; San Antonio, Texas, sales office - leased; Yazoo City, Mississippi, used for manufacturing - leased; Hamburg, Arkansas, used for manufacturing - owned; Houston, Texas, sales office - leased; Delhi, Louisiana, used for manufacturing - leased; Lexington, Mississippi, used for manufacturing - leased; Tallulah, Louisiana, used for manufacturing - leased; Charlotte, North Carolina, used for warehouse and sales office - leased; Pine Bluff, Arkansas, used for manufacturing - owned; Terry, Mississippi, used for manufacturing - owned.

Item 3. Legal Proceedings

The Company has been advised that it is a target of a Federal criminal investigation relating to a previously reported dispute involving alleged false statements and false claims purportedly made in connection with contracts ostensibly awarded by the U.S. Department of Veterans Affairs. The investigation is also evaluating actions by agents of the Company in connection with the matter, including those of Gerald M. Benstock, a Director of the Company. A former vice president of the Company has entered into a plea agreement with Federal authorities in connection with this matter; the specific terms and conditions of which are not known to the Company. Federal authorities are also pursuing a civil investigation of the Company relating to these matters. The dispute does not involve the integrity of the Company's products.

The Company is cooperating with these investigations, and settlement discussions are continuing. The Company previously offered to settle all potential charges relating to these matters and in 1993 recorded a liability in that amount which is reflected in its financial statements. That offer, however, was rejected by Federal authorities. While the Company has further concluded that it possesses specific defenses which will be vigorously asserted in the event the parties are unable to arrive at a negotiated settlement, the Company is unable to estimate the outcome of this uncertainty.

Additionally, in the event the Company is indicted or convicted on criminal charges, or if significant civil damages are pursued, certain collateral consequences are likely to result, such as suspension or debarment from the award of future Federal government contracts. The Company believes that a suspension or debarment in connection with Federal government contracts would not have a material adverse effect on the Company; however, such action may also impede the Company's ability to receive certain contracts awarded under various Federal grant and other non-procurement programs. The precise impact of any potential exclusion under various Federal grant and other non-procurement programs is not clear.

Item 4. Submission of Matters to a Vote of Security Holders

(a) None

PART II

Item 5. Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters.

The principal market on which registrant's common shares are traded is the American Stock Exchange; said shares have also been admitted to unlisted trading on the Midwest Stock Exchange.

The table below presents, for registrant's common shares, dividend information and high and low sales prices as reported in the consolidated transaction reporting system of the American Stock Exchange.

	QUARTER ENDED							
	1994				1993			
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
Common Shares:								
High	$16	$14-1/2	$15-1/8	$15-1/8	$22-1/4	$18-3/8	$17-5/8	$16-3/8
Low	$13-5/8	$12-3/8	$11-3/4	$12-3/8	$16-5/8	$15-7/8	$12-3/8	$13-1/8
Dividends (total for 1994-$.32; 1993-$.28)	$.08	$.08	$.08	$.08	$.07	$.07	$.07	$.07

Long-term debt agreements of the registrant include covenants which, among other things, restrict dividends payable; under the most restrictive debt agreement, retained earnings of approximately $9,799,000 were available at December 31, 1994 for declaration of dividends. Registrant expects that, so long as earnings and business conditions warrant, it will continue to pay dividends and that the amount thereof, as such conditions permit, will increase from time to time.

As of March 17, 1995, registrant had 620 shareholders of record.

On March 17, 1995, the closing price for registrant's common shares on the American Stock Exchange was $ 11.25 per share.

Item 6.

Selected Financial Data

Years Ended December 31,	1994	1993	1992	1991	1990
Net sales	$135,067,397	$130,126,690	$128,665,516	$117,502,780	$123,002,478
Costs and expenses:					
Cost of goods sold	89,308,729	$ 87,280,624	$ 85,250,260	$ 78,059,449	$ 82,310,560
Selling and administrative expenses	28,537,946	27,835,521	26,964,446	25,779,480	25,861,916
Provision for dispute settlement	-	2,250,000	-	-	-
Interest expense - net	959,715	641,669	586,628	823,623	1,074,837
	$118,806,390	$118,007,814	$112,801,334	$104,662,552	$109,247,313
Earnings before taxes on income	$ 16,261,007	$ 12,118,876	$ 15,864,182	$ 12,840,228	$ 13,755,165
Taxes on income	6,180,000	4,415,000	5,950,000	4,815,000	5,090,000
Net earnings	$ 10,081,007	$ 7,703,876	$ 9,914,182	$ 8,025,228	$ 8,665,165
Net earnings per common share	$ 1.17	$ .89	$ 1.15	$ .94	$ 1.00
Cash dividends per common share	$ .32	$ .28	$ .25	$ .22	$ .18
At year end:					
Total assets	$104,864,385	$ 87,168,003	$ 80,585,153	$ 74,470,776	$ 69,192,818
Long-term debt	$ 18,600,000	$ 4,200,000	$ 4,955,000	$ 7,110,385	$ 8,945,544
Working capital	$ 64,295,804	$ 53,096,945	$ 51,353,415	$ 47,873,560	$ 43,241,802
Shareholders' equity	$ 70,937,920	$ 68,568,495	$ 63,082,410	$ 54,659,128	$ 47,685,519

Item 7.

Management's Discussion And Analysis Of
Financial Condition And Results Of Operations

OPERATIONS: Net sales of the Company increased by 10% in 1992 compared to 1991. The increases in 1992 were attributable to new customers and new uniform programs for existing customers. Net sales for 1993 increased by 1% over 1992, due to the continuation of new uniform Programs and new customers for non-healthcare marketplaces, offset by the uncertain and sluggish healthcare marketplace which negatively affected those sales in 1993. Sales increased by 4% in 1994 over 1993 due to increased demand continuing the trend from 1993.

As a percent of sales, cost of goods sold was 66.1% in 1994, 67.1% in 1993 and 66.3% in 1992. The reductions in 1992 and 1994 were the result of greater manufacturing efficiencies. The increase in 1993 was due to increased costs and the inability of the Company to raise sales prices.

Selling and administrative expenses increased by 3% in 1993 and 1994. The increases were attributable to normal cost pressures. As a percentage of sales, selling and administrative expenses have not changed significantly over the past several years, and no dramatic change is anticipated in 1995.

The provision for dispute settlement in the amount of $2,250,000 in 1993 involves certain sales by the Company to an agency of the Federal government as previously reported. The government has yet to make any claim in connection with the dispute. While management continues to believe that the Company has complied with the terms and conditions of its obligations with the government, the Company sought resolution of the dispute by offering $2,250,000 ($1,415,000 net of tax effect) for full and complete settlement of the matter. The Company elected to accrue the offered amount for the fourth quarter of 1993 which represents an after tax charge against earnings of approximately $.16 per share. The offer of settlement has been rejected by the government. While the future impact is unclear, the dispute and Federal investigation concerning the dispute may have an adverse effect on future sales and a material, one-time payment may be necessary to resolve this matter. See Note 12 of Notes to Financial Statements for this continuing contingency.

Interest expense as a percentage of sales was 0.7% in 1994; it was 0.5% in 1993 and 0.4% in 1992. The reductions in 1992 and 1993 as a percentage of sales are principally due to reduced borrowings by the Company. The Increase in 1994 was due to increased borrowings.

The effective income tax rate in 1994 was 38.0%; in 1993 it was 36.4% and in 1992 it was 37.5%. Included in the income tax provision for 1993 is the effect of recalculating the effective income tax rate for 1993, based on the Revenue Reconciliation Act of 1993, which raised corporate income tax rates retroactive to January 1, 1993. Also included is the adjustment to the deferred income tax provision necessary to comply with Financial Accounting Standards Board Statement No.109 (FAS No.109), requiring deferred tax calculations on the liability method. The aggregate effect of these changes was to decrease the income tax provision and increase net earnings for 1993 by approximately $.02 per share.

In 1994, the Company showed net income (after taxes) of 7.5% of sales, with a return of 14.5% on average equity; for 1993 net income was 5.9% of sales, with a return of 11.7% on average equity, while for 1992 the corresponding figures were 7.7% and 16.8%.

LIQUIDITY AND CAPITAL RESOURCES. The Company uses a number of standards for its own purposes in measuring its liquidity: working capital, profitability ratios, long-term debt as a percentage of long-term debt and equity, and activity ratios. In its computations, as in this report, all inventory figures are on a FIFO basis.

The working capital of the Company in 1994 was $64,295,804 and the working capital ratio 6.3 to 1; for 1993 it was $53,096,945 and the ratio 5.8 to 1, while for 1992 the figures were $51,353,415 and 5.7 to 1. The Company has operated without hindrance or restraint with its present working capital, believing that income generated from operations and outside sources of credit, both trade and institutional, are more than adequate.

In 1994, the Company's percentage of long-term debt to long-term debt and equity was 20.8%; in 1993 it was 5.8% and in 1992 it was 7.3%.

The Company has an ongoing capital expenditure program designed to maintain and improve its facilities. Capital expenditures were approximately $9,100,000, $6,800,000 and $5,450,000 in the years 1994, 1993 and 1992, respectively. Projected capital expenditures (principally for manufacturing enhancements) for 1995, while different from those of the last several years are expected to be substantially lower in 1995 than in 1994. The Company at all times evaluates its capital expenditure programs in light of prevailing economic conditions.

In 1993, the Company's cash and certificates of deposit balance increased by approximately $406,000 due to a decelerating rate of increase in accounts receivable and inventories compared to 1992, increases in depreciation, offset by a decrease in net earnings and increases in capital expenditures.

In 1994, the Company's cash and certificates of deposit balance increased by approximately $8,200,000 principally due to new borrowings in the amount of $15,000,000 offset by the repurchase of 550,000 shares of its common stock for an aggregate consideration of $6,765,000.

As of December 31, 1994, under its existing revolving credit agreement, the Company had $9,000,000 available to it. In addition, under the most restrictive terms of its agreements with its lenders, the Company could avail itself of $6,000,000 in short-term credit (see Note 4 of Notes to Financial Statements). With funds from such credit facility, positive cash flows generated from normal operations, and other favorable credit sources readily available, the Company believes for the foreseeable future that its liquidity is satisfactory, its working capital adequate and its capital resources sufficient for funding its ongoing capital expenditure program and its operations, including expansion at a normal rate.

SUPERIOR SURGICAL MFG. CO., INC.

Statements of Earnings
Years Ended December 31, 1994, 1993 and 1992

	1994	1993	1992
Net sales	$135,067,397	$130,126,690	$128,665,516
Costs and expenses:			
Cost of goods sold	$ 89,308,729	$ 87,280,624	$ 85,250,260
Selling and administrative expenses	28,537,946	27,835,521	26,964,446
Provision for dispute settlement	-	2,250,000	-
Interest expense - net	959,715	641,669	586,628
	$118,806,390	$118,007,814	$112,801,334
Earnings before taxes on income	$ 16,261,007	$ 12,118,876	$ 15,864,182
Taxes on income	6,180,000	4,415,000	5,950,000
Net earnings	$ 10,081,007	$ 7,703,876	$ 9,914,182
Net earnings per common share	$ 1.17	$ .89	$ 1.15
Dividends per common share	$ .32	$ .28	$ .25

Statements of Shareholders' Equity
Years Ended December 31, 1994, 1993 and 1992

	Common Shares	Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity
Balance, January 1, 1992	$2,144,738	$ 3,837,974	$48,676,416	$54,659,128
Net earnings			9,914,182	9,914,182
Shares issued under four-for-one stock split of June 1992	6,497,814	(4,358,074)	(2,139,740)	
Common shares issued upon exercise of options	35,800	635,238		671,038
Cash dividends declared ($.25 per share)			(2,161,938)	(2,161,938)
Balance, December 31, 1992	$8,678,352	$ 115,138	$54,288,920	$63,082,410
Net earnings			7,703,876	7,703,876
Common shares issued upon exercise of options	24,900	191,456		216,356
Cash dividends declared ($.28 per share)			(2,434,147)	(2,434,147)
Balance, December 31, 1993	$8,703,252	$ 306,594	$59,558,649	$68,568,495
Net earnings			10,081,007	10,081,007
Common shares issued upon exercise of options	210,300	1,604,894		1,815,194
Purchase and retirement of common Shares	(550,000)	(109,817)	(6,105,183)	(6,765,000)
Cash dividends declared ($.32 per share)			(2,761,776)	(2,761,776)
Balance, December 31, 1994	$8,363,552	$ 1,801,671	$60,772,697	$70,937,920

See Notes to Financial Statements.

SUPERIOR SURGICAL MFG. Co., INC.

Balance Sheets
December 31, 1994 and 1993

ASSETS

CURRENT ASSETS	1994	1993
Cash and certificates of deposit	$ 11,233,700	$ 3,030,013
Accounts receivable, less allowance for doubtful accounts of $250,000	23,356,474	20,850,179
Inventories	40,991,963	39,632,993
Prepaid expenses and other current assets	875,132	688,268
TOTAL CURRENT ASSETS	$ 76,457,269	$64,201,453
PROPERTY, PLANT AND EQUIPMENT	26,234,749	20,872,656
EXCESS OF COST OVER FAIR VALUE OF ASSETS ACQUIRED	827,577	832,417
OTHER ASSETS	1,344,790	1,261,477
	$104,864,385	$87,168,003

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	$ 7,471,452	$ 7,139,464
Accrued expenses	3,126,813	2,594,959
Taxes on income	963,200	615,085
Current portion of long-term debt	600,000	755,000
TOTAL CURRENT LIABILITIES	$ 12,161,465	$ 11,104,508
LONG-TERM DEBT	18,600,000	4,200,000
LIABILITY FOR DISPUTE SETTLEMENT	2,250,000	2,250,000
DEFERRED INCOME TAXES	915,000	1,045,000
SHAREHOLDERS' EQUITY:		
Preferred stock, $1 par value - authorized 300,000 shares (none issued)	$ -	$ -
Common stock, $1 par value - authorized 50,000,000 shares, issued and outstanding - 8,363,552 and 8,703,252, respectively	8,363,552	8,703,252
Additional paid-in capital	1,801,671	306,594
Retained earnings	60,772,697	59,558,649
TOTAL SHAREHOLDERS' EQUITY	$ 70,937,920	$ 68,568,495
	$104,864,385	$ 87,168,003

See Notes to Financial Statements.

SUPERIOR SURGICAL MFG. CO., INC.

Statements of Cash Flows
Years Ended December 31, 1994, 1993, and 1992

	1994	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES			
Net earnings	$10,081,007	$ 7,703,876	$ 9,914,182
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	2,864,847	2,503,726	2,169,028
Liability for dispute settlement	-	2,250,000	-
Deferred Income Taxes	(130,000)	(625,000)	345,000
Changes in assets and liabilities:			
Accounts receivable	(2,506,295)	(532,998)	(2,077,700)
Inventories	(1,358,970)	(773,143)	(4,945,480)
Prepaid expenses and other current assets	(186,864)	(257,826)	305,080
Accounts payable	331,988	567,010	(173,451)
Accrued expenses	531,854	37,890	208,153
Taxes on income	348,115	(173,135)	(158,062)
Net cash flows provided from operating activities	$ 9,975,682	$10,700,400	$ 5,586,750
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	$(9,109,599)	$(6,808,039)	$(5,452,080)
Carrying amount of property, plant and equipment disposals	887,499	82,944	149,503
Other assets	(83,313)	(391,186)	507
Net cash used in investing activities	$(8,305,413)	$(7,116,281)	$(5,302,070)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in long-term debt	$15,000,000	$ 3,500,000	$ -
Reduction in long-term debt	(755,000)	(4,460,000)	(2,530,545)
Declaration of cash dividends	(2,761,776)	(2,434,147)	(2,161,938)
Proceeds received on exercise of stock options	1,815,194	216,356	671,038
Common stock reacquired and retired	(6,765,000)	-	-
Net cash provided in financing activities	$ 6,533,418	$(3,177,791)	$(4,021,445)
Net increase (decrease) in cash and certificates of deposit	$ 8,203,687	$ 406,328	$(3,736,765)
Cash and certificates of deposit balance, beginning of year	3,030,013	2,623,685	6,360,450
Cash and certificates of deposit balance, end of year	$11,233,700	$ 3,030,013	$ 2,623,685

See Notes to Financial Statements.

SUPERIOR SURGICAL MFG. CO., INC.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992

NOTE 1 - Summary Of Significant Accounting Policies:

a) Business description The Company manufactures and sells a wide range of apparel and accessories for the medical and health fields as well as for the industrial, leisure and public safety markets. Revenue recognition from the sale of products is recorded at the time the finished goods are shipped.

b) Inventories Inventories are stated at the lower of cost (first-in, first-out method) or market.

c) Property, plant and equipment Property, plant and equipment are stated at cost. Major renewals and improvements are capitalized, while replacements, maintenance and repairs which do not improve or extend the life of the respective assets are expensed currently. Costs of assets sold or retired and the related accumulated depreciation and amortization are eliminated from accounts and the net gain or loss is reflected in the statement of earnings.

d) Excess of cost over fair value of assets acquired Excess costs over fair value of assets acquired arising prior to 1972 (approximately $742,000) are being carried until such time as there may be evidence of diminution of value or the term of existence of such value becomes limited. The Company's policy is to amortize excess costs arising subsequent to 1971 between 20 and 40 years.

e) Depreciation and amortization Plants and equipment are depreciated on the straight-line basis at 2-1/2% to 5% for buildings and improvements and 6-2/3% to 20% for machinery, equipment and fixtures. Leasehold improvements are amortized over the terms of the leases inasmuch as such improvements have useful lives equivalent to the terms of the respective leases.

f) Employee benefits Pension plan costs are funded currently based on actuarial estimates, with prior service costs amortized over 20 years. The Company has no post-retirement benefit plans other than pensions.

g) Taxes on income The Company computes taxes currently payable upon determination of taxable income which differs from pre-tax financial statement income. Deferred taxes are provided on this difference, primarily the effect of computing depreciation of plant and equipment by accelerated methods for tax purposes and by the straight-line method for financial reporting purposes. Included in the income tax provision for 1993 is the effect of recalculating the effective income tax rate for 1993, based on the Revenue Reconciliation Act of 1993, which raised corporate income taxes retroactive to January 1, 1993. Also included is the adjustment to the deferred income tax provision necessary to comply with Financial Accounting Standards Board Statement No. 109 (FAS No. 109), requiring deferred tax calculations on the liability method. The aggregate effect of these changes was to decrease the income tax provision and increase net earnings for 1993 by approximately $.02 per share.

NOTE 2 - Inventories:

	December 31, 1994	December 31, 1993
Finished goods	$23,887,026	$23,364,435
Work in process	4,306,872	4,453,175
Raw materials	12,798,065	11,815,383
	$40,991,963	$39,632,993

The opening inventory used in computing cost of goods sold for 1993 was $38,859,850.

NOTE 3 - Property, Plant And Equipment:

	December 31, 1994	December 31, 1993
Land	$ 1,102,886	$ 1,096,951
Buildings, improvements and leaseholds	12,408,158	9,692,279
Machinery, equipment and fixtures	32,487,680	27,707,971
	$45,998,724	$38,497,201
Accumulated depreciation and amortization	19,763,975	17,624,545
	$26,234,749	$20,872,656

Depreciation and amortization charges were $2,860,007, $2,496,718 and $2,162,019 in 1994, 1993 and 1992, respectively.

NOTE 4 - Long-Term Debt:

	December 31, 1994	December 31, 1993
Note payable-bank, pursuant to revolving credit and term loan agreement	$ --	$ --
6.65% note payable to Massachusetts Mutual Life Insurance Company due $1,666,667 annually, 1997-2005	15,000,000	--
9.9% note payable to Massachusetts Mutual Life Insurance Company, due $600,000 annually, 1995-2001	4,200,000	4,800,000
9-1/4% note payable-bank, paid 1994	--	110,000
Principal payable under factory lease, paid 1994	--	45,000
	$19,200,000	$4,955,000
Less payments due within one year included in current liabilities	600,000	755,000
	$18,600,000	$4,200,000

On December 1, 1990, the Company, by amending its 1982 Credit Agreement, entered into an 8 year Credit Agreement (extended an additional year in 1993) which made available to the Company up to $9,000,000 for 5 years on a revolving credit basis and thereafter for 4 years as a term loan with installment repayments of principal. Interest is payable at the prime rate of the lender (8-1/2% at December 31, 1994) for funds borrowed in domestic currency and at the lender's Eurodollar rate plus 1/2% for funds borrowed in the Eurodollar market. The Company pays a 1/10% commitment fee per annum on funds not borrowed during the 5 year revolving credit period. The debt due under the credit agreement may be prepaid, in part or in full at any time without penalty; in addition, any amount prepaid during the 5 year revolving credit term may be reborrowed without penalty. The Credit Agreement also permits additional unsecured short-term borrowing from banks up to $6,000,000 without any "clean-up" requirements.

The Credit Agreement and the agreements with Massachusetts Mutual Life Insurance Company contain restrictive provisions concerning minimum working capital ($20,000,000), debt to net worth ratios, other borrowing, capital expenditures, rental commitments, tangible net worth ($55,000,000), working capital ratio (2.5:1), and payment of dividends. At December 31, 1994, under the most restrictive terms of the debt agreements, retained earnings of approximately $9,799,000 were available for declaration of dividends. The Company is in full compliance with all terms, conditions and covenants of the various credit agreements.

Principal payments on long-term obligations, including the assumed conversion in 1995 of the revolving credit note to a term note for the full $9,000,000, are approximately $2,400,000 in 1996, $4,066,668 in 1997, $4,066,668 in 1998 and $5,866,668 in 1999.

NOTE 5 - Taxes On Income:

Aggregate income tax provisions (benefits) consist of the following:

	1994	1993	1992
Current:			
Federal	$5,520,000	$4,340,000	$4,865,000
State and local	790,000	700,000	740,000
	$6,310,000	$5,040,000	$5,605,000
Deferred	(130,000)	(625,000)	345,000
	$6,180,000	$4,415,000	$5,950,000

The difference between the total statutory Federal income tax rate and the actual effective tax rate is accounted for as follows:

	1994	1993	1992
Statutory Federal income tax rate	34.5%	34.2%	34.0%
State and local income taxes, net of Federal income tax benefit	3.0	3.2	3.1
FAS No. 109 implementation	--	(1.3)	--
Other items	0.5	0.3	0.4
Effective tax rate	38.0%	36.4%	37.5%

NOTE 6 - Pension Plans:

Noncontributory qualified defined benefit pension plans, providing for normal retirement at age 65, cover all eligible employees (as defined). Periodic benefit payments on retirement are determined based on a fixed amount applied to service or determined as a percentage of earnings prior to retirement. Pension plan assets for retirement benefits consist primarily of fixed income securities and common stock equities.

Net periodic pension cost for 1994 1993 and 1992 included the following components:

	1994	1993	1992
Service cost - benefits earned during the period	$ 640,000	$ 687,000	$ 613,000
Interest cost on projected benefit obligation	824,000	865,000	763,000
Actual (return) loss on assets	199,000	(1,397,000)	(1,315,000)
Net amortization and deferral	(970,000)	780,000	842,000
Effect of settlement distributions	--	(15,000)	--
Net periodic pension cost	$ 693,000	$ 920,000	$ 903,000

Assumptions used in the pension accounting for the three years ended December 31, 1994 were: (a) a discount rate between 7% and 8% (b) 0 - 6% rates for compensation increases, and (c) an expected long-term rate of return on assets of 8%.

The following table sets forth the plans' funded status and amounts recognized in the Company's balance sheets at December 31, 1994 and 1993, for its pension plans:

	December 31, 1994		December 31, 1993	
	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets
Actuarial present value of benefit obligations:				
Vested benefit obligation	$(5,101,000)	$(2,838,000)	$(6,127,000)	$(2,846,000)
Accumulated benefit obligation	$(5,405,000)	$(2,874,000)	$(6,433,000)	$(2,886,000)
Projected benefit obligation	$(8,158,000)	$(2,874,000)	$(8,667,000)	$(2,886,000)
Plan assets at fair value	7,742,000	2,362,000	8,707,000	2,519,000
Projected benefit obligation under (over) plan assets	$ (416,000)	$ (512,000)	$ 40,000	$ (367,000)
Unrecognized net (gain) or loss	(564,000)	122,000	(537,000)	(135,000)
Prior service cost not yet recognized in net periodic pension cost	917,000	177,000	1,066,000	196,000
Unrecognized net (asset) obligation at date of initial application	(58,000)	284,000	(134,000)	337,000
Adjustment required to recognize minimum liability	--	(583,000)	--	(398,000)
Prepaid pension cost (pension liability)	$ (121,000)	$ (512,000)	$ 435,000	$ (367,000)

NOTE 7 - Rentals:

Aggregate rent expense, including month-to-month rentals, approximated $619,000 $669,000 and $697,000 for the years ended December 31, 1994, 1993 and 1992, respectively. Long-term lease commitments, the last of which expire in 1998, are not material.

NOTE 8 - Quarterly Results For 1992, 1993 And 1994:

	Quarter Ended March 31, 1992	June 30, 1992	September 30, 1992	December 31, 1992
	(Unaudited)			
Net sales	$30,176,330	$32,840,528	$32,912,162	$32,736,496
Gross profit	$10,111,338	$11,104,558	$10,980,306	$11,219,054
Earnings before taxes on income	$ 3,262,852	$ 4,262,268	$ 4,022,182	$ 4,316,880
Net earnings	$ 2,037,852	$ 2,667,268	$ 2,512,182	$ 2,696,880
Net earnings per common share	$ .24	$ .31	$ .29	$ .31
Dividends per common share	$ .0625	$ .0625	$ .0625	$ .0625
Average outstanding shares	8,592,360	8,655,538	8,669,924	8,672,115

	Quarter Ended March 31, 1993	June 30, 1993	September 30, 1993	December 31, 1993
	(Unaudited)			
Net sales	$31,578,095	$33,751,918	$32,382,493	$32,414,184
Gross profit	$10,639,493	$11,205,813	$10,362,782	$10,637,978
Earnings before taxes on income	$ 3,585,072	$ 4,001,685	$ 3,328,443	$ 1,203,676
Net earnings	$ 2,465,072	$ 2,506,685	$ 1,993,443	$ 738,676
Net earnings per common share	$ .28	$ .29	$ .23	$ .09
Dividends per common share	$ .07	$ .07	$ .07	$ .07
Average outstanding shares	8,686,233	8,691,775	8,692,413	8,699,593

	Quarter Ended March 31, 1994	June 30, 1994	September 30, 1994	December 31, 1994
	(Unaudited)			
Net sales	$31,907,441	$35,873,454	$33,247,093	$34,039,409
Gross profit	$10,591,394	$12,050,846	$11,312,800	$11,803,628
Earnings before taxes on income	$ 3,209,622	$ 4,598,653	$ 3,971,762	$ 4,480,970
Net earnings	$ 1,989,622	$ 2,853,653	$ 2,461,762	$ 2,775,970
Net earnings per common share	$ .23	$ .32	$ .29	$ .33
Dividends per common share	$ .08	$ .08	$ .08	$ .08
Average outstanding shares	8,818,554	8,897,552	8,509,791	8,363,552

The independent certified public accountants made a limited review of the 1992, 1993 and 1994 quarterly financial information in accordance with standards established by the American Institute of Certified Public Accountants. Such review was substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of opinion regarding the financial statements taken as a whole, and accordingly, no such opinion was expressed.

NOTE 9 - Stock Options:

In 1993 the Company adopted an Incentive Stock Option Plan under which options on 1,500,000 shares were reserved for grant. All options under the Plan have or will be granted at prices at least equal to the fair market value of the shares on the date of grant. Options granted to date under the Plan are exercisable in part or in full within five years of grant date. Proceeds from the exercise of options are credited to common stock to the extent of par value, and the balance is credited to additional paid-in capital. A summary of option transactions during the three years ended December 31, 1994 (including option transactions from a 1983 Plan which expired in 1993) follows:

		Option Prices		
	No. of Shares	Range Per Share	Total	Market Price
Outstanding January 1, 1992	337,200	$ 5.37-$ 9.47	$ 2,713,150	
Granted.	341,400	$16.44-$18.08	5,654,500	$5,611,763
Exercised	(99,400)	$ 5.37-$16.44	(671,038)	$1,508,784
Cancelled	(3,600)	$ 5.37-$16.44	(42,750)	
Outstanding December 31, 1992	575,600	$ 8.56-$18.08	$ 7,653,862	
Exercised	(24,900)	$ 8.56-$16.44	(216,356)	$ 435,750
Cancelled	(6,000)	$ 8.56-$16.44	(82,875)	
Outstanding December 31, 1993	544,700	$ 8.56-$18.08	$ 7,354,631	
Granted.	104,925	$13.75-$15.13	1,451,794	$1,442,719
Exercised	(210,300)	$ 8.56-$ 9.47	(1,815,194)	$3,032,588
Cancelled	(15,100)	$13.75-$16.44	(246,325)	
Outstanding December 31, 1994.	424,225	$13.75-$18.08	$ 6,744,906	

NOTE 10 - Earnings Per Share:

Historical per share data is based on the weighted average number of shares outstanding. The exercise of outstanding stock options would not have a significant effect on earnings per share. The weighted average number of shares outstanding during 1994, 1993 and 1992 was 8,645,739, 8,692,540 and 8,647,613, respectively.

NOTE 11 - Capital Stock:

On May 27, 1992, the Board of Directors authorized a four-for-one stock split, effective June, 1992. The accounting treatment was to charge the Additional Paid-in Capital account for $4,358,074 (the aggregate available additional paid-in capital prior to the split), charge the Retained Earnings account $2,139,740 and credit the Common Stock account for $6,497,814. All references in the financial statements with regard to outstanding shares, average numbers of shares of common stock and related prices, dividends and per share amounts have been restated to reflect the foregoing common stock split. In April, 1993, following approval at the Annual Meeting of Shareholders, the Company's Certificate of Incorporation was amended to increase the authorized Common Shares of the Company from 10,000,000 to 50,000,000 shares.

NOTE 12 - Dispute With Governmental Agency:

The Company has been advised that it is a target of a Federal criminal investigation relating to a previously reported dispute involving alleged false statements and false claims purportedly made in connection with contracts ostensibly awarded by the U.S. Department of Veterans Affairs. A former vice president of the Company has entered into a plea agreement with Federal authorities in connection with this matter; the specific terms and conditions of which are not known to the Company. Federal authorities are also pursuing a civil investigation of the Company relating to these matters. The dispute does not involve the integrity of the Company's products.

The Company is cooperating with these investigations, and settlement discussions are continuing. The Company previously offered to settle all potential charges relating to these matters and in 1993 recorded a liability in that amount which is reflected in its financial statements. That offer, however, was rejected by Federal authorities. While the Company has further concluded that it possesses specific defenses which will be vigorously asserted in the event the parties are unable to arrive at a negotiated settlement, the Company is unable to estimate the outcome of this uncertainty.

Additionally, in the event the Company is indicted or convicted on criminal charges, or if significant civil damages are pursued, certain collateral consequences are likely to result, such as suspension or debarment from the award of future Federal government contracts. The Company believes that a suspension or debarment in connection with Federal government contracts would not have a material adverse effect on the Company; however, such action may also impede the Company's ability to receive certain contracts awarded under various Federal grant and other non-procurement programs. The precise impact of any potential exclusion under various Federal grant and other non-procurement programs is not clear.

NOTE 13 - Accrued Expenses:

	December 31, 1994	December 31, 1993
Salaries, wages, commissions and vacation pay	$1,812,730	$1,728,901
Other accrued expenses	1,314,083	866,058
	$3,126,813	$2,594,959

NOTE 14 - Supplemental Information:

	Year Ended December 31, 1994	1993	1992
Income taxes paid	$5,961,885	$5,213,135	$5,763,063
Interest paid	$1,436,998	$ 680,083	$ 748,833

DELOITTE & TOUCHE LLP

[LOGO] Certified Public Accountants

Suite 1200
201 East Kennedy Boulevard
Tampa, Florida 33602-5821
Telephone: (813) 223-7591

INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders
Superior Surgical Mfg. Co., Inc.
Seminole. Florida

We have audited the accompanying balance sheets of Superior Surgical Mfg. Co., Inc. as of December 31, 1994 and 1993, and the related statements of earnings, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Superior Surgical Mfg. Co., Inc. as of December 31, 1994 and 1993, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

As described in Note 12 to the financial statements, the Company is engaged in a dispute with an agency of the U.S. Government. In connection with this dispute, the Company has made a settlement offer of $2,250,000. The ultimate outcome of this dispute cannot presently be determined. Accordingly, no provision for any additional loss that may result upon resolution of this matter has been made in the accompanying financial statements.

As described in Note 1 to the financial statements, the Company changed its method of accounting for income taxes effective January 1, 1993 to conform with Statement of Financial Accounting Standards No. 109.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

February 24, 1995

DELOITTE TOUCHE TOHMATSU INTERNATIONAL

PART II

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

NONE

PART III

Items 10, 11, 12 and 13	Directors and Executive Officers; Executive Compensation; Security Ownership of Management and others; Certain Transactions.

Management's Proxy Statement to be filed on or before March 30, 1995 for the Annual Meeting of Shareholders to be held May 1, 1995, is herein incorporated by reference to furnish substantially all the information required by the above items.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) 1. Financial Statements

The following financial statements of Superior Surgical Mfg. Co., Inc. are included in Part II, Item 8:

(a) 2. Financial Statement Schedules

All schedules are omitted because they are not applicable, or not required, or because the required information is included in the financial statements or notes thereto.

(a) 3. Exhibits

Exhibit No.:

3.2 By-Laws of the Registrant filed as Exhibit 3.2 to the Registrant's 1992 Annual Report on Form 10-K and incorporated herein by reference.

4.1 Credit Agreement dated December 1, 1982, as amended on December 1, 1990, between the Registrant and Manufacturers Hanover Trust Company (Chemical Bank) filed as Exhibit 4.1 to the Registrant's 1992 Annual Report on Form 10-K and incorporated herein by reference.

4.2 Note Agreement dated January 5, 1994 between the registrant and Massachusetts Mutual Life Insurance Company filed with the Commission as Exhibit 4.2 in Registrant's 1994 Form 10-Q for the three months ended March 31, 1994 which is hereby incorporated herein by reference.

4.3 The Registrant, by signing this Registration Statement, agrees to furnish the Commission upon its request a copy of any instrument which defines the rights of holders of long-term debt of the Registrant and which authorizes a total amount of securities not in excess of 10% of the total assets of the Registrant.

10.1	Description of the informal bonus plan for officers of the Registrant filed as Exhibit 10 to the Registrant's 1992 Annual Report on Form 10-K and incorporated herein by reference.	
10.2	1993 Incentive Stock Option Plan of the Registrant filed as Exhibit 4.3 to the Registrant's August 18, 1993 Registration Statement on Form S-8 and incorporated herein by reference.	
10.3	1994 Superior Surgical Mfg. Co., Inc. Supplemental Pension Plan	IV-5
13.	Forms 10-Q for the first three quarters of 1994 herein incorporated by reference to Registrant's filings thereof with the Securities and Exchange Commission.	
23.	Consents of experts and counsel.	IV-6
27.	Financial Data Schedule (for SEC use only)	
99.	The information contained under the headings "Directors and Executive Officers, Executive Compensation; "Security Ownership of Certain Beneficial Owners and Management; and "Certain Relationships and Related Transactions" in the definitive Proxy Statement of the Registrant to be used in connection with the Registrant's 1995 Annual Meeting of Stockholders, to be filed on or before March 30, 1995, is hereby incorporated herein by reference.	

(b) Reports on Form 8-K:

There were no reports on Form 8-K for the three months ended December 31, 1994.

(c) See (a) 3. above.

(d) None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SUPERIOR SURGICAL MFG. CO., INC.

/s/ Gerald M. Benstock
BY: Gerald M. Benstock
(Chairman and Chief Executive Officer)

/s/ John W. Johansen
BY: John W. Johansen
(Chief Financial Officer and Principal Accounting Officer, Sr. Vice President, Treasurer and Secretary)

DATE: March 24, 1995

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

/s/ Saul Schechter
Saul Schechter, March 24, 1995
(Director)

/s/ Manuel Gaetan
Manuel Gaetan, March 24, 1995
(Director)

/s/ Thomas K. Riden
Thomas K. Riden, March 24, 1995
(Director)

/s/ Alan D. Schwartz
Alan D. Schwartz, March 24, 1995
(Director)

/s/ Michael Benstock
Michael Benstock, March 24, 1995
(Director)

/s/ Peter Benstock
Peter Benstock, March 24, 1995
(Director)

SUPERIOR SURGICAL MFG. CO., INC.

EXHIBIT INDEX

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EXHIBIT 10.3

SUPERIOR SURGICAL MFG. CO., INC.

SUPPLEMENTAL PENSION PLAN

EFFECTIVE NOVEMBER 1, 1994

SUPERIOR SURGICAL MFG. CO., INC.
SUPPLEMENTAL PENSION PLAN

Superior Surgical Mfg. Co., Inc. (the "Employer") hereby establishes the Superior Surgical Mfg. Co., Inc. Supplemental Pension Plan (the "Supplemental Plan" or simply "Plan") as a nonqualified, unfunded plan of deferred compensation, to supplement the benefits provided under the Superior Surgical Mfg. Co., Inc. Employees' Pension Plan (the "Basic Plan"). The Plan is designed to provide for the payment of benefits to certain employees who are participants in the Basic Plan, without regard to limitations on the Basic Plan, which are prescribed by sections 415 and 401(a)(17) of the Internal Revenue Code of 1986 ("Code").

The Plan consists of two separate and distinct component plans:

(a) an unfunded excess benefit plan, as that term is defined in sections 3(36) and 4(b)(5) of the Employee Retirement Income Security Act of 1974 ("ERISA") (the "Excess Plan"); and

(b) an unfunded supplemental executive retirement plan which is maintained primarily for the purpose of providing additional deferred compensation for a select group of management and highly compensated employees, as described in sections 201(2), 301(a)(3) and 401(a)(1) of ERISA (the "Executive Retirement Plan").

ARTICLE 1: PURPOSE OF THE PLAN

The Employer intends and desires by the adoption of this Plan to recognize the value to the Employer of past and present services of certain employees covered by the Basic Plan and to encourage their continued service with the Employer by making more adequate provision for their future retirement security.

ARTICLE 2: COORDINATION WITH THE BASIC PLAN

Benefits under this Plan are coordinated with benefits under the Basic Plan. For purposes of this Plan, Basic Plan means the Superior Surgical Mfg. Co., Inc. Employees' Pension Plan, any amendments thereto, and any amendments which may be in effect as of the date any determination is made of benefits payable under this Plan. All terms used in this Plan shall have the meanings assigned to them under the provisions of the Basic Plan, unless otherwise qualified by the context.

ARTICLE 3: ADMINISTRATION

This Plan shall be administered by the Committee under the Basic Plan, which shall administer it in a manner consistent with the administration of the Basic

Plan, except that this Plan shall be administered as an unfunded plan which is not intended to meet the qualification requirements of section 401 of the Code. The Committee shall have full power and authority to interpret, construe and administer this Plan, and the Committee's interpretations and construction hereof, and actions hereunder, including determinations as to the timing, form, amount or recipient of any payments to be made hereunder, shall be binding and conclusive upon all persons for all purposes. No member of the Committee shall be liable to any person for any action taken or omitted in connection with the interpretation or administration of this Plan, unless attributable to his own willful misconduct or lack of good faith. A Committee member shall not participate in any action or determination regarding his own benefits hereunder.

ARTICLE 4: ELIGIBILITY

The following Employees are eligible to participate in the Plan:

(a) Employees who are participating in the basic Plan and whose pension or pension-related benefits under the Basic Plan are limited pursuant to section 415 of the Code shall be eligible to participate under the Excess Plan. In no event shall an Employee who is not entitled to benefits under the Basic Plan be eligible for a benefit under the Excess Plan.

(b) Employees designated by the Board of Directors of the Employer, or the Executive Committee of the Board of Directors, who form "a select group of management or highly compensated employees" (within the meaning of Title I of ERISA), who are participating in the Basic Plan and whose benefits under the Basic Plan are limited by section 401(a)(17) of the Code, shall be eligible to participate under the Executive Retirement Plan. In no event shall an Employee who is not entitled to benefits under the Basic Plan be eligible for a benefit under the Executive Retirement Plan.

ARTICLE 5: AMOUNT OF EXCESS PLAN BENEFIT

The benefit payable to an eligible Employee or his beneficiary or beneficiaries under the Excess Plan shall be the Actuarial Equivalent of the excess, if any, of:

(a) the benefit, expressed as a single life annuity, which would have been payable to such Employee or on his behalf to his Beneficiary or Eligible Spouse, as the case may be, from the Basic Plan, if the provisions of the Basic Plan were administered without regard to the maximum amount of retirement income limitations of section 415 of the Code, over

(b) the benefit which is in fact payable to such Employee or on his behalf to his Beneficiary or Eligible Spouse under the Basic Plan, expressed as a single life annuity.

Benefits payable under the Excess Plan shall be computed in accordance with the foregoing and with the objective that the benefits payable under the Excess Plan and the Basic Plan should total the amount which would have been payable solely under the Basic Plan had section 415 of the Code not been applicable thereto.

ARTICLE 6: AMOUNT OF EXECUTIVE RETIREMENT PLAN BENEFITS

The benefits payable to an eligible Employee or his beneficiary or beneficiaries under the Executive Retirement Plan shall be the Actuarial Equivalent of the excess, if any, of the benefit, expressed as a single life annuity, which would have been payable to such Employee or on his behalf to his Beneficiary or Eligible Spouse, as the case may be, from the Basic Plan, if the provisions of the Basic Plan were administered without regard to either the maximum amount of retirement income limitation of section 415 of the Code or the maximum compensation limitation of section 401(a)(17) of the Code, over the sum of:

(a) the benefit which is in fact payable to such Employee or on his behalf to his Beneficiary or Eligible Spouse under the Basic Plan, expressed as a single life annuity, and

(b) the amount of the Excess Plan benefit (expressed as a single life annuity), if any, which is in fact payable under Article 5 of this Plan.

Benefits payable under this Article 6 shall be computed in accordance with the foregoing and with the objective that the benefit payable under the Excess Plan, the Executive Retirement Plan, and the Basic Plan should total the amount which would have been payable solely under the Basic Plan had neither section 415 nor section 401(a)(17) of the Code been applicable thereto.

ARTICLE 7: PAYMENT OF BENEFITS

The total benefit payable to an Employee or on his behalf under Article 5 and 6 shall be payable in accordance with the following paragraphs:

(a) Upon commencement of participation in this Plan, an Employee shall select a form for the payment of benefits from this Plan, from among the forms described in paragraph (f). The Employee shall name a beneficiary or beneficiaries consistent with the form of benefit selected, who need not to be the Employee's Eligible Spouse or Beneficiary under the Basic Plan. In the absence of a contrary selection by the Employee, the form for the payment of benefits from this Plan shall be a single life annuity under subparagraph (f)(1).

(b) Upon commencement of participation in this Plan, an Employee shall select a date for the commencement of benefits from this Plan, which shall not be earlier than the date of the Employee's termination of employment with the Employer, nor later than the Employee's Normal Retirement Date (if his employment has terminated before such date). In the absence of a contrary designation by the Employee, the Employee's benefit commencement date shall be the later of the Employee's Normal Retirement Date or date of termination of employment.

(c) An Employee may change a beneficiary designation, a form of benefit payment, or a benefit commencement date, at any time prior to the commencement of the payment of benefits from the Plan; provided however, that no change in the form of benefit or benefit commencement date shall become effective until one year after the change in made and, provided further, that no change in form or commencement date shall become effective after the Employee's termination of employment, death, or commencement of benefits.

(d) Notwithstanding anything in paragraphs (a), (b) and (c) to the contrary, an eligible Employee may elect, in addition to any other elections he has made under the Plan, to receive his benefit from the Plan on the later of:

(1) his Disability Retirement Date (as such term is defined under the Basic Plan); or

(2) the date his coverage under a Disability Contract (as such term is defined under the Basic Plan) terminates.

Such election shall be effective only if the Employee is not Disabled at the time the election is made, and the Employee is eligible for a Disability Retirement Benefit from the Basic Plan after his employment terminates.

The amount of Excess and Executive Retirement Plan benefits payable under this paragraph (d) will be determined in accordance with Article 5 and Article 6 and Section 4.04 of Basic Plan.

(e) No Employee or Employee's beneficiary shall be entitled to benefits from this Supplemental Plan unless the Employee is vested under the Basic Plan and has terminated employment with the Employer.

Notwithstanding anything to the contrary, benefit payments shall begin on the April 1 following the year in which an Employee attains age 70 1/2, if the Employee remains employed on that April 1, in the form then in effect for the Employee.

(f) The forms in which benefits are payable under the Plan are the following, all of which shall be the Actuarial Equivalent of the total benefit payable under Articles 5 and 6:

(1) A single life annuity, under which the Employee shall receive equal monthly payments for his lifetime only. If the Employee dies prior to the commencement of benefit payments, no benefits shall be payable under this form.

(2) A joint and survivor annuity, under which the Employee shall receive reduced monthly payments for his lifetime, and a beneficiary designated by the Employee shall receive a percentage (not less than 50% or more than 100%) of the payments previously received by the Employee, for the beneficiary's lifetime. If the Employee dies prior to the commencement of benefit payments, payments to the beneficiary shall begin with the Employee's death. If the beneficiary dies

prior to the commencement of benefit payments to the Employee, the Employee may designate a new beneficiary.

(3) A life annuity with ten years guaranteed, under which an Employee shall receive reduced monthly payments for his lifetime, and a beneficiary designated by the Employee will receive payments until the tenth anniversary of the date payments began, if the Employee dies before such tenth anniversary. If the Employee dies prior to the commencement of benefit payments, payments to the beneficiary shall begin with the Employee's death. If the beneficiary dies before the Employee, the Employee may designate a new beneficiary.

(4) A single-sum payment. If the Employee dies prior to receipt of the single sum, it shall be paid to his beneficiary.

For purposes of this Article 7, and all other provisions of the Plan, "Actuarial Equivalent" shall have the same meaning as that set forth in the Basic Plan.

ARTICLE 8: EMPLOYEES' RIGHTS

An Employee's contractual rights under this Plan to vested benefits shall be the same as his contractual rights under the Basic Plan. Benefits payable under this Plan shall be general, unsecured obligations of the Employer, to be paid by the Employer from its own funds, and such payments shall not (a) impose any obligation upon the Pension Fund under the Basic Plan; (b) be paid from the Pension Fund under the Basic Plan; or (c) have any effect whatsoever upon the Basic Plan or the payment of benefits from the Pension Fund under the Basic Plan. No Employee or his Beneficiary or Eligible Spouse under the Basic Plan or beneficiary under this Supplemental Plan shall have any title to or beneficial ownership in any assets which the Company may earmark to pay benefits hereunder.

An Employee shall lose his contractual rights to benefits under this Plan if he is terminated for cause, or if such Employee resigns in order to avoid being terminated for cause. Termination for cause, for this purpose, means discharge for reason of the Employee's personal dishonesty, wilful misconduct, self-dealing to the detriment of the Employer, violation of any confidentiality requirements, or violation of any employment contract. The Committee has the sole discretion under the Plan to determine whether an Employee has been terminated for cause, or resigned to avoid being terminated for cause.

ARTICLE 9: CLAIMS AND APPEAL PROCEDURES

The purpose of the claims and appeal provisions set forth in this Article is to secure the speedy, inexpensive resolution of all disputes over Plan benefits and rights granted by the Plan. These provisions shall be liberally construed so as to avoid litigation and its attendant expenses.

Each person who claims entitlement to any right or benefit under the Plan ("claimant") may submit a claim with respect to that benefit or right. All claims shall be submitted in writing to the Committee and shall be accompanied by such information and documentation as the Committee determines are required to make a ruling on the claim. Upon receipt of a claim hereunder, the Committee shall consider the claim and shall render a decision and communicate the same to the claimant. The Committee shall render a decision within 90 days after receipt of the claim, unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render a decision. In the event that the claim is denied in whole or in part, the claimant shall be given notice in writing, which shall set forth the following in a manner reasonably calculated to be understood by the claimant:

(a) the specific reason(s) for the denial;

(b) specific reference to pertinent plan provisions on which the denial is based;

(c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;

(d) an explanation of the Plan's appeal procedure.

The failure of the Committee to render a decision on a claim within the time specified shall be deemed to be a denial of such claim.

Any claim under this claims procedure must be submitted within 12 months from the earlier of (i) the date on which the claimant learned of facts sufficient to enable him to formulate such claim, or (ii) the date on which the claimant reasonably should have been expected to learn of facts sufficient to enable him to formulate such claim. When a claim has been or is deemed denied, the claimant (hereinafter referred to as appellant) shall have the right within 60 days after receipt of written notice thereof or the date the claim is deemed denied to file an appeal with the Committee and to go through the appeal procedure herein set forth. All appeals shall be in writing, and shall set forth the reasons why the appellant believes the decision denying his claim is erroneous. The appellant may be represented by counsel, or by other representative authorized in writing by appellant in a manner specified by the Committee, and appellant or his counsel or duly authorized representative may review pertinent documents and may submit issues and comments in writing to the Committee. The expense of a paid representative shall be borne by the appellant. Within 60 days after such written appeal is received, the Committee shall conduct a full and fair review of the entire claim. The Committee shall render a decision on the appeal in writing not later than 60 days after receipt of the written appeal, unless special circumstances (such as the need to hold a hearing, which shall be determined by the Committee) require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of a written appeal. If special circumstances require an extension of time for processing, the Committee shall so notify the appellant prior to the commencement of the extension. If the Committee does not render a decision within 60 days (120 days if special circumstances arise), the appeal shall be deemed denied. The decision shall include specific references to provisions of this Plan and of law and shall be written in a manner reasonably calculated to be understood by the appellant.

The decision of the Committee shall be final and shall be binding upon the appellant, his beneficiaries, heirs, and assigns and all other persons claiming by, through or under him.

A failure to file a claim and an appeal in the manner and within the time limits set forth herein shall be deemed a failure by the aggrieved party to exhaust his administrative remedies and shall constitute a waiver of the rights or benefits sought to be established under the Plan.

No legal action to recover plan benefits or to enforce or to clarify rights under the Plan shall be commenced under section 502(a)(1)(B) of ERISA, or under any other provisions of law, whether or not statutory, unless and until the claimant first shall have exhausted the claims and appeal procedures available to him hereunder in this Article. A claimant must raise all issues and present all theories relating to his claim to the Committee at one time. Otherwise, the claimant shall be deemed to have abandoned forever all issues and theories not raised and presented to the Committee.

Any suit brought to contest a decision of the Committee shall be filed in a court of competent jurisdiction within 1 year from receipt of written notice of the Committee's final decision or from the date the appeal is deemed denied, and any suit not filed within this 1-year limitation period shall be dismissed by the court. Service of legal process shall be made upon the Plan by service upon the Committee.

All state law causes of action that arise out of or relate to the Executive Retirement Plan portion of this Plan or to entitlement to rights or benefits under the Executive Retirement Plan portion of the Plan shall be deemed to have been preempted by section 514 of ERISA.

In any suit contesting a decision of the Committee, all issues of fact shall be tried by the court and not by a jury. No evidence may be introduced in court which was not previously presented to the Committee and no evidence may be introduced to modify or contradict the terms of the Plan document.

The Committee shall have full discretionary authority to interpret and apply the terms of this Plan document and other relevant documents and relevant provisions of law, and deference shall be afforded the Committee's decisions. This grant of authority shall be broadly construed and shall include the authority to find facts, to reach conclusions of law, to interpret and apply ambiguous terms, and to supply missing terms reasonably necessary to resolution of claims and appeals. No finding of fact by the Committee shall be set aside by a court unless the party contesting the finding shall prove by clear and convincing evidence that the finding is abitrary and capricious. No conclusion of law reached by the Committee shall be reversed by a court unless the party contesting the conclusion shall demonstrate that the Committee is guilty of manifest disregard of law.

In any suit over Plan benefits or rights, recovery shall be limited to the amount of benefits found due, without interest, or to specific enforcement of rights established under the Plan, and shall not include any other damages whether denominated incidental, special, consequential, collateral, compensatory, exemplary, punitive or whatever.

The Committee may issue, or cause to be issued, from time to time statements to employees, participants, retirees or beneficiaries indicating eligibility, service or other data regarding their Plan benefits. If any such person wishes to challenge the accuracy of such data or of any information issued in response to a request within the terms of section 105(a) of ERISA, the person shall do so in the manner and within the time limits set forth above in this Article.

After termination of the Plan, the Committee may direct a final determination of the rights and benefits of some or all persons having an interest in the Plan. The determination with respect to any person may be mailed to that person at his last known address and that person may be given 90 days within which to challenge the determination through the claims and appeal procedures set forth in this Article. The mailing of a copy of a determination to a person at his last known address shall be deemed constructive receipt by that person of a copy of the determination. Any determination not challenged through the claims and appeals procedures shall govern a person's rights under the Plan, and the rights of any person claiming by, through or under him.

ARTICLE 10: AMENDMENT AND DISCONTINUANCE

The Employer expects to continue this Plan indefinitely, but reserves the right to amend or discontinue it if, in its sole judgment, such a change is deemed necessary or desirable. However, if the Employer should amend or discontinue this Plan, the Employer shall be liable for any benefits accrued under this Plan (determined on the basis of each employee's presumed termination of employment as of the date of such amendment or discontinuance) as of the date of such action. Any action to amend or terminate the Plan shall be taken by the Employer's Board of Directors, or any person or persons the Board had designated to take such actions on its behalf. When making decisions to amend or terminate the Plan, the Employer, and its employees, officers, directors and agents act in a corporate and not a fiduciary capacity.

In the event of termination of this Plan, the Committee may, at its option, accelerate the payment of all benefits payable under the Plan. In the event the Committee decides to accelerate these payments, each Employee participating in the Plan shall be paid an immediate single sum equal to the present value of the single-life annuity he would have received from this Plan, had he retired on the date of Plan termination, and begun receiving benefits immediately thereafter.

No employee, supervisor, officer, or director of the Employer has authority to modify the terms of the Plan, except in writing through the Plan's amendment procedure. No representation contrary to the terms of the Plan and the formal amendments thereto shall be binding on the Plan, the Committee, or the Employer.

ARTICLE 11: RESTRICTIONS ON ASSIGNMENT

The interest of an Employee or his beneficiary or beneficiaries may not be sold, transferred, assigned, or encumbered in any manner, either voluntarily or involuntarily, and any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be null and void; neither shall the benefits hereunder be liable for or subject to the debts, contracts, liabilities, engagement, or torts of any person to whom such benefits or funds are payable, nor shall they be subject to garnishment, attachment, or other legal or equitable process nor shall they be an asset in bankruptcy, except that no amount shall be payable hereunder until and unless any and all amounts representing debts or other obligations owed to the Employer or any affiliate of the Employer by the Employee with respect to whom such amount would otherwise be payable shall have been fully paid and satisfied.

ARTICLE 12: NATURE OF AGREEMENT

The adoption of this Plan and any setting aside of amounts by the Employer with which to discharge its obligations hereunder shall not be deemed to create a trust; legal and equitable title to any funds so set aside shall remain in the Employer, and any recipient of benefits hereunder shall have no security or other interest in such funds. Any and all funds so set aside shall remain subject to the claims of the general creditors of the Employer, present and future, and no payment shall be made under this Plan unless the Employer is then solvent. This provision shall not require the Employer to set aside any funds, but the Employer may set aside such funds if it chooses to do so.

ARTICLE 13: CONTINUED EMPLOYMENT

Nothing contained herein shall be construed as conferring upon any Employee the right to continue in the employ of the Employer in any capacity.

ARTICLE 14: BINDING ON EMPLOYER, EMPLOYEES AND THEIR SUCCESSORS

This Plan shall be binding upon and inure to the benefit of the Employer, its successors and assigns and the Employee and his heirs, executors, administrators and legal representatives.

ARTICLE 15: PAYMENTS MADE BY MISTAKE

Notwithstanding anything to the contrary, an eligible Employee or beneficiary is entitled only to those benefits provided by the Plan and promptly shall return any payment made by mistake of fact or law. The Committee may offset the future benefit of any recipient who refuses to return an erroneous payment, in addition to pursuing any other remedies provided by law.

ARTICLE 16: LAWS G0VERNING

This Plan shall be construed in accordance with and governed by the laws of the State of Florida (but without regard to Florida's laws on the conflict of laws), except to the extent that the Executive Retirement Plan is governed by ERISA.

IN WITNESS WHEREOF, and as evidence of the adoption of the Superior Surgical Mfg. Co, Inc. Supplemental Pension Plan by the Employer, it has caused the same to be signed by its officers thereunto duly authorized, and its corporate seal to be affixed thereto, the 5th day of January, 1995, to be effective as of November 1, 1994.

SUPERIOR SURGICAL MFG. CO., INC.

Attest:
/s/ John H. Lord
\- --------------------------------

By: /s/ John W. Johansen

Title: Senior Vice President &
Chief Financial Officer

[Corporate Seal]

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Post-Effective Amendment No. 1 to Registration Statement No. 2-85796 of Superior Surgical Mfg. Co., Inc. on Form S-8 of our report dated February 24, 1995, which expresses an unqualified opinion and includes two explanatory paragraphs relating to an uncertainty of a dispute with an agency of the U.S. Government and a change in the Company's method of accounting for income taxes appearing in the Annual Report on Form 1O-K of Superior Surgical Mfg. Co., Inc. for the year ended December 31, 1994.

Deloitte & Touche LLP

Tampa, Florida
February 24, 1995

ARTICLE 5

MULTIPLIER: 1

PERIOD TYPE	YEAR
FISCAL YEAR END	DEC 31 1994
PERIOD START	JAN 01 1994
PERIOD END	DEC 31 1994
CASH	11,233,700
SECURITIES	0
RECEIVABLES	23,356,474
ALLOWANCES	0
INVENTORY	40,991,963
CURRENT ASSETS	76,457,269
PP&E	26,234,749
DEPRECIATION	0
TOTAL ASSETS	104,864,385
CURRENT LIABILITIES	12,161,465
BONDS	18,600,000
COMMON	8,363,552
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	62,574,368
TOTAL LIABILITY AND EQUITY	104,864,385
SALES	135,067,397
TOTAL REVENUES	135,067,397
CGS	89,308,729
TOTAL COSTS	117,846,675
OTHER EXPENSES	959,715
LOSS PROVISION	0
INTEREST EXPENSE	959,715
INCOME PRETAX	16,261,007
INCOME TAX	6,180,000
INCOME CONTINUING	10,081,007
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	10,081,007
EPS PRIMARY	1.17
EPS DILUTED	1.17

End of Filing