SUPERIOR UNIFORM GROUP INC

FORM 10-K
(Annual Report)

Filed 03/23/01 for the Period Ending 12/31/00

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

SUPERIOR UNIFORM GROUP INC

FORM 10-K
(Annual Report)

Filed 3/23/2001 For Period Ending 12/31/2000

Address	10055 SEMINOLE BLVD
	SEMINOLE, Florida 33772
Telephone	727-397-9611
CIK	0000095574
Industry	Apparel/Accessories
Sector	Consumer Cyclical
Fiscal Year	12/31

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, 2000

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

Commission File Number 1-5869-1

SUPERIOR UNIFORM GROUP, INC.

Incorporated - Florida	I.R.S. Employer Identification No. 11-1385670
10099 Seminole Blvd. Seminole, Florida 33772	
Telephone	(727) 397-9611

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

Common Shares with a par value Listed on
of $.001 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 14, 2001, 7,124,327 common shares were outstanding, and the aggregate market value of the registrant's common shares held by non-affiliates was approximately $45 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, 2001, for its Annual Meeting of Shareholders to be held May 4, 2001, 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 25.

PART I

Item 1. Business

(a) Superior Uniform Group, Inc. ("registrant" or the "Company") was organized in 1920 and was incorporated in 1922 as a New York company under the name Superior Surgical Mfg. Co., Inc. In 1998, the Company changed its name to Superior Uniform Group, Inc. and its state of incorporation to Florida. Registrant's business 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 significant distinct segments or lines of business; approximately 95% of registrant's 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.

3. Corporate and resort embroidered sportswear.

Uniforms and service apparel account for 90-95% of total sales and revenues; no other single class of product listed above 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 5% of registrant's 2000 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 January 26, 2001, the backlog of all orders was approximately $6,293,000, compared to approximately $7,463,000 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 material effect upon its operations or earnings. Substantially all of registrant's business is non-seasonal in nature. The registrant has approximately 1,700 employees.

Item 2. Properties

The Company has an ongoing program designed to maintain and improve its facilities. Generally, all properties are in satisfactory condition. The Company's properties 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. The material manufacturing locales are rented for nominal amounts due to cities providing incentives for manufacturers to locate in their area - all such properties may be purchased for nominal amounts. As a result, it is believed that the subject lease expirations and renewal terms thereof are not material.

(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) 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.

(d) Tampa, Florida - Plant of approximately 111,000 square feet, owned by the registrant; used for regional administrative offices, warehousing, shipping and small retail operation.

(e) Miami, Florida - Plant of approximately 9,000 square feet, leased from private owners under a lease expiring in 2002; used for regional sales office, warehousing, shipping, and small retail operation.

(f) 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.

(g) Marietta, Georgia - Plant and warehouse of approximately 33,000 square feet leased from private owners.

(h) Portland, Oregon - Plant and warehouse of approximately 40,000 square feet leased from private owners.

(i) Miscellaneous -
New Orleans, Louisiana, sales office - leased; Las Vegas, Nevada, 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; Delhi, Louisiana, used for manufacturing - leased; Lexington, Mississippi, used for manufacturing - owned; Seattle, Washington, sales office - leased.

Item 3. Legal Proceedings

None.

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							
	2000				1999			
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
Common Shares:								
High	$10-3/4	$10	$8-13/16	$8-3/8	$15-3/4	$14-1/8	$12-7/8	$11-3/4
Low	$8-1/4	$7-1/2	$7-1/2	$7-1/4	$12-1/2	$12	$10-3/4	$8
Dividends (total for 2000-$.54; 1999-$.54)	$.135	$.135	$.135	$.135	$.135	$.135	$.135	$.135

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 $10,635,000 were available at December 31, 2000 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, and as the Directors approve, will increase from time to time.

On March 14, 2001, registrant had 339 shareholders of record and the closing price for registrant's common shares on the American Stock Exchange was $8.49 per share.

Item 6.

SELECTED FINANCIAL DATA

Years Ended December 31,	2000	1999	1998	1997	1996
Net sales	$167,710,399	$168,005,646	$160,717,583	$144,607,048	$141,420,626
Costs and expenses:					
Cost of goods sold	109,904,587	110,902,060	106,620,526	96,213,237	93,897,373
Selling and administrative expenses	43,984,724	41,202,030	36,991,002	32,903,249	32,333,924
Business process re-engineering charge	--	--	3,474,391	--	--
Interest expense	2,167,763	1,605,261	1,115,724	1,100,553	1,295,233
	156,057,074	153,709,351	148,201,643	130,217,039	127,526,530
Earnings before taxes on income	11,653,325	14,296,295	12,515,940	14,390,009	13,894,096
Taxes on income	4,250,000	5,180,000	4,570,000	5,220,000	5,200,000
Net earnings	$ 7,403,325	$ 9,116,295	$ 7,945,940	$ 9,170,009	$ 8,694,096
Basic earnings per common share	$ 1.03	$ 1.17	$ 1.01	$ 1.15	$ 1.07
Diluted earnings per common share	$ 1.03	$ 1.17	$ 1.00	$ 1.14	$ 1.07
Cash dividends per common share	$ 0.54	$ 0.54	$ 0.51	$ 0.46	$ 0.38
At year end:					
Total assets	$130,039,204	$122,852,112	$119,038,910	$108,354,855	$105,659,094
Long-term debt	$ 29,530,239	$ 19,472,577	$ 17,600,000	$ 13,466,666	$ 15,733,333
Working capital	$ 74,360,573	$ 62,693,929	$ 67,040,464	$ 63,764,610	$ 60,242,628
Shareholders' equity	$ 81,641,863	$ 82,717,839	$ 80,503,405	$ 78,117,115	$ 74,156,424

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OPERATIONS: In 2000 net sales were essentially flat in comparison to 1999 and in 1999, net sales increased 5% in comparison to 1998. The 1999 increase was attributed to the continuation of new uniform programs (the Company manufactures and sells a wide range of uniforms, career apparel and accessories for the hospital and healthcare fields; hotels; fast food and other restaurants; and public safety, industrial, transportation and commercial markets as well as corporate and resort embroidered sportswear) as well as the April 1999 acquisition of The Empire Company.

As a percent of sales, cost of goods sold were 65.5% in 2000, 66.0% in 1999, and 66.3% in 1998. The decreases in 2000 and 1999 were primarily the result of increased manufacturing and sourcing efficiencies.

As a percentage of sales, selling and administrative expenses were 26.2% in 2000, 24.5% in 1999, and 23.0% in 1998. The increase in 2000 was primarily attributable to consulting costs expended as post go-live support from our February 2000 implementation of our SAP/AFS (Apparel Footwear Solution) computer system and additional depreciation expense as we began depreciating the computer system in February 2000. These costs as a percentage of sales were also adversely impacted by the overall flat sales in 2000. These additional costs were offset by the settlement gain recorded relative to the Company's pension plan in 2000. The increase in 1999 was primarily attributable to increases in costs associated with the Company's growth in sales and incremental expenses incurred in preparation for the implementation of our SAP/AFS computer system.

Included in earnings for the year ended December 31, 1998 are pre-tax charges in the amount of $3,474,000, as part of our commitment to business process re-engineering activities (integrated SAP systems). The business process re-engineering activities extended across substantially all operating processes of the Company's business including inventory management, manufacturing, sales and distribution, and human resources. The Company utilizes SAP's R/3 product along with apparel specific enhancements in the apparel/footwear solution. The costs associated with the charge consist primarily of charges from external consultants assisting with the implementation and external costs associated with training users.

Interest expense as a percentage of sales was 1.3% in 2000, 1.0% in 1999; and in 1998 was 0.7%. The increase in 2000 is attributed primarily to higher average borrowings outstanding on the Company's revolving credit agreement as a result of the increased working capital carried in 2000. The increase in 1999 is attributed primarily to the increased level of fixed rate debt incurred in 1999. The decrease in 1998 is attributed to reduced fixed rate long-term debt, offset by higher borrowings outstanding on the long-term revolving credit agreement in 1998.

The effective income tax rate in 2000 was 36.5%; in 1999 it was 36.2%; and in 1998 it was 36.5%.

In 2000, the Company reported net income of 4.4% of sales with a return of 9.0% on average shareholders' equity. In 1999, the Company reported net income of 5.4% of sales with a return of 11.2% on average shareholders' equity. For 1998, the corresponding figures were 4.9% and 10%, respectively. Excluding the impact of the pre-tax charge discussed above, the 1998 amounts would have been 6.3% and 12.8%, respectively.

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 2000 was approximately $74,361,000 and the working capital ratio 5.5:1; for 1999, it was approximately $62,694,000 and the working capital ratio 4.3:1. 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 to fund the Company's operations.

In 2000, the Company's percentage of total debt to total debt and equity was 29.3% and in 1999 it was 21.5%. The increase is attributed primarily to increased borrowings under the Company's revolving credit agreement as a result of the increased working capital carried in 2000.

The Company has an on-going capital expenditure program designed to maintain and improve its facilities. Capital expenditures were approximately $2,826,000, $4,941,000, and $6,259,000, in the years 2000, 1999, and 1998, respectively. The Company at all times evaluates its capital expenditure programs in light of prevailing economic conditions.

During the years ended December 31, 2000 and 1999, the Company paid cash dividends of approximately $3,907,000 and $4,196,000, respectively. The Company reacquired and retired 471,500 and 253,300 of its common shares in the years ended December 31, 2000 and 1999, respectively, with costs of $4,572,000 and $2,727,000, respectively.

In 2000, cash and cash equivalents decreased by approximately $2,833,000. This decrease is attributed to approximately $2,645,000 in cash utilized by operations and approximately $2,828,000 utilized in investing activities, primarily for computer system implementation and recurring fixed asset additions, offset by approximately $2,640,000 provided from financing activities. In 1999, cash and cash equivalents increased by approximately $2,507,000. This increase is attributed to approximately $20,753,000 in cash generated from operations offset by approximately $14,113,000 utilized in investing activities, primarily for the acquisition of the Empire

Company, computer system implementation and recurring fixed asset additions, and approximately $4,133,000 utilized in financing activities.

On March 26, 1999, the Company entered into a new 3-year credit agreement that made available to the Company up to $15,000,000 on a revolving credit basis. Interest is payable at LIBOR plus 0.60% based upon the one-month LIBOR rate for U.S. dollar based borrowings (7.16% at December 31, 2000). The Company pays an annual commitment fee of 0.15% on the average unused portion of the commitment. The available balance under the credit agreement is reduced by outstanding letters of credit. As of December 31, 2000, approximately $496,000 was outstanding under letters of credit. The Company also entered into a $12,000,000 10-year term loan on March 26, 1999 with the same bank. The term loan is an amortizing loan, with monthly payments of principal and interest, maturing on April 1, 2009. The term loan carries a variable interest rate of LIBOR plus 0.80% based upon the one-month LIBOR rate for U.S. dollar based borrowings. Concurrent with the execution of the term loan agreement, the Company entered into an interest rate swap with the bank under which the Company receives a variable rate of interest on a notional amount equal to the outstanding balance of the term loan from the bank and the Company pays a fixed rate of 6.75% on a notional amount equal to the outstanding balance of the term loan to the bank.

On October 16, 2000, the Company entered into a 5-year term loan with First Union. The term loan is an amortizing loan, with monthly payments of principal in the amount of $83,333 plus interest, maturing on November 1, 2005. The term loan carries a variable interest rate of LIBOR plus 0.80% based upon the one-month LIBOR rate for U.S. dollar based borrowings (7.36% at December 31, 2000). The proceeds of this term loan were utilized to reduce the outstanding balance on the Company's revolving credit agreement. Concurrent with the execution of the new term loan agreement, First Union and the Company amended the March 26, 1999 term loan and the revolving credit agreement to revise the net worth requirements. The net worth requirements included below reflect this amendment.

The credit agreement and the term loans with First Union and the agreements with MassMutual Life Insurance Company contain restrictive provisions concerning debt to net worth ratios, other borrowings, capital expenditures, rental commitments, tangible net worth ($62,782,000 at December 31, 2000); working capital ratio (2.5:1), fixed charges coverage ratio (2.5:1), stock repurchases and payment of dividends. At December 31, 2000, under the most restrictive terms of the debt agreements, retained earnings of approximately $10,635,000 were available for declaration of dividends. The Company is in full compliance with all terms, conditions and covenants of the various credit agreements. With funds from the credit agreement, anticipated cash flows generated from operations and other credit sources readily available, the Company believes 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 planned expansion for 2001.

THE YEAR 2000 PROJECT: The Company recognized the need to ensure that its systems, applications and hardware would recognize and process transactions for the Year 2000 and beyond and therefore initiated a project to identify its risks with regard to Year 2000. This project consisted of four phases including: collecting an inventory of potential risks, assessing the actual risk, remedial work to correct identified problems, and testing for proper operation. The project was completed and systems found to be non-compliant were remedied or replaced.

The cost to repair or replace affected systems was approximately $650,000. Of this amount, approximately $380,000 was incurred and expensed in 1999 and $270,000 was incurred and expensed prior to December 31, 1998.

Statements contained in this Annual Report contain certain forward-looking statements that involve a number of risks and uncertainties. Among the factors that could cause actual results to differ materially are the following - general economic conditions in the areas of the United States in which the Company's customers are located; changes in the healthcare, resort and commercial industries where uniforms and service apparel are worn; the impact of competition; and the availability of manufacturing materials.

Item 8 - Financial Statements and Supplementary Data

SUPERIOR UNIFORM GROUP, INC.

STATEMENTS OF EARNINGS
Years Ended December 31,

	2000	1999	1998
Net sales	$167,710,399	$168,005,646	$160,717,583
Costs and expenses:			
Cost of goods sold	109,904,587	110,902,060	106,620,526
Selling and administrative expenses	43,984,724	41,202,030	36,991,002
Business process re-engineering charge	--	--	3,474,391
Interest expense	2,167,763	1,605,261	1,115,724
	156,057,074	153,709,351	148,201,643
Earnings before taxes on income	11,653,325	14,296,295	12,515,940
Taxes on income	4,250,000	5,180,000	4,570,000
Net earnings	$ 7,403,325	$ 9,116,295	$ 7,945,940
Basic earnings per common share	$ 1.03	$ 1.17	$ 1.01
Diluted earnings per common share	$ 1.03	$ 1.17	$ 1.00
Dividends per common share	$ 0.54	$ 0.54	$ 0.51

STATEMENTS OF SHAREHOLDERS' EQUITY
Years Ended December 31,

	Common Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity
Balance, January 1, 1998	7,936,502	$ 7,937	$ 9,967,688	$ 68,141,490	$ 78,117,115
Net earnings				7,945,940	7,945,940
Common shares issued upon exercise of options	78,725	79	907,494		907,573
Purchase and retirement of common shares	(168,700)	(169)	(218,022)	(2,217,294)	(2,435,485)
Cash dividends declared ($.51 per share)				(4,031,738)	(4,031,738)
Balance, December 31, 1998	7,846,527	7,847	10,657,160	69,838,398	80,503,405
Net earnings				9,116,295	9,116,295
Common shares issued upon exercise of options	1,600	1	20,562		20,563
Purchase and retirement of common shares	(253,300)	(253)	(344,562)	(2,381,766)	(2,726,581)
Cash dividends declared ($.54 per share)				(4,195,843)	(4,195,843)
Balance, December 31, 1999	7,594,827	7,595	10,333,160	72,377,084	82,717,839
Net earnings				7,403,325	7,403,325
Purchase and retirement of common shares	(471,500)	(472)	(582,310)	(3,989,172)	(4,571,954)
Cash dividends declared ($.54 per share)				(3,907,347)	(3,907,347)
Balance, December 31, 2000	7,123,327	$ 7,123	$ 9,750,850	$ 71,883,890	$ 81,641,863

See Notes to Financial Statements.

SUPERIOR UNIFORM GROUP, INC.

BALANCE SHEETS
December 31,

ASSETS

	2000	1999
CURRENT ASSETS		
Cash and cash equivalents	$ 188,288	$ 3,021,376
Accounts receivable, less allowance for doubtful accounts of $475,000 and $450,000 , respectively	31,379,396	30,665,353
Inventories	57,910,294	46,063,039
Prepaid expenses and other current assets	1,449,697	1,950,857
TOTAL CURRENT ASSETS	90,927,675	81,700,625
PROPERTY, PLANT AND EQUIPMENT, NET	27,648,843	29,460,159
EXCESS OF COST OVER FAIR VALUE OF ASSETS ACQUIRED	8,225,098	8,646,163
OTHER ASSETS	3,237,588	3,045,165
	$130,039,204	$122,852,112

LIABILITIES AND SHAREHOLDERS' EQUITY

	2000	1999
CURRENT LIABILITIES		
Accounts payable	$ 8,970,663	$ 9,033,483
Accrued expenses	3,371,489	6,810,227
Current portion of long-term debt	4,224,950	3,162,986
TOTAL CURRENT LIABILITIES	16,567,102	19,006,696
LONG-TERM DEBT	29,530,239	19,472,577
DEFERRED INCOME TAXES	2,300,000	1,655,000
SHAREHOLDERS' EQUITY:		
Preferred stock, $1 par value - authorized 300,000 shares (none issued)	--	--
Common stock, $.001 par value - authorized 50,000,000 shares, issued and outstanding - 7,123,327 and 7,594,827, respectively	7,123	7,595
Additional paid-in capital	9,750,850	10,333,160
Retained earnings	71,883,890	72,377,084
TOTAL SHAREHOLDERS' EQUITY	81,641,863	82,717,839
	$130,039,204	$122,852,112

See Notes to Financial Statements.

SUPERIOR UNIFORM GROUP, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,

	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES			
Net earnings	$ 7,403,325	$ 9,116,295	$ 7,945,940
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:			
Depreciation and amortization	4,868,004	4,214,468	4,543,881
Deferred income tax provision (benefit)	645,000	(610,000)	(135,000)
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	(714,043)	3,695,904	(6,059,297)
Inventories	(11,847,255)	6,388,737	(7,080,644)
Prepaid expenses and other current assets	501,160	15,741	(751,102)
Accounts payable	(62,820)	(2,203,658)	3,511,986
Accrued expenses	(3,438,738)	135,694	(595,070)
Net cash flows (used in) provided from operating activities	(2,645,367)	20,753,181	1,380,694
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	(2,825,936)	(4,940,658)	(6,259,024)
Disposals of property, plant and equipment	190,313	116,378	753,254
Purchase of businesses, net of cash acquired	--	(8,869,181)	(2,837,155)
Other assets	(192,423)	(419,380)	12,601
Net cash used in investing activities	(2,828,046)	(14,112,841)	(8,330,324)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debt	14,365,944	12,000,000	6,400,000
Repayment of long-term debt	(3,246,318)	(9,231,104)	(2,266,667)
Payment of cash dividends	(3,907,347)	(4,195,843)	(4,031,738)
Proceeds received on exercise of stock options	--	20,563	907,573
Common stock reacquired and retired	(4,571,954)	(2,726,581)	(2,435,485)
Net cash provided from (used in) financing activities	2,640,325	(4,132,965)	(1,426,317)
Net (decrease) increase in cash and cash equivalents	(2,833,088)	2,507,375	(8,375,947)
Cash and cash equivalents balance, beginning of year	3,021,376	514,001	8,889,948
Cash and cash equivalents balance, end of year	$ 188,288	$ 3,021,376	$ 514,001

See Notes to Financial Statements.

SUPERIOR UNIFORM GROUP, INC.

NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2000, 1999, and 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Business description

Superior Uniform Group, Inc. ("the Company") manufactures and sells a wide range of uniforms, corporate I.D., career apparel and accessories for the hospital and healthcare fields; hotels; fast food and other restaurants; and public safety, industrial, transportation and commercial markets, as well as corporate and resort embroidered sportswear. Revenue recognition from the sale of products is recorded at the time the finished goods are shipped.

b) Basis of presentation

On May 8, 1998, the shareholders of the Company approved a Plan of Merger between the Company and its wholly-owned subsidiary Superior Uniform Group, Inc., a Florida corporation. Superior Uniform Group, Inc. is the surviving corporation. Concurrent with the merger, the capitalization of the Company was revised to change the par value of the common stock from $1 par value to $.001 par value. All share and per share amounts in the accompanying financial statements have been retroactively adjusted to reflect this change.

c) Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

d) Inventories

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

e) 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.

f) 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.

g) Impairment of long-lived assets

The Company evaluates the carrying amount of long-lived assets to be held and used, including excess of cost over fair value of assets acquired, when events and circumstances warrant such a review. The carrying amount of a long-lived asset is considered impaired when the estimated undiscounted cash flow from each asset is estimated to be less than its carrying amount.

h) Depreciation and amortization

Plants and equipment are depreciated on the straight-line basis at 2-1/2% to 5% for buildings, 2-1/2% to 20% for improvements, 10% to 20% for machinery, equipment and fixtures and 20% to 33-1/3% for transportation equipment. 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.

i) 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.

j) 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.

k) Earnings per share

The Company adopted the provisions of the Financial Accounting Standards Board Opinion No. 128, "Earnings Per Share," ("FAS 128"), during the fourth quarter of 1997, as required. Historical basic per share data under FAS 128 is based on the weighted average number of shares outstanding. Historical diluted per share data under FAS 128 is reconciled by adding to weighted average shares outstanding the dilutive impact of the exercise of outstanding stock options.

l) Comprehensive Income

The Company adopted the provisions of FAS 130, "Reporting Comprehensive Income" in the first quarter of 1998. FAS 130 requires separate disclosure of comprehensive income. Comprehensive income is defined as the change in equity during a period, from transactions and other events, excluding changes resulting from investments by owners (e.g., supplemental stock offering) and distributions to owners (e.g., dividends). For the years ending December 31, 2000, 1999 and 1998, there are no items requiring separate disclosure in accordance with this statement.

m) Operating Segments

The Company adopted the provisions of FAS 131 "Disclosures about Segments of an Enterprise and Related Information." in the first quarter of 1998. FAS 131 requires disclosures of certain information about operating segments and about products and services, geographic areas in which the Company operates, and their major customers. The Company has evaluated the effect of this standard and has determined that currently they operate in one segment, as defined in this statement.

n) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

o) New Accounting Standards

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards ("FAS") No. 133, Accounting for Derivative Instruments and Hedging Activities. FAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities. Such standard requires that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure these instruments at fair value. The accounting for changes in fair value of a derivative (that is, gains and losses) depends upon the intended use of the derivative and resulting designation if used as a hedge. In July 1999, FASB issued FAS No. 137, Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FAS No. 133, which postponed the effective date of FAS No. 133 for one year. FAS No. 133 is now effective for all fiscal quarters of fiscal years beginning after June 15, 2000. In June 2000, FASB issued FAS No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities, an amendment to FAS No. 133. The Company expects the effect, if any, of the adoption of FAS No. 133, as amended by FAS No. 138, to be immaterial to the Company's financial statements.

p) Reclassifications

Certain reclassifications to the 1999 and 1998 financial statements have been made to conform to the 2000 presentation.

NOTE 2 - ACQUISITIONS:

Effective April 1, 1999, the Company acquired substantially all of the net assets of The Empire Company, a supplier of uniforms, corporate I.D. wear and promotional products with revenues for the year ended December 1998 of approximately $14,000,000. The acquisition has been accounted for utilizing the purchase method of accounting. The purchase price for this acquisition was approximately $9,134,000 and was allocated as follows:

Cash	$ 264,326
Accounts Receivable	1,813,291
Other Current Assets	78,684
Inventories	1,690,688
Property, Plant & Equipment	577,429
Other Assets	5,318
Excess of Cost Over Fair Value of Assets Acquired	6,211,607
TOTAL ASSETS	$10,641,343
Accounts Payable and Accrued Expenses	$ 1,507,836

NOTE 3 - BUSINESS PROCESS RE-ENGINEERING CHARGE:

The statement of earnings for the year ended December 31, 1998 includes pre-tax charges in the amount of $3,474,391 as part of the Company's commitment to business process re-engineering activities (integrated SAP systems).

NOTE 4 - INVENTORIES:

	December 31, 2000	December 31, 1999
Finished goods	$41,958,283	$34,343,293
Work in process	4,331,287	3,698,341
Raw materials	11,620,724	8,021,405
	$57,910,294	$46,063,039

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT:

	December 31, 2000	December 31, 1999
Land	$ 2,080,661	$ 2,080,661
Buildings, improvements and leaseholds	10,565,642	10,562,769
Machinery, equipment and fixtures	49,075,887	50,339,834
	61,722,190	62,983,264
Accumulated depreciation and amortization	34,073,347	33,523,105
	$27,648,843	$29,460,159

Depreciation and amortization charges were $4,446,939, $3,875,961, and $4,435,857, in 2000, 1999, and 1998, respectively.

NOTE 6 - LONG-TERM DEBT:

	December 31, 2000	December 31, 1999
Note payable to First Union, pursuant to revolving credit agreement, maturing March 26, 2002	$ 9,365,944	$ --
6.75% term loan payable to First Union, with monthly payments of principal and interest, maturing April 1, 2009	10,539,246	11,435,563
6.65% note payable to MassMutual Life Insurance Company due $1,666,667 annually through 2005	8,333,333	10,000,000
Variable rate term loan payable to First Union, with monthly principal payments of $83,333, plus interest, maturing November 1, 2005	4,916,666	--
9.9% note payable to MassMutual Life Insurance Company due $600,000 annually through 2001	600,000	1,200,000
	33,755,189	22,635,563
Less payments due within one year included in current liabilities	4,224,950	3,162,986
	$29,530,239	$19,472,577

On March 26, 1999, the Company entered into a new 3-year credit agreement with First Union that made available to the Company up to $15,000,000 on a revolving credit basis. Interest is payable at LIBOR plus 0.60% based upon the one-month LIBOR rate for U.S. dollar based borrowings (7.16% at December 31, 2000). The Company pays an annual commitment fee of 0.15% on the average unused portion of the commitment. The available balance under the credit agreement is reduced by outstanding letters of credit. As of December 31, 2000, approximately $496,000 was outstanding under letters of credit. The Company also entered into a $12,000,000 10-year term loan on March 26, 1999 with the same bank. The term loan is an amortizing loan, with monthly payments of principal and interest, maturing on April 1, 2009. The term loan carries a variable interest rate of LIBOR plus 0.80% based upon the one-month LIBOR rate for U.S. dollar based borrowings. Concurrent with the execution of the term loan agreement, the Company entered into an interest rate swap with the bank under which the Company receives a variable rate of interest on a notional amount equal to the outstanding balance of the term loan from the bank and the Company pays a fixed rate of 6.75% on a notional amount equal to the outstanding balance of the term loan to the bank.

On October 16, 2000, the Company entered into a 5-year term loan with First Union. The term loan is an amortizing loan, with monthly payments of principal in the amount of $83,333 plus interest, maturing on November 1, 2005. The term loan carries a variable interest rate of LIBOR plus 0.80% based upon the one-month LIBOR rate for U.S. dollar based borrowings (7.36% at December 31, 2000). The proceeds of this term loan were utilized to reduce the outstanding balance on the Company's revolving credit agreement. Concurrent with the execution of the new term loan agreement, First Union and the Company amended the March 26, 1999 term loan and the revolving credit agreement to revise the net worth requirements. The net worth requirements included below reflect this amendment.

The credit agreement and the term loans with First Union and the agreements with MassMutual Life Insurance Company contain restrictive provisions concerning debt to net worth ratios, other borrowings, capital expenditures, rental commitments, tangible net worth ($62,782,000 at December 31, 2000); working capital ratio (2.5:1), fixed charges coverage ratio (2.5:1), stock repurchases and payment of dividends. At December 31, 2000, under the most restrictive terms of the debt agreements, retained earnings of approximately $10,635,000 were available for declaration of dividends. The Company is in full compliance with all terms, conditions and covenants of the various credit agreements.

Scheduled principal payments on long-term obligations are $4,225,000 in 2001; $13,064,000 in 2002; $3,771,000 in 2003; $3,846,000 in 2004; $3,847,000 in 2005 and $5,002,000 in 2006 and thereafter.

NOTE 7 - TAXES ON INCOME:

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

	2000	1999	1998
Current:			
Federal	$3,210,000	$ 5,305,000	$ 4,165,000
State and local	395,000	485,000	540,000
	3,605,000	5,790,000	4,705,000
Deferred	645,000	(610,000)	(135,000)
	$4,250,000	$ 5,180,000	$ 4,570,000

The significant components of the deferred income tax liability are as follows:

	2000	1999
Deferred income tax assets:		
Operating reserves and other accruals	$ 621,000	$1,015,000
Deferred income tax liabilities:		
Book carrying value in excess of tax basis of property	2,454,000	2,220,000
Deferred expenses	467,000	450,000
Net deferred income tax liability	$2,300,000	$1,655,000

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

	2000	1999	1998
Statutory Federal income tax rate	35.0%	35.0%	35.0%
State and local income taxes, net of Federal income tax benefit	2.2	2.2	2.8
Other items	(0.7)	(1.0)	(1.3)
Effective income tax rate	36.5%	36.2%	36.5%

NOTE 8 - BENEFIT PLANS:

Defined Benefit 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 2000, 1999, and 1998 include the following components:

	2000	1999	1998
Service cost - benefits earned during the period	$ 641,000	$ 710,000	$ 664,000
Interest cost on projected benefit obligation	1,015,000	961,000	989,000
Expected return on plan assets	(1,318,000)	(1,186,000)	(1,144,000)
Amortization of transition obligation	--	33,000	33,000
Amortization of prior service cost	308,000	296,000	296,000
Recognized actuarial gain	(585,000)	(297,000)	(310,000)
Settlement gain	(1,286,000)	--	(421,000)
Net periodic pension cost (gain) after curtailments and settlements	($1,225,000)	$ 517,000	$ 107,000

The settlement gain recorded in 2000 is related to an amendment made to the Corporate Plan to allow in-service distributions at age 65 and the subsequent lump sum distributions made related thereto. This gain is included in selling and administrative expenses in the statement of earnings for 2000. The settlement gain recorded in 1998 relates to the final settlement of one factory plan after closing of the plant and the settlement related to spinning out a group of union employees from the Corporate Plan to separate union plans not controlled by the Company. This gain is included in cost of goods sold in the statement of earnings for 1998.

Assumptions used in the calculation of net periodic pension cost (two corporate plans and three plant/factory plans) for the three years ended December 31, 2000 were:

	Discount Rate		Long Term Rate of Return		Salary Scale	
	Corp.	Plants	Corp.	Plants	Corp.	Plants
1998	7.25%	7.25%	8.00%	8.00%	4.50%	N/A
1999	6.75%	6.75%	8.00%	8.00%	4.50%	N/A
2000	7.75%	7.75%	8.00%	8.00%	4.50%	N/A

The following table sets forth the plants' funded status and amounts recognized in the Company's balance sheets at December 31, 2000 and 1999, for its pension plans:

	December 31, 2000	December 31, 1999
CHANGES IN BENEFIT OBLIGATION		
Benefit obligation at beginning of year	$ 15,505,000	$ 15,229,000
Service cost	641,000	710,000
Interest cost	1,015,000	961,000
Actuarial gain	(858,000)	(865,000)
Plan amendments	--	147,000
Settlement	(3,741,000)	--
Benefits paid	(208,000)	(677,000)
Benefit obligation end of year	12,354,000	15,505,000
CHANGES IN PLAN ASSETS		
Fair value of plan assets at beginning of year	18,107,000	16,493,000
Actual return on assets	365,000	2,295,000
Employer contributions	--	107,000
Benefits paid	(208,000)	(677,000)
Surplus recovered	--	(111,000)
Settlements	(3,741,000)	--
Fair value of plan assets at end of year	14,523,000	18,107,000
Funded status	2,169,000	2,602,000
Unrecognized actuarial gain	(3,876,000)	(5,843,000)
Unrecognized prior service costs	1,076,000	1,385,000
Accrued benefit costs	$ (631,000)	$ (1,856,000)

The liability for accrued benefit costs is included in accrued expenses in the accompanying balance sheets.

Defined Contribution Plan

During the year ended December 31, 2000, the Company instituted a defined contribution plan covering qualified employees. The plan includes a provision that allows employees to make pre-tax contributions under Section 401(k) of the Internal Revenue Code. The plan provides for the Company to make a guaranteed match equal to 25% of each employee's contribution. The plan also provides the Company with the option of making an additional discretionary contribution to the plan each year. The Company contributions for fiscal 2000 were approximately $162,000.

NOTE 9 - QUARTERLY RESULTS FOR 1999 AND 2000 (UNAUDITED):

	Quarter Ended			
	March 31, 1999	June 30, 1999	September 30, 1999	December 31, 1999
Net sales	$37,504,104	$42,826,112	$42,133,377	$45,542,053
Gross profit	12,625,653	14,486,598	14,220,310	15,771,025
Earnings before taxes on income	2,862,995	3,457,112	3,434,121	4,542,067
Net earnings	$ 1,811,995	$ 2,189,112	$ 2,173,121	$ 2,942,067
Basic earnings per common share	$ 0.23	$ 0.28	$ 0.28	$ 0.38
Diluted earnings per common share	$ 0.23	$ 0.28	$ 0.28	$ 0.38
Dividends per common share	$ 0.135	$ 0.135	$ 0.135	$ 0.135
Average outstanding shares (Basic)	7,847,255	7,779,473	7,727,657	7,714,726
Average outstanding shares (Diluted)	7,895,357	7,817,253	7,747,840	7,714,726

	Quarter Ended			
	March 31, 2000	June 30, 2000	September 30, 2000	December 31, 2000
Net sales	$38,821,270	$44,732,763	$42,496,735	$41,659,631
Gross profit	13,199,328	15,209,043	14,448,888	14,948,553
Earnings before taxes on income	2,091,345	3,091,341	2,647,394	3,823,245
Net earnings	$ 1,331,345	$ 1,961,341	$ 1,687,394	$ 2,423,245
Basic earnings per common share	$ 0.18	$ 0.28	$ 0.24	$ 0.34
Diluted earnings per common share	$ 0.18	$ 0.28	$ 0.24	$ 0.34
Dividends per common share	$ 0.135	$ 0.135	$ 0.135	$ 0.135
Average outstanding shares (Basic)	7,465,843	7,123,327	7,123,327	7,123,327
Average outstanding shares (Diluted)	7,474,206	7,127,588	7,123,327	7,123,327

The independent certified public accountants made limited reviews of the 1999 and 2000 quarterly financial information in accordance with standards established by the American Institute of Certified Public Accountants. Such reviews were 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 10 - RENTALS:

Aggregate rent expense, including month-to-month rentals, approximated $1,333,000, $1,151,000, and $767,000, for the years ended December 31, 2000, 1999, and 1998, respectively. Long-term lease commitments are as follows: 2001 - $897,000; 2002 - $479,000; 2003 - $237,000; 2004 - $145,000; 2005 - $149,000; 2006 and thereafter - $398,000.

NOTE 11 - 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 (all of which are exercisable at each respective year end) 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, 2000 follows:

	No. of Shares	Weighted Average Exercise Price	Total	Market Price
Outstanding January 1, 1998	479,175	$ 12.13	$ 5,810,121	
Granted	135,050	15.72	2,122,525	$2,113,450
Exercised	(78,725)	11.53	(907,573)	
Cancelled	(11,975)	13.32	(159,527)	
Outstanding December 31, 1998	523,525	13.11	6,865,546	
Granted	158,000	13.33	2,106,891	$2,098,751
Exercised	(1,600)	12.85	(20,563)	
Lapsed	(69,900)	13.88	(970,521)	
Cancelled	(7,925)	12.97	(102,750)	
Outstanding December 31, 1999	602,100	13.09	7,878,603	
Granted	243,750	8.25	2,010,260	$2,004,206
Exercised	--	--	--	
Lapsed	(93,825)	10.84	(1,017,063)	
Cancelled	(24,950)	12.07	(301,146)	
Outstanding December 31, 2000	727,075	$ 11.79	$ 8,570,654	

The weighted average remaining life for options outstanding at December 31, 2000 was 2.8 years. At December 31, options available to issue were 764,150 for 1998, 782,725 for 1999, and 657,750 for 2000. Options have never been repriced by the Company in any year.

The effect on compensation expense, if determined under the provisions of FAS 123, "Accounting for Stock-Based Compensation" based on the fair value at the grant date consistent with those provisions, is not material to net earnings or net earnings per common share. The fair value of options granted is not significant. The Company estimated the fair value of options utilizing the Black-Scholes option pricing model based on the following assumptions:

	Related Party Options	Other Options
Exercise price		
2000	$ 9.21	$ 8.13 - $ 8.38
1999	$16.29	$12.38 - $14.81
1998	$18.15	$15.00 - $16.50
Market price		
2000	$ 8.38	$ 8.13 - $ 8.38
1999	$14.81	$12.38 - $14.81
1998	$16.50	$15.00 - $16.50
Risk free interest rate		
2000	6.72%	6.24% - 6.72%
1999	4.75%	4.75% - 6.00%
1998	5.43%	5.43% - 5.62%
Expected option life	5 years	5 years
Expected volatility		
2000	26.8%	24.8% - 26.8%
1999	23.1%	23.1% - 25.8%
1998	26.2%	24.9% - 26.2%
Dividend yield	3.6%	3.6% - 4.4%

NOTE 12 - EARNINGS PER SHARE:

The following table represents a reconciliation of basic and diluted earnings per share:

	2000	1999	1998
Net Income used in the computation of basic and diluted earnings per share	$7,403,325	$9,116,295	$7,945,940
Weighted average shares outstanding	7,208,956	7,767,278	7,877,024
Common stock equivalents	3,156	26,516	88,901
Total weighted average shares outstanding	7,212,112	7,793,794	7,965,925
Earnings per share:			
Basic	$ 1.03	$ 1.17	$ 1.01
Diluted	$ 1.03	$ 1.17	$ 1.00

NOTE 13 - ACCRUED EXPENSES:

	December 31, 2000	December 31, 1999
Salaries, wages, commissions and vacation pay	$1,611,544	$2,552,703
Other accrued expenses	1,759,945	4,257,524
	$3,371,489	$6,810,227

NOTE 14 - SUPPLEMENTAL INFORMATION:

	Year Ended December 31, 2000	1999	1998
Income taxes paid	$4,690,726	$5,261,798	$4,586,097
Interest paid	$2,147,451	$1,586,740	$1,200,456

INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders
Superior Uniform Group, Inc.
Seminole, Florida

We have audited the accompanying balance sheets of Superior Uniform Group, Inc. (the "Company") as of December 31, 2000 and 1999, and the related statements of earnings, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2000. 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 auditing standards generally accepted in the United States of America. 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, such financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP
Certified Public Accountants
Tampa, Florida
February 22, 2001

PART II

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

NONE

PART III

Items 10, 11, Directors and Executive Officers; Executive Compensation; Security

12 and 13 Ownership of Management and others; Certain Transactions.

The information required by Items 10, 11, 12 and 13 of Form 10-K is incorporated by reference to the information contained in the sections captioned "Directors and Officers, Executive Compensation," "Security Ownership of Certain Beneficial Owners and Management," and "Certain Relationships and Related Transactions" in the Company's definitive Proxy Statement for the Annual Meeting of Shareholders to be held May 4, 2001, a copy of which will be filed with the Securities and Exchange Commission on or before March 31, 2001.

PART IV

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

(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

See Exhibit Index

(b) Reports on Form 8-K:

There were no reports on Form 8-K for the three months ended December 31, 2000.

(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 UNIFORM GROUP, INC.

BY: /s/ Gerald M. Benstock

Gerald M. Benstock
(Chairman and Chief Executive Officer)

BY: /s/ Andrew D. Demott, Jr.

Andrew D. Demott, Jr.
(Treasurer and Principal Accounting Officer)

DATE: March 23, 2001

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/ Michael Benstock

Michael Benstock, March 23, 2001
(Director)

/s/ Alan D. Schwartz

Alan D. Schwartz, March 23, 2001
(Director)

/s/ Saul Schechter

Saul Schechter, March 23, 2001
(Director)

/s/ Peter Benstock

Peter Benstock, March 23, 2001
(Director)

/s/ Manual Gaetan

Manuel Gaetan, March 23, 2001
(Director)

/s/ Sidney Kirschner

Sidney Kirschner, March 23, 2001
(Director)

/s/ Robin Hensley

Robin Hensley, March 23, 2001
(Director)

SUPERIOR UNIFORM GROUP, INC.

EXHIBIT INDEX

(a) 3. Exhibits

Exhibit No.:	Description
3.1	Amended and restated Articles of Incorporation of the Registrant filed as Exhibit 3.1 to the Registrant's Interim Report on Form 10-Q for the quarter ended June 30, 1998 and incorporated herein by reference.
3.2	By-Laws of the Registrant filed as Exhibit 3.2 to the Registrant's 1998 Interim Report on Form 10-Q for the quarter ended June 30, 1998 and incorporated herein by reference.
4.1	Credit Agreement dated March 26, 1999, between the Registrant and First Union, filed with the Commission as Exhibit 4.1 in Registrant's Form 10-Q for the quarter ended March 31, 1999 and is hereby 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 quarter ended March 31, 1994 which is hereby incorporated herein by reference. (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.)
4.3	Credit Agreement dated October 16, 2000, between the Registrant and First Union, filed with the Commission as Exhibit 4.2 in Registrant's Form 10-Q for the quarter ended September 30, 2000 and is hereby incorporated herein by reference.
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 filed as Exhibit 10.3 to the Registrant's 1994 Annual Report on Form 10-K and incorporated herein by reference.
13.	Forms 10-Q for the first three quarters of 2000 - herein incorporated by reference to Registrant's filings thereof with the Securities and Exchange Commission.

23. Consent of independent accountants.

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 2001 Annual Meeting of Stockholders, to be filed on or before March 31, 2001 is hereby incorporated herein by reference.

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 2-85796 of Superior Uniform Group, Inc. on Form S-8 of our report dated February 22, 2001, appearing in the Annual Report on Form 10-K of Superior Uniform Group, Inc. for the year ended December 31, 2000.

/s/ Deloitte & Touche, LLP

Certified Public Accountants
Tampa, Florida

March 20, 2001