UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM l0-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

OR

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

Commission file number 001-05869

SUPERIOR UNIFORM GROUP, INC.

Incorporated - Florida **Employer Identification No. 11-1385670**

10055 Seminole Boulevard

Seminole, Florida 33772-2539

Telephone No.: 727-397-9611

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer, "accelerated filer" and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller Reporting Company	x

Indicate by check mark whether the Company is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of July 20, 2010, the Registrant had 5,900,245 common shares outstanding, which is the registrant's only

class of common stock.

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

SUPERIOR UNIFORM GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

THREE MONTHS ENDED JUNE 30,

(Unaudited)

		2010	2009
Net sales		$ 26,629,161	$ 24,971,523
Costs and expenses:			
Cost of goods sold		17,245,178	16,689,786
Selling and administrative expenses		7,845,209	7,235,529
Interest expense		5,604	24,936
		25,095,991	23,950,251
Earnings before taxes on income		1,533,170	1,021,272
Income tax expense		550,000	320,000
Net earnings		$ 983,170	$ 701,272
Weighted average number of shares outstanding during the period	(Basic)	5,901,723	6,029,936
	(Diluted)	5,957,641	6,029,936
Per Share Data:			
Basic			
Net earnings		$ 0.17	$ 0.12
Diluted			
Net earnings		$ 0.17	$ 0.12
Cash dividends per common share		$ 0.135	$ 0.135

See accompanying notes to condensed consolidated interim financial statements.

SUPERIOR UNIFORM GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

SIX MONTHS ENDED JUNE 30,

(Continued)

(Unaudited)

		2010	2009
Net sales		$ 52,609,023	$ 48,687,617
Costs and expenses:			
Cost of goods sold		34,293,552	32,998,920
Selling and administrative expenses		15,966,006	15,305,657
Interest expense		8,078	64,713
		50,267,636	48,369,290
Earnings before taxes on income		2,341,387	318,327
Income tax expense		850,000	120,000
Net earnings		$ 1,491,387	$ 198,327
Weighted average number of shares outstanding during the period	(Basic)	5,904,889	6,039,559
	(Diluted)	5,958,825	6,039,559
Per Share Data:			
Basic			
Net earnings		$ 0.25	$ 0.03
Diluted			
Net earnings		$ 0.25	$ 0.03
Cash dividends per common share		$ 0.27	$ 0.27

See accompanying notes to condensed consolidated interim financial statements.

SUPERIOR UNIFORM GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2010 (Unaudited)	December 31, 2009(1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 7,157,084	$ 6,365,557
Accounts receivable and other current assets	20,798,608	20,708,963
Inventories*	31,866,207	32,053,504
TOTAL CURRENT ASSETS	59,821,899	59,128,024
PROPERTY, PLANT AND EQUIPMENT, NET	10,528,435	10,868,296
OTHER INTANGIBLE ASSETS, NET	1,103,541	1,295,859
DEFERRED INCOME TAXES	2,340,000	2,060,000
OTHER ASSETS	207,239	215,684
	$ 74,001,114	$ 73,567,863
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 5,629,374	$ 5,426,433
Other current liabilities	2,280,582	2,226,653
TOTAL CURRENT LIABILITIES	7,909,956	7,653,086
LONG-TERM PENSION LIABILITY	4,941,550	5,115,817
OTHER LONG-TERM LIABILITIES	735,000	680,000
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 - 5,901,341 and 5,915,978 shares, respectively.	5,901	5,915
Additional paid-in capital	15,882,982	15,436,945
Retained earnings	48,183,461	48,483,697
Accumulated other comprehensive loss, net of tax:		
Pensions	(3,657,736)	(3,807,597)
TOTAL SHAREHOLDERS EQUITY	60,414,608	60,118,960
	$ 74,001,114	$ 73,567,863

* Inventories consist of the following:

	June 30, 2010 (Unaudited)	December 31, 2009
Finished goods	$ 24,530,683	$ 24,770,636
Work in process	91,447	169,961
Raw materials	7,244,077	7,112,907
	$ 31,866,207	$ 32,053,504

(1) The balance sheet as of December 31, 2009 has been derived from the audited balance sheet as of that date and has been condensed.
See accompanying notes to condensed consolidated interim financial statements.

SUPERIOR UNIFORM GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JUNE 30,

(Unaudited)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	$ 1,491,387	$ 198,327
Adjustments to reconcile net earnings to net cash provided from operating activities:		
Depreciation and amortization	1,317,664	1,497,219
Provision for bad debts	111,900	62,950
Share-based compensation expense	408,834	190,886
Deferred income tax benefit	(360,500)	(532,500)
Gain on sales of property, plant and equipment	(45,437)	(136,786)
Changes in assets and liabilities:		
Accounts receivable and other current assets	(200,877)	1,585,140
Inventories	187,297	8,191,263
Other assets	(7,473)	60,563
Accounts payable	202,941	104,199
Accrued expenses	53,929	(171,783)
Pension liability	56,094	300,465
Other long-term liabilities	55,000	25,000
Net cash provided from operating activities	3,270,759	11,374,943
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(791,705)	(318,988)
Disposals of property, plant and equipment	51,657	275,584
Proceeds from notes receivable collections	15,250	43,412
Net cash (used in) provided from investing activities	(724,798)	8
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	3,035,000	11,917,000
Repayment of long-term debt	(3,035,000)	(15,946,604)
Payment of cash dividends	(1,595,055)	(1,630,681)
Proceeds received on exercise of stock options	109,717	
Common stock reacquired and retired	(269,096)	(213,668)
Net cash used in financing activities	(1,754,434)	(5,873,953)
Net increase in cash and cash equivalents	791,527	5,500,998
Cash and cash equivalents balance, beginning of year	6,365,557	133,152
Cash and cash equivalents balance, end of period	$ 7,157,084	$ 5,634,150

See accompanying notes to condensed consolidated interim financial statements.

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SUPERIOR UNIFORM GROUP, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2010 AND 2009

(Unaudited)

NOTE 1 Summary of Significant Interim Accounting Policies:

a) Basis of presentation

The condensed consolidated interim financial statements include the accounts of Superior Uniform Group, Inc. and its wholly owned subsidiaries Fashion Seal Corporation and Superior Office Solutions, and their jointly owned subsidiaries, The Office Gurus and The Office Masters. Intercompany items have been eliminated in consolidation. The accompanying unaudited interim financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. These condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company s Annual Report on Form 10-K for the year ended December 31, 2009, and filed with the Securities and Exchange Commission. The interim financial information contained herein is not certified or audited; it reflects all adjustments (consisting of only normal recurring accruals) which are, in the opinion of management, necessary for a fair statement of the operating results for the periods presented, stated on a basis consistent with that of the audited financial statements. The unaudited financial information included in this report as of and for the three and six months ended June 30, 2010 has been reviewed by Grant Thornton LLP, independent registered public accounting firm, and their review report thereon accompanies this filing. Such review was made in accordance with established professional standards and procedures for such a review. The results of operations for any interim period are not necessarily indicative of results to be expected for the full year.

b) Revenue recognition

The Company records revenue as products are shipped and title passes. A provision for estimated returns and allowances is recorded based on historical experience and current allowance programs.

c) Recognition of costs and expenses

Costs and expenses other than product costs are charged to income in interim periods as incurred, or allocated among interim periods based on an estimate of time expired, benefit received or activity associated with the periods. Procedures adopted for assigning specific cost and expense items to an interim period are consistent with the basis followed by the registrant in reporting results of operations at annual reporting dates. However, when a specific cost or expense item charged to expense for annual reporting purposes benefits more than one interim period, the cost or expense item is allocated to the interim periods.

d) Advertising expenses

The Company expenses advertising costs as incurred. Advertising costs for the three-month periods ended June 30, 2010 and 2009, respectively were $25,000 and $26,000. Advertising costs for the six-month periods ended June 30, 2010 and 2009, respectively were $32,000 and $42,000.

e) Shipping and handling fees and costs

The Company includes shipping and handling fees billed to customers in net sales. Shipping and handling costs associated with in-bound and out-bound freight are generally recorded in cost of goods sold. Other shipping and handling costs such as labor and overhead are included in selling and administrative expenses and totaled $1,512,000 and $1,546,000 for the three months ended June 30, 2010 and 2009, respectively. Other shipping and handling costs included in selling and administrative expenses totaled $3,115,000 and $3,231,000, for the six months ended June 30, 2010 and 2009, respectively.

f) Inventories

Inventories at interim dates are determined by using both perpetual records on a first-in, first-out basis and gross profit calculations.

g) Accounting for income taxes

The provision for income taxes is calculated by using the effective tax rate anticipated for the full year.

h) Employee benefit plan settlements

The Company recognizes settlement gains and losses in its financial statements when the cost of all settlements in a year is greater than the sum of the service cost and interest cost components of net periodic pension cost for the plan for the year.

i) Earnings per share

Historical basic per share data is based on the weighted average number of shares outstanding. Historical diluted per share data is reconciled by adding to weighted average shares outstanding the dilutive impact of the exercise of outstanding stock options and stock appreciation rights.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2010	**2009**	**2010**	**2009**
Net earnings used in the computation of basic and diluted earnings per share	$ 983,170	$ 701,272	$ 1,491,387	$ 198,327
Weighted average shares outstanding - basic	5,901,723	6,029,936	5,904,889	6,039,559
Common stock equivalents	55,918		53,936	
Weighted average shares outstanding - diluted	5,957,641	6,029,936	5,958,825	6,039,559
Per Share Data :				
Basic				
Net earnings	$ 0.17	$ 0.12	$ 0.25	$ 0.03
Diluted				
Net earnings	$ 0.17	$ 0.12	$ 0.25	$ 0.03

Awards to purchase 608,000 and 1,053,000 shares of common stock with weighted average exercise prices of $11.61 and $11.36 per share, were outstanding during the three-month periods ending June 30, 2010 and 2009, respectively, but were not included in the computation of diluted EPS because the awards exercise prices were greater than the average market price of the common shares.

Awards to purchase 608,000 and 1,066,000 shares of common stock with weighted average exercise prices of $11.61 and $11.37 per share, were outstanding during the six-month periods ending June 30, 2010 and 2009, respectively, but were not included in the computation of diluted EPS because the awards exercise prices were greater than the average market price of the common shares.

j) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

k) Comprehensive income

Total comprehensive income represents the change in equity during a period from sources other than transactions with shareholders and, as such, includes net earnings. For the Company, the only other components of total comprehensive income are the change in the fair value of derivatives accounted for as cash flow hedges and pension costs.

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Net earnings	$ 983,170	$ 701,272	$ 1,491,387	$ 198,327
Other comprehensive income:				
Net unrealized gain during the period related to cash flow hedges				5,000
Pensions - reclassification to net earnings during the period	74,931	109,362	149,861	218,274
	$ 1,058,101	$ 810,634	$ 1,641,248	$ 421,601

l) Operating Segments

Accounting standards require 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 its operations and has determined that currently it operates in one segment, as defined in the standards.

m) Derivative Financial Instruments

The Company has had only limited involvement with derivative financial instruments. The Company had one interest rate swap agreement to hedge against the potential impact on earnings from increases in market interest rates associated with interest payments on a variable rate term loan.

This interest rate swap was accounted for as a cash flow hedge. This swap expired on April 1, 2009. No gains or losses were included in other comprehensive income for the three months ended June 30, 2010 and 2009, respectively. Gains of $-0- and $5,000 were included in other comprehensive income for the six months ended June 30, 2010 and 2009, respectively. The original term of the contract was ten years.

n) Share-Based Compensation

The Company awards share-based compensation as an incentive for employees to contribute to the Company s long-term success. Historically, the Company has issued options and stock settled stock appreciation rights. At June 30, 2010, the Company had 1,568,275 shares of common stock authorized for awards of share-based compensation under its 2003 Incentive Stock and Awards Plan.

For the three months ended June 30, 2010 and 2009, respectively, the Company recognized $27,000 and $12,000 of share-based compensation recorded in selling and administrative expense in the Condensed Consolidated Statements of Earnings. This expense was offset by a $9,000 and $4,000 deferred tax benefit for non-qualified share based compensation for the three-month period ended June 30, 2010 and 2009, respectively. For the six months ended June 30, 2010 and 2009, respectively, the Company recognized $409,000 and $191,000 of share-based compensation recorded in selling and administrative expense in the Condensed Consolidated Statements of Earnings. This expense was offset by a $38,000 and a $13,000 deferred tax benefit for non-qualified share based compensation for the six-month period ended June 30, 2010 and 2009, respectively. As of June 30, 2010, the Company had no unrecognized compensation cost expected to be recognized for prior share-based awards.

The Company grants stock options and stock settled stock appreciation rights (SARS) to employees that allow them to purchase shares of the Company s common stock. Options are also granted to outside members of the Board of Directors of the Company. The Company determines the fair value of stock options and SARS at the date of grant using the Black-Scholes valuation model.

All options and SARS vest immediately at the date of grant. Awards generally expire five years after the date of grant with the exception of options granted to outside directors, which expire ten years after the date of grant. The Company issues new shares upon the exercise of stock options and SARS.

During the six-month periods ended June 30, 2010 and 2009, respectively, the Company received $110,000 and $-0- in cash from stock option exercises. No tax benefit was recognized for these exercises, as the options exercised were qualified incentive stock options.

A summary of options transactions during the six months ended June 30, 2010 follows:

	No. of Shares		Weighted Average Exercise Price
Outstanding December 31, 2009	745,650	$	10.65
Granted	144,520		9.76
Exercised	(13,200)		8.31
Lapsed	(68,200)		14.95
Cancelled	(3,550)		10.13
Outstanding June 30, 2010	805,220	$	10.17

At June 30, 2010, options outstanding, all of which were fully vested and exercisable, had an aggregate intrinsic value of $476,364.

Options exercised during the three and six-month periods ended June 30, 2010 had intrinsic values of $14,301 and $19,107, respectively. There were no options exercised during the three and six-month periods ended June 30, 2009. The weighted average grant date fair value of the Company s options granted during the three month periods ended June 30, 2010 and 2009 were $1.94 and $1.03, respectively. The weighted average grant date fair value of the Company s options granted during the six month periods ended June 30, 2010 and 2009 was $2.26 and $1.05, respectively.

A summary of SARS transactions during the six months ended June 30, 2010 follows:

	No. of Shares		Weighted Average Exercise Price
Outstanding December 31, 2009	297,030	$	12.08
Granted	35,980		9.80
Exercised			
Lapsed	(82,000)		14.95
Cancelled			
Outstanding June 30, 2010	251,010	$	10.81

At June 30, 2010, SARS outstanding, all of which were fully vested and exercisable, had an aggregate intrinsic value of $71,629.

There were no SARS exercised during the three-month and six-month periods ended June 30, 2010 and 2009. There were 35,980 and 23,630 SARS granted during the six-month periods ended June 30, 2010 and 2009, respectively. The weighted average grant date fair value of the Company s SARS granted during the six month periods ended June 30, 2010 and 2009 was $2.29 and $1.05, respectively.

The following table summarizes significant assumptions utilized to determine the fair value of share-based compensation awards.

	Three Months Ended June 30 SARS	Options	Six Months Ended June 30 SARS	Options
Exercise price				
2010	N/A	$ 9.41	$ 9.80	$ 9.41-$9.80
2009	N/A	$ 7.63	$ 7.89	$ 7.63-$7.89
Market price				
2010	N/A	$ 9.41	$ 9.80	$ 9.41-$9.80
2009	N/A	$ 7.63	$ 7.89	$ 7.63-$7.89
Risk free interest rate (1)				
2010	N/A	3.6%	2.2%	2.2%-3.6%
2009	N/A	3.2%	2.0%	2.0%-3.2%
Expected award life (2)	N/A	10 years	5 years	5-10 years
Expected volatility (3)				
2010	N/A	35.3%	41.7%	35.3%-41.7%
2009	N/A	32.2%	30.7%	30.7%-32.2%
Expected dividend yield (4)				
2010	N/A	5.7%	5.5%	5.5%-5.7%
2009	N/A	7.1%	6.8%	6.8%-7.1%

(1) The risk-free interest rate is based on the yield of a U.S. treasury bond with a similar maturity as the expected life of the awards.

(2) The expected life in years for awards granted was based on the historical exercise patterns experienced by the Company when the award is made.

(3) The determination of expected stock price volatility for awards granted in each of the three and six-month periods ending June 30, was based on historical Superior common stock prices over a period commensurate with the expected life.

(4) The dividend yield assumption is based on the history and expectation of the Company s dividend payouts.

NOTE 2 Recent Accounting Pronouncements:

In January 2010, the FASB issued Accounting Standards Update 2010-06 Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements (ASU, 2010-06). The ASU amends Subtopic 820-10 with new disclosure requirements and clarification of existing disclosure requirements. New disclosures required include the amount of significant transfers in and out of levels 1 and 2 fair value measurements and the reasons for the transfers. In addition, the reconciliation for level 3 activity will be required on a gross rather than net basis. The ASU provides additional guidance related to the level of disaggregation in determining classes of assets and liabilities and disclosures about inputs and valuation techniques. The amendments are effective for annual or interim reporting periods beginning after December 15, 2009, except for the requirement to provide the reconciliation for level 3 activity on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. We are currently assessing the impact of ASU 2010-6 and do not expect the adoption of this guidance to have a material impact on our condensed consolidated financial statements.

NOTE 3 - Long-Term Debt:

	June 30, 2010	December 31, 2009
Note payable to Wachovia, pursuant to revolving credit agreement, matured June 30, 2010	$	$
Note payable to Fifth Third Bank, pursuant to revolving credit agreement, maturing June 24, 2013	$	$

On June 25, 2010, the Company entered into a 3-year credit agreement with Fifth Third Bank that made available to the Company up to $15,000,000 on a revolving credit basis. Interest is payable at LIBOR plus 0.90% based upon the one-month LIBOR rate for U.S. dollar based borrowings (1.275% at June 30, 2010). 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

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outstanding letters of credit. As of June 30, 2010, there were no balances outstanding under letters of credit. The revolving credit agreement expires on June 24, 2013. At the option of the Company, any outstanding balance on the agreement at that date will convert to a one-year term loan. On June 30, 2010, the Company s previous revolving credit agreement with Wachovia Bank expired.

The credit agreement with Fifth Third Bank contains restrictive provisions concerning liabilities to tangible net worth ratios (.75:1), other borrowings, and fixed charges coverage ratio (2.5:1). The Company is in full compliance with all terms, conditions and covenants of the credit agreement.

NOTE 4 Periodic Pension Expense:

The following table presents the net periodic pension expense under our plans for the following periods:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Service cost - benefits earned during the period	$ 158,000	$ 182,000	$ 316,000	$ 363,000
Interest cost on projected benefit obligation	256,000	262,000	513,000	524,000
Expected return on plan assets	(252,000)	(212,000)	(504,000)	(423,000)
Amortization of prior service cost	8,000	8,000	15,000	15,000
Recognized actuarial loss	108,000	160,000	216,000	321,000
Net periodic pension cost	$ 278,000	$ 400,000	$ 556,000	$ 800,000

A contribution of $1,000,000 was made to the Company s benefit plans during the six months ended June 30, 2010. A contribution of $500,000 was made to the Company s benefit plans during the six months ended June 30, 2009.

NOTE 5 Supplemental Cash Flow Information:

Cash paid for income taxes was $647,000 and $512,000, respectively, for the six-month periods ended June 30, 2010 and 2009. Cash paid for interest was $20,000 and $69,000, respectively, for the six-month periods ended June 30, 2010 and 2009.

NOTE 6 Contingencies:

The Company is involved in various legal actions and claims arising from the normal course of business. In the opinion of management, the ultimate outcome of these matters will not have a material impact on the Company s results of operations, cash flows, or financial position.

NOTE 7 Related Party Transactions:

For the three-month periods ended June 30, 2010 and 2009, the Company expensed approximately $ -0- and $31,000, respectively, to Alpert Business Consulting, LLC, a private corporation owned by the son-in-law of the Company s Chief Executive Officer, for consulting services. For the six-month periods ended June 30, 2010 and 2009, the Company expensed approximately $ -0- and $63,000, respectively, to Alpert Business Consulting, LLC, a private corporation owned by the son-in-law of the Company s Chief Executive Officer, for consulting services.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders

Superior Uniform Group, Inc.

We have reviewed the accompanying condensed consolidated balance sheet of **Superior Uniform Group, Inc.** (a Florida Corporation) and subsidiaries as of June 30, 2010, the related condensed consolidated statements of earnings for the three-month and six-month periods ended June 30, 2010 and 2009 and the condensed consolidated statements of cash flows for the six-month periods ended June 30, 2010 and 2009. These interim financial statements are the responsibility of the Company s management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2009, and the related consolidated statements of earnings, stockholders equity, and cash flows for the year then ended (not presented herein); and in our report dated February 26, 2010, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2009, is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

/s/ GRANT THORNTON LLP

Tampa, Florida
July 22, 2010

ITEM 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

Certain matters discussed in this Form 10-Q are forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement will include words such as we believe, anticipate, expect or words of similar import. Similarly, statements that describe our future plans, objectives, strategies or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that may materially adversely affect the anticipated results. Such risks and uncertainties include, but are not limited, to 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; the availability of manufacturing materials, and other factors described in the Company s filings with the Securities and Exchange Commission, including those described in the Risk Factors section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2009. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements made herein and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this Form 10-Q and we disclaim any obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Critical Accounting Policies

Our significant accounting policies are described in Note 1 to the consolidated financial statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2009. Our discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of the financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate the estimates that we have made. These estimates are based upon our historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Our actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting estimates are those that we believe require our most significant judgments about the effect of matters that are inherently uncertain. A discussion of our critical accounting estimates, the underlying judgments and uncertainties used to make them and the likelihood that materially different estimates would be reported under different conditions or using different assumptions is as follows:

Allowance for Losses on Accounts Receivable

These allowances are based on both recent trends of certain customers estimated to be a greater credit risk as well as general trends of the entire customer pool. If the financial condition of the Company s customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. An additional impairment in value of one percent of net accounts receivable would require an increase in the allowance for doubtful accounts and would result in additional expense of approximately $187,000.

Inventories

Inventories are stated at the lower of cost or market value. Judgments and estimates are used in determining the likelihood that new goods on hand can be sold to customers. Historical inventory usage and current revenue trends are considered in estimating both excess and obsolete inventories. If actual product demand and market conditions are less favorable than those projected by management, additional inventory write-downs may be required.

Insurance

The Company self-insures for certain obligations related to health insurance programs. The Company also purchases stop-loss insurance policies to protect it from catastrophic losses. Judgments and estimates are used in determining the potential value associated with reported claims and for losses that have occurred, but have not been reported. The Company s estimates consider historical claim experience and other factors. The Company s liabilities are based on estimates, and, while the Company believes that the accrual for loss is adequate, the ultimate liability may be in excess of or less than the amounts recorded. Changes in claim experience, the Company s ability to settle claims or other estimates and judgments used by management could have a material impact on the amount and timing of expense for any period.

Pensions

The Company s pension obligations are determined using estimates including those related to discount rates, asset values and changes in compensation. The discount rates used for the Company s pension plans were determined based on the Citigroup Pension Yield Curve. This rate was selected as the best estimate of the rate at which the benefit obligations could be effectively settled on the measurement date taking into account the nature and duration of the benefit obligations of the plan using high-quality fixed-income investments currently available (rated AA or better) and expected to be available during the period to maturity of the benefits. The 8% expected return on plan assets was determined based on historical long-term investment returns as well as future expectations given target investment asset allocations and current economic conditions.

The 4.5% rate of compensation increase represents the long-term assumption for expected increases in salaries among continuing active participants accruing benefits under the plans. Interest rates and pension plan valuations may vary significantly based on worldwide economic conditions and asset investment decisions.

Income Taxes

The Company is required to estimate and record income taxes payable for federal and state jurisdictions in which the Company operates. This process involves estimating actual current tax expense and assessing temporary differences resulting from differing accounting treatments between tax and book that result in deferred tax assets and liabilities. In addition, accruals are also estimated for federal and state tax matters for which deductibility is subject to interpretation. Taxes payable and the related deferred tax differences may be impacted by changes to tax laws, changes in tax rates and changes in taxable profits and losses. Federal income taxes are not provided on that portion of unremitted earnings of foreign subsidiaries that are expected to be reinvested indefinitely. Reserves are also estimated for uncertain tax positions that are currently unresolved. The Company routinely monitors the potential impact of such situations and believes that it is properly reserved. We accrue interest and penalties related to unrecognized tax benefits in income tax expense, and the related liability is included in the total liability for unrecognized tax benefits.

Share-based Compensation

The Company recognizes expense for all share-based payments to employees, including grants of employee stock options, in the financial statements based on their fair values. Share-based compensation expense that was recorded in 2010 and 2009 includes the compensation expense for the share-based payments granted in those years. In the Company s share-based compensation strategy we utilize a combination of stock options and stock appreciation rights (SARS) that fully vest on the date of grant. Therefore, the fair value of the options and SARS granted is recognized as expense on the date of grant. The Company used the Black-Scholes-Merton valuation model to value any share-based compensation. Option valuation methods, including Black-Scholes-Merton, require the input of assumptions including the risk free interest rate, dividend rate, expected term and volatility rate. The Company determines the assumptions to be used based upon current economic conditions. The impact of changing any of the individual assumptions by 10% would not have a material impact on the recorded expense.

Results of Operations

As a result of the significant declines in our revenues in 2009, we implemented aggressive cost reduction initiatives to limit the impact on our results of operations. These initiatives eliminated nonessential positions, streamlined our existing processes and shifted additional administrative positions to our Central American subsidiary.

The current economic environment in the United States remains very challenging. While we are seeing increased activity, the employment outlook in the United States remains soft. Additionally, voluntary employee turnover at our customers has remained very low. The lack of job growth coupled with less voluntary attrition continues to weigh on the demand for our uniforms and service apparel. Despite these factors, net sales increased 6.6% from $24,972,000 for the three months ended June 30, 2009 to $26,629,000 for the three months ended June 30, 2010. The increase in net sales for the quarter is attributed to sales to customers acquired as a result of our acquisition of Blade in the fourth quarter of 2009. Net sales increased 8.1% from $48,688,000 for the six months ended June 30, 2009 to $52,609,000 for the six months ended June 30, 2010. Approximately 74% of this increase is attributed to sales to customers acquired as a result of our acquisition of Blade in the fourth quarter of 2009 with the balance coming from organic growth.

Cost of goods sold, as a percentage of sales, approximated 64.8% for the three months ended June 30, 2010 compared to 66.8% for the three months ended June 30, 2009. The decrease as a percentage of sales in the three-month period is attributed to a reduction in direct product costs as a percentage of sales (1.7%) with the balance coming from more efficient operations in our value added services area. Cost of goods sold, as a percentage of sales, approximated 65.2% for the six months ended June 30, 2010 compared to 67.8% for the six months ended June 30, 2009. The decrease as a percentage of sales in the six-month period is attributed to a reduction in direct product costs as a percentage of sales (1.5%) with the balance coming from more efficient operations in our value added services area. The Company s gross margins may not be comparable with other entities, since some entities include all of the cost related to their distribution network in cost of goods sold. As disclosed in Note 1 to the Condensed Consolidated Financial Statements, the Company includes a portion of the costs associated with its distribution network in selling and administrative expenses. The amounts included in selling and administrative expenses for the three-month periods ended June 30, 2010 and 2009, respectively, were $1,512,000 and $1,546,000. The amounts included in selling and administrative expenses for the six-month periods ending June 30, 2010 and 2009, respectively, were $3,115,000 and $3,231,000.

Selling and administrative expenses, as a percentage of sales, approximated 29.5% and 29.0% respectively, for the three-month periods ended June 30, 2010 and 2009. The increase as a percentage of sales in the three-month period is attributed primarily to higher salaries, wages and benefits in the current period (2.0%) and other miscellaneous increases in expenses as a percentage of sales (0.5%); offset by increased sales to cover operating expenses (2.0%). Selling and administrative expenses, as a percentage of net sales, were approximately 30.3% and 31.4%, respectively, for the first six months of 2010 and 2009. The decrease as a percentage of sales in the six-month period is attributed primarily to increased sales to cover operating expenses (2.4%); offset by higher share based compensation expense in the current period (0.4%), a reduction in gain on sale of fixed assets (0.2%), and other miscellaneous increases in expenses as a percentage of sales (0.7%).

Interest expense of $6,000 for the three-month period ended June 30, 2010 decreased 76.0% from $25,000 for the three-month period ended June 30, 2009. Interest expense of $8,000 for the six-month period ended June 30, 2010 decreased 87.7% from $65,000 for the six-month period ended June 30, 2009. The decreases in the three and six-month periods ended June 30, 2010 are attributed to lower borrowings outstanding.

The Company s effective tax rate for the three months ended June 30, 2010 was 35.9% versus 31.3% for the three months ended June 30, 2009. The 4.6% increase in such effective tax rate is attributed primarily to the following: an increase in the rate from the impact of permanent differences between book and tax basis earnings related to share-based compensation (1.5%), a reduction in the benefit for untaxed foreign income (3.0%), and the impact of other items (0.5%); offset by a decrease in the quarterly accrual for uncertain tax positions (0.4%). The Company s effective tax rate for the six months ended June 30, 2010 was 36.3% versus 37.7% for the six months ended June 30, 2009. The 1.4% decrease in such effective tax rate is attributed primarily to the following: a decrease in the quarterly accrual for uncertain tax positions (5.6%) and the impact of other items (0.3%); offset by an increase in the rate from the impact of permanent differences between book and tax basis earnings related to share-based compensation (1.5%), and a reduction in the benefit for untaxed foreign income (3.0%).

Liquidity and Capital Resources

Accounts receivable and other current assets increased 0.4% from $20,709,000 on December 31, 2009 to $20,799,000 as of June 30, 2010 primarily as a result of increased sales.

Inventories decreased 0.6% from $32,054,000 on December 31, 2009 to $31,866,000 as of June 30, 2010.

Accounts payable increased 3.7% from $5,426,000 on December 31, 2009 to $5,629,000 on June 30, 2010.

Other current liabilities increased 2.4% from $2,227,000 on December 31, 2009 to $2,281,000 on June 30, 2010.

Cash and cash equivalents increased by $791,000 from $6,366,000 on December 31, 2009 to $7,157,000 as of June 30, 2010. The Company generated $3,271,000 in cash from operating activities, utilized $725,000 in investing activities primarily related to fixed asset additions of $792,000 and utilized $1,754,000 in financing activities. Financing activities included the payment of cash dividends and the reacquisition of $269,000 of the Company s common stock, as discussed below.

In the foreseeable future, the Company will continue its ongoing capital expenditure program designed to maintain and improve its facilities. The Company at all times evaluates its capital expenditure program in light of prevailing economic conditions.

During the six months ended June 30, 2010 and 2009, respectively, the Company paid cash dividends of $1,595,000 and $1,631,000. The Company reacquired 27,737 and 30,802 shares of its common stock at a total cost of $269,000 and $214,000 in the six-month periods ended June 30, 2010 and June 30, 2009, respectively, pursuant to its stock repurchase program. The Company anticipates that it will continue to pay dividends and that it will repurchase and retire additional shares of its common stock in the future as financial conditions permit.

On June 25, 2010, the Company entered into a 3-year credit agreement with Fifth Third Bank that made available to the Company up to $15,000,000 on a revolving credit basis. Interest is payable at LIBOR plus 0.90% based upon the one-month LIBOR rate for U.S. dollar based borrowings (1.275% at June 30, 2010). 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 June 30, 2010, there were no balances outstanding under letters of credit. The revolving credit agreement expires on June 24, 2013. At the option of the Company, any outstanding balance on the agreement at that date will convert to a one-year term loan. On June 30, 2010, the Company s previous revolving credit agreement with Wachovia Bank expired.

The credit agreement with Fifth Third Bank contains restrictive provisions concerning liabilities to tangible net worth ratios (.75:1), other borrowings, and fixed charges coverage ratio (2.5:1). The Company is in full compliance with all terms, conditions and covenants of the credit agreement.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

ITEM 4. Controls and Procedures

The Principal Executive Officer, Michael Benstock, and the Principal Financial Officer, Andrew D. Demott, Jr., evaluated the effectiveness of the Company s disclosure controls and procedures as of the end of the period covered by this report (the Evaluation Date), and, based on such evaluation, concluded that, as of the Evaluation Date, the Company s disclosure controls and procedures were effective to ensure that information the Company is required to disclose in its filings with the Securities and Exchange Commission under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Commission s rules and forms, and to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in the Company s internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) under the Exchange Act that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

None.

ITEM 1A. Risk Factors

We are exposed to certain risks and uncertainties that could have a material adverse impact on our business, financial condition and operating results. There have been no material changes to the Risk Factors described in Part I, Item 1A-Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2009.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

ISSUER PURCHASES OF EQUITY SECURITIES

The table below sets forth the information with respect to purchases made by or on behalf of Superior Uniform Group, Inc. or any affiliated purchaser (as defined in Rule 10b-18(a)(3) under the Exchange Act), of our common shares during the three months ended June 30, 2010.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
Month #1 (April 1, 2010 to April 30, 2010)	2,900	$ 9.80	2,900	
Month #2 (May 1, 2010 to May 31, 2010)	3,293	$ 9.87	3,293	
Month #3 (June 1, 2010 to June 30, 2010)	2,522	$ 10.03	2,522	
TOTAL	8,715	$ 9.89	8,715	413,407

(1) In July 2002, the Company s Board of Directors authorized the Company to repurchase 750,000 shares of its common stock. Through May 4, 2006, the Company repurchased 728,098 shares of its common stock under such repurchase program. On May 5, 2006, the Company s Board of Directors approved additional repurchases of 750,000 shares of the Company s outstanding shares of common stock. Through July 31, 2008, the Company repurchased 625,881 shares of its common stock under such repurchase program. On August 1, 2008, the Company s Board of Directors approved an increase to the outstanding authorization to allow for the repurchase of 1,000,000 additional shares of the Company s outstanding shares of common stock. There is no expiration date or other restriction governing the period over which the Company can make share repurchases under the program. All such purchases were open market transactions.

Under our credit agreement with Fifth Third Bank, if an event of default exists, we may not make distributions to our shareholders. The Company is in full compliance with all terms, conditions and covenants of its credit agreement.

The Company believes that its cash flow from operating activities together with other capital resources and funds from credit sources will be adequate to meet all of its funding requirements for the remainder of the year and for the foreseeable future.

ITEM 3. Defaults Upon Senior Securities

Inapplicable.

ITEM 4. Removed and Reserved

ITEM 5. Other Information

None.

ITEM 6. Exhibits

See Exhibit Index.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 22, 2010

SUPERIOR UNIFORM GROUP, INC.

By /s/ Michael Benstock
Michael Benstock
Chief Executive Officer (Principal Executive Officer)

By /s/ Andrew D. Demott, Jr.
Andrew D. Demott, Jr.
Exec. Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit No.	Description
10.1	Revolving Loan Agreement dated June 25, 2010 by and between Superior Uniform Group, Inc. and Fifth Third Bank.
10.2	Revolving Line of Credit Promissory Note dated June 25, 2010 in the original principal amount of $15,000,000 payable by Superior Uniform Group, Inc. to Fifth Third Bank.
15	Grant Thornton LLP Awareness Letter.
31.1	Certification by the Chief Executive Officer (Principal Executive Officer) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer (Principal Financial and Accounting Officer) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Periodic Financial Report by the Chief Executive Officer and the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.