

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):
November 13, 2012

UNIFI, INC.

(Exact name of registrant as specified in its charter)

1-10542

(Commission File Number)

11-2165495

(IRS Employer Identification No.)

27410

(Zip Code)

New York
(State or Other Jurisdiction of Incorporation)
7201 West Friendly Avenue
Greensboro, North Carolina
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(336) 294-4410**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-
-

ITEM 7.01. REGULATION FD DISCLOSURE

William L. Jasper, Chairman and Chief Executive Officer, Roger Berrier, President and Chief Operating Officer and Ronald L. Smith, Vice President and Chief Financial Officer of the Registrant are scheduled to provide a series of investor briefings beginning on November 13, 2012 in New York City. The slide package prepared for use by the executives for these presentations is attached hereto as Exhibit 99.1. All of the information presented is presented as of the date hereof, and the Registrant does not assume any obligation to update such information in the future.

The information included in the preceding paragraph, as well as the exhibit referenced therein, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
99.1	Slide Package prepared for use in connection with the Registrant's investor briefings beginning on November 13, 2012.

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 hereunto duly authorized.

UNIFI, INC.

By: /S/ CHARLES F. MCCOY

Charles F. McCoy

Vice President, Secretary and General Counsel

Dated: November 13, 2012

INDEX TO EXHIBITS

EXHIBIT NO.

DESCRIPTION OF EXHIBIT

99.1 Slide Package prepared for use in connection with the Registrant's investor briefings beginning on November 13, 2012.



6th Annual Investor Update Meeting

November 13, 2012

Cautionary Statement

Certain statements included herein contain forward-looking statements within the meaning of federal securities laws about the financial condition and results of operations of Unifi, Inc. (the "Company") that are based on management's current expectations, estimates and projections about the markets in which the Company operates, as well as management's beliefs and assumptions. Words such as "expects," "anticipates," "believes," "estimates," variations of such words and other similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in, or implied by, such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's judgment only as of the date hereof. The Company undertakes no obligation to update publicly any of these forward-looking statements to reflect new information, future events or otherwise.

Factors that may cause actual outcome and results to differ materially from those expressed in, or implied by, these forward-looking statements include, but are not necessarily limited to, availability, sourcing and pricing of raw materials, the success of our subsidiaries, pressures on sales prices and volumes due to competition and economic conditions, reliance on and financial viability of significant customers, operating performance of subsidiaries, joint ventures, alliances and other equity investments, technological advancements, employee relations, changes in construction spending, capital expenditures and long-term investments (including those related to unforeseen acquisition opportunities), continued availability of financial resources through financing arrangements and operations, outcomes of pending or threatened legal proceedings, negotiations of new or modifications of existing contracts for asset management and for property construction and acquisition, regulations governing tax laws, other governmental and authoritative bodies' policies and legislation, and proceeds received from the sale of assets held for disposal. In addition to these representative factors, forward-looking statements could be impacted by general domestic and international economic and industry conditions in the markets where the Company competes, such as changes in currency exchange rates, interest and inflation rates, recession and other economic and political factors over which the Company has no control. Other risks and uncertainties may be described from time to time in the Company's other reports and filings with the Securities and Exchange Commission.

Unifi Overview

Company Overview

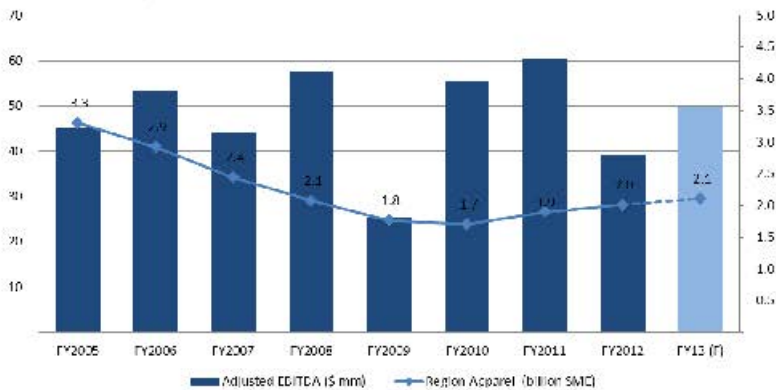
Unifi, Inc. is a diversified producer and processor of multi-filament polyester and nylon yarns.

- The Company's product offerings include specialty and premier value-added yarns with enhanced performance characteristics
- The Company sells to other yarn manufacturers, knitters and weavers that produce fabric for the apparel, hosiery, furnishings, industrial and other end-use markets; primarily in North American region

Well-established downstream partners



Regional Apparel and Adjusted EBITDA Trends



Valuable Equity Affiliate Partnerships

- 34% investment in Parkdale America LLC
A \$1 billion cotton spinning joint venture
- Strategic investment in Nylon spinning operations
U.S. and Israeli joint ventures

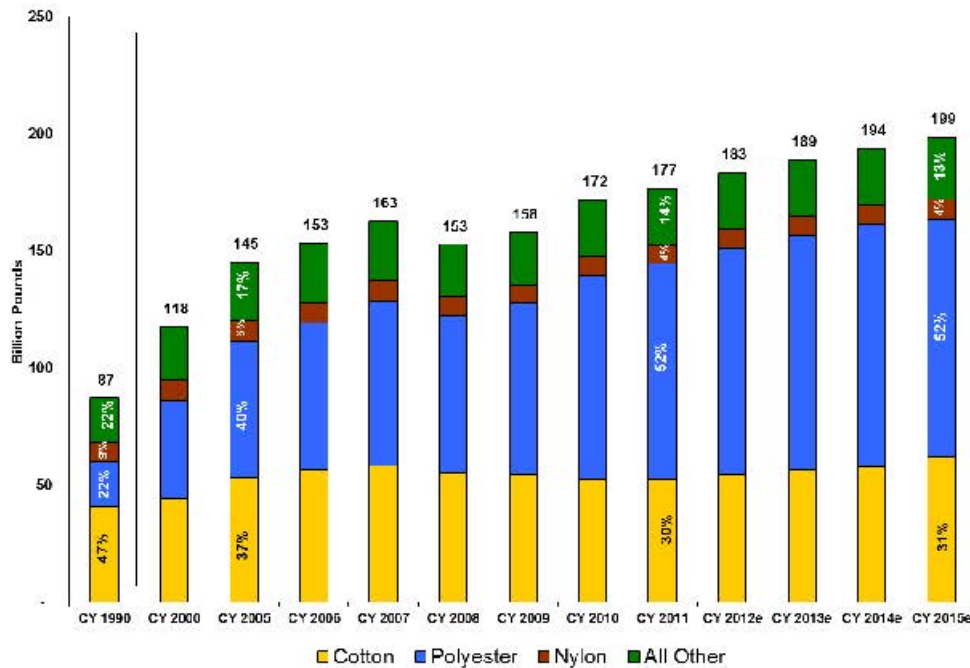
(1) Adjusted EBITDA excludes earnings from Parkdale America LLC and other unconsolidated equity affiliates
 (F) Adjusted EBITDA guidance provided on October 25, 2012 Earnings Conference Call



Market and Company Overview

Growing Global Textile Fibers Market

Global consumption of textile fibers grows based on population and affluence



Global Textile Markets

- Approximately 180 billion pounds of textile fibers sold annually
- 2% to 3% annual growth in global textile fibers projected from 2011 to 2020
- 3% to 4% annual growth in global polyester fibers projected from 2011 to 2020
- Polyester fibers' growth in market share: 22% in 1990 and 52% in 2011
 - Superior functionality compared to commodity fibers like cotton
 - Man-made fibers allow more acreage for food supply in countries like China

Source: PCI Fibers

Our Manufacturing Process



PET and rPET* Chip



POY Manufacturing

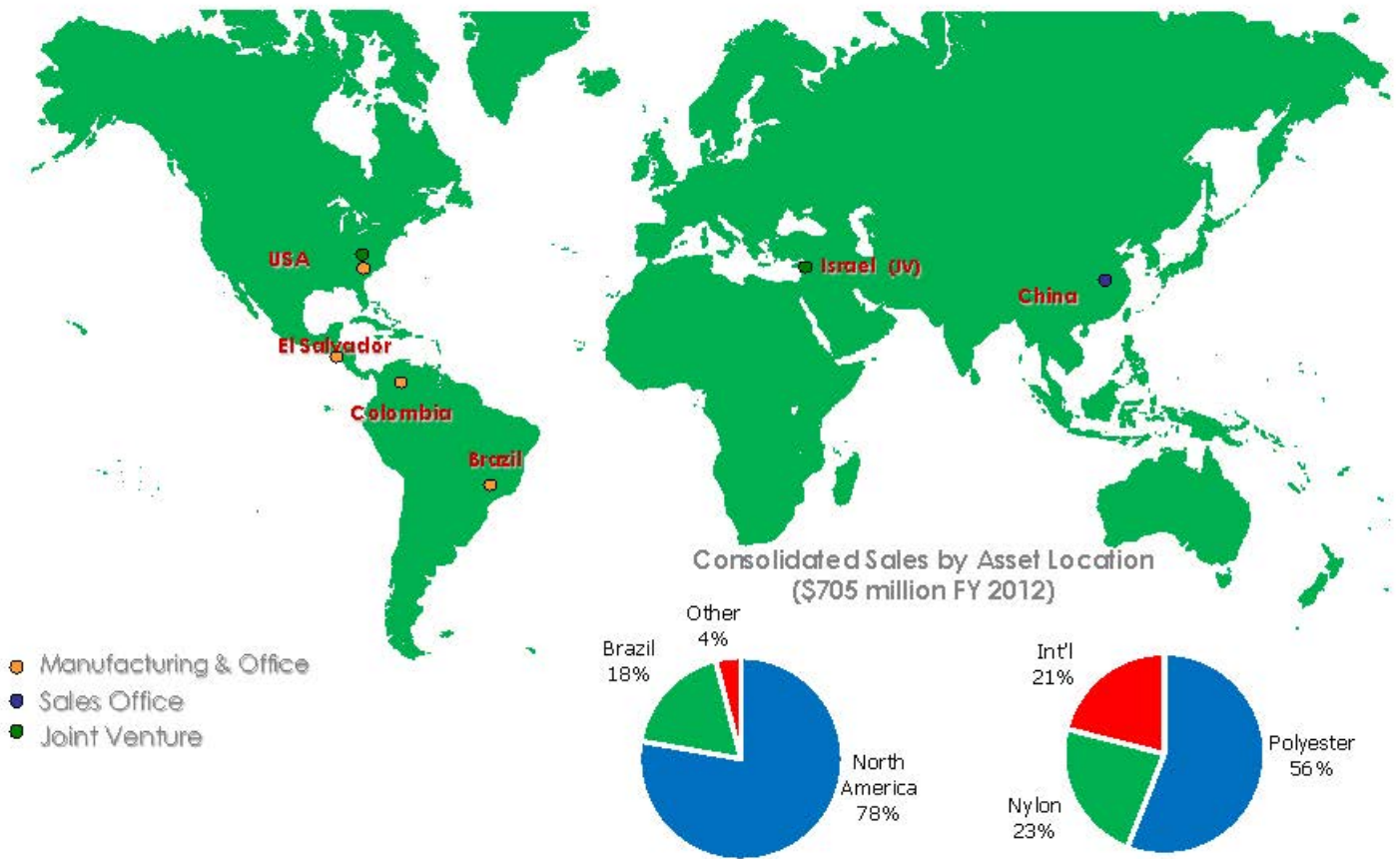


Yarn Texturing



Value-Added Processes –
Dyeing, Covering, Twisting,
Beaming, Solution and Package
Dyed

Who We Are

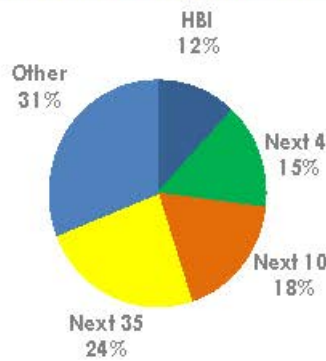


Our assets are well-positioned to leverage regional & global growth in synthetics

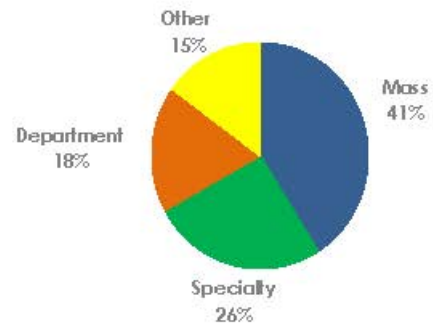
U.S. Customer & Channel Segmentation – FY 2012

Strong diversity of customer base and distribution channels

U.S. Sales by Customer



Distribution Channel ⁽¹⁾



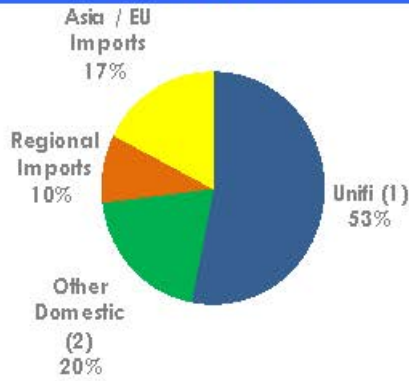
- Fiber/yarn demanded by wide variety of customers
 - Approximately 420 polyester customers and approximately 170 nylon customers served from U.S. operations
 - Top 5 U.S. customers include
 - Polyester: Milliken, Polartec, Glen Raven, American & Efird, and International Textile Group
 - Nylon: Hanesbrands (HBI), Acme-McCrary, Niki Viki, Doris Hosiery, and Kayser Roth Hosiery
 - In fiscal 2012, Hanesbrands accounted for 9.3% of consolidated sales
 - Top 50 customers in the U.S. represent 69% of U.S. net sales

⁽¹⁾ Estimates for combined Apparel and Hosiery segments

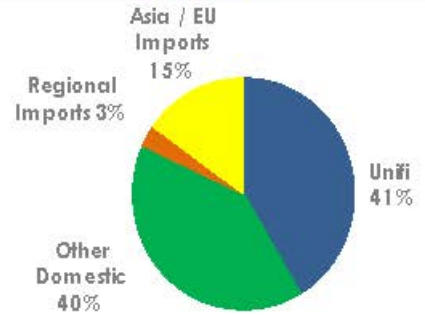
Leading Market Position

Regional leader in processing of multi-filament polyester and nylon yarns

U.S. Polyester



U.S. Nylon



Commentary

- Diversified yarn supplier with strong yarn market share across multiple product offerings
- One of few regional producers of complaint yarns utilized in NAFTA, CAFTA, Berry amendment and Kissel amendment apparel programs

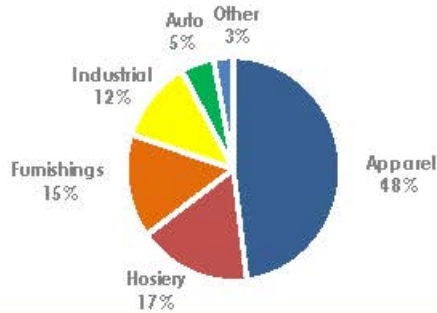
(1) Polyester market position includes Unifi sales of Polyester Textured Yarn, Draw Warp, and POY external sales to other U.S. domestic DTY producers.

(2) Other domestic competition sales excludes Polyester Textured Yarn and Draw Warp made with Unifi POY

Source: Unifi Internal Estimates for CY 2011

U.S. Market Segmentation – FY 2012

U.S. Yarn Sales by Region



U.S. Sales by Origin Requirement



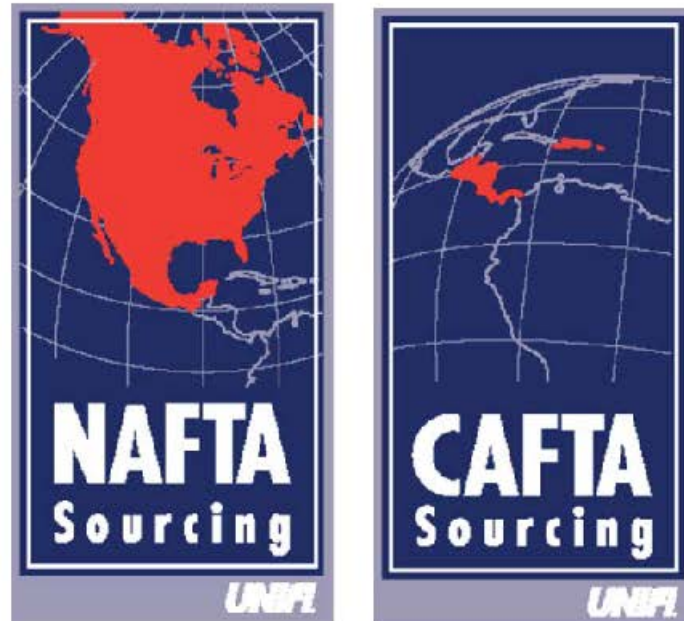
Commentary

- Diverse product offering sells into the apparel, hosiery, furnishings, automotive and industrial markets
- Compliant sales account for approximately 62% of the Company's U.S. sales
 - Large majority of U.S. customers are domestic weavers and knitters
 - Most free trade benefits come through domestic customers' shipments of fabrics into region
 - Regional yarn origin required in free trade agreements (NAFTA, CAFTA, Colombia/Peru FTA)
 - Berry and Kissel Amendments require U.S. origin fiber/yarn for Military and Homeland Security

Diverse end-use markets with high concentration of compliant yarns

(1) Compliant sales represent those sales to customers who utilize the terms of the NAFTA, CAFTA, CBI, Colombia/Peru FTA, and U.S. Military agreements to produce duty-free finished goods and U.S. origin fiber requirement. Estimates based on FY 2012 sales by category and division.

Our Regional Markets and Segments



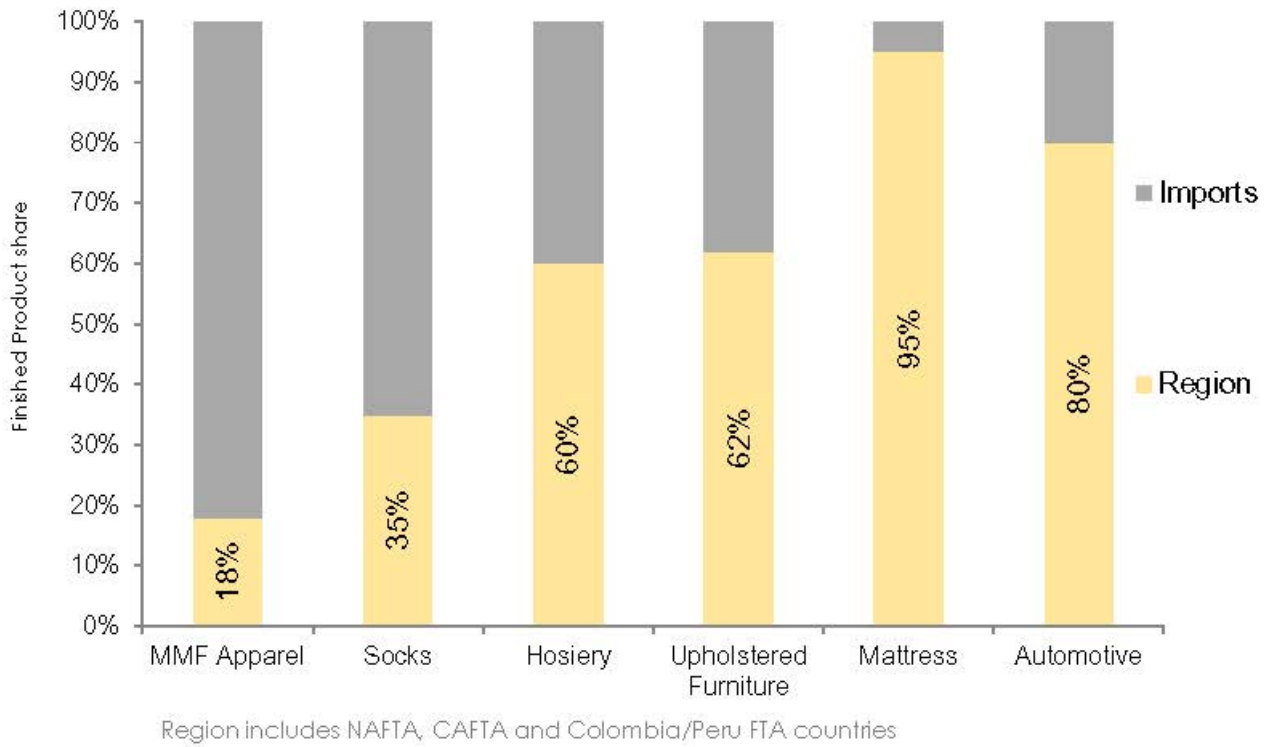
NAFTA countries: U.S., Mexico, Canada

CAFTA countries: U.S., El Salvador, Honduras, Costa Rica, Guatemala, Nicaragua and Dominican Republic

- Apart from NAFTA and CAFTA, our region also includes Free Trade Agreements (FTA) with Colombia and Peru; and Andean Trade Pact benefits with Ecuador

Regional trade and diverse market segments provide competitive advantages

Our Regional Supply Share



Our Region... an essential part of the retail supply base

Source: Unifi Internal Estimates

Regional Competitive Advantages

Competitive cost

- Duty-free benefits of up to 32% on synthetic garments
- Greater labor productivity than most other yarn suppliers
- Higher inflation in China/Asia

Faster supply and flexibility

- Shorter lead times of 6 to 7 weeks from "order" to "U.S. distribution" versus 13 to 17 weeks from various Asian regions
- Faster response to fashion trends and replenishment needs
- Convenient to reach, monitor and communicate

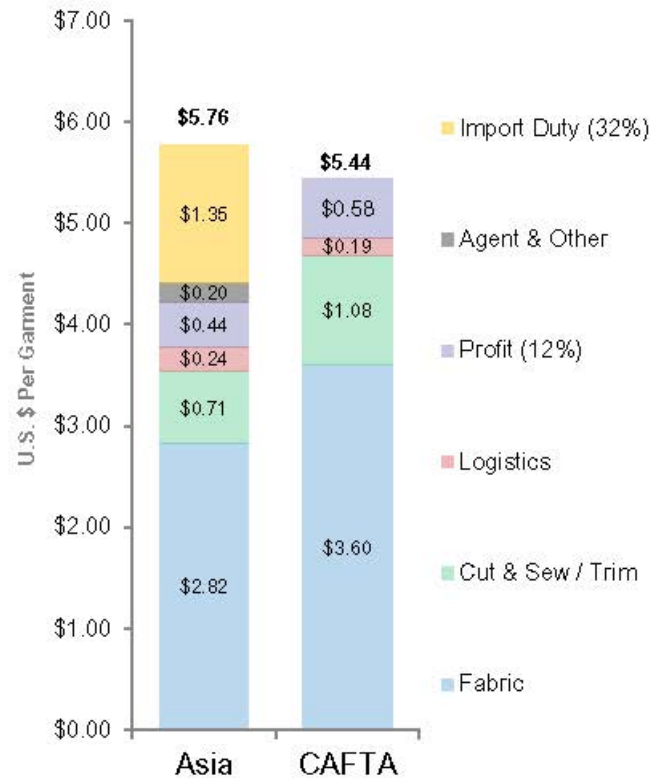
Working capital benefits

- Shorter lead time creates lower inventories
- Better cash flow

Innovation

- Differentiated fibers that apply to various end-use products
- High-quality for critical applications
- Regional development efforts accelerates speed to market

100% Polyester T-Shirt

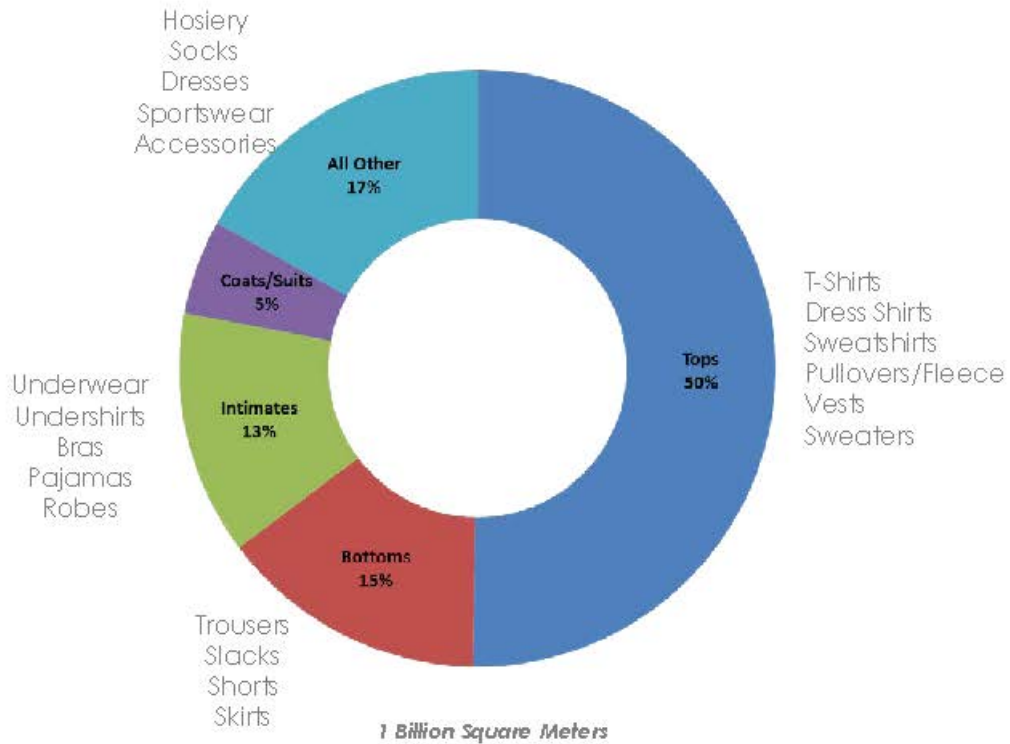


Source: Unifi Internal Estimates

Region: Competitive, Speed and Convenience

CAFTA-DR: Many Apparel Categories

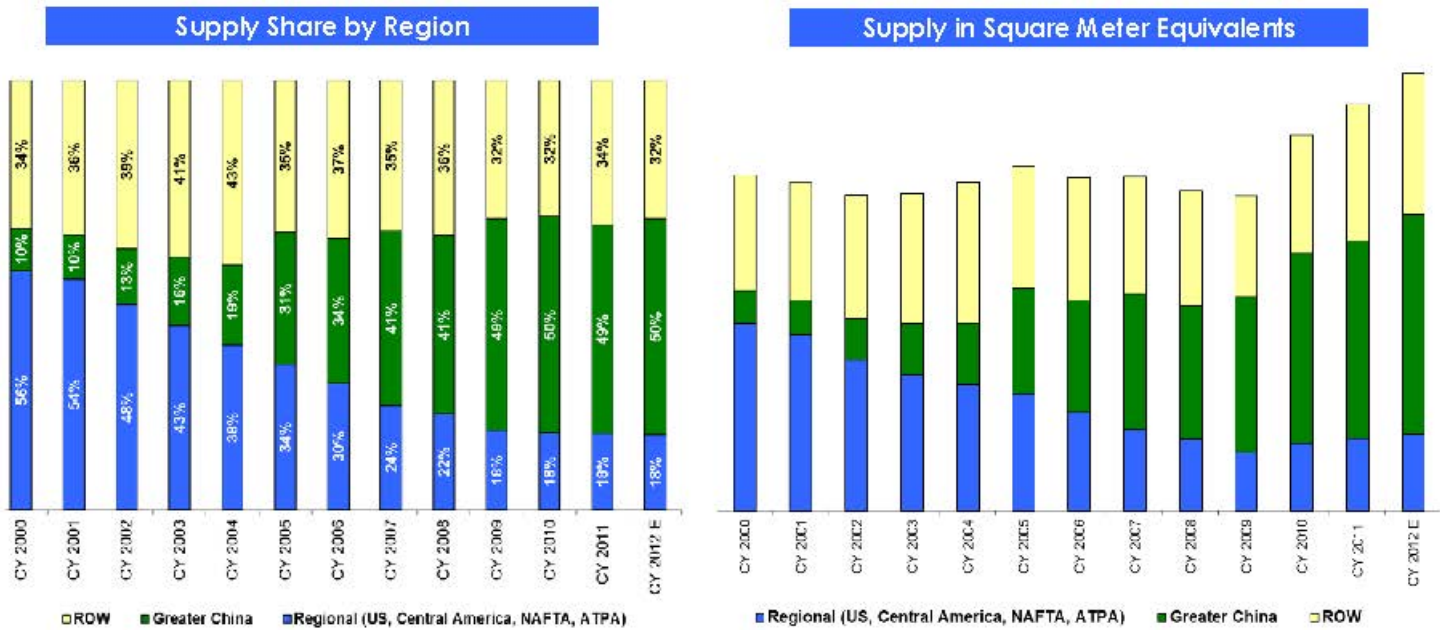
2011 – U.S. Synthetic Apparel Supply from CAFTA- DR



This region boasts a broad-range of existing and emerging capabilities

Source: Unifi Internal Estimates

U.S. Synthetic Apparel Sourcing Trends



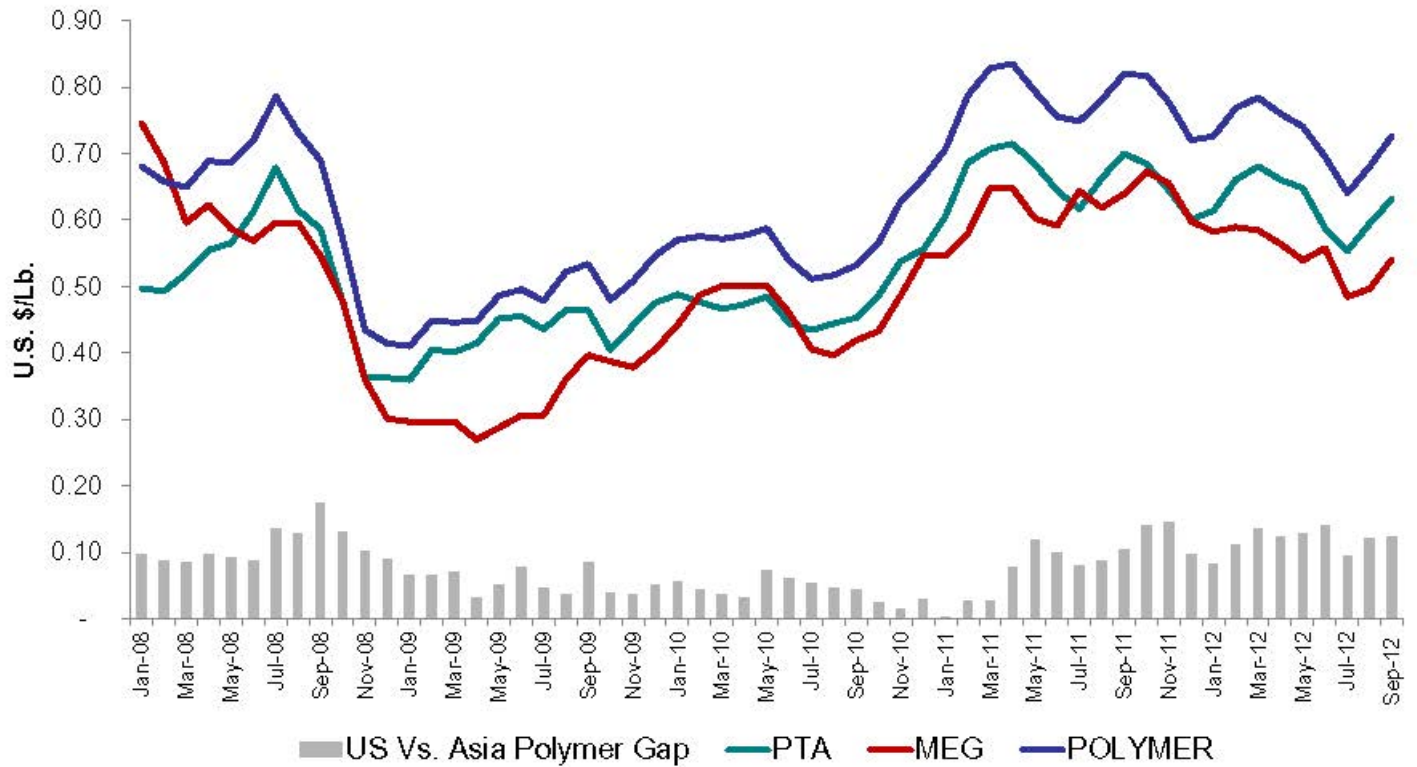
Regional: Units grew 16% and 7% in '10 and '11; expected to grow 5% to 7% in '12

Source: Internal Estimates, Federal Reserve, OTEXA, and Census Bureau



Operating Environment

North America – Polyester Raw Material Trends



Continuing raw material volatility puts pressure on our business to review and adjust our pricing strategy on regular basis

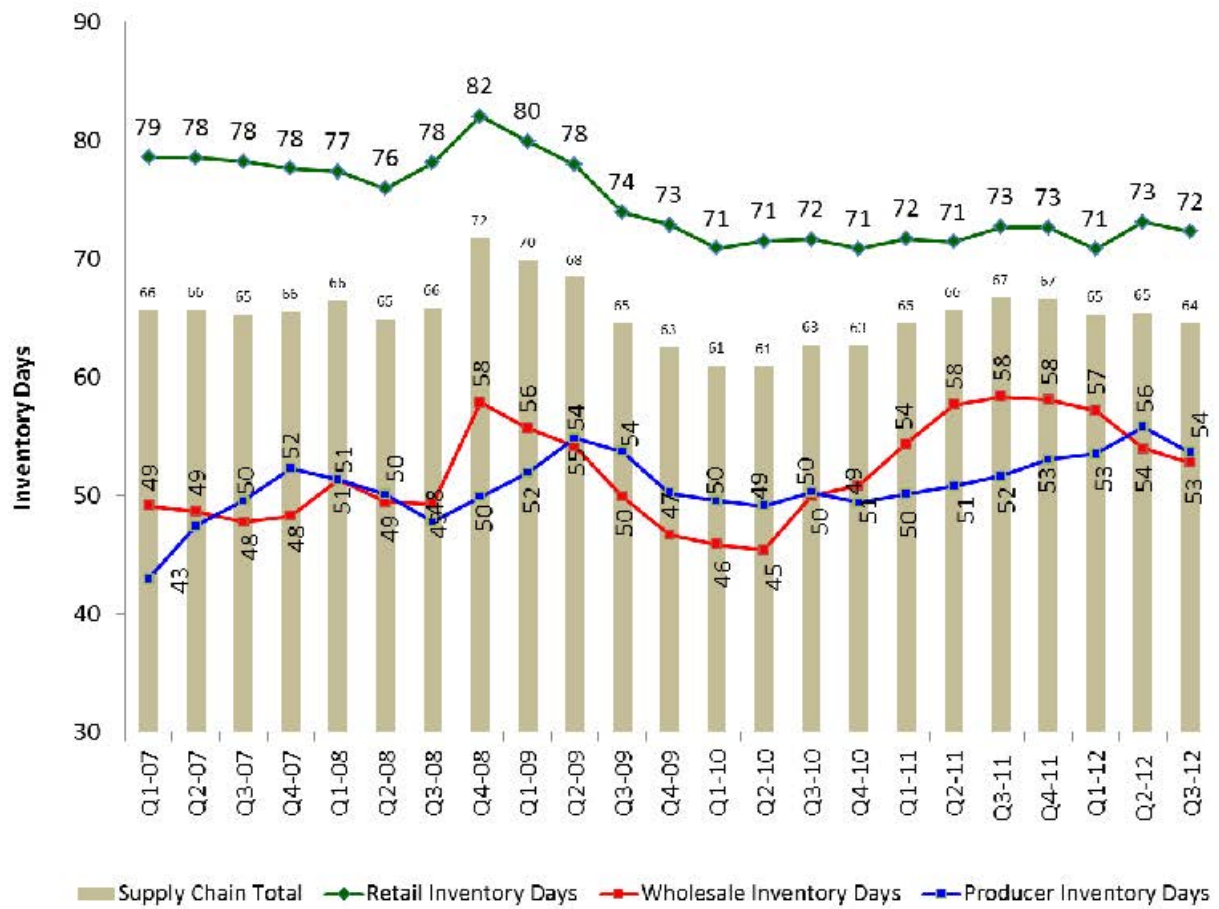
PX (Para xylene): Global Supply/Demand = Tight



□ CY 2012 was the tightest supply period for Para xylene globally leading to 88% operating rate - highest rate since 2007.

Source: PCI Fibers

Inventory in the Apparel Supply Chain



Source: U.S. Census Bureau and Unifi internal estimates

Our PVA Brands

UNIFI
 Brands

performance & protection	eco-friendly	touch & texture
<ul style="list-style-type: none"> ○ alo[™] all-in-one performance yarns ○ Sorbtek[™] moisture absorption yarns ○ A.M.Y.[™] antimicrobial yarns for odor control ○ CreTexx[™] stretch yarns ○ mynx[™] UV protective yarns ○ Inhibit[™] flame-retardant yarns ○ satura[™] max solution dyed performance yarns 	<ul style="list-style-type: none"> ○ REPEVE[™] recycled yarns ○ satura[™] .. solution dyed yarns 	<ul style="list-style-type: none"> ○ novva[™] bright yarns ○ augusta[™] network touch yarns ○ Sultra[™] .. ultrasoft yarns ○ eclipse[™] shaded effect yarns ○ softec[™] polyester ○ DACRON[™] polyamide ○ MicroVista[™] .. microfiber yarns

Dacron/Invisia trademark for polyester licensed to Unifi, Inc.
 Sultra™ Invisia trademark for polyester licensed to Unifi, Inc.

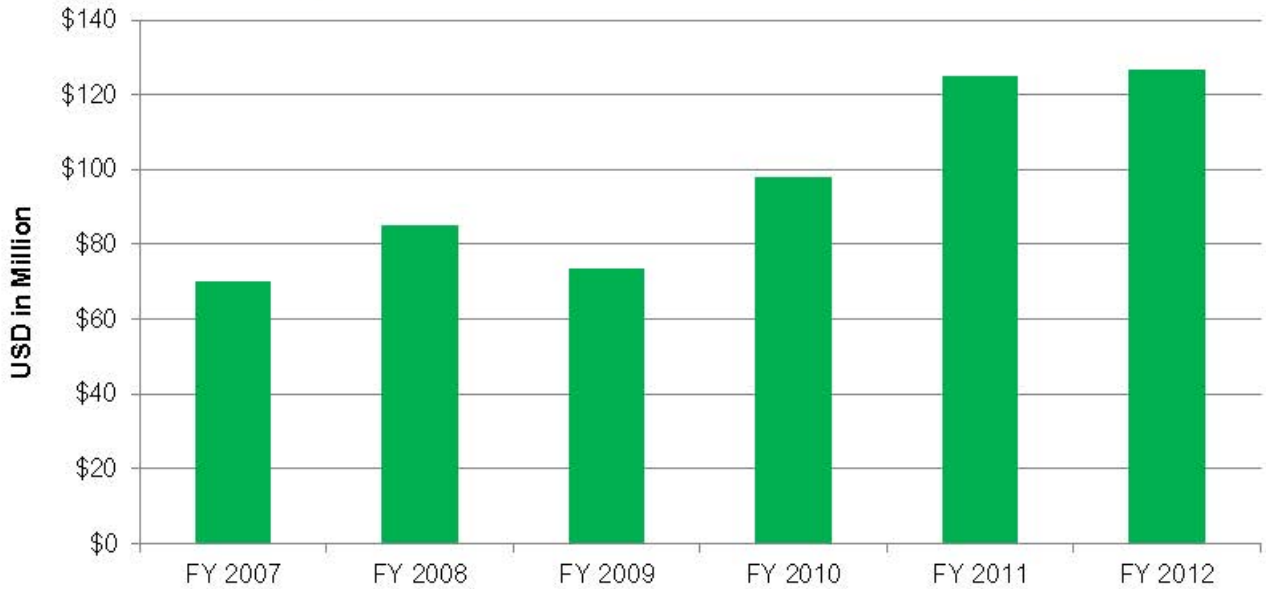
www.unifi.com
Available globally
| .. Available in POY

Branded/PVA Product Success

Premier Value-Added products are key for future growth

- PVA portfolio represented approximately 18% of consolidated sales in fiscal 2012
- Products utilized in apparel, contract, home furnishings, military, socks and hospitality
- Steady investment in R&D and commercialization of PVA products remains a strategic priority

Global PVA Sales Revenue by Fiscal Year



PVA target: Double as a percent of total sales from FY10 to FY14

Source: Unifi internal estimates

Corporate Sustainability

- Long history of sustainability
 - On-site environmental team constantly reviews every aspect of manufacturing to see how we can reduce, reuse, & conserve
 - Use of returnable packaging
 - All U.S. Operations Landfill Free
 - Sustainable Textile Solutions; REPREEVE



REPREVE[®]

RECYCLING CENTER

Commitment to Innovation



REPREVE®

IT'S WHAT'S IN IT™



REPREVE®

IT'S WHAT'S IN IT™

Made from recycled materials; including post-consumer plastic bottles & post-industrial fiber waste

- Product Transparency & Authenticity
 - SCS Certified for recycled content claims; Oeko-Tex certified
 - **U|TRUST**™ Program provides transparency throughout the supply chain with Unifi's unique & proprietary Fiberprint™ Technology
- Consistent Quality; Drop-in replacement
- Reputation
- Available Globally
- One brand; many product options
 - Filament Polyester & Nylon, Staple Polyester
 - Filament Performance Products; REPREVE Solution Dye, FR, Package Dyed, Moisture Management, etc.
 - PCR Chip



REPREVE. IT'S WHAT'S IN IT.
USED BY THE WORLD'S MOST RESPECTED BRANDS.

patagonia



haggar

belk



Eddie Bauer

KOHL'S

NORRØNA



ECO SWIM™
BY AQUA GREEN™



★macy's



HON

vitamin A.

IZOD

MARKS &
SPENCER

JCPenney



ETHAN ALLEN



Sears



Allsteel



HERFF JONES.

H&M

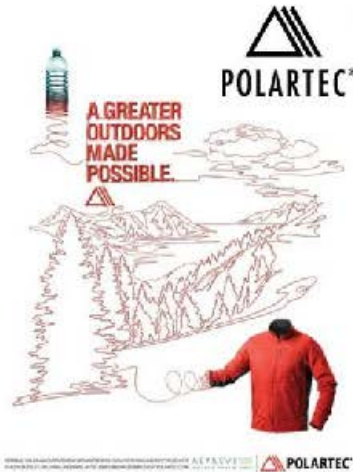
OAK HALL CAP & GOWN

Walmart



REPREVE®

IT'S WHAT'S IN IT™



POLARTEC



NORRØNA 



REPREVE®

IT'S WHAT'S IN IT™
patagonia



REPREVE is in over 40 Patagonia styles for men, women, and children.

REPREVE®

IT'S WHAT'S IN IT™

LIFE KHAKI
A HAGGAR CO.

live a great life

with less than 10% recycled fibers, the world's most durable and comfortable leg.



EACH PAIR OF HAGGAR E-CLO™ PANTS KEEP 7 WATER BOTTLES OUT OF A LANDFILL.

Going green was never easier. Help the planet, when you choose Haggar e-clo™ products made with REPREVE fibers. Make a difference by purchasing products made from eco-friendly upcycled fibers.

MORE WAYS TO GO GREEN WITH US

Receive a \$10 rebate with any \$50 Haggar apparel purchase or receive a \$25 rebate with any \$100 Haggar apparel purchase.

\$10 OFF any \$50 Haggar apparel purchase	OR	\$25 OFF any \$100 Haggar apparel purchase
---	----	--

\$34.99 ENRICH STOCK. Haggar pants plus rebate with any \$50 apparel purchase.

E-CLO with less than 10% recycled fibers, it's made with upcycled plastic and cotton. Made responsibly with care for the planet. Recycled fibers are made from plastic bottles and other waste. Recycled fibers are made from plastic bottles and other waste. Recycled fibers are made from plastic bottles and other waste.

REPREVE

environmentally fashionable

The e-clo™ pants are made with less than 10% recycled fibers. Recycled fibers are made from plastic bottles and other waste. Recycled fibers are made from plastic bottles and other waste. Recycled fibers are made from plastic bottles and other waste.

\$34.99

belk sustainability

belk.com

Available in National Department Stores, including Belk, Macy's and JCP

REPREVE®

IT'S WHAT'S IN IT™



REPREVE®

IT'S WHAT'S IN IT™

2014 FORD FUSION
DRIVE FOR 2 MILLION BOTTLES

Ford and Reprave® are housing recycled plastic bottles in the New Focus Electric and Fusion Steel Fabrics to create a better world.

Reduce, Reuse, Recycle:
Join our Drive to Collect and Eliminate 2 Million Plastic Bottles from America's Landfills.



THIS BOTTLE
COULD END UP IN
A FORD FOCUS
ELECTRIC.

{ Please recycle it wisely. }



"REPREVE based seat fabrics are a great choice for the Ford Focus Electric as it provides the type of sustainable material that consumers want,"-Chad D'Arcy, Focus Electric Marketing Manager at Ford

Over 2 Million Bottles Saved

SAGE
Automotive Interiors

REPREVE®

IT'S WHAT'S IN IT™

HON®



*Specify REPREVE in a wide range office furnishings;
from wall coverings to seating fabrics from HON, AllSteel,
and Steelcase.*

REPREVE®

IT'S WHAT'S IN IT™



(x)eco collection
6x660 stripe

XCO REPREVE
IT'S WHAT'S IN IT™



Created by celebrity-fashion-designer, *Lauren Conrad*

- 2 Million Twitter Fans
- 530,000+ Facebook Fans

JUL 19 2012

Shop Lauren Conrad's Adorable (and Affordable!) New Accessory Line

COLO PALLET
Comments (5)
Photos



Lauren Conrad is helping the environment... one make-up bag at a time! The reality star teamed up with The Accessory Group (TAG) to create her new line of 20 stylish, eco-friendly, hand and cosmetic accessories made with Repreve, a fabric made from recycled plastic bottles.

THE WALL STREET JOURNAL.

Syracuse and SUNY-ESF graduation gowns recycled

Syracuse, N.Y. — From Syracuse University and the SUNY College of Environmental Science and Forestry, graduates (and a select few) will be able to recycle their old graduation gowns. The Repreve fabric used from approximately 25 post-consumer plastic bottles per gown is being recycled into a new fabric. The Repreve fabric used from approximately 25 post-consumer plastic bottles per gown is being recycled into a new fabric. The Repreve fabric used from approximately 25 post-consumer plastic bottles per gown is being recycled into a new fabric.

The New York Times

Ford Is Covering Seats in Soda Bottles



The fabric used in the Ford Focus EcoBoost is a green, nontoxic material made from post-consumer plastic bottles.

According to blogs.nytimes.com, an extensive information site and shopping portal, more than 20,000 bottles of soft drinks will be consumed and discarded during the [Ford EcoBoost](http://www.ford.com) this month. For one new stretch is approximately another seat cover for a \$40,000 hatchback.



Two million plastic bottles recycled for car seat fabric

By Greg Whedgett | July 19, 2012 | Updated 1:25 ago



Ford is finding a new use for about 2 million plastic bottles. They were ground up and used to make the fabric that goes into the upholstery on cars such as the average Ford with seats made from the material goes through 22 recycled plastic bottles.

Good Housekeeping

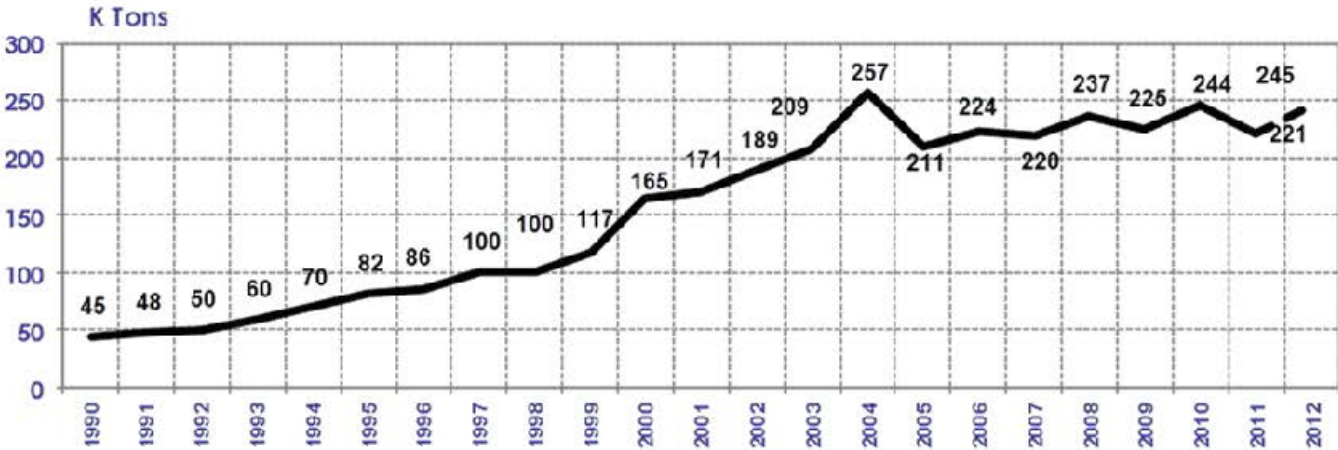
This Figure Flattering Swimsuit Is Good for the Environment Too

It's not just about how you look in the environment but it's also about how you feel. The new EcoSwim™ is a recycled, chlorine, sulfur, and/or a 7-11 shirt doesn't perform as well as the traditional version. This is because it's made of recycled plastic bottles. And so most are probably made of recycled plastic bottles. And so most are probably made of recycled plastic bottles. And so most are probably made of recycled plastic bottles.

- XO(eco) by Lauren Conrad=65,000,000 impressions
 - Ford= 32,000,000 impressions
 - Herff Jones=12,000,000 impressions
- Over 122,000,000 REPREVE impressions

Brazil Market Dynamics

Polyester Textile Filament Market Trends



- Skilled and experienced local management team
- Market currently serviced by domestic production and imports
- Flexible business model from production to sourcing

Proven Leader in Brazilian Textile Market

Source: Unifi Internal Estimates



Business Strategy

Our Business Strategy

- ❑ Drive financial improvement to our core business through a rigorous and disciplined improvement process
- ❑ Enrich our product mix by aggressively growing our Premier Value-Added products and our market share of compliant yarns
- ❑ Enhance our existing business through strategic investment in growth opportunities, including,
 - Profitably increasing our yarn sales in global growth markets, such as Central America, Brazil, and China
 - Select growth opportunities, related to our core business
- ❑ Derive value from sustainability based initiatives, especially Repreve Polyester and Nylon

Repreve Renewables



Exclusive License of Proprietary Miscanthus x Giganteus variety

**Developed by Mississippi State University
as dedicated energy crop for the SE US**

Desirable Biomass Feedstock

- High Yields per Acre – up to 20+ tons/ a
- High Energy Content – 15.5 mm btu / ton
- Low Moisture Content at Harvest: 10-15%
- High Rates of Carbon Sequestration

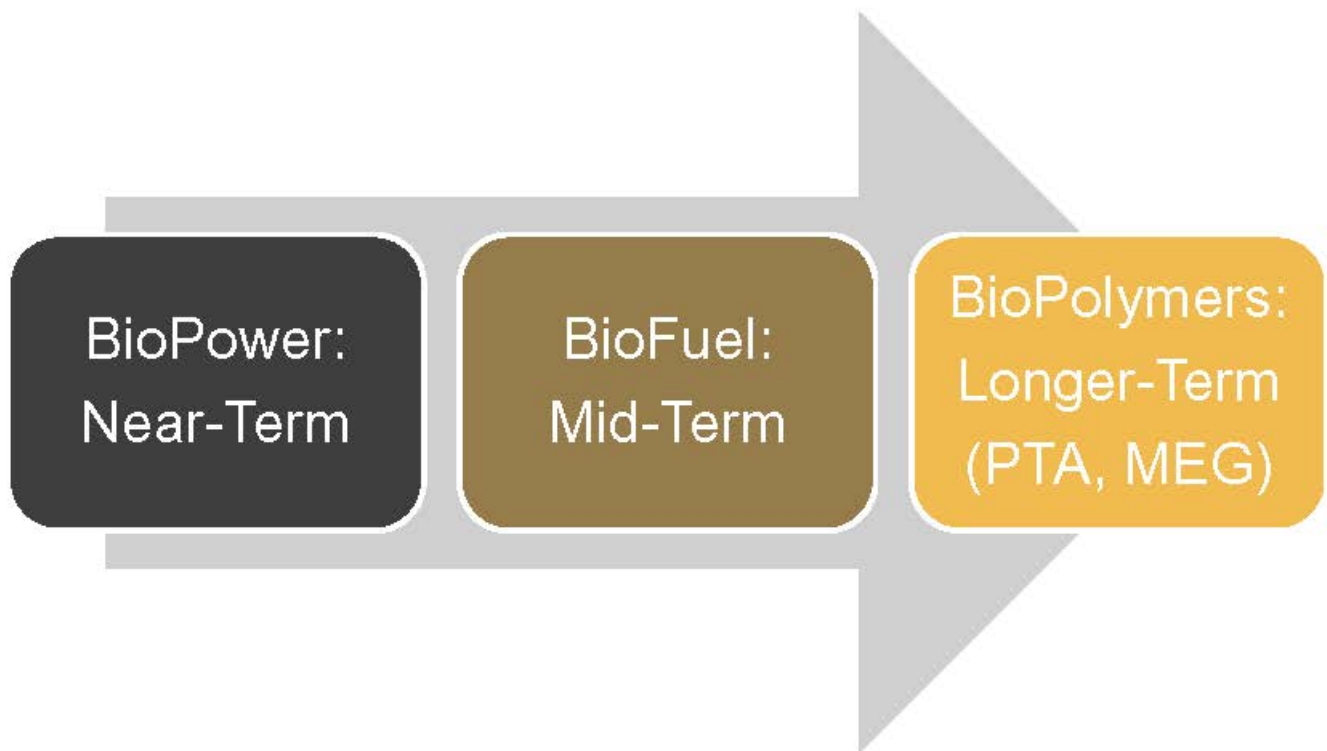
Highly Efficient Operations

- Perennial Grass: Long Stand Life
- Minimal nutrient supplement requirements
- Heat and drought resistance

Sterile and Non-Invasive

- Requires vegetative propagation

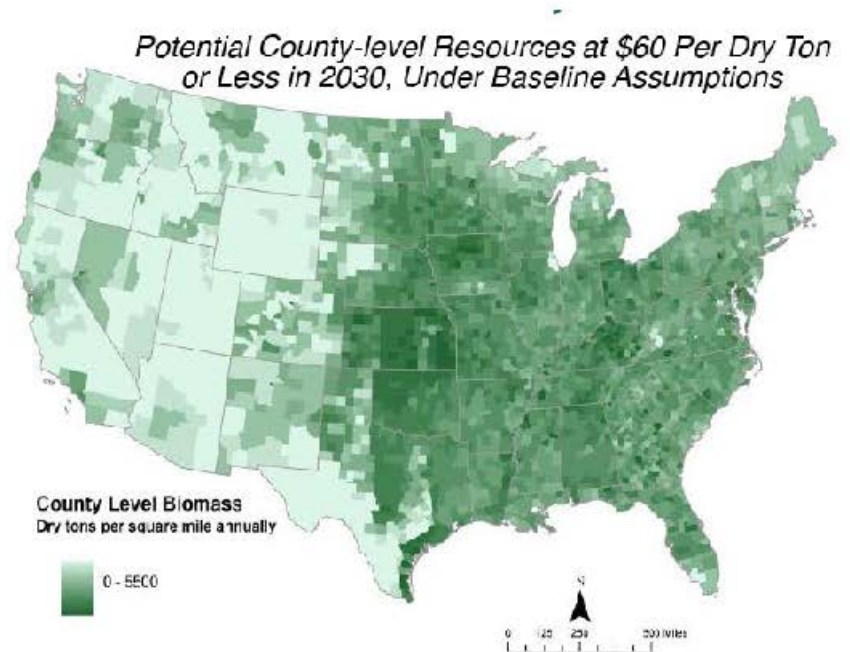
Future Market Demand in U.S. and Europe



Demand driven by supply availability, economics, energy security and sustainability

USDA – Billion Ton Study

- Forecast 7.9 billion annual gallons fuel from perennial grasses
- Economically feasible at \$50 to \$60 per ton
- Market currently void of large-scale commercial suppliers



Renewable Fuel Standards driving biofuel development and feedstock demand

Commercialization Phases





Financial Overview

Liquidity and Debt Highlights

(Amounts in millions, except percentages)	<u>Jun-09</u>	<u>Jun-10</u>	<u>Jun-11</u>	<u>Jun-12</u>	<u>Sep-12</u>
Cash	\$ 43	\$ 43	\$ 27	\$ 11	\$ 13
Revolver Availability, net	<u>63</u>	<u>74</u>	<u>52</u>	<u>38</u>	<u>32</u>
Total Liquidity	<u>\$ 105</u>	<u>\$ 117</u>	<u>\$ 79</u>	<u>\$ 49</u>	<u>\$ 45</u>
2014 Notes Payable (11.5%)	\$ 179	\$ 179	\$ 134	\$ -	\$ -
Revolving Credit Facility	-	-	35	-	-
ABL Revolver	-	-	-	51	55
ABL Term	-	-	-	50	48
Term B Loan	-	-	-	21	16
Other	<u>8</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total Debt	\$ 187	\$ 179	\$ 169	\$ 122	\$ 120
Less: Cash	<u>(43)</u>	<u>(43)</u>	<u>(27)</u>	<u>(11)</u>	<u>(13)</u>
Net Debt	<u>\$ 145</u>	<u>\$ 137</u>	<u>\$ 141</u>	<u>\$ 111</u>	<u>\$ 107</u>
YTD weighted average interest rate	10.9%	11.4%	10.8%	9.3%	4.2%

- \$50mm of ABL Revolver hedged through May 2017 at 3.2%
- \$35mm of ABL Term Loan hedged through Aug. 2013
(reduces \$5mm/quarter thereafter) at 3.3%

Long-Term Capital Structure

Unifi refinanced its debt structure on May 24, 2012 allowing it to extend the maturity profile of its indebtedness at reduced interest rates, while providing the availability and flexibility needed to execute its strategic objectives.

\$150 mm ABL Facility

- Matures May 2017
- Secured by eligible working capital and property, plant and equipment
- No on-going maintenance covenants, as long as availability exceeds 15% of Revolver
- No restricted payment limitations, as long as availability exceeds \$20 mm

ABL Revolver

- \$100 mm facility
- Interest based on LIBOR + 175 bps to 225 bps
- \$50 mm must be hedged, if total debt outstanding exceeds \$75mm

ABL Term Loan

- Interest based on LIBOR + 225 bps to 275 bps
- \$1.8mm quarterly principal payments with \$14mm balloon payment at maturity
- Fully pre-payable at par

Term B Loan

- Matures May 2017
- Secured by membership interest in PAL
- Maintenance covenants & restricted payment limitations aligned with ABL Facility
- Interest based on LIBOR + 750 bps (LIBOR floor of 125 bps)
- Five year bullet – no scheduled principal payments
- Fully pre-payable with call premium of:
 - Year one – 3%
 - Year two – 2%
 - Year three – 1%
 - Par thereafter
- Mandatory prepayments are required:
 - PAL distribution in excess of tax dividends received (100% of first \$3mm in calendar year plus 50% of remainder)
 - Sale of the membership interest in PAL

Capital Allocation Strategy

- ❑ Achieve and maintain target debt level of \$75 million
 - First priority = pay down higher interest Term B Loan

- ❑ Appropriately fund our business strategy
 - Working capital and capital expenditure requirements to support current mix enrichment and PVA growth strategies
 - Selected growth opportunities related to our core business
 - Evaluate growth against prospective return available from share repurchase

- ❑ Periodically return excess cash flow to shareholders
 - In the form of share repurchases and/or special dividends

Pro Forma⁽¹⁾ Cash Generation Example – Based on Prior 3 Year Average

(\$ in millions)	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>3 Year Average</u>	<u>Pro Forma</u> ⁽¹⁾
Adjusted EBITDA	\$ 55	\$ 60	\$ 40	\$ 52	\$ 52
Capital expenditures	(13)	(21)	(6)	(13)	(11)
Cash interest payments	(21)	(19)	(17)	(19)	(3)
Cash taxes	(9)	(7)	(4)	(7)	(18)
EBITDA cash generation	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 20</u>
Distributions from Equity Affiliates	<u>3</u>	<u>6</u>	<u>11</u>	<u>7</u>	<u>10</u>
Total cash generation	<u>\$ 16</u>	<u>\$ 19</u>	<u>\$ 23</u>	<u>\$ 20</u>	<u>\$ 30</u>

(1) Pro Forma calculation based on management's estimates of:

- future annual capital expenditures (as disclosed in Form 10-k for the fiscal year ended June 24th, 2012);
- cash interest payments based on a weighted average interest rate of 3.35% target debt of \$75 mm;
- cash taxes, excluding the impact of net operating loss carry forwards, which are expected to be fully utilized in the 2013 fiscal year; and
- distributions from unconsolidated equity affiliates.



Questions



Appendix Slides

Unifi, Inc. - Adjusted EBITDA Reconciliation

(Dollars in thousands)	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Net income attributable to Unifi	\$ 10,685	\$ 25,089	\$ 11,491
Provision (benefit) for income taxes	7,686	7,333	(1,979)
Interest expense, net	18,764	16,679	14,152
Depreciation and amortization expense	26,312	25,562	26,225
EBITDA	<u>\$ 63,447</u>	<u>\$ 74,663</u>	<u>\$ 49,889</u>
Loss (gain) on extinguishment of debt	(54)	3,337	3,203
Loss on previously held equity affiliate	-	-	3,656
Non-cash compensation costs, net	2,555	1,361	2,382
Other	1,001	5,451	410
Adjusted EBITDA including equity affiliates	<u>\$ 66,949</u>	<u>\$ 84,812</u>	<u>\$ 59,540</u>
Equity in earnings of unconsolidated affiliates	<u>(11,693)</u>	<u>(24,352)</u>	<u>(19,740)</u>
Adjusted EBITDA	<u>\$ 55,256</u>	<u>\$ 60,460</u>	<u>\$ 39,800</u>

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America ("GAAP") because management believes such measures are useful to investors.

EBITDA, Adjusted EBITDA including equity affiliates, Adjusted EBITDA, EBITDA cash generation and Total cash generation.

EBITDA represents net income or loss attributable to Unifi, Inc. before income tax expense, net interest expense, and depreciation and amortization expense (excluding interest portion of amortization). Adjusted EBITDA including equity affiliates represents EBITDA adjusted to exclude non-cash compensation expense net of distributions, gains or losses on extinguishment of debt, loss on previously held equity interest, and certain other adjustments. Other adjustments include gains or losses on sales or disposals of property, plant and equipment, currency and derivative gains or losses, and certain other operating or non-operating income or expense items. Adjusted EBITDA represents Adjusted EBITDA including equity affiliates adjusted to exclude equity in earnings and losses of unconsolidated affiliates. EBITDA cash generation represents Adjusted EBITDA less capital expenditures, cash interest payments and cash taxes. Total cash generation represents EBITDA cash generation adjusted to include distributions from equity affiliates. We present Adjusted EBITDA as a supplemental measure of our operating performance and ability to service debt. We also present Adjusted EBITDA because we believe such measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry and in measuring the ability of issuers to meet debt service obligations.

EBITDA, Adjusted EBITDA including equity affiliates, Adjusted EBITDA, EBITDA cash generation and Total cash generation are alternative views of performance used by management and we believe that investors' understanding of our performance is enhanced by disclosing these performance measures. Our management uses Adjusted EBITDA: (i) as a measurement of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of (a) items directly related to our asset base (primarily depreciation and amortization) and (b) unusual items that we would not expect to occur as a part of our normal business on a regular basis; (ii) for planning purposes, including the preparation of our annual operating budget; (iii) as a valuation measure for evaluating our operating performance and our capacity to incur and service debt, fund capital expenditures and expand our business; and (iv) as one measure in determining the value of other acquisitions and dispositions. Adjusted EBITDA is also a key performance metric utilized in the determination of variable compensation.

We believe that the use of EBITDA, Adjusted EBITDA including equity affiliates, Adjusted EBITDA, EBITDA cash generation and Total cash generation as operating performance measures provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles, and ages of related assets, among otherwise comparable companies. We also believe Adjusted EBITDA is an appropriate supplemental measure of debt service capacity, because cash expenditures on interest are, by definition, available to pay interest, and tax expense is inversely correlated to interest expense because tax expense decreases as deductible interest expense increases; depreciation and amortization are non-cash charges. Equity in earnings and losses of unconsolidated affiliates is excluded because such earnings or losses do not reflect our operating performance. The other items excluded from Adjusted EBITDA are excluded in order to better reflect the performance of our continuing operations.

In evaluating EBITDA, Adjusted EBITDA including equity affiliates, Adjusted EBITDA, EBITDA cash generation and Total cash generation, you should be aware that in the future we may incur expenses similar to the adjustments in this presentation. Our presentation of EBITDA, Adjusted EBITDA including equity affiliates, Adjusted EBITDA, EBITDA cash generation and Total cash generation should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. EBITDA, Adjusted EBITDA including equity affiliates, and Adjusted EBITDA are not measurements of our financial performance under GAAP and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

Non-GAAP Financial Measures

Continued

Each of our EBITDA, Adjusted EBITDA including equity affiliates, Adjusted EBITDA, EBITDA cash generation and Total cash generation measures has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- it does not reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and our Adjusted EBITDA (or our Adjusted EBITDA including equity affiliates) measure does not reflect any cash requirements for such replacements;
- it is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- it does not reflect the impact of earnings or charges resulting from matters we consider not indicative of our ongoing operations;
- it does not reflect limitations on or costs related to transferring earnings from our subsidiaries to us; and
- other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA, Adjusted EBITDA including equity affiliates, Adjusted EBITDA, EBITDA cash generation and Total cash generation should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations, including those under our outstanding debt obligations. You should compensate for these limitations by relying primarily on our GAAP results and using these measures only as supplemental information.

UNIFI®