
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):
September 21, 2009

UNIFI, INC.

(Exact name of registrant as specified in its charter)

New York
(State of Incorporation)

1-10542
(Commission File Number)

11-2165495
(IRS Employer Identification No.)

7201 West Friendly Avenue
Greensboro, North Carolina 27410
(Address of principal executive offices, including zip code)

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

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))
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ITEM 7.01. REGULATION FD DISCLOSURE.

William L. Jasper, President and Chief Executive Officer and Ronald L. Smith, Vice President and Chief Financial Officer of Unifi, Inc. (the "Company") are scheduled to provide a series of investor briefings commencing at approximately 9:00 a.m. on Tuesday, September 22, 2009, in New York city, at approximately 9:00 a.m. on Thursday, September 24, 2009, in San Francisco, California, and at approximately 9:00 a.m. on Friday, September 25, 2009, in Los Angeles, California. The slide package prepared for use in connection with these presentations is furnished herewith as Exhibit 99.1. All information in the presentation is presented as of September 21, 2009 and the Company 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.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Slide package prepared for use by Messrs. Jasper and Smith in connection with a series of investor briefings starting on Tuesday morning, September 22, 2009.

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: September 21, 2009

INDEX TO EXHIBITS

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UNIFI



INVESTOR MEETINGS
September 2009

Cautionary Statement

Certain statements included herein contain forward-looking statements within the meaning of federal security laws about Unifi, Inc.'s (the "Company") financial condition and results of operations 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, pressures on sales prices and volumes due to competition and economic conditions, reliance on and financial viability of significant customers, operating performance of joint ventures, alliances and other equity investments, technological advancements, employee relations, 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, 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.

Participants



Bill Jasper

Chief Executive Officer

Ron Smith

Chief Financial Officer

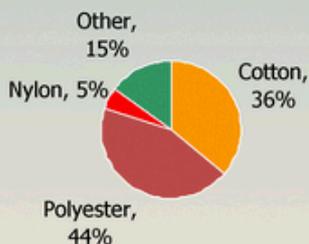


Business Overview

Growing Global Textile Market

Global consumption of textile fibers grows based on population and affluence

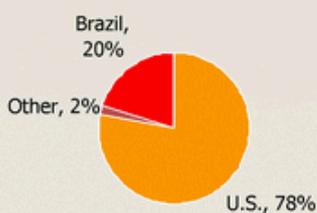
Global Fiber Share



Global Textile Markets

- Approximately 160 billion pounds of textile fibers sold annually
- 4% annual growth in global textile fibers from 2000 to 2008
 - Annual growth 2% to 3% expected from 2009 and 2012
- Polyester fibers grown from 29% of the market in mid 1990's
 - Cost efficient alternative to functional fibers like nylon
 - Superior functionality compared to value priced fibers like cotton
 - Manmade fibers allow more acreage for food supply

Unifi Sales by Asset Location



U.S. Textile Markets

- Approximately at \$70 billion industry in 2008
- Investment of \$9 billion in PP&E from 2001 to 2006
- 3rd largest exporter of textile products - \$16 billion
 - Much of the exports utilize regional trade preferences
- 600 thousand domestic employees
- 50% productivity improvement over the last decade
 - 2nd ranked improvement among all U.S. industrial sectors

Source: PCT Fibers, NCTO, Unifi internal estimates

Our Manufacturing Processes

POY Manufacture



- ❑ The first step in producing synthetic yarn begins with the raw material known as POY (partially oriented yarn)
- ❑ Feedstock is used to create polymer which is extruded through microscopic holes to form a single fiber filament

Texturing Machines



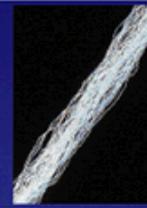
- ❑ Texturing machines process POY multi-filament yarns
- ❑ Texturing is a combination of heating and stretching the POY as it passes through the texturing unit

Texturing Units



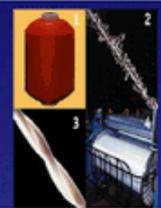
- ❑ The friction disc unit is the heart of the texturing machine
- ❑ POY enters the top of the unit, passes through the high-speed discs and exits as textured yarn
- ❑ Computers inspect every inch of yarn as it is produced

Textured Yarns



- ❑ After the POY is processed, the resulting textured yarn has bulk, crimp, strength and consistent dyeability
- ❑ It is now ready to be processed into fabric or used in other processes

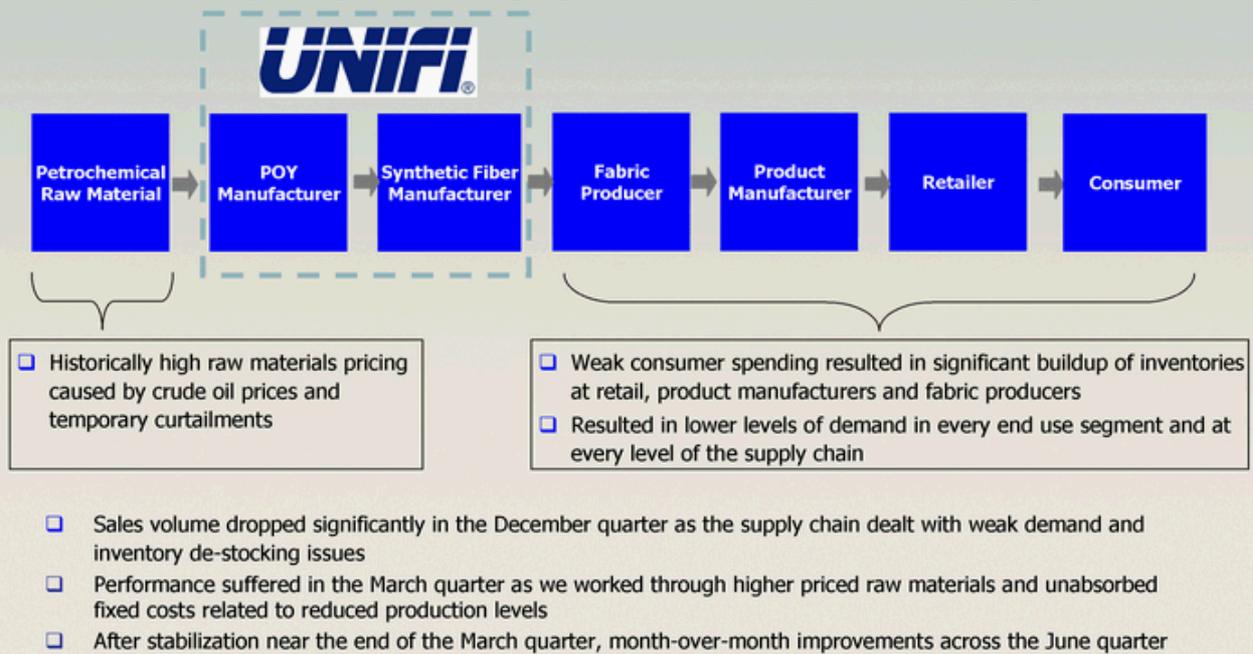
Value-added Processes



- ❑ Package Dyeing
- ❑ Covering
- ❑ Twisting
- ❑ Beaming

Recent Results Impacted by Our Position in the Supply Chain

Weak consumer spending + historically high raw materials impacted Company performance



Focused Business Strategy

Experienced Management Team

Unifi's leadership team and Board has significant experience

- Leadership Team
 - Dedicated to customer relationships
 - Reputation for quality and innovation
 - Proven ability to integrate acquisitions
 - Committed to continuous improvement
- Board of Directors
 - 150+ years of valuable industry experience
 - Almost 30% stock ownership in the Company

Management Team



William L. Jasper
President & CEO



Ronald L. Smith
Vice President &
CFO



R. Roger Berrier
EVP of Sales,
Marketing & Asian
Operations



Thomas H. Caudle
Vice President of
Manufacturing



Charles F. McCoy
VP, Secretary,
General Counsel,
Chief Risk Officer

Our On-Going Focus

Initial focus was return to profitability - Long-term focus is creation of shareholder value

- ❑ Invest in the development and commercialization of Premier Value Added ("PVA") yarns
 - Unifi is global leader of value-added yarns in textile filament
 - Innovation, product attributes and customer service are key differentiators
 - Downstream marketing – key to understanding what is next
 - Maintained R&D and marketing investments in down economy is a foundation for future growth

- ❑ Drive continuous improvement within our traditional businesses (U.S., NAFTA and CAFTA)
 - Protect market share and drive profitable growth initiatives
 - Drive operational excellence through statistical process control and disciplined improvement programs
 - Continuous optimization of the supply chain / sourcing strategies
 - Explore other options to better service growing market in Central America

- ❑ Leverage growth platforms in Brazil and China
 - Capitalize on capabilities and market opportunities in Brazil
 - Grow China trading company – Unifi Textiles (Suzhou) Company Ltd. – to service PVA market

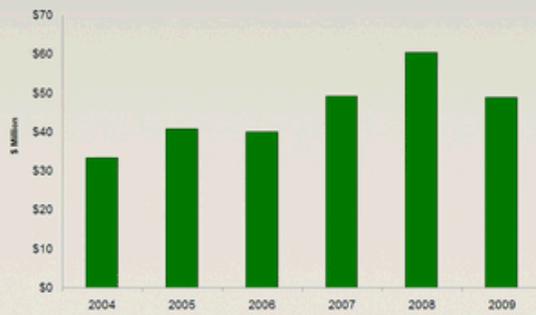
Premier Value Added Yarns

Branded Product Success

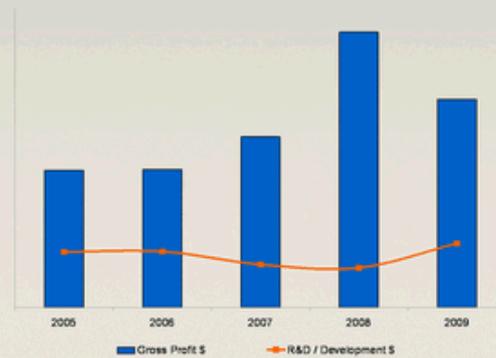
Premier Value Added products are key for future growth

- PVA portfolio represents 11% of U.S. sales and 13% of consolidated sales in fiscal 2009
- Products utilized in apparel, contract, home furnishings, military, socks and hospitality
- Adoption cycle for PVA programs slowed as customers focused on hitting value price points during recession
- Decline in PVA volume less than declines in commodity products

Sales Revenue – U.S. PVA



Gross Profit versus PVA Development Expenditure



Further investment in development and commercialization of PVA products remains a strategic priority

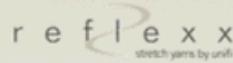
Source: Unifi internal estimates

Our PVA Brands

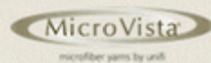
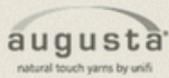
Sustainability...



Performance...



Touch & Texture...



REPREVE

RECYCLED FILAMENT POLYESTER FIBER

Available as 100% hybrid blend*
The original polyester filament fiber
A unique blend of post-consumer and post-industrial waste

Available as 100% post-consumer blend
Made entirely from post-consumer waste (PET bottles, of course)

RECYCLED FILAMENT NYLON 6,6 FIBER

Made entirely from post-industrial waste

RECYCLED STAPLE POLYESTER FIBER**

The essential ingredient to make spun fibers

RECYCLED PERFORMANCE FIBERS***

A family of recycled fibers
Designed to provide performance features, including:
→ Flame retardant
→ Moisture wicking
→ Comfort and performance stretch
→ UV protection
→ Color technology

- Solution dyed
- Package dyed

* Repreve filament polyester fibers contain a minimum of 20% post-consumer recycled content.

** Repreve staple polyester fibers contain a minimum of 50% post-consumer recycled content.

*** Specific functional properties are available upon request. Products containing functional and/or performance additives contain a minimum of 95% recycled content.

- ❑ U TRUST™ Verification Program
 - FIBERPRINT™ Technology
 - Fabric Certification
- ❑ Global Availability
- ❑ Featured on Travel Channel's "Extreme Factories" and Discovery Channel's "How It's Made"



Member 1% For the Planet

- Freedom to Roam
- American Rivers
- Keep America Beautiful
- Rocky Mountain Institute
- Conservation Alliance

1% for the Planet is a registered trademark of 1% for the Planet, Inc. in the U.S. and others

Looking Ahead...

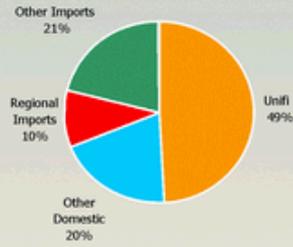
- Polartec
 - Patagonia, The North Face, REI, LL Bean
- Reebok/Adidas
- Wal-Mart
 - Starter, Fishman Tobin, Wrangler
- U.S. Military
- Contract/Hospitality/Healthcare
 - Allsteel, Hon, Steelcase (Nurtur)
- Transportation
 - Mass Transit (NYC Transit Authority), Ford
- Other
 - Reusable bags, flags, banners

Traditional Business

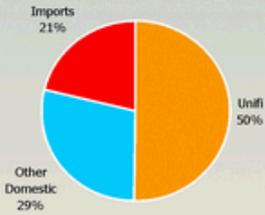
Leading Market Position

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

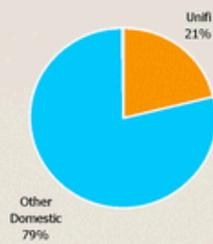
U.S. Polyester Textured Yarn Consumption Share



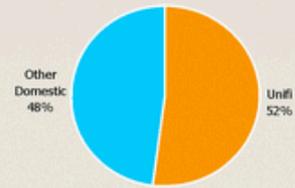
U.S. Nylon Textured Yarn Consumption Share



U.S. Dyed Yarn Production Share



U.S. Nylon Covered Yarn Production Share

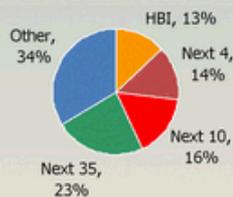


Source: Unifi internal estimates

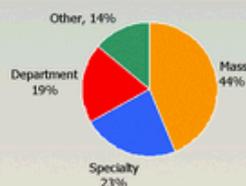
Customer & Channel Segmentation

Strong diversity of customer, distribution channel and product

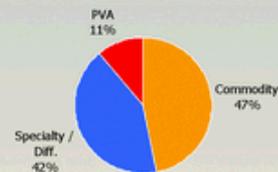
U.S. Sales by Customer



Distribution Channel⁽¹⁾



U.S. Sales by Product Category



Commentary

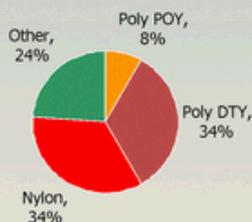
- Fibers demanded by a wide variety of customers
 - Approximately 700 polyester customers and 200 nylon customers from the U.S.
 - Top 5 U.S. customers include
 - Polyester – American & Efirid, International Textile Group, Milliken, Polartec and Specialty Textile Interiors
 - Nylon – Acme McCrary, BSN Medical, Hanesbrand, Kayser Roth Hosiery and Renfro
 - In fiscal 2009, only one customer, Hanesbrand Inc, accounted for greater than 10% of consolidated sales
 - Top 50 customers in the U.S. represent 66% of net sales
- Health of accounts receivable aging continues to improve – Current within 15 days >90%

(1) Estimates for the combined Apparel and Hosiery Segments

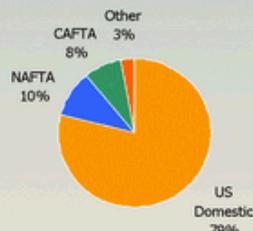
Product Segmentation

Direct and indirect benefits from regional free trade agreements

U.S. Sales by Product ⁽¹⁾



U.S. Direct Sales by Region



U.S. Sales by Origin Requirement



Commentary

- ❑ Diverse product offering sells into the apparel, hosiery, furnishings, automotive, and industrial markets
- ❑ Large majority of U.S. customers are domestic weavers and knitters
 - Most free trade benefits come indirectly through shipments of fabric into region
- ❑ Compliant sales account for approximately 54% of the company's total sales
 - Berry and Kissel Amendments requirements for Military and Homeland Security
 - Origin requirements of regional free trade agreements (NAFTA, CAFTA, AGOA)

(1) Poly POY = partially oriented polyester yarn; Poly DTY = polyester draw textured yarn; Nylon = nylon draw textured yarn and covered yarns; Other = other value-added processes such as dyed, draw warp, beaming, twisting, and air jet. Data based on FY 2009 sales revenue for sales by product. Data based on Apr-June 09 quarter for sales by category.
 (2) Compliant sales represent those sales to customers who utilize the terms of the NAFTA, CAFTA, CBI, ATPA, and US Military agreements to produce duty-free finished goods and US origin fiber requirement. Estimates based on Jan-June 2009 sales by category and division.

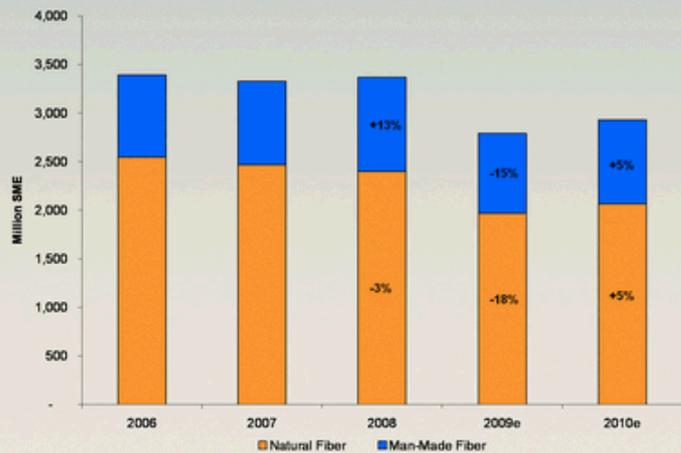
Importance of Regional Trade

Import competition primarily focused at the supply chain level

Regional Trade

- U.S. and region trading partners provide competitive advantages
 - High-quality for critical end-uses
 - Product innovation
 - Compressed supply chain / quick turns
 - Competitive pricing
- Duty-free movement among participants
 - Requires garment to be fully formed in region
 - Compliant yarn must be extruded in region
 - Duty benefit – 28% to 32% on manmade fiber garments
- NAFTA established in 1994 with Canada and Mexico
- CAFTA replaced CBI in 2008.
 - Permanent trading pact
 - Allows for accumulation across region
 - More than just apparel

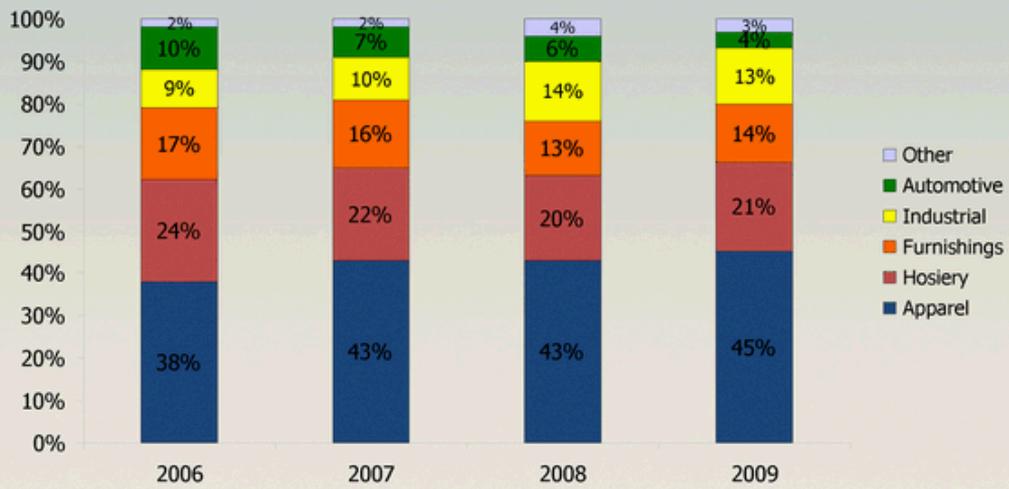
Apparel Imports from CAFTA



Source: OTEXA, Unifi internal estimates

Unifi Sales Segmentation

US Sales Revenue by Product Segment



- Diverse product segmentation = diverse customer base
- Various segments more or less susceptible to import competition
- Regional trade key to volume stability for apparel and hosiery segments
- Continued growth opportunity for PVA products

Source: Unifi internal estimates

Demand Across the Supply Chain



Retail Apparel – Month Over Month Trend



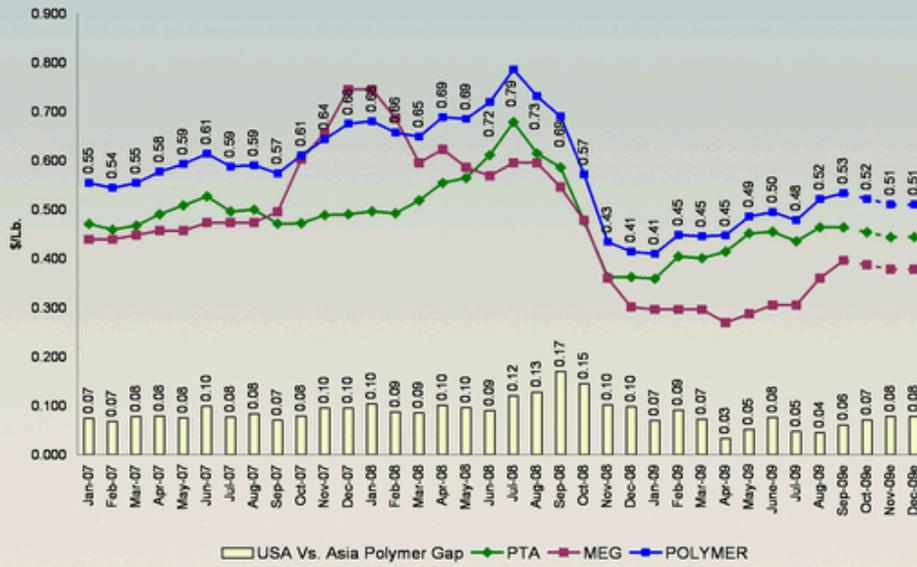
June 2009 quarter vs. June 2008 quarter

SEGMENT	Unifi (Yarn) Pounds	Fabrics & Finished (Production)	Retail Sales
Apparel	-23%	-15%	-7%
Hosiery	-28%	-18%	n/a
Furnishings	-28%	-22%	-14%
Industrial	-35%	-20%	n/a
Automotive	-54%	-49%	-32%

- Economic crises of last year negatively impacted all Unifi markets and segments
- Severity of declines intensified by the inventory build across the supply chain and subsequent de-stocking
 - Year-over-year - regional share retained
 - Increase in yarn share within region
 - Spread from yarn volumes to retail throughput continues to improve, but still well below retail run rate

Source: Census Bureau, U.S. Department of Commerce, Federal Reserve Board, Unifi internal estimates

Polyester Raw Material Price Trends



- Raw materials represent 60% of total costs
 - Profitability highly dependant on managing costs or transferring increases
- FY08 raw material volatility – crude oil pricing and MEG capacity curtailment
- FY09 raw materials – Crude oil decline, weak demand and price rationalization

Source: PCI Fibers, Unifi internal estimates

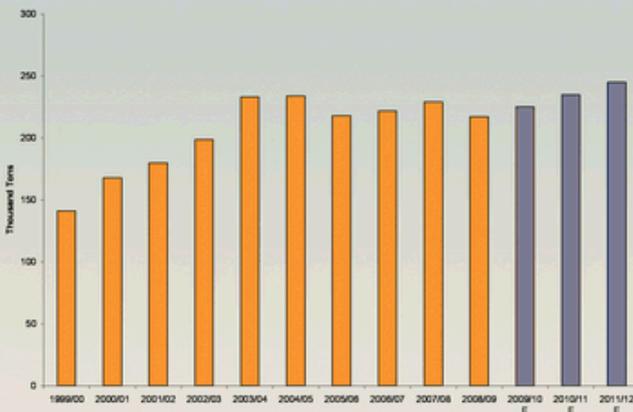
International Strategy

Targeted Approach to the Chinese Market

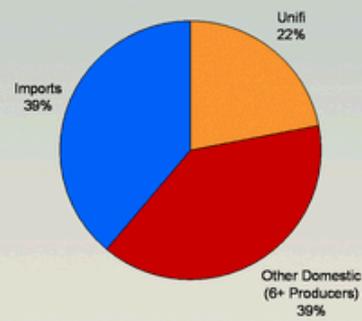
- Chinese Fiber Market
 - Chinese textile filament represents 66% of global market in 2008
 - Year-over-year growth rates of 10% to 12% from 2000 to 2008
 - Calendar 2009 growth estimated at flat
 - Projected growth rates for 2010 to 2012 of 6% to 8%
 - Specialty and PVA yarn growth expected to outpace market rates

- UTSC
 - Established wholly owned sales and marketing business focused on the sale of high-value and branded, premier value added products
 - Exited unprofitable manufacturing-based joint venture – losing approximately \$700,000/month
 - Globalized production of key Unifi brands, including REPREVE
 - Strong downstream activity
 - limited recently by global recession
 - slower adoption cycles for innovative PVA programs
 - Expect profitable contribution in fiscal 2010

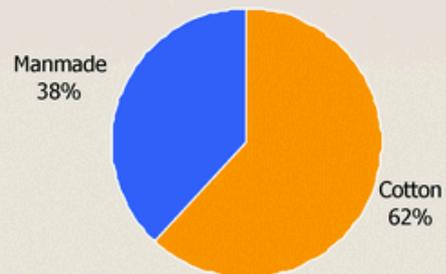
Polyester Textile Filament Market Trends



Polyester Textile Filament Consumption Share



Market Segmentation by Fiber Type



- Skilled and experienced local management team
- Improved demand at retail from economic recovery driving return to growth in fiber markets
 - Market serviced by domestic production and imports
- Proven market leader in local market
 - Flexible business model from production to sourcing
- Longer-term risk / opportunity from new market entrant

Source: ABIT, ABRAFAS, Unifi internal estimates

Financial Overview

Stable Capital Structure

Unifi has a covenant-light stable capital structure

\$179 million of 11.5% 2014 Senior Secured Notes

- No on-going maintenance covenants
- Limited ability to make restricted payments
- Restrictions on use of proceeds from asset sales
 - Restricted Cash
 - Excess Proceeds
- Offer at par requirement for more than \$10 mm of Restricted Excess Cash > 360 days old
- Incurrence of additional indebtedness covenant of 2 to 1 times fixed charge coverage
- No call 4 years - optional redemption thereafter

Amended Revolving Credit Agreement

- Matures May 15, 2011
- \$100 million facility with \$50 mm spring
- Secured by eligible working capital
- No on-going maintenance covenants, as long as availability is greater than \$25 million
- Interest based on LIBOR plus 150 to 225 basis points
 - 25 basis point rebate with fixed coverage ratio greater than 1.5 to 1

Historical Financial Summary

Management transformed operations and de-leveraged the balance sheet

Summary of Selected Financial Data

(Dollars in millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Polyester Net Sales	\$566.3	\$530.1	\$530.5	\$403.1	(Guidance) ⁽¹⁾
Nylon Net Sales	\$172.4	\$160.2	\$182.8	\$150.6	
Net Sales	\$738.7	\$690.3	\$713.3	\$553.7	
% change	(6.8%)	(6.6%)	3.3%	(22.4%)	
Depreciation and Amortization	\$49.9	\$44.9	\$41.6	\$32.5	\$25
% of Net Sales	6.8%	6.5%	5.8%	5.9%	
Adjusted EBITDA	\$55.1	\$42.4	\$55.2	\$23.3	\$40 to \$50
% of Net Sales	7.5%	6.1%	7.7%	4.2%	
Capital expenditures	\$12.0	\$7.8	\$12.8	\$15.3	\$8 to \$9
% of Net Sales	1.6%	1.1%	1.8%	2.8%	
Total Debt	\$204.0	\$244.0	\$211.5	\$187.2	
Cash and Restricted Cash	\$45.8	\$58.4	\$55.6	\$49.6	
Net Debt	\$158.2	\$185.6	\$155.9	\$137.6	
Credit Statistics					
Total Debt to Adjusted EBITDA	3.7	5.8	3.8	8.0	
Net debt to Adjusted EBITDA	2.9	4.4	2.8	5.9	

1. Management's publicly disclosed guidance on the July 29th, 2009 Earnings Conference call.

Components of Value

Unifi valuation analysis is multi-faceted

Operational Value – FY 2010 expectations

- ❑ Adjusted EBITDA guidance - \$40 to \$50 million (based on economic recovery and raw pricing)
- ❑ Capital spending - \$8 to \$9 million
- ❑ Working capital – neutral to slight improvement
- ❑ Cash interest - \$187 million of debt at June 2009
 - \$179 million of 11.5% senior secured
 - \$0 million under revolving credit facility
 - \$7 million of ICMS loans in Brazil
 - \$1 million of other
- ❑ Cash taxes – currently only applicable to Brazil
 - \$47 million of NOL carry-forward at June 2009
- ❑ Equity Affiliated dividend – typically \$6 to \$8 million

Supplemental Value at June 2009

- ❑ Cash-on-hand
 - Cash - \$43 million
 - \$11 million in U.S.
 - \$18 million in Brazil
 - \$14 million other
 - Restricted cash - \$7 million in Brazil
- ❑ Assets Held for Sale - \$1.4 million
- ❑ Equity Affiliates – June 2009 Carrying Value
 - Parkdale America - \$57 million
 - Unifi – Nilit JV - \$3 million
- ❑ Revolver availability - \$63 million



Questions

Adjusted EBITDA Reconciliation

(Dollars in thousands)	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	
Pre-tax loss from continuing operations	\$ (12,066)	\$ (139,026)	\$ (30,326)	\$ (44,760)	
Interest expense, net	12,946	22,331	23,146	20,219	
Depreciation and amortization expense	48,669	43,724	40,416	31,326	
Equity in (earnings) losses of unconsolidated affiliates	(825)	4,292	(1,402)	(3,251)	
Write down of investment in unconsolidated affiliates	-	84,742	10,998	1,483	
Goodwill Impairment	-	-	-	18,580	
Write down of long-lived assets	2,366	16,731	2,780	350	
(Gains) losses on sale of PP&E	-	(1,225)	(4,003)	(5,856)	
Non cash compensation, net of distributions	676	3,232	359	1,500	
Hedging (gains) losses	660	(111)	(265)	354	
(Gain) loss on extinguishment of debt	2,949	-	-	(251)	
Restructuring charges (recoveries)	(254)	(157)	4,027	53	
SG&A severance charges	-	-	4,517	-	
Kinston shutdown expenses	-	-	3,742	30	
Deposit write offs	-	-	1,248	-	
Asset consolidation and optimization expense	-	-	-	3,508	
Medical reserve charge	-	864	-	-	
Non-cash accounts receivable write-off	-	7,016	-	-	
Adjusted EBITDA	<u>\$ 55,121</u>	<u>\$ 42,413</u>	<u>\$ 55,237</u>	<u>\$ 23,285</u>	33

Non-GAAP Financial Measures

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 because management believes such measures are useful to investors.

Adjusted EBITDA

Adjusted EBITDA represents pre-tax income before interest expense, depreciation and amortization expense and loss or income from discontinued operations, adjusted to exclude restructuring charges and recoveries, SG&A severance charges, equity in earnings and losses of unconsolidated affiliates, goodwill impairment, write-down of investment in unconsolidated affiliates, write-down of long-lived assets, non-cash compensation expense (net of distributions), gains and losses on sales of property, plant and equipment, hedging gains and losses, deposit write offs, gains and losses on extinguishment of debt, asset consolidation and optimization expense, medical reserve charges, non-cash accounts receivable write-offs and Kinston shutdown expenses. We present Adjusted EBITDA as a supplemental measure of our 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 "high-yield" issuers to meet debt service obligations.

We 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 goes down as deductible interest expense goes up; depreciation and amortization are non-cash charges. Equity in earnings and losses of unconsolidated affiliates is excluded because such earnings or losses do not have an impact on our ability to service our debt. The other items excluded from Adjusted EBITDA are excluded in order to better reflect our continuing operations.

In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative 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

Our Adjusted EBITDA measure 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 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 be 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, Adjusted EBITDA 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 the notes. You should compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only supplementally.