

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):
October 23, 2013

UNIFI, INC.

(Exact name of registrant as specified in its charter)

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

1-10542
(Commission File Number)

11-2165495
(IRS Employer Identification No.)
27410
(Zip Code)

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))
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ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On October 23, 2013, Unifi, Inc. (the “Registrant”) issued a press release announcing its preliminary operating results for the first quarter ended September 29, 2013 of its 2014 fiscal year, which press release is filed as Exhibit 99.1 and is incorporated herein by reference.

ITEM 7.01. REGULATION FD DISCLOSURE.

On October 24, 2013, the Registrant will host a conference call to discuss its preliminary operating results for the first quarter ended September 29, 2013 of its 2014 fiscal year. The slide package prepared for use by executive management for this conference call is furnished herewith as Exhibit 99.2. All of the information in the conference call and in the slide package is being presented as of October 24, 2013, except for information for which an earlier date is indicated, 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 8.01. OTHER EVENTS.

On October 23, 2013, the Registrant issued a press release announcing its preliminary operating results for the first quarter ended September 29, 2013 of its 2014 fiscal year, a copy of which press release is filed as Exhibit 99.1 and is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
99.1	Press Release dated October 23, 2013 with respect to the Registrant’s preliminary operating results for the first quarter ended September 29, 2013 of its 2014 fiscal year.
99.2	Slide Package prepared for use in connection with the Registrant’s conference call to be held on October 24, 2013.

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/ W. RANDY EADDY

W. Randy Eaddy
General Counsel

Dated: October 24, 2013

INDEX TO EXHIBITS

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For more information, contact:

James M. Otterberg
Chief Financial Officer
(336) 316-5424

Unifi Announces First Quarter 2014 Results

GREENSBORO, N.C., October 23, 2013 – Unifi, Inc. (NYSE: UFI) today released preliminary operating results for the first quarter ended September 29, 2013 of its 2014 fiscal year. Net income for the September 2013 quarter was \$8.9 million, or \$0.46 per share, compared to net income of \$2.3 million, or \$0.11 per share, for the September 2012 quarter, reflecting gains from improved margins, lower net interest expenses and higher earnings from the Company's unconsolidated equity affiliates, which were only partially offset by higher expenses for income taxes.

Highlights for the September 2013 quarter included:

- Adjusted EBITDA improved to \$14.5 million for the September 2013 quarter from \$13.8 million for the September 2012 quarter;
- Domestic gross margins improved significantly as a result of higher sales volumes, increased selling margins, and lower expenses for depreciation;
- Earnings from the Company's unconsolidated equity affiliates increased \$5.5 million in the current September quarter compared to the prior year quarter, primarily attributable to Parkdale America; and
- The Company used \$5.8 million of excess cash flows from operations to repurchase 249,000 shares of the Company's common stock.

Although net sales decreased \$4.2 million or 2.4% to \$168.7 million for the September 2013 quarter compared to net sales of \$172.9 million for the September 2012 quarter, net income increased by \$6.6 million. The decline in overall net sales reflects stronger domestic volumes which were offset by declines in sales volumes for the Company's International Segment and the negative effects of the weakened currency in Brazil.



Unifi Announces First Quarter 2014 Results – page 2

"Improving year-over-year net income by \$6.6 million during a quarter in which we experienced a decline in net sales demonstrates the results of our focus on driving financial improvement to our core business through lean manufacturing initiatives, enriching our product mix, and deriving value from sustainability based initiatives," said Bill Jasper, Chairman and CEO of Unifi. "The positive operating results from the September 2013 quarter provide us with a strong start to our 2014 fiscal year and have enabled us to fund the Company's strategic growth opportunities and continue our share repurchases."

Cash-on-hand as of September 29, 2013 was \$10.3 million, an increase of \$1.6 million compared to \$8.7 million cash-on-hand as of June 30, 2013. Total debt at the end of the September 2013 quarter was \$97.3 million, compared to \$97.8 million at June 30, 2013, with a weighted average interest rate of 3.2%.

Roger Berrier, President and Chief Operating Officer of Unifi, added: "The success of Repreve continues to drive our global mix enrichment strategy as we provide recycled product solutions to brands and retailers. Our overall business fundamentals remain positive and we feel confident in the continued strength of our underlying domestic performance, even against the backdrop of an economy that remains uncertain and a sluggish retail environment. We expect operating conditions in Brazil and China to improve and become more favorable as we move through the 2014 fiscal year, which will help yield better results from our international businesses."

The Company will provide additional commentary regarding its first quarter results during its earnings conference call on October 24, 2013, at 8:30 a.m. Eastern Time. The call will be webcast live at <http://investor.unifi.com/> and will be available for replay approximately two hours after the live event and will be archived for approximately twelve months. Additional supporting materials and information related to the call, as well as the Company's financial results for the September 2013 quarter, will also be available at <http://investor.unifi.com/>.

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Unifi Announces First Quarter 2014 Results – page 3

Unifi, Inc. (NYSE: UFI) is a multi-national manufacturing company that produces and sells textured and other processed yarns designed to meet customer specifications, and premier value-added (“PVA”) yarns with enhanced performance characteristics. Unifi maintains one of the textile industry’s most comprehensive polyester and nylon product offerings. Unifi enhances demand for its products, and helps others in creating a more effective textile industry supply chain, through the development and introduction of branded yarns that provide unique performance, comfort and aesthetic advantages. In addition to its flagship REPREVE® products – a family of eco-friendly yarns made from recycled materials – key Unifi brands include: SORBTEK®, REFLEXX®, AIO® - all-in-one performance yarns, SATURA®, AUGUSTA® A.M.Y.®, MYNX® UV, MICROVISTA® and MICROVISTA®. Unifi's yarns are readily found in the products of major brands in the apparel, hosiery, automotive, home furnishings, industrial and other end use markets. For more information about Unifi, visit www.unifi.com; to learn more about REPREVE®, visit www.repreve.com.

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Financial Statements to Follow



CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(amounts in thousands, except share and per share amounts)

	September 29, 2013	June 30, 2013
ASSETS		
Cash and cash equivalents	\$ 10,310	\$ 8,755
Receivables, net	90,097	98,392
Inventories	114,432	110,667
Income taxes receivable	396	1,388
Deferred income taxes	1,996	1,715
Other current assets	8,668	5,913
Total current assets	<u>225,899</u>	<u>226,830</u>
Property, plant and equipment, net	115,574	115,164
Deferred income taxes	2,413	2,196
Intangible assets, net	7,340	7,772
Investments in unconsolidated affiliates	96,888	93,261
Other non-current assets	5,149	10,243
Total assets	<u>\$ 453,263</u>	<u>\$ 455,466</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$ 40,275	\$ 45,544
Accrued expenses	13,576	18,485
Income taxes payable	1,879	851
Current portion of long-term debt	1,316	65
Total current liabilities	<u>57,046</u>	<u>64,945</u>
Long-term debt	96,023	97,688
Other long-term liabilities	5,250	5,053
Deferred income taxes	1,831	1,300
Total liabilities	<u>160,150</u>	<u>168,986</u>
Commitments and contingencies		
Common stock, \$0.10 par (500,000,000 shares authorized, 19,289,087 and 19,205,209 shares outstanding)	1,929	1,921
Capital in excess of par value	39,806	36,375
Retained earnings	255,724	252,112
Accumulated other comprehensive loss	(5,667)	(5,500)
Total Unifi, Inc. shareholders' equity	<u>291,792</u>	<u>284,908</u>
Non-controlling interest	1,321	1,572
Total shareholders' equity	<u>293,113</u>	<u>286,480</u>
Total liabilities and shareholders' equity	<u>\$ 453,263</u>	<u>\$ 455,466</u>

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(amounts in thousands, except per share amounts)

	For The Three Months Ended	
	September 29, 2013	September 23, 2012
Net sales	\$ 168,669	\$ 172,900
Cost of sales	148,684	154,880
Gross profit	19,985	18,020
Selling, general and administrative expenses	10,114	11,147
(Benefit) provision for bad debts	(38)	110
Other operating expense, net	1,624	581
Operating income	8,285	6,182
Interest income	(1,214)	(124)
Interest expense	1,252	1,444
Loss on extinguishment of debt	—	242
Equity in earnings of unconsolidated affiliates	(6,123)	(671)
Income before income taxes	14,370	5,291
Provision for income taxes	5,751	3,233
Net income including non-controlling interest	8,619	2,058
Less: net (loss) attributable to non-controlling interest	(251)	(236)
Net income attributable to Unifi, Inc.	\$ 8,870	\$ 2,294
Net income attributable to Unifi, Inc. per common share:		
Basic	\$ 0.46	\$ 0.11
Diluted	\$ 0.44	\$ 0.11

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(amounts in thousands)

	For The Three Months Ended	
	September 29, 2013	September 23, 2012
Cash and cash equivalents at beginning of year	\$ 8,755	\$ 10,886
<i>Operating activities:</i>		
Net income including non-controlling interest	8,619	2,058
Adjustments to reconcile net income including non-controlling interest to net cash provided by operating activities:		
Equity in earnings of unconsolidated affiliates	(6,123)	(671)
Dividends received from unconsolidated affiliates	2,559	2,224
Depreciation and amortization expense	4,408	6,517
Loss on extinguishment of debt	—	242
Non-cash compensation expense	414	621
Excess tax benefit on stock-based compensation plans	(1,318)	—
Deferred income taxes	17	1,418
Other	3,042	23
Changes in assets and liabilities, excluding effects of foreign currency adjustments:		
Receivables, net	8,185	3,602
Inventories	(3,981)	(4,003)
Other current assets and income taxes receivable	1,517	600
Accounts payable and accrued expenses	(10,102)	(7,204)
Income taxes payable	2,073	(1,046)
Net cash provided by operating activities	<u>9,310</u>	<u>4,381</u>
<i>Investing activities:</i>		
Capital expenditures	(5,691)	(1,091)
Proceeds from sale of assets	245	36
Proceeds from other investments	141	—
Other	(36)	(41)
Net cash used in investing activities	<u>(5,341)</u>	<u>(1,096)</u>
<i>Financing activities:</i>		
Proceeds from revolving credit facilities	32,100	17,500
Payments on revolving credit facilities	(39,700)	(14,000)
Proceeds from term loan	7,200	—
Payments on term loans	—	(6,450)
Payments of debt financing fees	(3)	(46)
Proceeds from related party term loan	—	1,250
Repurchase and retirement of common stock	(5,768)	—
Proceeds from stock option exercises	2,373	—
Contributions from non-controlling interest	—	200
Excess tax benefit on stock-based compensation plans	1,318	—
Other	(15)	(9)
Net cash used in financing activities	<u>(2,495)</u>	<u>(1,555)</u>
Effect of exchange rate changes on cash and cash equivalents	81	(24)
Net increase in cash and cash equivalents	<u>1,555</u>	<u>1,706</u>
Cash and cash equivalents at end of period	<u>\$ 10,310</u>	<u>\$ 12,592</u>

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RECONCILIATIONS OF NET INCOME ATTRIBUTABLE TO UNIFI, INC. TO ADJUSTED EBITDA (Unaudited)
(amounts in thousands)

The reconciliations of Net income attributable to Unifi, Inc. to EBITDA, Adjusted EBITDA including equity affiliates and Adjusted EBITDA are as follows:

	For the Three Months Ended	
	September 29, 2013	September 23, 2012
Net income attributable to Unifi, Inc.	\$ 8,870	\$ 2,294
Provision for income taxes	5,751	3,233
Interest expense, net	38	1,320
Depreciation and amortization expense	4,269	6,333
EBITDA	18,928	13,180
Loss on extinguishment of debt	—	242
Non-cash compensation expense	414	621
Other	1,262	453
Adjusted EBITDA including equity affiliates	20,604	14,496
Equity in earnings of unconsolidated affiliates	(6,123)	(671)
Adjusted EBITDA	\$ 14,481	\$ 13,825

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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. These non-GAAP financial measures are Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), Adjusted EBITDA including equity affiliates, and Adjusted EBITDA.

EBITDA represents net income or loss attributable to Unifi, Inc. before net interest expense, income tax 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, gains or losses on extinguishment of debt, loss on previously held equity interest, and certain other adjustments. Such other adjustments include operating expenses for Repreve Renewables, restructuring charges and start-up costs, gains or losses on sales or disposals of property, plant and equipment, currency and derivative gains or losses, certain employee healthcare expenses, and other operating or non-operating income or expense items necessary to understand and compare the underlying results of the Company. Adjusted EBITDA represents Adjusted EBITDA including equity affiliates adjusted to exclude equity in earnings and losses of unconsolidated affiliates. The Company may, from time to time, change the items included within Adjusted EBITDA.

EBITDA, Adjusted EBITDA including equity affiliates and Adjusted EBITDA are alternative views of performance used by management, and we believe that investors' understanding of our performance is enhanced by disclosing these performance measures. 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) 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 and Adjusted EBITDA 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; and 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.

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NON-GAAP FINANCIAL MEASURES
(continued)

In evaluating EBITDA, Adjusted EBITDA including equity affiliates, and Adjusted EBITDA, 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 and Adjusted EBITDA should not be construed as indicating that our future results will be unaffected by unusual or non-recurring items. EBITDA, Adjusted EBITDA including equity affiliates, and Adjusted EBITDA are not determined in accordance with GAAP and should not be considered as substitutes for net income, operating income or any other performance measures determined in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

Each of our EBITDA, Adjusted EBITDA including equity affiliates, and Adjusted EBITDA 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 interest expense or the cash requirements necessary to service interest or to make payments on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated or 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, and 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 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.

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CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

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 beliefs, assumptions and expectations about our future economic performance, considering the information currently available to management. The words “believe,” “may,” “could,” “will,” “should,” “would,” “anticipate,” “estimate,” “project,” “expect,” “intend,” “seek,” “strive,” and words of similar import, or the negative of such words, identify or signal the presence of forward-looking statements. These statements are not statements of historical fact; they involve risk and uncertainties that may cause our actual results, performance or financial condition to differ materially from the expectations of future results, performance or financial condition that we express or imply in any forward-looking statement.

Factors that could contribute to such differences include, but are not limited to: the competitive nature of the textile industry and the impact of worldwide competition; changes in the trade regulatory environment and governmental policies and legislation; the availability, sourcing and pricing of raw materials; general domestic and international economic and industry conditions in markets where the Company competes, such as recession and other economic and political factors over which the Company has no control; changes in consumer spending, customer preferences, fashion trends and end-uses; the financial condition of the Company’s customers; the loss of a significant customer; the success of the Company’s strategic business initiatives; the continuity of the Company’s leadership; volatility of financial and credit markets; the ability to service indebtedness and fund capital expenditures and strategic initiatives; availability of and access to credit on reasonable terms; changes in currency exchange rates, interest and inflation rates; the ability to reduce production costs; the ability to protect intellectual property; employee relations; the impact of environmental, health and safety regulations; the operating performance of joint ventures and other equity investments; and the accurate financial reporting of information from equity method investees.

All such factors are difficult to predict, contain uncertainties that may materially affect actual results and may be beyond our control. New factors emerge from time to time, and it is not possible for management to predict all such factors or to assess the impact of each such factor on the Company. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, except as may be required by federal securities law. The above and other risks and uncertainties are described in the Company’s annual report on Form 10-K, and additional risks or uncertainties may be described from time to time in other reports filed by the Company with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

-end-



Unifi, Inc.

For the First Quarter Ended
September 29, 2013

Conference Call
Slide Presentation

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 beliefs, assumptions and expectations about our future economic performance, considering the information currently available to management. The words "believe," "may," "could," "will," "should," "would," "anticipate," "estimate," "project," "expect," "intend," "seek," "strive," and words of similar import, or the negative of such words, identify or signal the presence of forward-looking statements. These statements are not statements of historical fact; they involve risk and uncertainties that may cause our actual results, performance or financial condition to differ materially from the expectations of future results, performance or financial condition that we express or imply in any forward-looking statement.

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Net Sales and Gross Profit Highlights

(Amounts in Thousands, Except Percentages)

	Quarter over Quarter	
	September 29, 2013 vs. September 23, 2012	
	<u>Volume</u>	<u>Price</u>
Net Sales:		
Polyester	1.5%	(0.9%)
Nylon	3.3%	(4.0%)
International	(5.8%)	(5.4%)
Consolidated	<u>(0.5%)</u>	<u>(1.9%)</u>

	For the Three Months Ended	
	<u>September 29, 2013</u>	<u>September 23, 2012</u>
Gross Profit:		
Polyester	\$ 10,360	\$ 8,207
Nylon	4,694	4,070
International	4,931	5,743
Consolidated	<u>\$ 19,985</u>	<u>\$ 18,020</u>

Income Statement Highlights

(Amounts in Thousands, Except Percentages and Per Share Amounts)

	For the Three Months Ended					
	September 29, 2013		September 23, 2012			
Net sales	\$	168,669	100.0%	\$	172,900	100.0%
Gross profit		19,985	11.8%		18,020	10.4%
Selling, general and administrative expenses		10,114	6.0%		11,147	6.4%
Operating income		8,285	4.9%		6,182	3.6%
Interest expense		1,252			1,444	
Income before income taxes		14,370			5,291	
Equity in earnings of unconsolidated affiliates		(6,123)			(671)	
Earnings per share (basic)	\$	0.46		\$	0.11	
Weighted average shares outstanding		19,264			20,091	

Equity Affiliates Highlights

(Amounts in thousands, Except Percentages)

	For the Three Months Ended	
	<u>September 29, 2013</u>	<u>September 23, 2012</u>
<u>Earnings:</u>		
Parkdale America (34%)	\$ 5,915	\$ 42
Other	208	629
Total	<u>\$ 6,123</u>	<u>\$ 671</u>
 <u>Distributions:</u>		
Parkdale America (34%)	\$ 2,559	\$ 2,224
Other	-	-
Total	<u>\$ 2,559</u>	<u>\$ 2,224</u>

Reconciliations of Net Income to Adjusted EBITDA

(Amounts in Thousands)

	For the Three Months Ended	
	September 29, 2013	September 23, 2012
Net income attributable to Unifi, Inc.	\$ 8,870	\$ 2,294
Provision for income taxes	5,751	3,233
Interest expense, net	38	1,320
Depreciation and amortization expense	4,269	6,333
EBITDA	18,928	13,180
Non-cash compensation expense	414	621
Loss on extinguishment of debt	-	242
Other	1,262	453
Adjusted EBITDA including equity affiliates	20,604	14,496
Equity in earnings of unconsolidated affiliates	(6,123)	(671)
Adjusted EBITDA	\$ 14,481	\$ 13,825

Working Capital Highlights

(Amounts in Thousands)

	September 29, 2013	June 30, 2013	June 24, 2012
Receivables, net	\$ 90,097	\$ 98,392	\$ 99,236
Inventories	114,432	110,667	112,750
Accounts payable	(40,275)	(45,544)	(48,541)
Accrued expenses	(13,498)	(18,383)	(14,004)
Adjusted working capital	<u>\$ 150,756</u>	<u>\$ 145,132</u>	<u>\$ 149,441</u>
Adjusted working capital	\$ 150,756	\$ 145,132	\$ 149,441
Cash	10,310	8,755	10,886
Other current assets	11,060	9,016	15,125
Accrued interest	(78)	(102)	(398)
Other current liabilities	(3,195)	(916)	(8,569)
Working capital	<u>\$ 168,853</u>	<u>\$ 161,885</u>	<u>\$ 166,485</u>

Capital Structure

(Amounts in Thousands)

	September 29, 2013	June 30, 2013	June 24, 2012
ABL Revolver	\$ 44,900	\$ 52,500	\$ 51,000
ABL Term Loan	50,000	42,800	50,000
Term B Loan	-	-	20,515
Other	2,439	2,453	37
Total Debt	<u>\$ 97,339</u>	<u>\$ 97,753</u>	<u>\$ 121,552</u>
Cash	10,310	8,755	10,886
Net Debt	<u>\$ 87,029</u>	<u>\$ 88,998</u>	<u>\$ 110,666</u>
Cash	\$ 10,310	\$ 8,755	\$ 10,886
Revolver Availability, Net	38,968	36,105	37,122
Total Liquidity	<u>\$ 49,278</u>	<u>\$ 44,860</u>	<u>\$ 48,008</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. These non-GAAP financial measures are Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), Adjusted EBITDA including equity affiliates, and Adjusted EBITDA.

EBITDA represents net income or loss attributable to Unifi, Inc. before net interest expense, income tax 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, gains or losses on extinguishment of debt, loss on previously held equity interest, and certain other adjustments. Such other adjustments include operating expenses for Repreve Renewables, restructuring charges and start-up costs, gains or losses on sales or disposals of property, plant and equipment, currency and derivative gains or losses, certain employee healthcare expenses, and other operating or non-operating income or expense items necessary to understand and compare the underlying results of the Company. Adjusted EBITDA represents Adjusted EBITDA including equity affiliates adjusted to exclude equity in earnings and losses of unconsolidated affiliates. The Company may, from time to time, change the items included within Adjusted EBITDA.

EBITDA, Adjusted EBITDA including equity affiliates and Adjusted EBITDA are alternative views of performance used by management, and we believe that investors' understanding of our performance is enhanced by disclosing these performance measures. 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) 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 and Adjusted EBITDA 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; and 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.

Non-GAAP Financial Measures - continued

In evaluating EBITDA, Adjusted EBITDA including equity affiliates, and Adjusted EBITDA, 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 and Adjusted EBITDA should not be construed as indicating that our future results will be unaffected by unusual or non-recurring items. EBITDA, Adjusted EBITDA including equity affiliates, and Adjusted EBITDA are not determined in accordance with GAAP and should not be considered as substitutes for net income, operating income or any other performance measures determined in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

Each of our EBITDA, Adjusted EBITDA including equity affiliates, and Adjusted EBITDA 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 interest expense or the cash requirements necessary to service interest or to make payments on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated or 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, and 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 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.