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):
July 30, 2008

UNIFI, INC.

(Exact name of registrant as specified in its charter)

New York	**1-10542**	**11-2165495**
(State of Incorporation)	(Commission File Number)	(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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On July 31, 2008, Unifi, Inc. (the “Registrant”) issued a press release announcing its operating results for its fourth fiscal quarter ended June 29, 2008, which press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

ITEM 2.06 MATERIAL IMPAIRMENTS.

In connection with its annual audit for the fiscal year ended May 31, 2008, Yihua Unifi Fibre Industry Co. Ltd (“YUFI”), the Registrant’s joint venture with Sinopec Yizheng Chemical Fiber Co., Ltd. (“YCFC”), conducted an impairment review of its long-lived assets under Statement of Financial Accounting Standards No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” (“SFAS 144”) and determined that the carrying value of its long-lived assets were not fully recoverable. As a result, YUFI recorded an impairment charge in the fourth fiscal quarter to adjust the carrying value of its long-lived assets. The Registrant recognized its 50% share in YUFI’s impairment charge, or $5.0 million, through its fourth fiscal quarter accounting for equity in losses of an unconsolidated affiliate. The SFAS 144 review described above was completed on July 30, 2008.

The Registrant also announced a proposed agreement to sell its 50% ownership interest in YUFI to its partner, YCFC, for $10.0 million, pending final negotiation and execution of definitive agreements and the receipt of Chinese regulatory approvals. In connection with a review of the YUFI value during negotiations related to the sale, the Registrant initiated a review of the carrying value of its investment in YUFI, in accordance with APB Opinion No. 18, “The Equity Method of Accounting for Investments in Common Stock”. As a result of this review, the Registrant determined on July 30, 2008 that the current carrying value of the Registrant’s investment in YUFI exceeds its fair value. Accordingly, a pre-tax impairment charge of $1.8 million was recorded in the Registrant’s fourth fiscal quarter ended June 29, 2008 to adjust the carrying value of its investment in YUFI. The Registrant does not anticipate that the impairment charge will result in any future cash expenditures.

ITEM 7.01. REGULATION FD DISCLOSURE.

On July 31, 2008, the Registrant will host a conference call to discuss financial results for its fourth fiscal quarter ended June 29, 2008. The slide package prepared for use by executive management for this presentation is attached hereto as Exhibit 99.2. All of the information in the presentation is presented as of July 31, 2008, 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 July 31, 2008, the Registrant issued a press release announcing its operating results for its fourth fiscal quarter ended June 29, 2008, which press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Also on July 31, 2008, the Registrant issued a press release announcing its intention to form Unifi Textiles Suzhou Co., Ltd. ("UTSC"), a wholly-owned, China-based subsidiary, which press release is attached hereto as Exhibit 99.3 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 July 31, 2008 with respect to the Registrant's financial results for its fiscal quarter ended June 29, 2008.
99.2	Slide Package prepared for use in connection with the Registrant's conference call to be held on July 31, 2008.
99.3	Press Release dated July 31, 2008 announcing the Registrant's intention to form UTSC.

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: July 31, 2008

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
99.1	Press Release dated July 31, 2008 with respect to the Registrant’s financial results for its fiscal quarter ended June 29, 2008.
99.2	Slide Package prepared for use in connection with the Registrant’s conference call to be held on July 31, 2008.
99.3	Press Release dated July 31, 2008 announcing the Registrant’s intention to form UTSC.

For more information, contact:
Ronald L. Smith
Vice President
Chief Financial Officer
(336) 316-5545

Unifi Announces Fourth Quarter Results

GREENSBORO, N.C. — July 31, 2008 — Unifi, Inc. (NYSE:UFI) today released operating results for its fiscal fourth quarter ended June 29, 2008.

Net income for the current quarter, including discontinued operations, was $771 thousand or $0.01 per share compared to a net loss of $74.2 million or $1.23 per share for the prior June quarter. Net sales for the quarter were $189.6 million compared to net sales of $185.3 million for the prior year June quarter.

The Company also announced a proposed agreement to sell its 50% ownership interest in Yihua Unifi Fibre Industry Co. Ltd (“YUFI”) to its partner, Sinopec Yizheng Chemical Fiber Co., Ltd. (“YCFC”), pending final negotiation and execution of definitive agreements and Chinese regulatory approvals. While there can be no assurances of completion, the Company expects to close the transaction in the second quarter of fiscal 2009. Net income for the June quarter was negatively impacted by $8.8 million in impairment charges and operating losses of YUFI. The Company intends to continue servicing customers in Asia, through the formation of Unifi Textiles Suzhou Co., Ltd. (“UTSC”), a wholly-owned, China-based subsidiary that will develop, source, sell and service premium value-added yarns. The Company expects UTSC to begin operations during the second quarter of fiscal 2009.

Net income in the quarter was also impacted by a $3.2 million discontinued operation benefit from the pending liquidation of the Company’s former operations in the United Kingdom and $2.1 million of gains related to the sale of non-productive assets.

-continued-

Net income for the 2008 fiscal year was a net loss of $16.2 million or $0.27 per share compared to a net loss of $115.8 million or $2.06 per share for the prior fiscal year. Net sales for the 2008 fiscal year were $713.3 million compared to net sales of $690.3 million for the prior fiscal year.

"The supply-chain management and operational improvements made throughout the fiscal year, as well as continued growth in our premium value-added products, have driven our improved performance over the last two quarters," said Ron Smith, Chief Financial Officer for Unifi. "Our sourcing strategy for raw materials enabled the Company to partially contend with escalating raw materials costs, which saw double digit increases during the quarter. While domestic consumption contracted as a result of the prolonged economic slowdown in many of our market segments, certain portions of our business remained stable due to the increased volume of synthetic apparel sourced through the CAFTA region."

Cash-on-hand at the end of the June quarter was $20.2 million, which is a decrease from the $26.2 million cash-on-hand at the end of the March quarter. Total cash and cash equivalents at the end of June, including restricted cash, were $38.5 million compared to $44.1 million as of June 2007. Total long-term debt at the end of the June quarter was $201.8 million compared to $218.4 million as of the March 2008 quarter and $234.6 million as of the June 2007 year-end.

Bill Jasper, President and CEO of Unifi, said, "Although the economic slowdown and rapidly rising raw material prices have dampened the positive impacts, we continue to be pleased with the fundamental improvements in our core business. As we move into our new fiscal year, we will continue to address our supply chain management and operational discipline, and focus our efforts on driving growth of premium value-added products. Integral to our strategy will be continued investment in the development and commercialization of innovative products, such as Repreve®, and the establishment of

-continued-

UTSC to service the profitable opportunities in the value-added segments of the Asian yarn markets. The positive improvements in our underlying operations over the last few quarters, and the new business model being launched in China are specific examples of how the leadership team is successfully responding to challenges in the market place while also seeking to maximize profitable growth opportunities, both domestically and abroad."

Unifi, Inc. (NYSE: UFI) is a diversified producer and processor of multi-filament polyester and nylon textured yarns and related raw materials. The Company adds value to the supply chain and enhances consumer demand for its products through the development and introduction of branded yarns that provide unique performance, comfort and aesthetic advantages. Key Unifi brands include, but are not limited to: aio® — all-in-one performance yarns, Sorbtek®, A.M.Y.®, Mynx® UV, Repreve®, Reflexx®, MicroVista® and Satura®. Unifi's yarns and brands are readily found in home furnishings, apparel, legwear, and sewing thread, as well as industrial, automotive, military, and medical applications. For more information about Unifi, visit http://www.unifi.com.

###

Financial Statements to Follow

UNIFI, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited) (In Thousands Except Per Share Data)

	For the Quarters Ended		For the Years Ended	
	June 29, 2008	June 24, 2007	June 29, 2008	June 24, 2007
Net sales	$ 189,605	$ 185,267	$ 713,346	$ 690,308
Cost of sales	171,768	170,704	662,764	651,911
Selling, general & administrative expenses	11,030	12,032	47,572	44,886
Provision for bad debts	62	4,302	214	7,174
Interest expense	6,458	6,732	26,056	25,518
Interest income	(679)	(970)	(2,910)	(3,187)
Other (income) expense, net	(2,340)	129	(6,427)	(2,576)
Equity in (earnings) losses of unconsolidated affiliates	4,179	(181)	3,265	4,292
Restructuring charges (recoveries)	(611)	(157)	4,027	(157)
Write down of long-lived assets	—	659	2,780	16,731
Write down of investment in unconsolidated affiliates	1,826	84,742	6,331	84,742
Loss from continuing operations before income taxes	(2,088)	(92,725)	(30,326)	(139,026)
Provision (benefit) for income taxes	345	(17,531)	(10,949)	(21,769)
Loss from continuing operations	(2,433)	(75,194)	(19,377)	(117,257)
Income from discontinued operations, net of tax	3,204	1,002	3,226	1,465
Net income (loss)	$ 771	$ (74,192)	$ (16,151)	$ (115,792)
Income (loss) per common share (basic and diluted):				
Net loss — continuing operations	$ (0.04)	$ (1.24)	$ (0.32)	$ (2.09)
Net income — discontinued operations	0.05	0.01	0.05	0.03
Net income (loss) — basic and diluted	$ 0.01	$ (1.23)	$ (0.27)	$ (2.06)
Weighted average basic and diluted shares outstanding	60,629	60,537	60,577	56,184

-continued-

UNIFI, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited) (Amounts in Thousands)

	June 29, 2008	June 24, 2007
Assets		
Cash and cash equivalents	$ 20,248	$ 40,031
Receivables, net	103,272	93,989
Inventories	122,890	132,282
Deferred income taxes	2,357	9,923
Assets held for sale	4,124	7,880
Restricted cash	18,246	4,036
Other current assets	13,007	11,973
Total current assets	284,144	300,114
Property, plant and equipment	177,299	209,955
Investments in unconsolidated affiliates	70,562	93,170
Intangible assets, net	38,965	42,290
Other noncurrent assets	20,561	20,424
	$ 591,531	$ 665,953
Liabilities and Shareholders' Equity		
Accounts payable	$ 44,553	$ 61,620
Accrued expenses	25,531	28,278
Income taxes payable	681	247
Current maturities of long-term debt and other current liabilities	9,805	11,198
Total current liabilities	80,570	101,343
Long-term debt and other liabilities	204,366	236,149
Deferred income taxes	926	23,507
Shareholders' equity	305,669	304,954
	$ 591,531	$ 665,953

-continued-

UNIFI, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (Amounts in Thousands)

	For the Twelve-Months Ended	
	June 29, 2008	June 24, 2007
Cash and cash equivalents at beginning of year	$ 40,031	$ 35,317
Operating activities:		
Net loss	(16,151)	(115,792)
Adjustments to reconcile net loss to net cash provided by continuing operating activities:		
Income from discontinued operations	(3,226)	(1,465)
(Earnings) losses of unconsolidated equity affiliates, net of distributions	7,727	7,029
Depreciation	36,931	41,594
Amortization	4,643	3,264
Stock-based compensation expense	1,015	1,691
Deferred compensation expense, net	(665)	1,619
Net gain on asset sales	(4,003)	(1,225)
Non-cash restructuring charges (recoveries), net	4,027	(157)
Non-cash write down of long-lived assets	2,780	16,731
Non-cash write-down of investment in unconsolidated affiliates	6,331	84,742
Deferred income tax benefit	(15,066)	(23,776)
Provision for bad debts	214	7,174
Other	(8)	(866)
Change in assets and liabilities, excluding effects of acquisitions and foreign currency adjustments	(10,876)	(9,943)
Net cash provided by continuing operating activities	13,673	10,620
Investing activities:		
Capital expenditures	(12,809)	(7,840)
Acquisitions	—	(42,222)
Return of capital from equity affiliates	—	3,630
Proceeds from the sale of equity affiliate	8,750	—
Proceeds from sale of capital assets	17,821	5,099
Change in restricted cash	(14,209)	(4,036)
Collection of notes receivable	250	1,266
Net proceeds from split dollar life insurance surrenders	—	1,757
Split dollar life insurance premiums	(216)	(217)
Other	(1,148)	(943)
Net cash used in investing activities	(1,561)	(43,506)
Financing activities:		
Borrowing of long-term debt	147,000	133,000
Payment of long-term debt	(181,273)	(97,000)
Other	(733)	(134)
Net cash (used in) provided by financing activities	(35,006)	35,866
Cash flows of discontinued operations:		
Operating cash flow	(586)	277
Net cash (used in) provided by discontinued operations	(586)	277
Effect of exchange rate changes on cash and cash equivalents	3,697	1,457
Net increase (decrease) in cash and cash equivalents	(19,783)	4,714
Cash and cash equivalents at end of period	$ 20,248	$ 40,031

-continued-

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

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, 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, negotiation of new or modifications of existing contracts for asset management and for property and equipment 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.

-end-

Exhibit 99.2

Unifi, Inc.

Fourth Quarter Ended
June 29, 2008

Conference Call

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, 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, negotiation of new or modifications of existing contracts for asset management and for property and equipment 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.

Income Statement Highlights

(Amounts in thousands)

	For the Quarters Ended	
	June 2008	June 2007
Total sales from continuing operations	$189,605	$185,267
Loss from continuing operations before income taxes	(2,088)	(92,725)
Loss from continuing operations	(2,433)	(75,194)
Selling, general and administrative expense	11,030	12,032
Interest expense	6,458	6,732
Depreciation and amortization expense	10,234	10,901
Net income (loss) (including discontinued operations)	771	(74,192)

Volume and Pricing Highlights

(Amounts in thousands, except percentages)

	For the Quarter Ended June 2008 as Compared to June 2007		For the Quarter Ended June 2008 as Compared to March 2008	
	Volume	Price	Volume	Price
Polyester	(13.8)%	11.6%	5.9%	4.9%
Nylon	20.4%	(2.8)%	12.3%	1.9%
Consolidated	(10.7)%	13.0%	6.6%	5.0%

Unifi, Inc.
Fourth Qtr. Conf. Call
July 31, 2008

Income Statement Highlights

(Amounts in thousands)

	For the Twelve-Months Ended	
	June 2008	June 2007
Total sales from continuing operations	$713,346	$ 690,308
Loss from continuing operations before income taxes	(30,326)	(139,026)
Loss from continuing operations	(19,377)	(117,257)
Selling, general and administrative expense	47,572	44,886
Interest expense	26,056	25,518
Depreciation and amortization expense	40,416	43,724
Net loss (including discontinued operations)	(16,151)	(115,792)

Unifi, Inc.
Fourth Qtr. Conf. Call
July 31, 2008

Balance Sheet Highlights

(Amounts in thousands, except percentages and days in receivables/payables)

	June 2008	March 2008	December 2007	June 2007
Cash	$ 20,248	$ 26,187	$ 25,775	$ 40,031
Restricted Cash	18,246	16,374	18,846	4,036
Short-Term Debt	9,805	9,382	10,247	9,345
Long-Term Debt	201,801	218,384	223,814	234,609
Total Debt	$ 211,606	$ 227,766	$ 234,061	$ 243,954
Equity	305,669	296,560	294,947	304,954
Net Working Capital (1)	$ 181,609	$ 183,906	$ 174,585	$ 166,008
Days in receivables	49.7	53.3	49.4	46.3
Days in payables	21.4	23.7	22.8	29.7

(1) Includes only Accounts Receivable, Inventories and Accounts Payable; excludes discontinued operations

Equity Affiliates Highlights

(Amounts in thousands, except percentages)

	Quarter Ended June 2008		Fiscal Year June 2008	
Entity (Ownership Interest)	Earnings (Loss)	Distributions	Earnings (Loss)	Distributions
Parkdale America (34%)	$ 3,721	$ 3,286	$ 8,251	$ 4,462
YUFI (50%)	(6,995)	—	(10,729)	—
UNF (50%)	(905)	—	(798)	—
USTF (50%)	—	—	11	—
Total	$ (4,179)	$ 3,286	$ (3,265)	$ 4,462

** The current quarter loss in YUFI includes an impairment charge of $5.0 million to adjust the carrying value of the joint venture's long lived assets, but does not include the $1.8 million impairment to write down the carrying value of the Company's investment in YUFI.

Adjusted EBITDA Reconciliation
to Pre-Tax Income

(Amounts in thousands)

	Quarters Ended				Year-to-Date
	September 23, 2007	December 23, 2007	March 23, 2008	June 29, 2008	June 29, 2008
Pre-tax income (loss) from continuing operations	$ (16,087)	$ (13,612)	$ 1,461	$ (2,088)	$ (30,326)
Interest expense, net	5,886	5,824	5,657	5,779	23,146
Depreciation and amortization expense	10,470	10,123	9,589	10,234	40,416
Equity in (earnings) losses of unconsolidated equity affiliates	(178)	21	(757)	4,179	3,265
Non-cash compensation, net of distributions	109	456	(257)	51	359
(Gains) losses on sales of PP&E	(142)	(1,271)	(459)	(2,131)	(4,003)
Hedging (gains) losses	(115)	(86)	28	(92)	(265)
Write down of long-lived assets & equity affiliate	5,038	2,247	—	1,826	9,111
Restructuring charges (recoveries)	2,632	4,205	(2,199)	(611)	4,027
SG&A severance charges	2,368	1,696	258	195	4,517
Kinston shutdown expenses	822	2,498	302	120	3,742
Deposit write offs	1,248	—	—	—	1,248
Adjusted EBITDA	$ 12,051	$ 12,101	$ 13,623	$ 17,462	$ 55,237

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, SG&A severance charges, equity in earnings and losses of unconsolidated affiliates, impairment write-downs, non-cash compensation expense, gains and losses on sales of property, plant and equipment, hedging gains and losses, deposit write offs and Kinston shutdown costs. 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 — continue

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.

Investor Day Meetings

- Meetings scheduled:

  San Francisco, California — August 11, 2008

  New York, New York — August 14, 2008

- Meeting locations and times will be announced at a later date
- If you are interested in attending either of these meetings, please contact Ms. Rebecca Landas, Investor Relations Coordinator, at rlandas@unifi.com or at (336) 316-5676

Exhibit 99.3

For more information, contact:
Ronald L. Smith
Vice President
Chief Financial Officer
(336) 316-5545

Unifi, Inc. Announces New Subsidiary in China

GREENSBORO, N.C. — July 31, 2008 — Unifi, Inc. (NYSE:UFI) today announced that it plans to form Unifi Textiles Suzhou Co., Ltd. (“UTSC”), a wholly-owned, China-based subsidiary that will focus on the development, sales and service of premium value-added (PVA) yarns for customers in the region. Based in Suzhou, China, the new entity is expected to begin operations by the end of the second quarter.

Unifi will work closely with high-value textile producers to develop innovative PVA and specialty products designed to meet ever-changing consumer demands, and then oversee their production in China. Initially, UTSC is expected to purchase the branded PVA inventory from the Company’s current joint venture partner, Sinopec Yizheng Chemical Fiber Co., Ltd., which is also expected to serve as the primary toll manufacturer for UTSC during the start-up. UTSC may add other toll manufacturers over time to grow the portfolio of PVA yarns available to customers in the region.

Bill Jasper, President and CEO of Unifi, said, “Demand for high-value and PVA yarns in China continues to grow at an annual rate of greater than ten percent, and this is the segment UTSC will be solely focused on supplying. This shift in strategy in China will benefit the Company by not only removing us from the challenging and unprofitable commodity sector but will provide us with greater focus and flexibility, faster product innovation, and enhanced service to customers in the growing PVA segment.”

UTSC will look to expand the Asian sales of the Company’s successful branded PVA yarns, including Repreve®, Sorbtek®, Reflexx®, Mynx®, A.M.Y.® and aio®. Unifi will maintain control of all intellectual knowledge associated with the Company’s branded products, and will work closely with toll manufacturers to ensure product quality and technical specifications meet company standards.

-continued-

"Our Company strategy is to transition our product mix toward PVA products, and UTSC will improve our ability to develop and commercialize new PVA products that meet the needs of our customers in the region," said Roger Berrier, Executive Vice President for Sales, Marketing and Asian Operations for Unifi. "Our growing customer base in China will enjoy faster access to innovative products, with the confidence of knowing that product quality and technical service are backed by Unifi. They will also benefit from the strength of the relationships that Unifi has developed with many of the world's leading brands and retailers."

Ed Wickes will serve as President of UTSC, reporting to Berrier. UTSC will initially employ up to eleven people, including direct and downstream sales and technical service personnel.

Unifi, Inc. (NYSE: UFI) is a diversified producer and processor of multi-filament polyester and nylon textured yarns and related raw materials. The Company adds value to the supply chain and enhances consumer demand for its products through the development and introduction of branded yarns that provide unique performance, comfort and aesthetic advantages. Key Unifi brands include, but are not limited to: aio® — all-in-one performance yarns, Sorbtek®, A.M.Y.®, Mynx® UV, Repreve®, Reflexx®, MicroVista® and Satura®. Unifi's yarns and brands are readily found in home furnishings, apparel, legwear, and sewing thread, as well as industrial, automotive, military, and medical applications. For more information about Unifi, visit http://www.unifi.com.

-continued-

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

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, 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, negotiation of new or modifications of existing contracts for asset management and for property and equipment 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.

-end-