

Unifi, Inc.
First Qtr. Conf. Call
October 20, 2005



**First Quarter Ended
September 25, 2005**

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, management's beliefs and assumptions made by management. 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 or governmental investigations or proceedings (including environmental related claims), 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, the continuation and magnitude of the Company's common stock repurchase program 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

(in thousands \$)

	<u>First Fiscal Quarters</u>	
	<u>2006</u>	<u>2005</u>
Total sales from continuing operations	\$185,441	\$179,590
Pre-tax loss from continuing operations	(6,340)	(2,265)
Selling, general and administrative expense	10,981	9,505
Interest expense	4,777	4,665
Depreciation expense	12,409	12,675

Balance Sheet Highlights

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

	Sept. 25 2005	June 26, 2005	Mar. 27 2005	Dec. 26 2004
Cash	\$ 90,744	\$ 105,621	\$ 55,449	\$ 52,951
Short-Term Debt	\$ 9,719	\$ 33,646	\$ 8,101	\$ 7,394
Long-Term Debt	254,914	255,428	280,085	282,077
Total Debt	\$ 264,633	\$ 289,074	\$ 288,186	\$ 289,471
Minority Interests	\$ -	\$ 182	\$ 4,076	\$ 4,024
Equity	\$ 391,881	\$ 383,575	\$ 380,802	\$ 383,188
Net Working Capital (1)	\$ 156,755	\$ 154,301	\$ 207,574	\$ 201,879
Days in receivable (2)	44.8	45.9	54.2	51.5
Days in payables	25.5	26.5	26.2	29.8

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

(2) Sales annualized based on run rate for Kinston for all periods presented.

(3) Sales annualized based on run rate for SL Branded Apparel for periods ended March 2005 and December 2004.

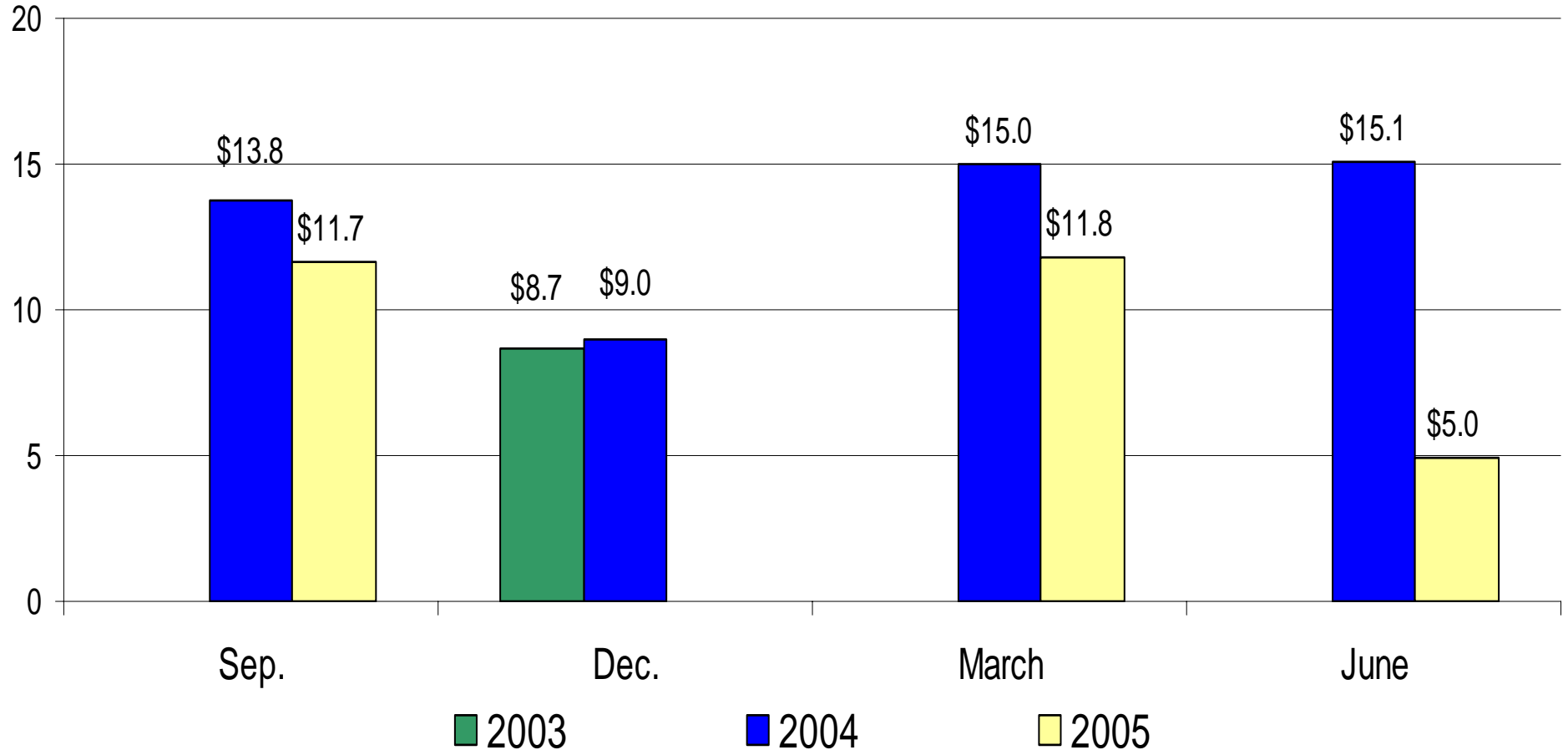
Major Sources and Uses of Cash

(\$ in millions)

<u>Description</u>	<u>Amount</u>
Cash balance at June 26, 2005	\$ 108.4
Proceeds from sale of UTYE	28.1
Payoff of Kinston note	(24.6)
Investment in China	(15.0)
Bond interest	(8.1)
Other, net	1.9
Cash balance at September 25, 2005	<u>\$ 90.7</u>

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) [1]

(in million's \$)



1 - Defined as net income before interest, taxes, depreciation and amortization, excluding equity affiliate income or loss, restructuring expenses and other special items

Reflects continuing operations only

EBITDA Reconciliation to Pre-Tax Income

(in thousands \$)

	Sep-04	Sep-05	Dec-03	Dec-04	Mar-04	Mar-05	Jun-04	Jun-05
Pre-tax loss [1]	\$ (2,265)	\$ (6,340)	\$ (11,035)	\$ (7,772)	\$ (46,531)	\$ (2,935)	\$ (8,410)	\$ (21,882)
Interest expense	4,665	4,777	4,787	5,293	4,740	5,256	4,431	5,361
Depreciation expense	12,675	12,409	15,040	12,443	14,342	12,527	12,367	13,897
Income/loss from equity affiliates	(1,154)	(1,824)	146	(711)	6,507	(4,456)	481	(615)
Gain on sale of fixed asset	-	-	-	-	(4,049)	-	-	-
Minority interest	(188)	-	(1,122)	(309)	(4,755)	53	401	(86)
Restructuring charges	-	29	800	-	6,017	-	5,624	(341)
Impairment write-downs	-	1,500	-	-	38,702	-	-	603
Arbitration costs	-	-	-	-	-	-	179	-
Extraordinary gain (loss)	-	(208)	-	-	-	1,342	-	(185)
Unimatrix - special non cash charges	-	1,173	-	-	-	-	-	-
Non cash compensation	36	155	67	13	61	16	21	16
C&A bad debt	-	-	-	-	-	-	-	8,184
Adjusted EBITDA	<u>\$ 13,769</u>	<u>\$ 11,671</u>	<u>\$ 8,683</u>	<u>\$ 8,957</u>	<u>\$ 15,034</u>	<u>\$ 11,803</u>	<u>\$ 15,094</u>	<u>\$ 4,952</u>

1 - Continuing operations only

Major Components of Cash Flows

(in thousands \$)

Description	Amount
Net loss from continuing operations	\$ (5,659)
Depreciation & amortization	12,730
Net change in working capital	(6,240)
Capital expenditures	(4,029)
Investment in equity affiliate	(15,331)
Proceeds from sale of capital assets	2,239
Decrease in restricted cash	2,766
Payment of long-term debt	(24,407)
Cash provided by discontinued operations	20,814