

Unifi, Inc.
Third Qtr. Conf. Call
April 21, 2005



**Third Quarter Ended
March 27, 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, 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 \$)

	Third Quarter	
	2005	2004
	<hr/>	<hr/>
Total sales from continuing operations	\$208,293	\$169,208
Pre-tax loss from continuing operations	(2,934)	(46,531)
Selling, general and administrative expense	11,738	12,385
Interest expense	5,255	4,740
Depreciation expense	12,527	14,342

YTD Income Statement Highlights

(in thousands \$)

	<u>For the Year to Date Periods Ended</u>	
	<u>Mar. 27</u>	<u>Mar. 28</u>
	<u>2005</u>	<u>2004</u>
Total sales from continuing operations	\$596,295	\$493,063
Pre-tax loss from continuing operations	(12,971)	(61,668)
Selling, general and administrative expense	31,252	36,310
Interest expense	15,214	14,268
Depreciation expense	37,645	44,155

Balance Sheet Highlights

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

	Mar. 27 2005	Dec. 26 2004	Sept. 26 2004	June 27, 2004
Cash (3)	<u>\$ 55,449</u>	<u>\$ 52,951</u>	<u>\$ 45,726</u>	<u>\$ 65,221</u>
Short-Term Debt	\$ 8,101	\$ 7,394	\$ 7,055	\$ 6,719
Long-Term Debt	<u>280,085</u>	<u>282,077</u>	<u>258,761</u>	<u>258,234</u>
Total Debt	<u>\$ 288,186</u>	<u>\$ 289,471</u>	<u>\$ 265,816</u>	<u>\$ 264,953</u>
Minority Interests	\$ 4,076	\$ 4,024	\$ 4,455	\$ 4,560
Equity	\$ 380,802	\$ 383,188	\$ 384,291	\$ 401,901
Net Working Capital (1)	\$ 207,574	\$ 201,879	\$ 159,066	\$ 143,859
Days in receivable (2)	54.2	51.5	63.2	60.7
Days in payables	26.2	29.8	34.7	37.2

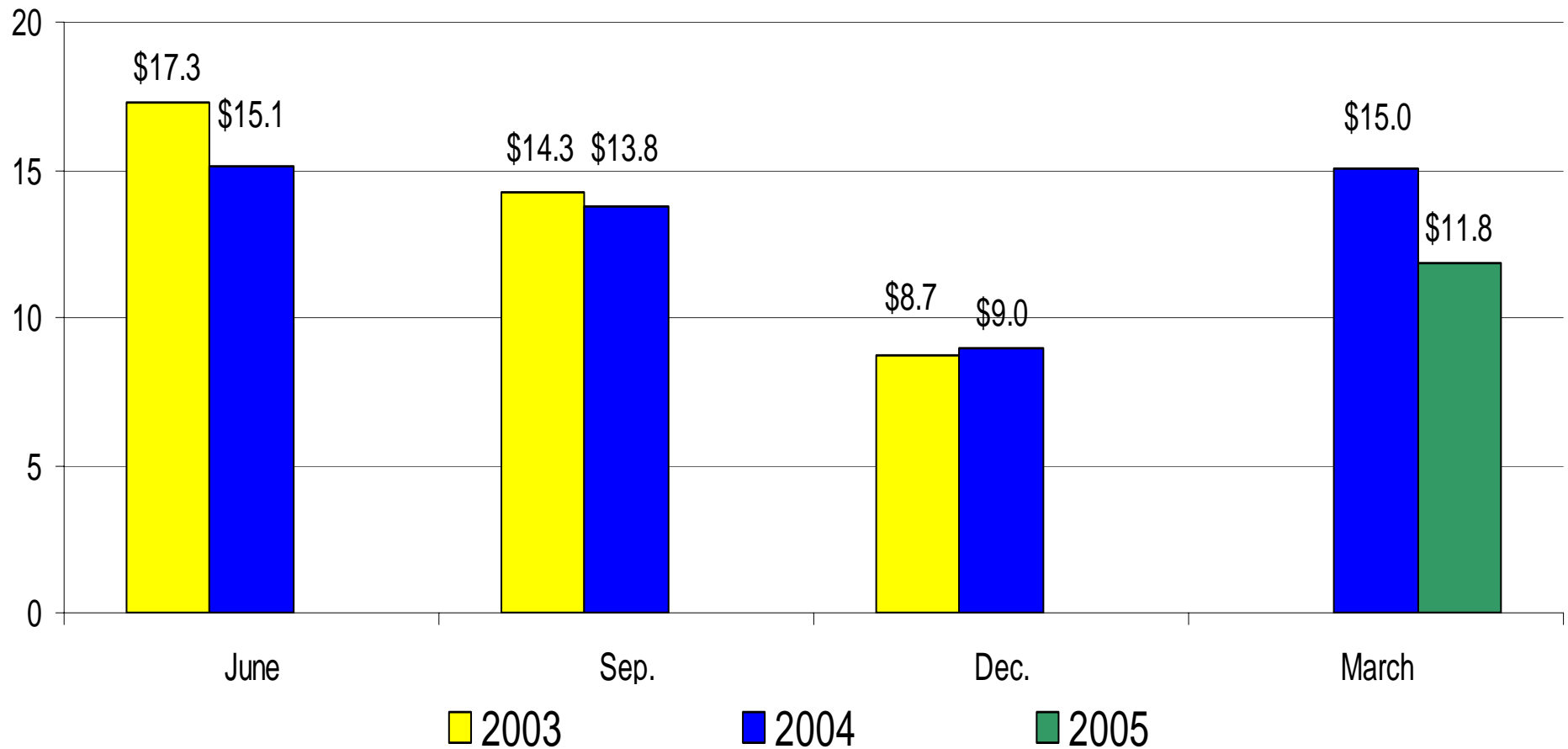
(1) Includes only Accounts Receivable, Inventories and Accounts Payable; excludes discontinued operations

(2) Sales annualized based on run rate for Kinston and SL Branded Apparel acquisitions

(3) Balance at March 27, 2005 includes restricted cash of \$2,766.

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

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EBITDA Reconciliation to Pre-Tax Income

(in thousands \$)

	<u>Jun-03</u>	<u>Jun-04</u>	<u>Sep-03</u>	<u>Sep-04</u>	<u>Dec-03</u>	<u>Dec-04</u>	<u>Mar-04</u>	<u>Mar-05</u>
Pre-tax loss [1]	\$ (28,345)	\$ (8,410)	\$ (4,086)	\$ (2,265)	\$ (11,035)	\$ (7,772)	\$ (46,531)	\$ (2,935)
Interest expense	4,820	4,431	4,739	4,665	4,787	5,293	4,740	5,256
Depreciation expense	15,099	12,367	14,773	12,675	15,040	12,443	14,342	12,527
Income/loss from equity affiliates	(1,261)	481	(257)	(1,154)	146	(711)	6,507	(4,456)
Gain on sale of fixed asset	-	-	-	-	-	-	(4,049)	-
Minority interest	2,361	401	(955)	(188)	(1,122)	(309)	(4,755)	53
Restructuring charges	10,593	5,624	-	-	800	-	6,017	-
Impairment write-downs	-	-	-	-	-	-	38,702	-
Arbitration costs	13,893	179	-	-	-	-	-	-
Non cash compensation	156	21	43	36	67	13	61	16
Extraordinary gain	-	-	-	-	-	-	-	1,342
Adjusted EBITDA	<u>\$ 17,316</u>	<u>\$ 15,094</u>	<u>\$ 14,257</u>	<u>\$ 13,769</u>	<u>\$ 8,683</u>	<u>\$ 8,957</u>	<u>\$ 15,034</u>	<u>\$ 11,803</u>

1 - Continuing operations only

Major Components of Cash Flows

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(in thousands \$)

	Continuing Operations	Discontinued Operations	Total
Net loss from continuing operations	\$ (8,262)	\$ -	\$ (8,262)
• Depreciation & amortization	38,659	-	38,659
• Provision for bad debt and quality claims	5,331	-	5,331
• Net change in working capital - Domestic	(28,711)	-	(28,711)
• Net change in working capital - Foreign	(18,280)	26,711	8,431
• Deferred taxes	(10,204)	-	(10,204)
• Other	(6,064)	4,402	(1,662)
Cash provided by (used in) operating activities	(27,531)	31,113	3,582
• Capital expenditures	(5,685)	-	(5,685)
• Return of capital from equity affiliate	6,727	-	6,727
• Investment of foreign restricted assets	706	-	706
• Restricted cash	(2,766)	-	(2,766)
• Other	719	-	719
Cash provided by (used in) investing activities	(299)	-	(299)
• Other	8,907	(9,209)	(302)
Cash provided by (used in) financing activities	8,907	(9,209)	(302)
Cash used by discontinued operations	-	(17,837)	(17,837)
Effect of exchange rate changes on cash and cash equivalents	5,926	(842)	5,084
Net decrease in cash and cash equivalents	(12,997)	3,225	(9,772)
Cash and cash equivalents at beginning of period	49,565	15,656	65,221
Cash and cash equivalents at end of period	\$ 36,568	\$ 18,881	\$ 55,449