

Unifi, Inc.
Fourth Qtr. Conf. Call
June 25, 2006

UNIFI, INC.

**Fourth Quarter Ended
June 25, 2006**

Conference Call

Cautionary Statement

Certain statements included herein contain forward-looking statements within the meaning of federal security laws about the Company's 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. 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 \$)

	<u>For the Quarters Ended</u>	
	<u>June 2006</u>	<u>June 2005</u>
Total sales from continuing operations	\$183,208	\$200,428
Loss from continuing operations	(5,199)	(12,416)
Selling, general and administrative expense	10,402	11,663
Interest expense	5,203	5,361
Depreciation expense	11,758	13,897
Net loss	(5,395)	(8,994)

Income Statement Highlights

(in thousands \$)

	For the Fiscal Years Ended	
	<u>2006</u>	<u>2005</u>
Total sales from continuing operations	\$738,825	\$793,796
Loss from continuing operations before taxes	(15,896)	(33,221)
Selling, general and administrative expense	41,534	42,211
Interest expense	19,247	20,575
Depreciation expense	48,669	51,542
Net loss	(14,366)	(41,225)

Balance Sheet Highlights

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

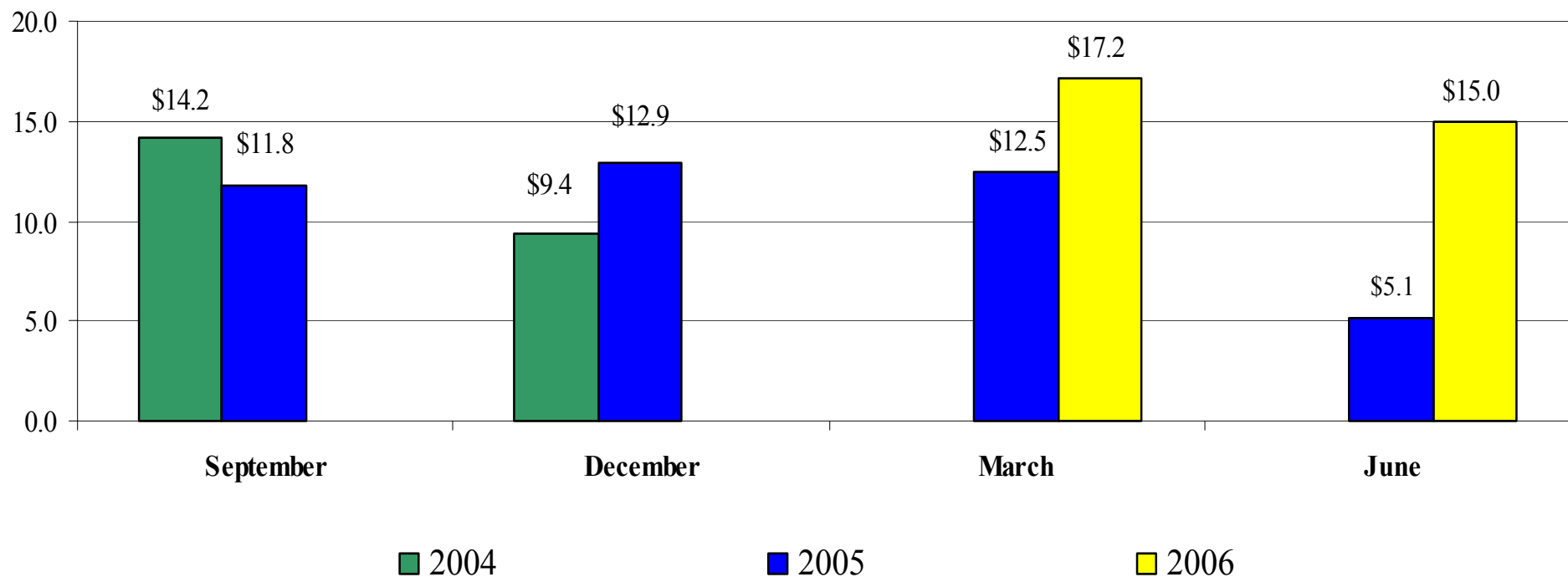
	June 25, 2006	Mar. 26 2006	Dec. 25 2005	June 26, 2005
Cash	\$ 35,317	\$ 88,423	\$ 85,019	\$ 105,621
Inventory	\$ 116,018	\$ 114,836	\$ 109,572	\$ 110,827
Short-Term Debt	\$ 4,626	\$ 5,660	\$ 7,246	\$ 33,646
Long-Term Debt	199,421	257,525	256,901	255,428
Total Debt	\$ 204,047	\$ 263,185	\$ 264,147	\$ 289,074
Minority Interest	\$ -	\$ -	\$ -	\$ 182
Equity	\$ 382,953	\$ 388,047	\$ 384,881	\$ 383,575
Net Working Capital ^(See Notes)	\$ 141,614	\$ 145,940	\$ 140,697	\$ 151,623
Days in receivable	46.0	45.5	43.6	44.9
Days in payables	33.4	30.5	28.7	26.0

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

(2) Sales annualized based on run rate for Kinston for June 2005

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-04	Dec-05	Mar-05	Mar-06	Jun-05	Jun-06
Pre-tax loss [1]	\$ (1,858)	\$ (4,959)	\$ (7,361)	\$ (4,472)	\$ (2,267)	\$ (1,119)	\$ (21,736)	\$ (5,346)
Interest expense	4,665	4,777	5,293	4,661	5,256	4,606	5,361	5,203
Depreciation expense	12,675	12,357	12,443	12,331	12,527	12,223	13,897	11,758
(Income) loss from equity affiliates	(1,155)	(1,824)	(710)	(18)	(4,456)	564	(653)	453
Minority interest	(189)	-	(309)	-	53	-	(86)	-
Restructuring charges	-	29	-	-	-	-	(341)	(283)
Impairment write-downs	-	1,500	-	-	-	815	603	51
Extraordinary gain (loss)	-	(208)	-	208	1,342	-	(185)	-
Non cash compensation	36	151	13	138	16	132	16	255
Loss on early extinguishment of debt	-	-	-	-	-	-	-	2,949
C&A bad debt	-	-	-	-	-	-	8,184	-
Adjusted EBITDA	<u>\$ 14,174</u>	<u>\$ 11,823</u>	<u>\$ 9,369</u>	<u>\$ 12,848</u>	<u>\$ 12,471</u>	<u>\$ 17,221</u>	<u>\$ 5,060</u>	<u>\$ 15,040</u>