

Unifi, Inc.  
First Qtr. Conf. Call  
September 24, 2006



**First Quarter Ended  
September 24, 2006**

**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, 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 \$)

	For the Quarters Ended	
	Sept. 2006	Sept. 2005
Total sales from continuing operations	\$169,944	\$183,102
Loss from continuing operations before income taxes and extraordinary item	(12,150)	(4,959)
Loss from continuing operations before extraordinary item	(11,017)	(4,807)
Selling, general and administrative expense	11,289	10,487
Interest expense	6,065	4,777
Depreciation expense	11,124	12,357
Net loss	(11,053)	(3,086)

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# Balance Sheet Highlights

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

	September 24, 2006	June 25, 2006	Mar. 26 2006	Dec. 25 2005
Cash	\$ 29,516	\$ 35,317	\$ 88,423	\$ 85,019
Short-Term Debt	\$ 3,807	\$ 4,625	\$ 5,660	\$ 7,246
Long-Term Debt	200,230	199,421	257,525	256,901
Total Debt	\$ 204,037	\$ 204,046	\$ 263,185	\$ 264,147
Equity	\$ 373,272	\$ 382,953	\$ 388,047	\$ 384,881
Net Working Capital (1)	\$ 151,968	\$ 141,586	\$ 145,940	\$ 140,697
Days in receivable	45.7	46.0	45.5	43.6
Days in payables	27.4	33.4	30.5	28.7

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

# EBITDA Reconciliation to Pre-Tax Income

(in thousands \$)

	<u>For the Quarter Ended September 24, 2006</u>	
Pre-tax loss from continuing operations	\$	(12,150)
Interest expense, net		5,621
Depreciation and amortization expense		11,124
Equity in (earnings) losses of unconsolidated affiliates		1,949
Cash distributions from equity affiliates		229
Write down of long-lived assets		1,200
Non cash compensation		2,128
(Gains) losses on sales of PP&E		240
Hedging (gains) losses		44
EBITDA	<u>\$</u>	<u>10,385</u>