



Unifi and SANS Fibres Announce Joint Venture

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GREENSBORO, N.C., Sept. 18 /PRNewswire/ -- Unifi, Inc. (NYSE: UFI) and SANS Fibres today announced that the two companies will form a joint venture to produce low-shrinkage, high tenacity nylon 6.6 light denier industrial (LDI) yarns. The joint venture will round out Unifi's product offering by expanding the company into industrial yarns, and provides SANS Fibres with an increased global manufacturing presence.

According to Brian Parke, Unifi's president and CEO, the joint venture calls for the installation of a nylon spinning and draw-twisting operation in Unifi's Madison, NC facility. Unifi will manage the day-to-day production and shipping of the LDI produced in Madison, and SANS Fibres will handle technical support and sales. Annual LDI production capacity from the joint venture is 4,800 tons.

According to the two companies, UNIFI-SANS Technical Fibers, LLC will be the new name for the joint venture. UNIFI-SANS Technical Fibers will also incorporate the two-stage light denier industrial nylon yarn business of Solutia Inc., which is being purchased by SANS Fibres. Solutia will exit the two-stage light denier industrial nylon yarn business, transitioning production from its Greenwood, SC site to the UNIFI-SANS Technical Fibers facility in North Carolina in phases over the next two years.

"UNIFI-SANS Technical Fibers will combine the strengths of two industry leaders," said Parke. "SANS Fibres provides a strong reputation for the development of products with technological superiority in high-speed industrial sewing applications. Unifi provides a network of global resources and its expertise in quality, innovation and knowledge of specialty and value-added markets."

South Africa based SANS Fibres, a wholly owned subsidiary of AECI Limited, is an integrated producer of both polyester and nylon yarns. SANS Fibres currently exports approximately half of the volume produced at its Bellville, South Africa location to niche markets worldwide.

"A manufacturing platform with the United States is critical to our competitive position in the world of industrial fibers," said Thys Loubser, managing director of SANS Fibres. "This joint venture will ensure that we remain at the forefront in supplying superior quality products to customers in our selected niches, both locally and abroad."

The joint venture with SANS Fibres will further increase Unifi's global presence, adding to the recently announced planned joint ventures with Nilit in Israel and Hankook Synthetics in Asia. The new LDI operation will also generate new sales opportunities for Unifi from a segment of the textile filament market in which they are not currently participating.

"This is an excellent fit with Unifi's current business and product portfolio," added Parke. "The nylon LDI sewing thread market in the US will benefit from the quality and unique balance of low shrinkage and high tenacity delivered in the yarns that will be produced through this joint venture. These yarns will provide distinct production and performance advantages to our customers."

Unifi is the largest producer and processor of textured yarns in the world. Its primary business is the texturing, dyeing, twisting, covering and beaming of multi-filament polyester and nylon yarns. Unifi's textured yarns are found in home furnishings, apparel and industrial fabrics, automotive, upholstery, hosiery and sewing thread.

SANS Fibres, a subsidiary of AECI Ltd. listed on the Johannesburg Stock Exchange, was established in 1964 and produced the first man-made fiber on the African continent. Its competitive strengths include its technological leadership, its close relationship with its customers and its in-depth knowledge of the industrial yarn business, which has shown significant growth over the last decade.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements included herein are "forward-looking statements" within the meaning of the federal securities laws. Unifi management cautions that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause the actual results of operations or financial condition of Unifi to differ include, but are not necessarily limited to, sourcing and pricing of raw materials, pressures on sales prices due to competition and economic condition, reliance on and financial viability of significant customers, technological advancements, employee relations, changes in construction spending and capital expenditures (including those related to unforeseen acquisition opportunities), continued availability of financial resources through financing arrangements and operations, 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 the magnitude of Unifi'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 Unifi competes, such as changes in currency exchange rates, interest and inflation rates, recession and other economic and political factors over which Unifi has no control. Investors are also directed to consider the risks and uncertainties discussed in documents filed by Unifi with the Securities and Exchange Commission.

SOURCE Unifi, Inc.

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