



Assets of Unifi Technical Fabrics to Be Acquired By Avgol Nonwovens

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GREENSBORO, N.C., May 14 /PRNewswire/ -- Unifi, Inc. (NYSE: UFI) today announced that it has reached an agreement in principle to sell the assets of its wholly owned subsidiary Unifi Technical Fabrics, LLC, to Avgol Nonwovens Industries of Holon, Israel.

The agreement, which includes Avgol taking possession of Unifi Technical Fabrics' (UTF) 125-acre site in Mocksville, N.C., is part of Unifi's ongoing effort to focus more closely on its core business as a global leader in the production of synthetic fiber and yarns.

"While we appreciate the long term growth potential of the nonwovens business, the next phase of the UTF growth plan called for significant additional capital investment," said Billy Moore, chief financial officer of Unifi. "We felt that at present, our company and shareholders would best be served by focusing our capital resources on our core businesses and using the proceeds from this sale to reduce debt."

"This is a 'win-win' situation for both Unifi and Avgol," continued Moore. "It allows Unifi to stay focused on strengthening the profitability of our core fiber and yarn business, while providing Avgol with state-of-the-art capabilities for North American production of nonwovens. Unifi will continue to expand successful new-products programs that leverage our core manufacturing and marketing expertise."

The UTF facility is equipped with a five beam Reifenhauer Reicofil 3 SSMMS 4.3 meter wide spun melt nonwoven production line, and is capable of producing approximately 30 to 35 million pounds per year, or one billion square meters of 1/2 ounce fabric annually. Moore stated interest in the facility was extremely high within the industry given its highly desirable equipment and its ability to produce fabric with outstanding quality and uniformity.

Prior to the contemplated transaction, Avgol announced plans to begin producing spun melt fabrics by the end of 2002. "This acquisition will enable Avgol to fulfill commitments to key North American customers sooner than we originally announced, and works well for us in supporting our total Americas strategy" said Mr. Goldwasser, a principal of Avgol. "We are particularly excited by the expansion opportunity that this site offers and this will enable us to add capacity easily as our business flourishes."

Unifi, Inc. is the largest producer and processor of textured yarns in the world. The company's 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.

Avgol was founded in 1987 and has rapidly grown into a \$65 million annual nonwovens business with five production lines in Israel. The company has a large and growing sales base in the United States and is a recognized leader in the production of synthetic nonwoven fabrics.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements included herein are "forward-looking statements" within the meaning of the federal securities laws. 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 the Company 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 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. Investors are also directed to consider the risks and uncertainties discussed in documents filed by the Company with the Securities and Exchange Commission.

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