UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
February 20, 2007

UNIFI, INC.

(Exact name of registrant as specified in its charter)

New York	**1-10542**	**11-2165495**
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

7201 West Friendly Avenue
Greensboro, North Carolina 27410
(Address of principal executive offices)

(336) 294-4410
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

ITEM 7.01. REGULATION FD DISCLOSURE.

William M. Lowe, Jr., Vice President, Chief Financial Officer and Chief Operating Officer, of Unifi, Inc. (the “Company”) is scheduled to provide a series of analysts’ briefings starting on Tuesday, February 20, 2007, commencing at approximately 9:00 a.m. The slide package prepared for use in connection with these presentations is furnished herewith as Exhibit 99.1. All information in the presentation is presented as of February 20, 2007 and the Company does not assume any obligation to update such information in the future. A link to the audio portion of Mr. Lowe’s presentation will be available on the Company’s website at www.unifi.com under the “Investor Relations” section.

The information included in this Item 2.02 and Item 7.01, as well as Exhibit 99.1 referenced herein, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filings under the Securities Act of 1933.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

99.1 Slide package prepared for use by the Company in connection with a series of analysts’ briefings starting on Tuesday, February 20, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNIFI, INC.

By: /s/ Charles F. McCoy
Charles F. McCoy
Vice President, Secretary and General Counsel

Dated: February 20, 2007

INDEX TO EXHIBITS

Exhibit No.	Description of Exhibit
99.1	Slide package prepared for use by the Company in connection with a series of analysts’ briefings starting on Tuesday, February 20, 2007.

Exhibit 99.1

UNIFI®

Analyst Presentation
February 2007

Cautionary Statement

Certain statements included herein contain forward-looking statements within the meaning of federal securities 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. Synergies with respect to the Dillon transaction are 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 or governmental investigations or proceedings (including environmental related claims), 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 Company's ability to integrate fully the newly-acquired Dillon operations 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.

Participants

Bill Lowe	**Chief Operating Officer & Chief Financial Officer**
Ron Smith	**Treasurer & Head of Investor Relations**

Business Overview

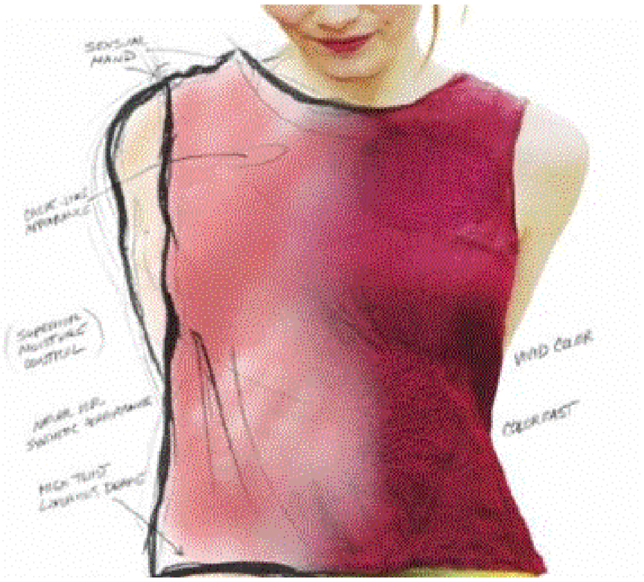
Unifi Overview

- Unifi's yarns are found in:
  - Apparel
  - Home furnishings
  - Hosiery
  - Automotive
  - Industrial, sewing thread, military and medical applications
- Some key Unifi brands include:

  A.M.Y. inhibit Sorbtek
  reflexx satura Repreve

- For the twelve months ended December 24, 2006 ("TTM"), Unifi had net sales and adjusted EBITDA of $692 million and $45 million, respectively

Unifi Yarn Product Contributions



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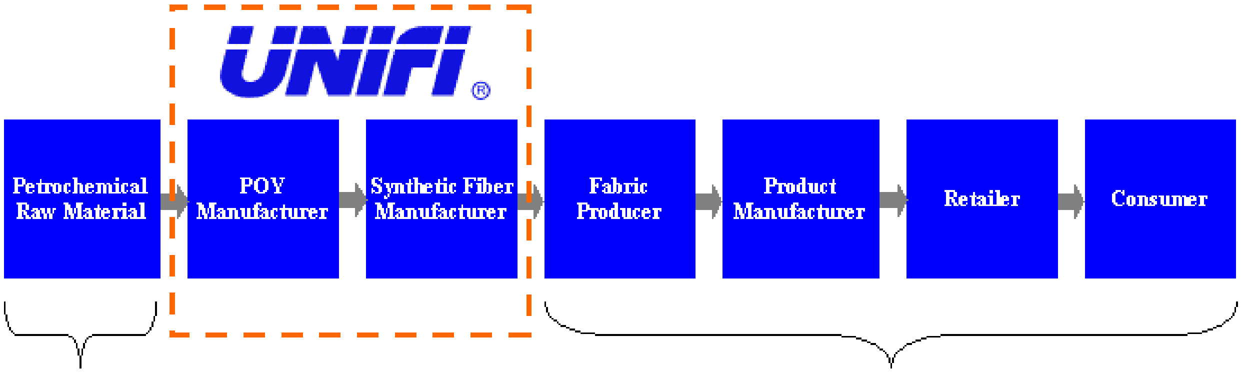
Significance to Value Chain

Unifi fills an integral role in the synthetic fiber value chain



- Strong North American production base
- Vertical integration of supply chain
- Raw material pricing pressure from supply and demand dynamics of petrochemical supply chain

- Trade-protected market environment
- Growing global market
- Increasing focus upon specialty yarns
- Strong sourcing power by retailers

Our Manufacturing Process

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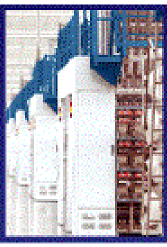
POY Manufacture

- The first step in producing synthetic yarn begins with the raw material known as POY (partially oriented yarn)
- Feedstock is used to create polymer which is extruded through microscopic holes to form a single fiber filament

Texturing Machines



- Texturing machines process POY multi-filament yarns
- Texturing is a combination of heating and stretching of the POY as it passes through the texturing unit

Texturing Units

- The friction disc unit is the heart of the texturing machine
- POY enters the top of the unit, passes through the high-speed discs and exits as textured yarn
- Computers inspect every inch of yarn as it is produced

Textured Yarns

- After the POY is processed, the resulting textured yarn has bulk, crimp, strength and consistent dyeability
- It is now ready to be processed into fabric or used in other processes

Value-added Processes

1. Package Dyeing
2. Covering
3. Twisting
4. Beaming

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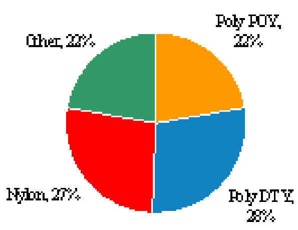
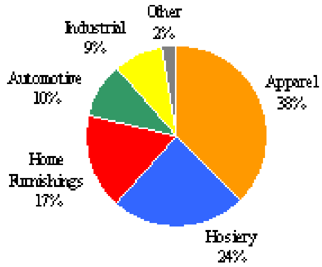
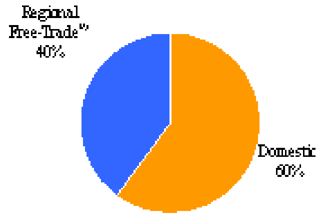
Sales Segmentation

Unifi benefits from strong product, geographic and end-market diversity

Sales by Product	Sales by End-Market	Sales by Geography







Commentary

- Unifi yarns are demanded by a wide variety of customers
  - Unifi sells its polyester and nylon yarns to approximately 9000 customers and 200 customers, respectively
  - In fiscal 2006, only one customer (Sara Lee) accounted for greater than 10% of consolidated sales
- The Company is not dependent upon any particular geographic or end-market
  - End-markets served include the apparel, hosiery, home furnishings, automotive, and industrial markets
  - Regional free-trade sales (directly as yarn and indirectly via fabric customers) account for approximately 40% of the company's total sales.

Note: Poly POY - partially oriented polyester yarn, Poly DTY - polyester draw textured yarn, Nylon - nylon draw textured yarn and covered yarns, Other - other value-added processes such as dyed, draw warp, beaming, twisting, and air jet. Data based on calendar year 2006, except for Regional Trade certification break-down which is for 2005.

1. *Regional free-trade sales represent those sales to customers who utilize the terms of the NAFTA, CAFTA, CBI and ATPA agreements to produce duty-free finished goods. Estimated based upon 37% and 53% of sales from U.S. polyester and U.S. nylon operations, respectively.*

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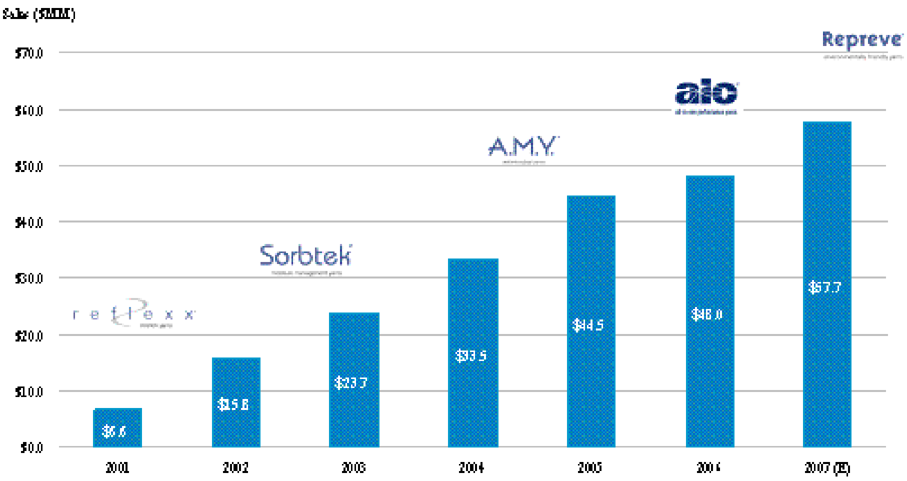
Branded Product Success

Unifi continues to provide what is Next in the market

- Unifi has grown premium value-added ("PVA") product sales from ~ $7 million in 2001 to over $50 million annually
- PVA products generate margins 5x – 10x higher than commodity products
- Major downstream customers: Wal-Mart, Dick's Sporting Goods, Russell Athletic, Reebok and the U.S. military

Branded Product Sales and Gross Margins



Unifi Brands

A.M.Y.
augusta
DACRON®
satura
eclypse
satura max
inhibit
Sedona
MERANO
softec
MicroVista
reflexx
mynx
Sorbtek
novva
Sultra
Micromattique
Repreve
Textra

DACRON and SOFTEC are Invista trademarks for polyester, licensed to Unifi, Inc.

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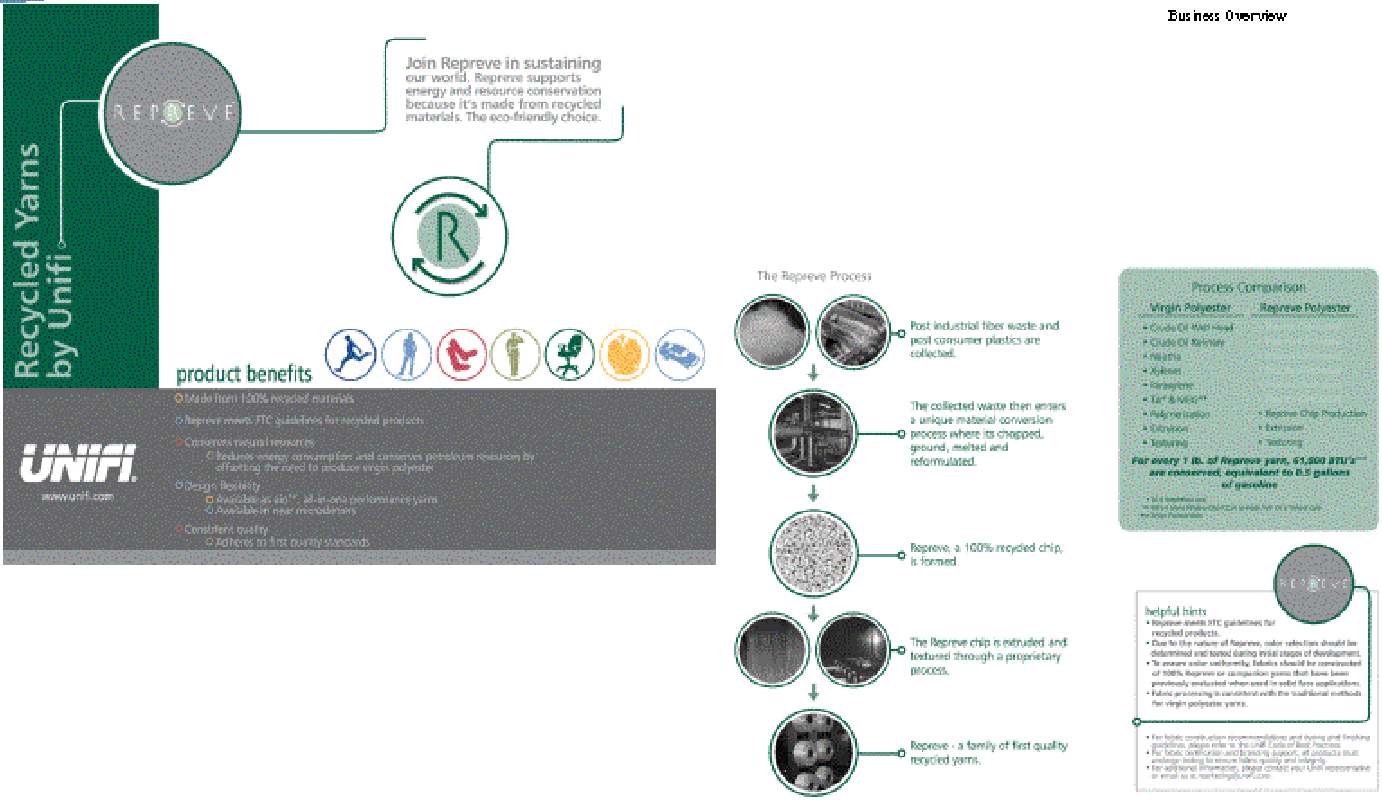
The Repreve Story



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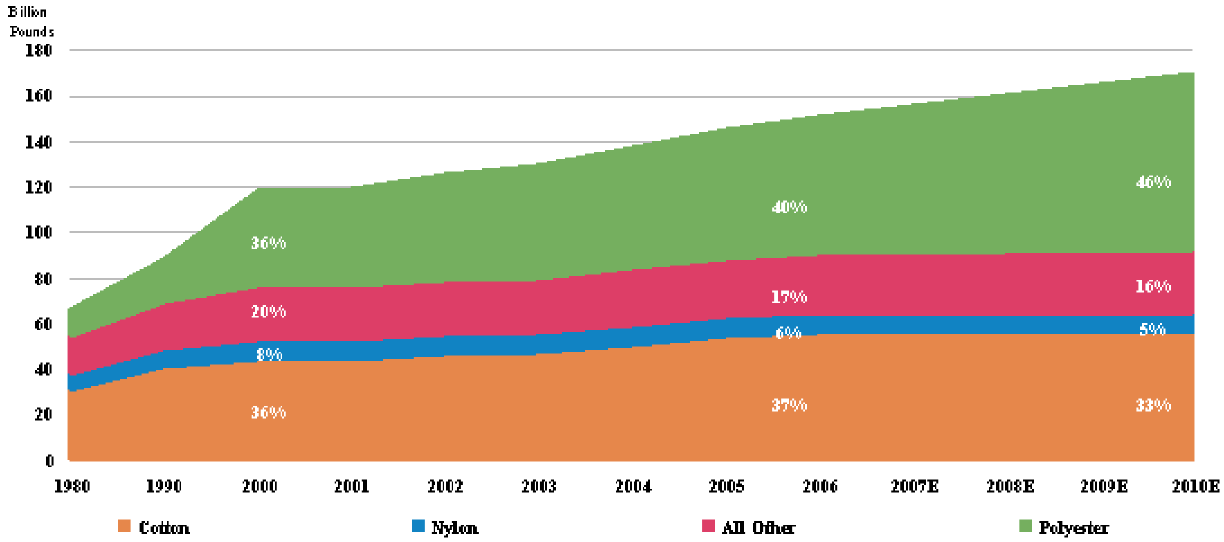
Industry / Market Overview

Attractive Industry Dynamics

Polyester is the world's fiber of choice

- In 2002, polyester replaced cotton to become world's number one fiber choice
- Polyester accounted for ~ 40% of world fiber consumption in 2006
- Global polyester demand growth is projected at 6% to 7% annually

Global Textile Fiber Demand by Type of Fiber



Source: Petrochemical Consulting International (PCI).

Importance of the US Textile Industry

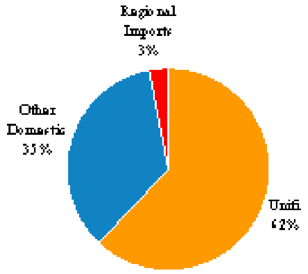
USA Textile Industry Shipments (2006):	$68.6 Billion
Capital Investment During Last 10 Years:	$33 Billion
Textile Sector Employment:	900,000 people (One of the largest US manufacturing employers)
Textile Exports (Annualized 2006):	$16.8 Billion (Third largest exporter of textiles in the world)
Productivity Increases During Last 10 Years:	51% (Ranks second among all US industrial sectors)

Source: NCTO (National Council of Textile Organizations) and US Dept. of Commerce (OTEXA division)

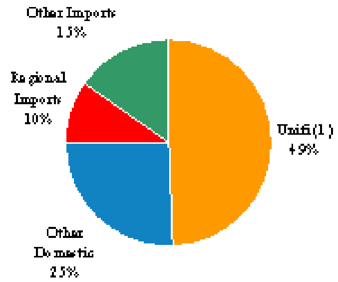
Leading Market Position

Unifi is the leading North American producer and processor of multi-filament polyester and nylon yarns

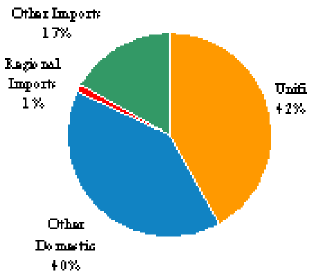
US Polyester POY Consumption Share



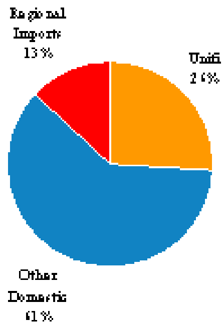
US Polyester DTY Consumption Share



US Nylon Consumption Share



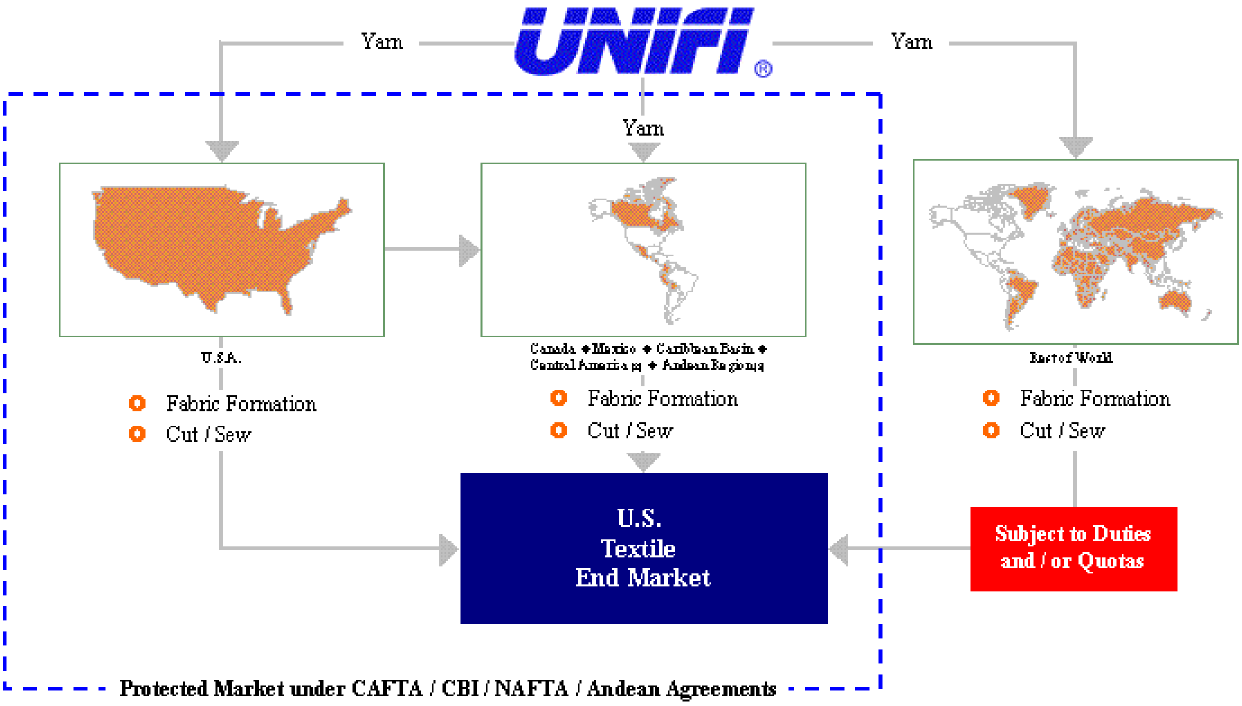
US Dyed Yarn Consumption Share



Source: Unifi estimates.
Note: POY - partially oriented yarns; DTY - textured yarns.
(1) Includes Dillon Yarn's share

Regional Free-Trade Markets

Unifi benefits from trade agreements and conducts business in protected markets[1]



1. Regional free-trade agreements consist of NAFTA, CAFTA, ATPA and CBI agreements.
2. CAFTA includes El Salvador, Guatemala, Honduras, Nicaragua, Dominican Republic and Costa Rica
3. Andean Region includes Colombia, Peru, Ecuador and Bolivia

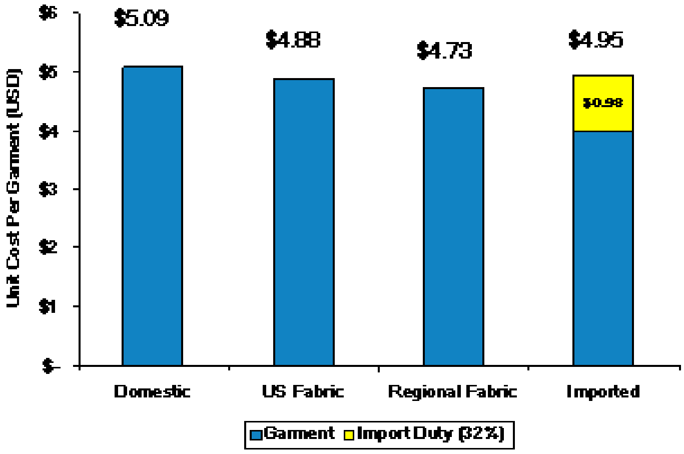
Sustainability of Regional Trade

Import competition primarily focused at the supply chain level

Regional Trade

- US and region trading partners provides competitive advantages
  - High quality for critical end-uses
  - Product innovation
  - Compressed supply-chain / quick turns
  - Regulatory compliant yarns
  - Competitive pricing
- Duty free movement among participants
  - Requires garment to be fully formed in region
  - Compliant yarn must be extruded in region
  - Duty benefit – 28% to 32% on manmade fiber garments
- NAFTA established in 1994 with Canada and Mexico
- CAFTA replaces CBI and is currently being finalized
  - Permanent trading pact
  - Allows for accumulation across region
  - More than just apparel

Synthetic Performance T-Shirt



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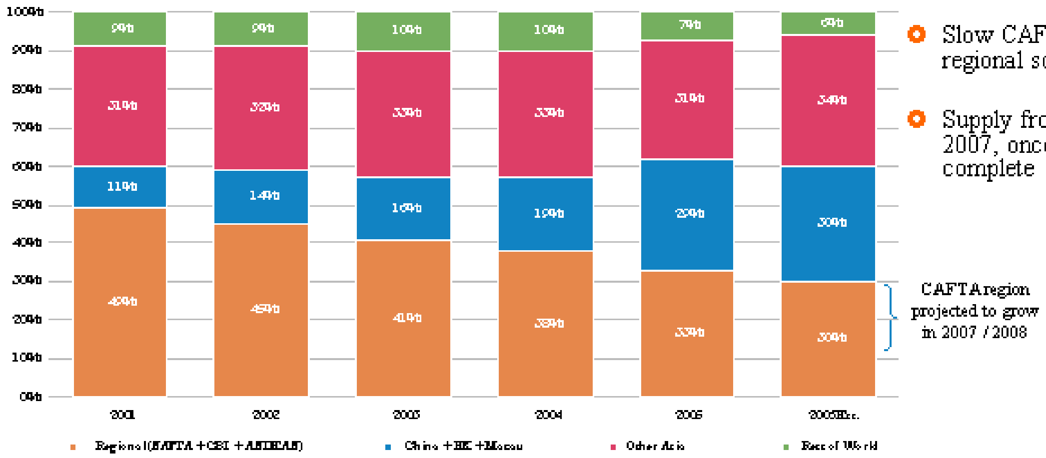
"Region" Still Significant to Apparel Supply

In 2006, over 40% of sales were to customers who purchase yarn under terms of the regional free-trade agreements.

Sources of Apparel Consumed in the USA



- Slow CAFTA implementation impacted regional sourcing decisions in 2006
- Supply from region expected to grow in 2007, once CAFTA implementation complete

Brands and Retailers see regional supply as vital to global sourcing strategy

Source: Unifi Internal Estimates, OTEXA, American Apparel & Footwear Association, and Census Bureau

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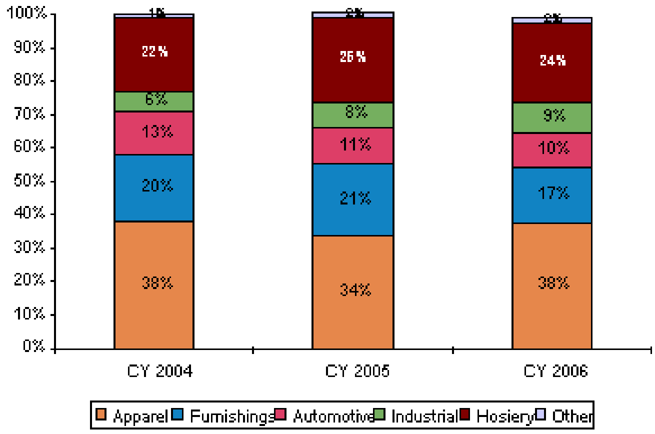
Unifi Sales and Outlook by Segment

Sales by End-Use



Segment Outlook

- Apparel - continues to face import competition at finished product level
  - US market expected to contract
  - Regional production expected to grow
- Home Furnishings - cyclical based on consumer trends
  - Increased importation of imported piece goods
  - Recent credit issues within the supply chain
- Automotive - defensible against imports
  - High quality and just-in-time requirements
  - Profit erosion by shift to piece dyed fabrics
- Industrial - wide variety of applications
  - A focus of profitable growth initiatives
  - Defensible due to uniqueness
- Hosiery – includes socks and ladies sheer hosiery
  - Market decline due to fashion preference
  - Stabilized through supply chain partnership
  - Regional trade development opportunity

Source: Unifi internal estimates

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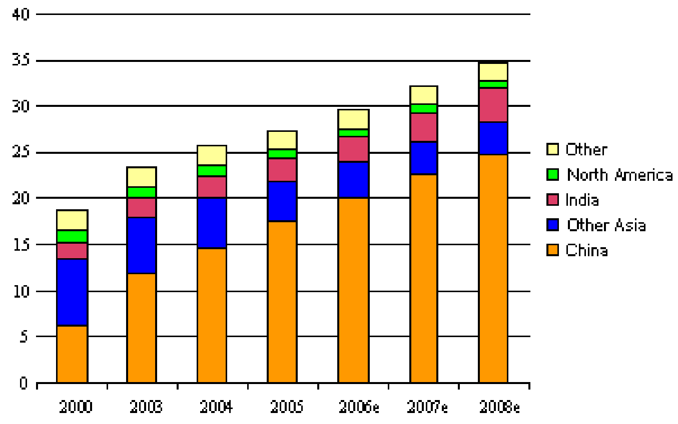
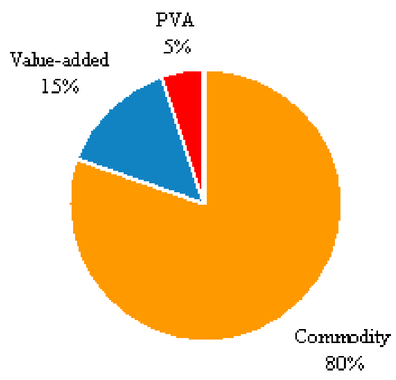
China Joint Venture Overview

Management has created a sustainable platform for Asian expansion

Global Polyester Textile Filament Production



Chinese market segmentation



- China is the center of gravity for polyester textile filament.
- China's share of global polyester textile filament production is estimated at 62% in 2006.
- China's polyester yarn production is growing at an average annual rate of 8%.
- China's specialty yarn market in 2006 is estimated larger than the entire US yarn market

Source: Petrochemical Consulting International (PCI).

Focused Business Strategy

Experienced Management Team

Unifi's management team has significant experience

- Reputation for quality and innovation
- Dedicated to customer relationships
- Proven ability to integrate acquisitions
- Committed to implementing business plan

Management Team

Name	Title	Experience
Brian R. Parke	Chairman of the Board, President and Chief Executive Officer	42 years
William M. Lowe	Vice President, Chief Operating Officer and Chief Financial Officer	3 years
Ronald L. Smith	Treasurer and Head of Investor Relations	16 years
Thomas H. Caudle	Vice President of Global Operations	34 years
William L. Jasper	Vice President of Sales	17 years
R. Roger Berrier	Vice President of Commercial Operations	16 years
Benny L. Holder	Vice President and Chief Information Officer	13 years
Charles F. McCoy	Vice President, Secretary, General Counsel and Corporate Compliance and Governance Officer	7 years
Cumulative Experience		**140+ years**

Driven by Continuous Improvement

Significant operational improvements which have delivered financial results

Operational Restructuring Efforts

- Three key areas: manufacturing efficiencies, cost reductions and profitability
  - Re-alignment of pricing and commercial terms
  - Maximize manufacturing efficiency through consolidation and overhead elimination
  - Refine product mix
- Over the past two years, the Company has consolidated several businesses and production lines in an effort to match overhead costs with operating rates
- On-going efforts to reduce working capital and monetize unproductive assets

Acquisition & JV Efforts

- Entry into Chinese market August 2005 - $30 million invested in Yihua Unifi Fibre Industries ("YUFI") joint venture
- Successfully closed and monetized unproductive Irish assets for $38 million
- Fully integrated Kinston plant acquired from Koch Industries in September 2004
  - Paid off seller financing of $24 million within 9 months of acquisition date
- Begin domestic market consolidation strategy
  - Purchased assets of Dillon yarns for $62.6 million ($42.1 million in cash, $20.5 million in common stock)

Market Consolidation Opportunity

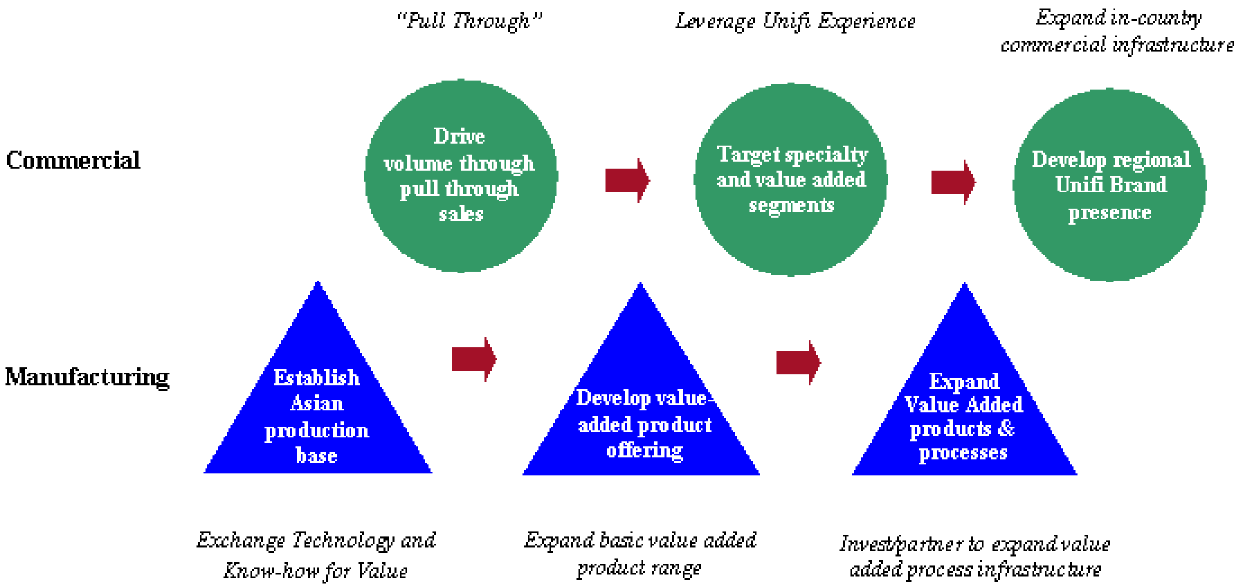
Consolidation of the North American market presents revenue and margin opportunity

- Fragmented North American polyester and nylon markets
  - Competition primarily consists of small privately-held companies which serve only limited markets
  - Characterized by utilization rates of 75 – 95%
- Regional trade protection increases need for U.S. manufactured yarns
  - U.S. retailers have expressed need for balanced procurement
  - Readily available production capacity, quicker response times, customized orders and single-supplier capabilities are crucial to domestic demand
- Innovation, product quality and customer service are key differentiators
  - Unifi is the market leader in development and commercialization of value-added yarns
  - Specialty yarn generates margins 5x – 10x higher than commodity yarn

We plan to selectively pursue acquisitions that offer the potential to strengthen our market position, achieve cost savings and leverage core competencies

Strategy For Asian Expansion

Focused Business Strategy

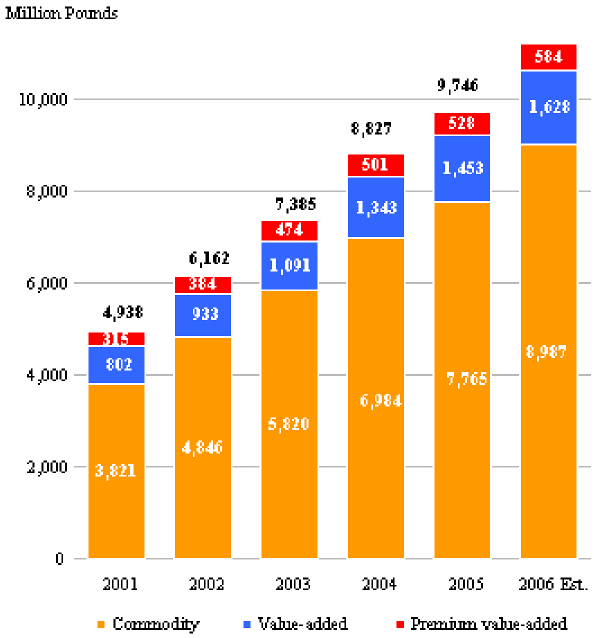


China Joint Venture Overview

Management has created a sustainable platform for Asian expansion

Joint Venture Highlights

- Unifi and Sinopec Yizheng Chemical Fibre Co., Ltd. ("YCFC") formed a 50/50 joint venture in August 2005 with $30 million invested
  - Located in Jiangsu Province, China
  - YCFC is a long-established and highly respected fiber industry leader
  - Immediately leverageable customer base in Asia
  - Unifi personnel manage the day-to-day operations
  - Platform for anticipated further geographic diversification in Asia and expansion into rapidly growing Chinese specialty yarn market
- Chinese Market Dynamics
  - China imports ~ 30% to ~35% of its specialty yarn
  - Imports pay 17% VAT and 8% duty
  - China's domestic demand for polyester yarns is growing at an annual rate of 8%
  - China's specialty yarn market is growing at an annual rate of 10%

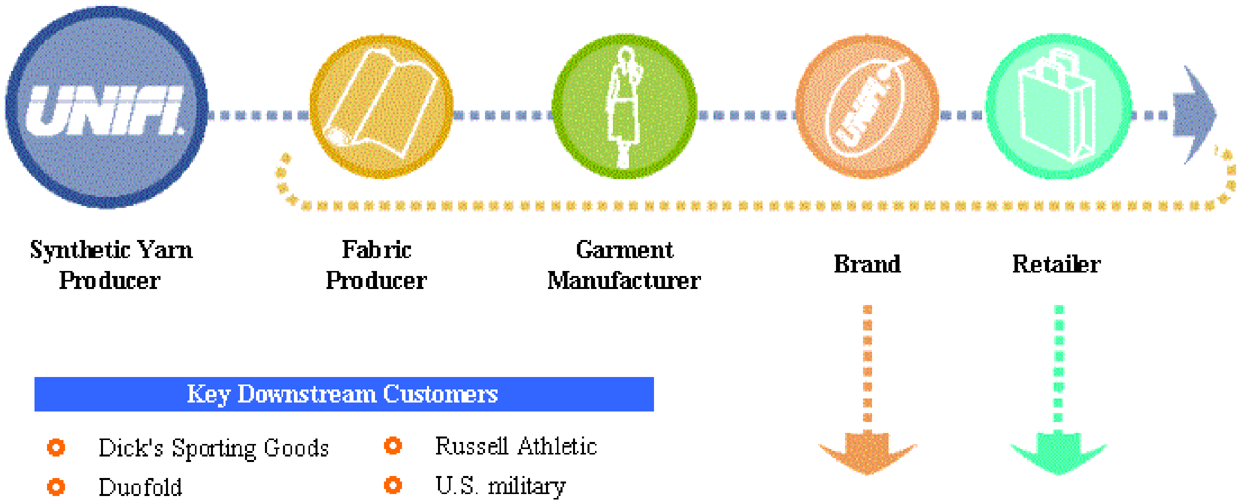


Source: Petrochemical Consulting International (PCI).

Commercialization of Specialty Yarns

Focused Business Strategy

Pull-through sales efforts have driven branded product growth and market awareness



Key Downstream Customers

- Dick's Sporting Goods
- Duofold
- Majestic Athletic
- Marmot
- Costco
- Champion Athletic
- Russell Athletic
- U.S. military
- VF Imagewear
- Wal-Mart
- Eastern Mountain
- JC Penney

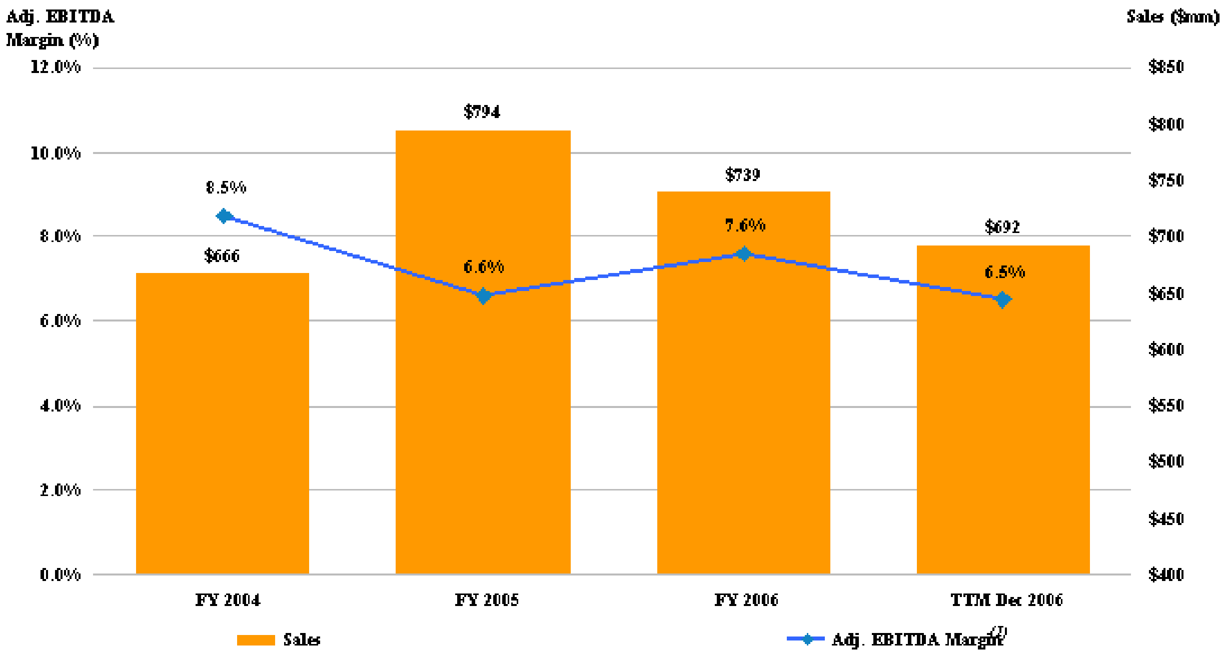
- **Product innovation**
- **Technical expertise**
- **Market intelligence**
- **Merchandising assistance**
- **Trend analysis**

Financial Overview

Quarterly Operations Performance

Management transformed operations and created ability to generate strong cash flows

Recent Performance



1. *Adjusted EBITDA margin is based on Adjusted EBITDA of $44.9 million, $55.9 million, $52.7 million and $57.0 million for the twelve months ended December 24, 2006 and the fiscal years 2006, 2005 and 2004, respectively. See appendix for a reconciliation of Adjusted EBITDA to EBITDA, Net loss and Net cash provided by continuing operating activities.*

Impact of Dillon Acquisition

($ in thousands, except per share data)	**Unifi (Audited) Fiscal 2006**	**Dillon Yarns (Unaudited) Calendar 2005**	**Eliminations**	**Synergies**	**Adjustments**	**Total**
Revenue	738,825	130,923	(40,771)			828,977
Pre-tax income (loss)	(15,896)	7,063	(146)	7,200	(3,398)	(5,177)
Tax expense (benefit)	(1,170)	2,331	(48)	2,376	(1,121)	2,368
Net income (loss)	(14,366)	4,732	(98)	4,824	(2,277)	(7,185)
Adjusted EBITDA	55,873	12,000	(146)	7,200	-	74,927

Notes:

The Dillon transaction is assumed to have occurred effective June 2006

The above disclosures are not in accordance with Regulation S-X in a number of different respects, including that (i) the periods presented are not what would be required, and (ii) certain synergies would not be permitted to be given pro forma effect.

$360 thousand of income from discontinued operations - net of tax is included in Net income (loss) in the Unifi column

Except for the Unifi income tax benefit, an effective tax rate of 33% was assumed

See Appendix for reconciliation of Adjusted EBITDA to EBITDA, Net loss and Net cash provided by continuing operating activities

Adjusted EBITDA for Dillon represents Pre-tax income of $7.1 million plus $4.9 million of depreciation.

Eliminations column reflects sales made from Unifi to Dillon during the twelve months ended June 2006

Synergies include the following:

* $2.0 million benefit relating to additional POY sales
* $4.6 million benefit relating to elimination of overhead; and
* $600 thousand benefit relating to relocation of Dillon's twisting operations to Unifi's twisting operation in NC.

Adjustments include the following (which have no impact on adjusted EBITDA):

* $2.9 million of interest expense; and
* $452 thousand of depreciation and amortization

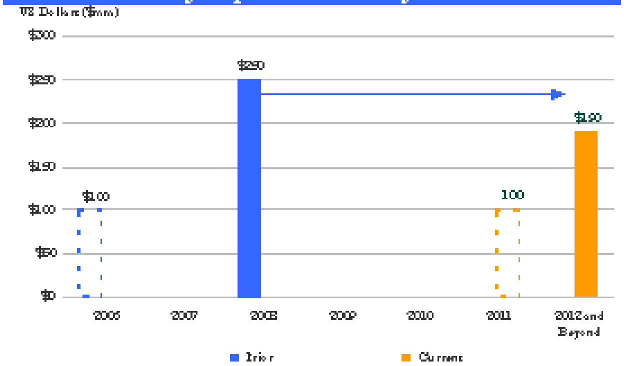
UNIFI®

Stable Liquidity & Capitalization

Unifi has significant liquidity and a stable capital structure

- Continued positive cash flow generation; LTM free cash flow of $17.9 million[1]
  - $1.3 billion of capex since 1992; low maintenance capex requirements in future periods ($10 to $12 million)
  - Continued focus on working capital; improved AR from 61 days to 44 days sales outstanding over last 3 years
  - Continuing to review alternatives regarding investment in Parkdale
  - Potential proceeds from sale of equity affiliate and idle assets held-for-sale
  - Currently not a cash taxpayer
  - Borrowed $43 million January 2007 to fund cash portion of Dillon acquisition; $36 million currently outstanding

Recently Improved Maturity Profile [2]



Current Liquidity Metrics

($ in millions)	Dec 24, 2006
Cash-on-hand	
Domestic	24.4
Foreign	11.2
	35.6
Revolver availability (3)	82.8
Total Liquidity	118.4
Current maturities of long-term debt	8.1
Long-term debt	203.7
Total Debt	211.7

1. *Free cash flow based upon Adjusted EBITDA of $44.9 million less capex of $9.4 million and net interest expense of 17.6 million. See the appendix for a reconciliation of Adjusted EBITDA to EBITDA, Net loss and cash provided by operating activities.*
2. *Hatched boxes represent revolving credit facility.*
3. *Revolver borrowing base includes the option to increase borrowing capacity under the facility by an additional $30.0 million under certain circumstances.*

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Capital Structure Covenants

Unifi has a covenant-light stable capital structure

$190 million of 11.5% 2014 Senior Secured Notes

- No on-going maintenance covenants
- Limited ability to make restricted payments, such as dividends, stock repurchases, permitted investments (including China) or create liens
- Restrictions on use of proceeds from asset sales
- Incurrence of additional indebtedness covenant of 2 to 1 times fixed charge coverage
- No call 4 years - optional redemption thereafter
- Change of control requirement at 101%

Amended Revolving Credit Agreement

- Matures May 15, 2011
- $100 million facility with ability to increase $50 million
- Secured by eligible working capital
- No on-going maintenance covenants, as long as availability is greater than $25 million
- Interested based on LIBOR plus 150 to 225 basis points
  - 25 basis point rebate with fixed coverage ratio greater than 1.5 to 1

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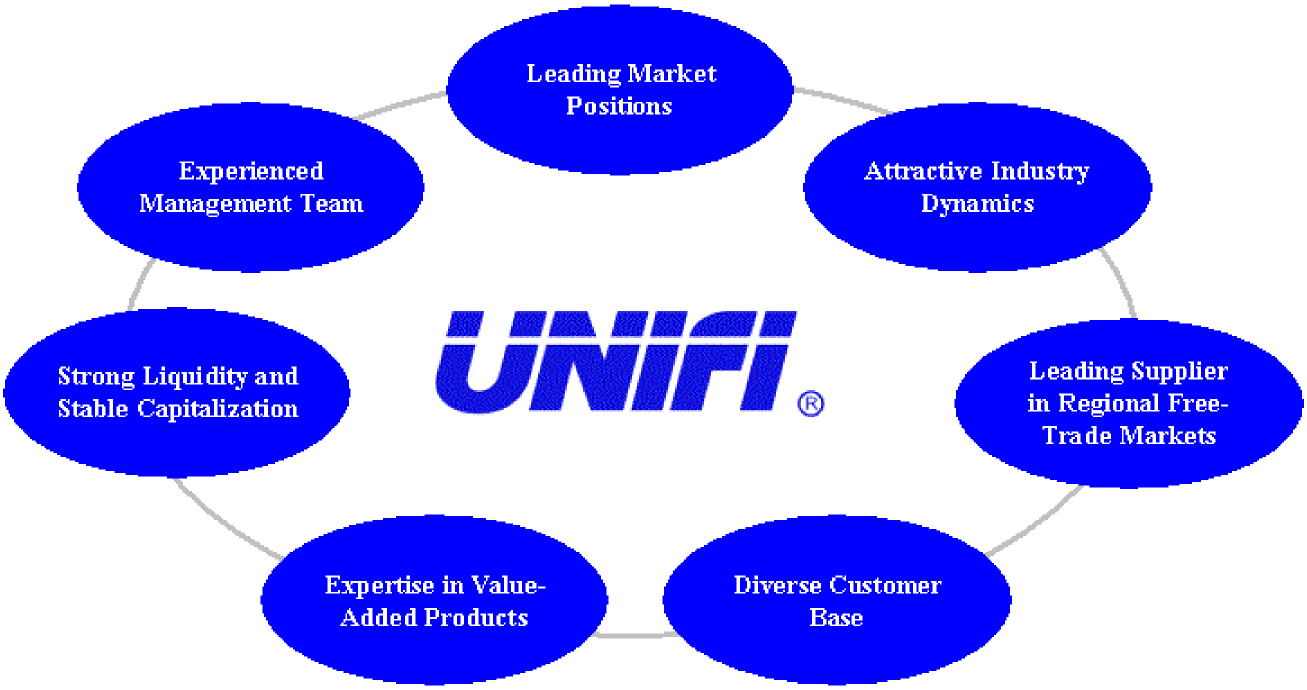
Leading Market Positions
Attractive Industry Dynamics
Leading Supplier in Regional Free-Trade Markets
Diverse Customer Base
Expertise in Value-Added Products
Strong Liquidity and Stable Capitalization
Experienced Management Team
UNIFI®

Appendix

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors.

EBITDA.

EBITDA represents net loss before interest, taxes, depreciation and amortization and loss or income from discontinued operations. We prepare adjusted EBITDA by adjusting EBITDA to eliminate the impact of the following items, which we do not consider indicative of our ongoing operating performance: income (loss) from equity affiliates (net of cash distributions), restructuring charges (recovery), alliance plant closure recovery, non-cash asset impairment charges, non-cash loss on obsolete inventory, non-cash compensation expense, gains or losses from hedging activities, gains on asset sales, non-cash accounts receivable write-offs associated with the bankruptcy of Collins & Aikman Corporation and non-cash expense related to the early extinguishment of debt. We present EBITDA and adjusted EBITDA as supplemental measures of our performance and ability to service debt. We also present EBITDA and adjusted EBITDA because we believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry and in measuring the ability of "high-yield" issuers to meet debt service obligations. We believe EBITDA and adjusted EBITDA are appropriate supplemental measures of debt service capacity, because cash expenditures on interest are, by definition, available to pay interest, and tax expense is inversely correlated to interest expense because tax expense goes down as deductible interest expense goes up; depreciation and amortization are non-cash charges. You are encouraged to evaluate each adjustment and the reasons we consider them appropriate for supplemental analysis. In evaluating EBITDA and adjusted EBITDA, you should be aware that in the future we may incur expenses similar to the adjustments in this presentation. Our presentation of EBITDA and adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our EBITDA measures are not measurements of our financial performance under GAAP and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with GAAP or as alternatives to cash flow from operating activities as measures of our liquidity.

Our EBITDA measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are:

- they do not reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and our EBITDA measures do not reflect any cash requirements for such replacements;
- they are not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- they do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- they do not reflect limitations on or costs related to transferring earnings from our subsidiaries to us; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Our calculation of EBITDA and Adjusted EBITDA reconciled to net loss:	Last Twelve Months Ended December 24, 2006	Fiscal Years Ended June 25, 2006	June 26, 2005	June 27, 2004
				(in thousands)
Net loss	$ (35,107)	$ (14,366)	$ (41,225)	$ (69,793)
Net interest and amortization expense	17,625	14,758	18,423	16,546
Depreciation	45,430	48,669	51,542	56,226
Income taxes	(1,612)	(1,170)	(13,483)	(25,113)
Loss (income) from discontinued operations(a)	1,189	(360)	22,644	25,644
EBITDA(b)	$ 27,525	$ 47,531	$ 37,901	$ 3,510
Income (loss) from equity affiliates, net of cash distributions(c)	6,711	1,945	4,188	10,042
Restructuring charges (recovery)(d)	(283)	(254)	(341)	8,229
Alliance plant closure recovery	—	—	—	(206)
Non-cash asset impairment charges(e)	4,068	2,366	603	38,702
Non-cash loss on obsolete inventory(f)	—	—	3,126	—
Non-cash compensation expense	3,124	676	81	192
Hedging (gain) loss(g)	517	660	(1,067)	548
Gain on sale of assets(h)	241	—	—	(4,049)
Non-cash accounts receivable write-off(i)	—	—	8,184	—
Loss on early extinguishment of debt (j)	2,949	2,949	—	—
Adjusted EBITDA	$ 44,852	$ 55,873	$ 52,675	$ 56,968

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The following table reconciles EBITDA to net cash provided by continuing operating activities:	Last Twelve Months Ended December 24, 2006	June 25, 2006	Fiscal Years Ended June 26, 2005	June 27, 2004
EBITDA	$ 27,525	$ 47,531	$ 37,901	$ 3,510
Extraordinary gain	—	—	(1,157)	—
Net interest and amortization expense	(17,625)	(14,758)	(18,423)	(16,546)
Amortization of debt fees and discounts	1,191	1,276	1,350	1,377
Net (income) loss of unconsolidated equity affiliates, net of tax	6,482	1,945	(2,302)	8,695
Income tax reclassifications from deferreds and other related items	1,612	1,170	13,483	25,113
Net (gain) loss on asset sales	(1,149)	(1,755)	(1,770)	(3,227)
Non-cash portion of loss on extinguishment of debt	1,793	1,793	—	—
Non-cash portion of restructuring charges (recovery)	(283)	(254)	(341)	7,155
Non-cash write down of long-lived assets	4,068	2,366	603	25,241
Non-cash effect of goodwill impairment	—	—	—	13,461
Deferred income taxes	(7,188)	(7,776)	(19,057)	(28,201)
Provision for bad debts	723	1,256	13,172	2,389
Change in surrender value of life insurance	660	1,643	(1,077)	3,107
Minority interest	—	—	(551)	(6,148)
Other	2,392	148	(461)	(731)
Change in assets and liabilities				
Receivables	17,569	10,592	(1,504)	(8,954)
Inventories	(4,761)	(5,844)	20,574	(813)
Other current assets	(2,215)	(1,278)	(901)	(668)
Accounts payables and accrued expenses	(13,027)	(8,504)	(10,933)	(13,539)
Income taxes	(1,144)	542	179	159
Net cash provided by continuing operating activities	$ 16,623	$ 30,093	$ 28,785	$ 11,380

(a) In July 2004, we announced the closing of our European manufacturing operations and associated sales offices. We ceased operating our dyed facility in Manchester, England in June 2004 and ceased our manufacturing operations in Ireland in October 2004. We ceased all other European operations by June 2005 and sold the real property, plant and equipment of our European division in fiscal years 2005 and 2006. In July 2005, we announced that we had decided to exit the sourcing business and, as of the end of fiscal year 2006, we had fully liquidated the business.

(b) EBITDA includes $1.1 million, $1.8 million, $0.8 million and $0.6 million of interest income at Unifi do Brasil, Ltda, our Brazilian subsidiary, which were recorded as other (income) expenses, net and would, if recorded as interest income, offset our net interest expense in the twelve months ended December 24, 2006 and fiscal years 2006, 2005 and 2004, respectively. Giving effect to such offsets, EBITDA would have been $26.4, $45.7 million, $37.1 million and $2.9 million for the twelve months ended December 24, 2006 and fiscal years 2006, 2005 and 2004, respectively. We expect to record such amounts as interest income in future periods.

(c) Represents the elimination of net income or loss from equity investees and the recognition of cash income and other distributions received from those equity investees in the relevant periods. Cash distributions received in the twelve months ended December 24, 2006 and fiscal years 2006, 2005 and 2004 were $0.9 million, $2.8 million, $11.1 million and $3.2 million, respectively.

(d) Represents restructuring charges and recoveries in connection with:

- in fiscal year 2006, a re-organization of certain business operations;
- in the fourth quarter of fiscal year 2005, the recovery of a restructuring reserve taken in fiscal year 2001 relating to the closure of a facility related to our alliance with E.I. DuPont de Nemours, or DuPont; and
- in fiscal year 2004, employee severance costs related to domestic restructuring efforts and the closure of our air jet texturing facility in Altamahaw, NC.

(e) Represents non-cash impairment charges with respect to:

- in the twelve months ended December 24, 2006, the decision to sell a previously leased plant in Reidsville, NC and the closing of a nylon plant, warehouse and central distribution center located in Mayodan, NC;
- in fiscal year 2006, the closing of a nylon plant, warehouse and central distribution center located in Mayodan, NC;
- in fiscal year 2005, the write down of 166 machines held by our nylon business in connection with their sale; and
- in fiscal year 2004, the write down of $13.5 million of goodwill related to Unifi Textured Polyester, LLC, a domestic polyester joint venture, and a $25.2 million impairment of fixed assets in our domestic polyester segment.

(f) In the fourth quarter of fiscal year 2005, we reduced our inventories, including certain slow-moving items, in order to improve our cash position and reduce our working capital requirements. This item represents the difference between the carrying value of such slow-moving inventory and the sales price that was realized.

(g) Relates to gains and losses relating to the purchase of raw materials and foreign currency hedging activities in the ordinary course of business.

(h) Relates to the sale of a corporate aircraft.

(i) Represents a non-cash, non-recurring charge relating to the write-off of accounts receivable of Collins & Aikman Corporation in connection with the bankruptcy of Collins & Aikman. Our bad debt expense for fiscal years 2006, 2005 and 2004 was $1.3 million, $13.2 million and $2.4 million, respectively. Excluding the bad debt expense of $8.2 million associated with the bankruptcy of Collins & Aikman, our bad debt expense for fiscal year 2005 would have been $5.0 million.

(j) Represents the write-off of previously capitalized costs relating 2008 Senior Notes, which were tendered in May 2006.