

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):
October 19, 2004

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:

- [] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.05. COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES

On October 19, 2004, Unifi, Inc. committed to a plan of termination relating to its recently acquired manufacturing facility in Kinston, NC. The operations were acquired on September 30, 2004, and the plan of termination calls for a reduction in the workforce of approximately 500 full-service and contract employees. The timing of the terminations will coincide with the shutting of two lines of production which are scheduled to occur in December 2004 and March 2005. Management estimates that the costs associated with the termination benefits will be within a range of \$9 - \$11 million and, at this time, it is management's opinion that the liability will be accrued on the opening acquisition balance sheet. The expected future cash expenditures are estimated to be within a range of \$9 - \$11 million, and it is expected that the payments will be substantially completed by March 2006. Additional details regarding the rationalization plans for the manufacturing facility in Kinston, NC are described in the news release attached as Exhibit 99.1 to this report, which is incorporated herein by reference.

ITEM 8.01. OTHER EVENTS

On October 19, 2004, Unifi, Inc. issued a news release concerning its rationalization plans at its newly-acquired manufacturing facility in Kinston, NC, a copy of which is attached hereto as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

The following exhibit is filed herewith:

EXHIBIT NO.

DESCRIPTION OF EXHIBIT

99.1 News Release disseminated on October 19, 2004 by Unifi, Inc. concerning its rationalization plans at its newly acquired manufacturing facility in Kinston, NC.

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: October 21, 2004

INDEX TO EXHIBITS

EXHIBIT NO.

DESCRIPTION OF EXHIBIT

99.1 News Release disseminated on October 19, 2004 by Unifi, Inc. concerning its rationalization plans at its newly acquired Kinston Operations.

For more information, contact:

William M. Lowe, Jr.
Vice President
Chief Operating Officer
Chief Financial Officer
336.316.5664

UNIFI ANNOUNCES RATIONALIZATION PLANS AT ITS RECENTLY ACQUIRED KINSTON OPERATIONS

GREENSBORO, N.C. - October 19, 2004 - Unifi, Inc. (NYSE: UFI) today announced that it will be shutting two production lines and downsizing its recently acquired Kinston, North Carolina facility. The Company operates four production lines at the facility currently. The Company expects to close a line in December 2004 and the second line by March 31, 2005.

The Company acquired the Kinston facility on September 30, 2004 in a transaction valued at approximately \$22.5 million. The acquisition resulted in a more vertically integrated base of operations for the Company in the U.S. through the addition of polymer spinning. As a part of the agreement, the manufacturing alliance between Unifi and INVISTA and all related agreements were terminated.

"At the time we announced this acquisition, we stated that our first priority would be to streamline the product mix and production lines between Kinston and our existing domestic polyester operations to optimize capacity to fit the market," said Bill Lowe, Chief Operating Officer and Chief Financial Officer for Unifi. "This is one of the first major steps that we are taking quickly to get this operation on track and contributing positively to our operating results. This is a coordinated effort with our other polyester operations to exit non-profitable business and establish a solid base upon which to build value in the future for our shareholders, bondholders, and employees."

The Kinston facility currently has approximately 740 full-service and contract employees. The Company estimates that after production ceases on these two production lines that it will employ approximately 250 full-service employees at the site.

The Company will review its plan for the Kinston facility in more detail on its quarterly earnings call scheduled for 3:00 p.m., Thursday, October 21, 2004.

Unifi is one of the world's leading producers and processors of textured yarns. 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. For more information, please visit www.unifi-inc.com.

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Forward-Looking Statements:

Unifi Announces Rationalization Plans At Its Recently Acquired Kinston Operations - Page 2

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

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, 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. 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.

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