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):
October 30, 2008

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, including zip code)

(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.

On October 30, 2008, Unifi, Inc. (the “Registrant”) issued a press release announcing its preliminary operating results for its first fiscal quarter ended September 28, 2008, which press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

ITEM 7.01. REGULATION FD DISCLOSURE.

On October 30, 2008, the Registrant will host a conference call to discuss its preliminary operating results for its first fiscal quarter ended September 28, 2008. The slide package prepared for use by executive management for this presentation is attached hereto as Exhibit 99.2. All of the information in the presentation is presented as of October 30, 2008, and the Registrant does not assume any obligation to update such information in the future.

The information included in the preceding paragraph, as well as the exhibit referenced therein, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

ITEM 8.01. OTHER EVENTS.

On October 30, 2008, the Registrant issued a press release announcing its preliminary operating results for its first fiscal quarter ended September 28, 2008, which press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
99.1	Press Release dated October 30, 2008 with respect to the Registrant’s preliminary operating results for its fiscal quarter ended September 28, 2008.
99.2	Slide Package prepared for use in connection with the Registrant’s conference call to be held on October 30, 2008.

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 30, 2008

INDEX TO EXHIBITS

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For more information, contact:
Ronald L. Smith
Chief Financial Officer
(336) 316-5545

Unifi Announces First Quarter Results

GREENSBORO, N.C. – October 30, 2008 – Unifi, Inc. (NYSE:UFI) today released preliminary operating results for its first fiscal quarter ended September 28, 2008.

For the September quarter, income from continuing operations before taxes was $1.3 million and net income was a loss of $676 thousand or $0.01 per share, which compares to a loss from continuing operations before taxes of $16.1 million and a net loss of $9.2 million or $0.15 per share in the prior September quarter. Increased sales of the Company's premium value-added yarns and other product mix enrichments contributed to year-over-year margin improvements and the prior year quarter was negatively impacted by approximately $11 million of restructuring and impairment costs.

Net sales for the current quarter were $169.0 million, which represents a slight decrease from net sales of $170.5 million for the prior year September quarter. Net sales were positively impacted by volume gains in Brazil and strength in the Company's nylon business, which continues to be driven by consumer and fashion preferences.

"During the quarter, volume started out ahead of plan but softened in September as the economy weakened," said Ron Smith, Chief Financial Officer for Unifi. "Our results for the quarter confirm that the Company's strategies to focus on our core business and develop our portfolio of premium value-added products, while exploring growth opportunities in China and Brazil, are the correct ones for our business. We are

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reacting quickly and decisively to an uncertain market caused by the economic slow down and significant fluctuations in our raw material prices. This price volatility, combined with softening volumes, will have a negative impact on our conversion margin in the December quarter, but we expect to see improvement as we move into the second half of our fiscal year."

Cash-on-hand at the end of September was $20.4 million, which increased slightly from the $20.2 million cash-on-hand at the end of June. Total cash and cash equivalents at the end of September, including restricted cash, were $47.7 million compared to $55.6 million at the end of June. Going forward, restricted cash now includes deposits in Brazil, which secure VAT tax incentive loans, as well as the domestic cash restricted primarily for capital expenditures in accordance with the Company's long-term borrowing agreements. At the end of September, long-term debt was reduced to $196.5 million from $201.8 million as the Company repaid the remaining $3 million of outstanding borrowings under its revolver from the June quarter end.

Bill Jasper, President and CEO of Unifi, said, "The continuing decline in sales of existing homes and cars and light trucks began taking a toll on our volume in the home furnishings and automotive business segments during the quarter, and we expect the ongoing softness in the economy to make our December quarter a challenging one. However, we will face these challenges with a strong financial base and flexibility that we have not had in the past, including the ability to shift the supply of our raw materials to the most competitive sources and to adjust our mix more efficiently and effectively. We feel confident that the Company will emerge from the economic downturn stronger and with new opportunities based on the actions we have taken over the past year to enhance our overall financial strength."

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Unifi, Inc. (NYSE: UFI) is a diversified producer and processor of multi-filament polyester and nylon textured yarns and related raw materials. The Company adds value to the supply chain and enhances consumer demand for its products through the development and introduction of branded yarns that provide unique performance, comfort and aesthetic advantages. Key Unifi brands include, but are not limited to: AIO® — all-in-one performance yarns, SORBTEK®, A.M.Y.®, MYNX® UV, REPREVE®, REFLEXX®, MICROVISTA® and SATURA®. Unifi's yarns and brands are readily found in home furnishings, apparel, legwear, and sewing thread, as well as industrial, automotive, military, and medical applications. For more information about Unifi, visit www.unifi.com, or to learn more about REPREVE®, visit the new website www.repreve.com.

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Financial Statements to Follow

UNIFI, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited) (In Thousands Except Per Share Data)

	For the Quarters Ended	
	September 28 , 2008	September 23, 2007
Net sales	$ 169,009	$ 170,536
Cost of sales	155,584	159,543
Selling, general & administrative expenses	10,545	14,454
Provision for bad debts	558	254
Interest expense	5,965	6,712
Interest income	(913)	(826)
Other (income) expense, net	(561)	(1,006)
Equity in earnings of unconsolidated affiliates	(3,482)	(178)
Write down of long-lived assets	—	533
Write down of investment in unconsolidated affiliate	—	4,505
Restructuring charges	—	2,632
Income (loss) from continuing operations before income taxes	1,313	(16,087)
Provision (benefit) for income taxes	1,885	(6,931)
Loss from continuing operations	(572)	(9,156)
Loss from discontinued operations, net of tax	(104)	(32)
Net loss	$ (676)	$ (9,188)
Loss per common share (basic and diluted):		
Net loss — continuing operations	$ (0.01)	$ (0.15)
Net loss — discontinued operations	—	—
Net loss — basic and diluted	$ (0.01)	$ (0.15)
Weighted average basic and diluted shares outstanding	61,134	60,537

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UNIFI, INC.
CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	September 28, 2008 (Unaudited)	June 29, 2008
Assets		
Cash and cash equivalents	$ 20,396	$ 20,248
Receivables, net	95,247	103,272
Inventories	127,994	122,890
Deferred income taxes	1,962	2,357
Assets held for sale	3,808	4,124
Restricted cash	7,308	9,314
Other current assets	4,290	3,693
Total current assets	261,005	265,898
Property, plant and equipment, net	167,845	177,299
Investments in unconsolidated affiliates	71,950	70,562
Restricted cash	19,989	26,048
Goodwill	18,579	18,579
Intangible assets, net	19,607	20,386
Other noncurrent assets	11,698	12,759
	$ 570,673	$ 591,531
Liabilities and Shareholders' Equity		
Accounts payable	$ 43,897	$ 44,553
Accrued expenses	26,061	25,531
Income taxes payable	832	681
Current maturities of long-term debt and other current liabilities	7,729	9,805
Total current liabilities	78,519	80,570
Long-term debt and other liabilities	198,518	204,366
Deferred income taxes	657	926
Shareholders' equity	292,979	305,669
	$ 570,673	$ 591,531

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UNIFI, INC.
CONSOLIDATED STATEMENTS OF CASHFLOWS
(Unaudited) (Amounts in Thousands)

	For the Quarters Ended	
	September 28 , 2008	September 23, 2007
Cash and cash equivalents at beginning of year	$ 20,248	$ 40,031
Operating activities:		
Net loss	(676)	(9,188)
Adjustments to reconcile net loss to net cash provided by (used in) continuing operating activities:		
Loss from discontinued operations	104	32
Earnings of unconsolidated equity affiliates, net of distributions	(1,417)	282
Depreciation	8,980	9,599
Amortization	1,069	1,162
Stock-based compensation expense	282	107
Deferred compensation expense, net	(81)	30
Net gain on asset sales	(316)	(142)
Non-cash write down of long-lived assets	—	533
Non-cash write down of investment in equity affiliate	—	4,505
Non-cash portion of restructuring charges	—	2,632
Deferred income tax benefit	(115)	(7,524)
Provision for bad debts	558	254
Other	296	(473)
Change in assets and liabilities, excluding effects of acquisitions and foreign currency adjustments	(6,082)	(3,016)
Net cash provided by (used in) continuing operating activities	2,602	(1,207)
Investing activities:		
Capital expenditures	(3,569)	(1,064)
Change in restricted cash	5,183	(915)
Proceeds from sale of capital assets	101	2,216
Return of capital from equity affiliate	—	234
Other	(94)	264
Net cash provided by investing activities	1,621	735
Financing activities:		
Borrowings of long-term debt	4,600	157
Payments of long-term debt	(9,080)	(6,705)
Proceeds from stock option exercises	3,551	—
Other	37	33
Net cash used in financing activities	(892)	(6,515)
Cash flows of discontinued operations:		
Operating cash flow	(114)	(78)
Net cash used in discontinued operations	(114)	(78)
Effect of exchange rate changes on cash and cash equivalents	(3,069)	893
Net increase (decrease) in cash and cash equivalents	148	(6,172)
Cash and cash equivalents at end of period	$ 20,396	$ 33,859

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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, 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, 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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Unifi, Inc.

First Quarter Ended
September 28, 2008

Conference Call

Cautionary Statement

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Unifi, Inc.
First Qtr. Conf. Call
October 30, 2008

Income Statement Highlights

(Amounts in thousands)

	For the Quarters Ended	
	September 2008	September 2007
Total sales from continuing operations	$169,009	$170,536
Income (loss) from continuing operations before income taxes	1,313	(16,087)
Loss from continuing operations	(572)	(9,156)
Selling, general and administrative expense	10,545	14,454
Interest expense	5,965	6,712
Depreciation and amortization expense	9,758	10,470
Net loss	(676)	(9,188)

Volume and Pricing Highlights

(Amounts in thousands, except percentages)

	For the Quarter Ended Sept. 2008 as Compared to Sept. 2007		For the Quarter Ended Sept. 2008 as Compared to June 2008	
	Volume	Price	Volume	Price
Polyester	-16.0%	11.1%	-13.4%	1.4%
Nylon	14.6%	-2.7%	-6.4%	-1.2%
Consolidated	-13.0%	12.1%	-12.6%	1.7%

Balance Sheet Highlights

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

	September 2008	June 2008	March 2008	December 2007
Cash	$ 20,396	$ 20,248	$ 26,187	$ 25,775
Restricted Cash-Domestic	14,543	18,246	16,374	18,846
Restricted Cash-Foreign Deposits	12,754	17,116	16,424	16,095
Short-Term Debt	7,651	9,657	9,382	10,247
Long-Term Debt	196,481	201,801	218,384	223,814
Total Debt	$ 204,132	$ 211,458	$ 227,766	$ 234,061
Equity	292,979	305,669	296,560	294,947
Net Working Capital (1)	$ 153,642	$ 156,469	$ 153,111	$ 145,649
Days in receivables	51.4	49.7	53.3	49.4
Days in payables	23.4	21.4	23.7	22.8

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

Equity Affiliates Highlights

(Amounts in thousands, except percentages)

	Quarter Ended September 2008	
	Earnings (Loss)	Distributions
Parkdale America (34%)	$ 3,450	$ 2,065
UNF (50%)	32	—
Total earnings	$ 3,482	$ 2,065

Unifi, Inc.
First Qtr. Conf. Call
October 30, 2008

Adjusted EBITDA Reconciliation
to Pre-Tax Income

(Amounts in thousands)

	September 28, 2008	September 23, 2007
Pre-tax income (loss) from continuing operations	$ 1,313	$ (16,087)
Interest expense, net	5,052	5,886
Depreciation and amortization expense	9,758	10,470
Equity in earnings of unconsolidated equity affiliates	(3,482)	(178)
Non-cash compensation, net of distributions	201	109
Gain on sales of PP&E	(315)	(142)
Hedging (gains) losses	86	(115)
Write down of long-lived assets & equity affiliate	—	5,038
Restructuring charges	—	2,632
SG&A severance charges	—	2,368
Asset consolidation and optimization expense	1,240	—
Kinston shutdown expenses	30	822
Deposit write offs	—	1,248
Adjusted EBITDA	$ 13,883	$ 12,051

Non-GAAP

Financial Measures

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.

Adjusted EBITDA

Adjusted EBITDA represents pre-tax income before interest expense, depreciation and amortization expense and loss or income from discontinued operations, adjusted to exclude restructuring charges, SG&A severance charges, equity in earnings and losses of unconsolidated affiliates, write down of long-lived assets and equity affiliate, non-cash compensation expense, gains and losses on sales of property, plant and equipment, hedging gains and losses, deposit write offs, asset consolidation and optimization expense, and Kinston shutdown costs. We present Adjusted EBITDA as a supplemental measure of our performance and ability to service debt. We also present Adjusted EBITDA because we believe such measure is 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 Adjusted EBITDA is an appropriate supplemental measure 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. Equity in earnings and losses of unconsolidated affiliates is excluded because such earnings or losses do not have an impact on our ability to service our debt. The other items excluded from Adjusted EBITDA are excluded in order to better reflect our continuing operations.

In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

Non-GAAP

Financial Measures – continued

Our Adjusted EBITDA measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- it does not reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does 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 Adjusted EBITDA measure does not reflect any cash requirements for such replacements;
- it is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- it does not reflect the impact of earnings or charges resulting from matters we consider not be indicative of our ongoing operations;
- it does not reflect limitations on or costs related to transferring earnings from our subsidiaries to us; and
- other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations, including those under the notes. You should compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only supplementally.