

UNIFI INC  
Form 10-Q  
November 05, 2010

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

FORM 10-Q

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

For the quarterly period ended September 26, 2010

OR

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

For the transition period from            to

Commission File Number: 1-10542

UNIFI, INC.  
(Exact name of registrant as specified in its charter)

New York	11-2165495
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P.O. Box 19109 - 7201 West Friendly Avenue Greensboro, NC	27419
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of “large accelerated filer”, “accelerated filer”, and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller Reporting Company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of the issuer’s common stock, par value \$.10 per share, as of November 4, 2010 was 20,059,544.

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UNIFI, INC.  
Form 10-Q for the Quarterly Period Ended September 26, 2010

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Part I. Financial Information  
Item 1. Financial Statements

UNIFI, INC.  
Condensed Consolidated Balance Sheets  
(Amounts in thousands)

	September 26, 2010 (Unaudited)	June 27, 2010
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$26,274	\$42,691
Receivables, net	95,404	91,243
Inventories	120,410	111,007
Deferred income taxes	1,647	1,623
Other current assets	9,465	6,119
Total current assets	253,200	252,683
Property, plant and equipment	757,069	747,857
Less accumulated depreciation	(604,732 )	(596,358 )
	152,337	151,499
Intangible assets, net	13,496	14,135
Investments in unconsolidated affiliates	80,494	73,543
Other non-current assets	9,795	12,605
Total assets	\$509,322	\$504,465
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$45,093	\$40,662
Accrued expenses	18,827	21,725
Income taxes payable	1,368	505
Current portion of notes payable	—	15,000
Current maturities of long-term debt and other liabilities	327	327
Total current liabilities	65,615	78,219
Notes payable, less current portion	163,722	163,722
Long-term debt and other liabilities	2,700	2,531
Deferred income taxes	255	97
Commitments and contingencies		
Shareholders' equity:		
Common stock (a)	2,006	2,006
Capital in excess of par value (a)	31,770	31,579
Retained earnings	226,418	216,183
Accumulated other comprehensive income	16,836	10,128
	277,030	259,896
Total liabilities and shareholders' equity	\$509,322	\$504,465

(a) All outstanding share amounts and computations using such amounts have been retroactively adjusted to reflect the November 3, 2010 1-for-3 reverse stock split.

See accompanying notes to condensed consolidated financial statements.

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UNIFI, INC.  
 Condensed Consolidated Statements of Operations  
 (Unaudited) (Amounts in thousands, except per share data)

	For the Quarters Ended	
	September 26, 2010	September 27, 2009
Summary of Operations:		
Net sales	\$ 174,020	\$ 142,851
Cost of sales	152,857	123,445
Restructuring charges	363	—
Write down of long-lived assets	—	100
Selling, general and administrative expenses	11,127	11,164
(Benefit) provision for bad debts	(41 )	576
Other operating expense (income), net	243	(87 )
Non-operating (income) expense:		
Interest income	(743 )	(746 )
Interest expense	5,269	5,492
Loss (gain) on extinguishment of debt	1,144	(54 )
Equity in earnings of unconsolidated affiliates	(8,951 )	(2,063 )
Income from operations before income taxes	12,752	5,024
Provision for income taxes	2,517	2,535
Net income	\$ 10,235	\$ 2,489