

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

Effective January 1, 2007, Unifi Manufacturing, Inc. ("UMI"), a North Carolina corporation and wholly owned subsidiary of Unifi, Inc. (the "Company"), completed its acquisition of certain assets and assumed certain liabilities from Dillon Yarn Corporation, a South Carolina corporation ("Dillon"), related to or used in Dillon's textured nylon and polyester yarn businesses (the "Acquisition"). The Acquisition was consummated pursuant to the previously filed Asset Purchase Agreement between UMI and Dillon dated October 25, 2006 (the "Purchase Agreement"), subsequently amended pursuant to an Amendment to Purchase Agreement dated as of January 1, 2007 (the "Amendment"). A copy of the Amendment is attached hereto as Exhibit 10.2 and incorporated herein by reference. The aggregate consideration paid in connection with the Acquisition was approximately \$62.5 million, consisting of a combination of approximately \$42.0 million in cash, subject to post-closing adjustment, and approximately 8.3 million shares of common stock of the Company valued at approximately \$20.5 million.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

| EXHIBIT NO. | DESCRIPTION OF EXHIBIT |
|-------------|---|
| 10.1 | Asset Purchase Agreement dated October 25, 2006, incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 25, 2006. |
| 10.2 | Amendment to Asset Purchase Agreement dated as of January 1, 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: January 4, 2007

INDEX TO EXHIBITS

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