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**UNIFI INC**

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UNIFI, INC.

561,873 SHARES

COMMON STOCK

This Prospectus relates to the registration of 561,873 shares (the "Shares") of Common Stock (the "Common Stock") of Unifi, Inc. ("Unifi" or the "Company"). The Shares may be offered and sold from time to time for the account of certain shareholders of the Company (the "Selling Shareholders"). The Shares were issued to the Selling Shareholders in a private placement made in connection with the acquisition by the Company of SI Holding Company ("SI Holding"). The Shares may be offered and sold in transactions on the New York Stock Exchange, Inc. ("NYSE"), in negotiated transactions, at fixed prices which may be changed, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices.

Resales of the Shares by the Selling Shareholders are subject to prospectus delivery and other requirements of the Securities Act of 1933, as amended (the "Securities Act"). The Selling Shareholders and any brokers, dealers or agents that participate with any of the Selling Shareholders in the distribution of the Shares may be deemed to be "underwriters" within the meaning of the Securities Act, and any commissions received by them and any profit on the resale of the Shares may be deemed to be underwriting commissions or discounts under the Securities Act. See "The Selling Shareholders" and "Plan of Distribution."

Unifi will not receive any of the proceeds from the sale of the Shares, but will bear all expenses incurred in effecting the registration of the Shares, including all registration and filing fees, printing expenses, the legal fees of counsel to Unifi and the legal fees of counsel to the Selling Shareholders up to an aggregate of \$7,500. The Selling Shareholders will bear all brokerage or underwriting expenses or commissions, if any, applicable to the Shares and any other fees and expenses not paid by the Company.

The Common Stock is traded on the NYSE under the symbol "UFI." On December 16, 1997, the last reported sale price of the Common Stock on the NYSE was \$40.875 per share.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Selling Shareholders	Proceeds to Company
----- Total Per Share	----- See Text Above	----- See Text Above	----- See Text Above	----- See Text Above

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is December 17, 1997

#### AVAILABLE INFORMATION

Unifi is subject to certain of the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as a corporation with a class of securities registered pursuant to Section 12(b) thereof and in accordance therewith files certain reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference room of the Commission, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and copies of such materials can be obtained by mail from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. The Commission maintains an Internet web site that contains reports, proxy and information statements and other information regarding issuers who file electronically with the Commission. The address of that site is <http://www.sec.gov>. In addition, copies of such materials are available for inspection and reproduction at the public reference facilities of the Commission at its New York Regional Office, 7 World Trade Center, Suite 1300, New York, New York 10048; and at its Chicago Regional Office, Suite 1400, 500 West Madison Street, Chicago, Illinois 60661-2511. Reports, proxy statements and other information concerning Unifi also may be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents previously filed by Unifi with the

Commission pursuant to Section 13 of the Exchange Act are hereby incorporated by reference in this Prospectus:

- (a) Unifi's Annual Report on Form 10-K for the year ended June 29, 1997;
- (b) Unifi's Quarterly Report on Form 10-Q for the quarter ended September 28, 1997;
- (c) Unifi's Current Report on Form 8-K filed on July 15, 1997; and
- (d) The description of the Unifi Common Stock contained in its Registration Statement on Form 8-A filed with the Commission on May 23, 1990.

All reports and any definitive proxy or information statements filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering hereby of the Shares shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will promptly provide without charge to each person to whom this Prospectus is delivered, upon written or oral request, a copy of any or all of the documents incorporated herein by reference (other than exhibits to such documents which are not specifically incorporated by reference in such documents). Requests for such copies should be directed to Willis C. Moore, III, Senior Vice President and Chief Financial Officer, Unifi, Inc., 7201 West Friendly Avenue, Greensboro, North Carolina 27410, telephone (910) 294-4410.

#### THE COMPANY

Unifi is one of the largest and most diversified processors of yarn in the world, marketing products to over 1,000 customers worldwide. Unifi, together with its subsidiaries, is engaged in the business of texturing polyester and nylon filament fiber to produce polyester and nylon yarns, dyed yarns and spandex yarns

covered with nylon and polyester. Unifi sells its polyester and nylon products to knitters and weavers that produce fabrics for the apparel, industrial, ladies' and men's hosiery, home furnishings, automobile upholstery and other end use markets. Unifi also has a 34% ownership in Parkdale America, LLC, which is one of the United States' largest processors of spun cotton yarn and cotton blend yarns.

Texturing polyester and nylon filament fiber involves the processing of partially oriented yarn ("POY"), which is either raw polyester or nylon filament fiber purchased from chemical manufacturers, to give it greater bulk, strength, stretch, consistent dyeability and a softer feel, thereby making it suitable for use in knitting and weaving of fabrics. The texturing process involves the use of high speed machines to draw, heat and twist the POY to produce yarn having various physical characteristics, depending on its ultimate end use. The POY used by Unifi is produced from the polymerization, extrusion and spinning of a chemical base. The primary suppliers of POY to Unifi are E.I. DuPont de Nemours and Co., Nan Ya Plastics Corporation of America, Hoechst Celanese Corporation and Wellman Industries, Inc., with the majority of Unifi's POY being supplied by DuPont.

Unifi maintains a total of 16 manufacturing and warehousing facilities and one central distribution center in North Carolina, one manufacturing and related warehousing facility in Staunton, Virginia, one central distribution center in Fort Payne, Alabama, and one manufacturing and related warehousing facility in Letterkenny, County of Donegal, Republic of Ireland. Unifi maintains sales offices in New York, New York, Coleshill, England, Lyon, France, and Oberkotzau, Germany, and has a representative office in Tokyo, Japan.

Unifi also leases its corporate headquarters building at 7201 West Friendly Avenue, Greensboro, North Carolina, telephone number (910) 294-4410.

#### USE OF PROCEEDS

The net proceeds from the sale of the Common Stock to which this Prospectus relates will be received by the Selling Shareholders, and Unifi will not receive any such proceeds.

#### SELLING SHAREHOLDERS

The Selling Shareholders, listed below, acquired the Shares in exchange for shares of SI Holding, which was acquired by Unifi in a merger transaction consummated on November 14, 1997. The offer and sale of the Shares was exempt from registration under the Securities Act pursuant to Section 4(2) thereof. The Company has agreed to register the Shares for resale by the Selling

Shareholders.

The following table sets forth, as of the date hereof, the names of the Selling Shareholders, the shares of Common Stock owned by each of the Selling Shareholders prior to this offering, the shares of Common Stock to be offered from time to time by each of them, and the shares of Common Stock to be owned by each of the Selling Shareholders after completion of this offering. The information concerning the Selling Shareholders may change from time to time, and any such changed information will be set forth in supplements to this Prospectus if and when necessary. The Company is not aware of any agreements, arrangements or understandings with respect to the sale of any of the Shares. The Shares are being registered to permit public secondary trading of the Shares, and the Selling Shareholders may offer the Shares for resale from time to time. Except as provided below, none of the Selling Shareholders has had a material relationship with Unifi within the past three years other than as a result of the acquisition and ownership of the Shares. See "Plan of Distribution."

Selling Shareholder	Shares Owned(1)	Shares Being Offered(2)	Shares to be Owned After Sale
Lamar Beach(3) (10)	181,545	181,545	0
Gladys C. Beach(3) (10)	181,545	181,545	0
Beach Partners, LP(10)	265,782	265,782	0
Jeffrey L. Beach(4) (10)	21,191	21,191	0
Mary Beach(4)	21,191	21,191	0
Jeffrey L. Beach U/A/D 2/28/92, Hugh F. Beckwith, Jr., Trustee	24,485	24,485	0
Melanie B. Abbott(5) (10)	21,191	21,191	0
Charles Abbott(5)	21,191	21,191	0
Melanie Beach Abbott U/A/D 2/28/92, Hugh F. Beckwith, Jr., Trustee	24,485	24,485	0
Hugh F. Beckwith, Jr.(6)	54,455	54,455	0
Donaldson, Lufkin & Jenrette Securities Corporation, FBO Hugh F. Beckwith, Jr.	1,469	1,469	0
Fred A. Williams(7)	4,897	4,897	0
Donaldson, Lufkin & Jenrette Securities Corporation, FBO Fred A. Williams	979	979	0
Craig Macnab(8)	11,049	11,049	0
J.C. Bradford & Co. Retirement Accumulation Plan, A/C Craig Macnab	2,449	2,449	0
MacNeil Advisors	2,449	2,449	0
George R. Perkins, Jr.(9)	938,644	1,763	936,881

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- (1) Beneficial ownership is determined in accordance with the rules of the Commission and generally includes voting or investment power with respect to securities. Except as indicated in the footnotes to this table, the persons named in the table have sole voting and investment power with respect to all of the Shares beneficially owned.
  - (2) Assumes that each Selling Shareholder will sell all of the Shares, although there can be no assurance that any or all of such Shares will be sold.
  - (3) Includes 172,398 Shares owned directly by Lamar Beach and 9,147 Shares owned directly by Gladys C. Beach, wife of Lamar Beach.
  - (4) Includes 16,674 Shares owned directly by Jeffrey L. Beach and 4,517 Shares owned directly by Mary Beach, the wife of Jeffrey L. Beach.
  - (5) Includes 16,674 Shares owned directly by Melanie B. Abbott and 4,517 Shares owned directly by Charles Abbott, the husband of Melanie B. Abbott.
  - (6) Includes 4,016 Shares owned directly by Hugh F. Beckwith, Jr., 1,469 Shares owned directly by Donaldson, Lufkin & Jenrette Securities Corporation, FBO Hugh F. Beckwith, Jr., 24,485 Shares owned by Jeffrey L. Beach U/A/D 2/28/92, Hugh F. Beckwith, Jr., Trustee (as to which Mr. Beckwith as Trustee has sole investment and voting power) and 24,485 Shares owned by Melanie Beach Abbott U/A/D 2/28/92, Hugh F. Beckwith, Jr., Trustee (as to which Mr. Beckwith as Trustee has sole investment and voting power).
  - (7) Includes 3,918 Shares owned directly by Fred A. Williams and 979 Shares owned directly by Donaldson, Lufkin & Jenrette Securities Corporation, FBO Fred A. Williams.
  - (8) Includes 6,151 Shares owned directly by Craig Macnab, 2,449 Shares owned directly by J.C. Bradford & Co. Retirement Accumulation Plan, A/C Craig Macnab and 2,449 Shares owned by MacNeil Advisors, as to which Mr. Macnab disclaims beneficial ownership.
  - (9) Mr. Perkins resigned in 1996 as a director and Senior Vice-President of Unifi.
  - (10) Beach Partners, L.P., a North Carolina limited partnership consists of Lamar Beach and the 1997 Beach Family Trust, Hugh F. Beckwith, Jr., Trustee, as the limited partners and Beach Management, LLC, a North Carolina limited liability company as the sole general partner. Lamar Beach, Jeffrey L. Beach, Melanie B. Abbott and Gladys C. Beach are the members of Beach Management, LLC.

#### PLAN OF DISTRIBUTION

Unifi understands that, as of the date hereof, the Selling Shareholders have not made any arrangement for the offering or sale of the Shares. Brokers, dealers or agents may participate in such transactions as agents and may, in such capacity, receive brokerage commissions, discounts or concessions in amounts to be negotiated at the time (which compensation may be in excess of customary commissions) from the Selling Shareholders or from purchasers of such securities. Brokers, dealers or agents may also purchase and resell shares of Common Stock of Unifi for their own account. The Selling Shareholders may indemnify any broker, dealers or agents that participate in such transactions against liabilities, including liabilities arising under the Securities Act. The Selling Shareholders and such brokers, dealers or agents may be considered "underwriters" as that term is defined by the Securities Act. Any commissions, discounts or profits received by such brokers, dealers or agents in connection with the foregoing transactions may be deemed to be underwriting discounts and commissions under the Securities Act. Any broker, dealer or agent may act as a broker, dealer or agent on behalf of one or more of the Selling Shareholders in connection with the offering of certain of the Shares of Selling Shareholders.

To comply with the securities laws of certain jurisdictions, if applicable, the Shares will be offered or sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain jurisdictions, the Shares may not be offered or sold unless they have been registered or qualified for sale in such jurisdictions or unless an exemption from such registration or qualification is available and is complied with.

Pursuant to applicable rules and regulations under the Exchange Act, any person engaged in a distribution of the Shares may be limited in its ability to engage in market making activities with respect to such Shares. In addition and without limiting the foregoing, the Selling Shareholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder which may limit the timing of purchases and sales of such Shares. All of the foregoing may affect the marketability of such Shares.

The Shares offered hereby may be offered and sold by the Selling Shareholders from time to time in transactions on the NYSE, in negotiated transactions, at fixed prices which may be changed, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices. Such sales may be made pursuant to an underwritten offering or pursuant to one or more of the following methods (among others): (a) purchases by a broker or dealer as principal and resale by such broker or dealer for its account pursuant to



this Prospectus; (b) ordinary brokerage transactions and transactions in which a broker solicits purchasers; and (c) block trades in which a broker or dealer so engaged will attempt to sell the Shares as agent but may take a position and resell a portion of the block as principal to facilitate the transaction. In addition, any Shares that qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than pursuant to the Prospectus, as supplemented.

At the time a particular offer of the Shares is made, to the extent required, a supplemental Prospectus will be distributed, which will set forth the number of Shares being offered and the terms of the offering, including the name or names of any underwriters, dealers or agents, the purchase price paid by any underwriter for the Shares, any discounts, commissions and other items constituting compensation from the Selling Shareholders and any discounts, concessions or commissions allowed or reallocated or paid to dealers.

The Selling Shareholders will act independently of Unifi in making decisions with respect to the timing, manner and size of each sale. Sales of the Shares are, in general, expected to be made at the market price prevailing at the time of each such sale; however, prices in negotiated transactions may differ considerably.

The Shares were originally issued to the Selling Shareholders pursuant to an exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof. Unifi agreed to register the Shares under the Securities Act. Unifi further agreed to pay the expenses and fees incurred in connection with registration of the Shares under Federal law and the qualification of the Shares for sale under applicable state laws and to pay the attorneys' fees for the Selling Shareholders up to an aggregate of \$7,500. The Selling Shareholders will pay any other fees and expenses which they may incur in connection with their sales of the Shares.

#### LEGAL OPINIONS

The legality of the Shares has been passed upon for the Company by Davidoff & Malito LLP, 605 Third Avenue, 34th Floor, New York, New York 10158.

#### EXPERTS

The consolidated financial statements of Unifi, Inc. incorporated by reference in Unifi, Inc.'s Annual Report (Form 10-K) for the year ended June 29, 1997, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon incorporated by reference therein and incorporated

herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

No dealer, salesman or any other person has been authorized to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Company or any Selling Shareholder. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. Neither the delivery of this Prospectus nor any sale of Common Stock made hereunder shall under any circumstances create any implication that the information herein is correct as of any time subsequent to the date hereof or that there has been no change in the Company's affairs since the date hereof.

#### TABLE OF CONTENTS

	Page
Available Information. . . . .	2
Incorporation of Certain Documents by Reference . . . . .	2
The Company. . . . .	4
Use of Proceeds. . . . .	4
Selling Shareholders . . . . .	4
Plan of Distribution . . . . .	6
Legal Opinions . . . . .	8
Experts. . . . .	8

UNIFI, INC.

561,873 SHARES  
COMMON STOCK

PROSPECTUS

December 17, 1997