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Unifi gets two more boosts

It's profit quadruples; it gets OK for 1-for-3 reverse stock split

Unifi Inc.'s remarkable comeback received two more financial boosts yesterday.

Unifi, based in Greensboro but with its largest operations in Yadkinville, reported a fourfold increase in its net income to **\$10.2 million** for its first quarter of 2011, which ended Sept. 27.

Sales were up 22 percent to **\$174 million**.

For perspective, Unifi made **\$10.7 million** for all of fiscal 2010 — its first profitable year since 2000.

The company also gained shareholder approval for a one-for-three reverse stock split set to take effect Wednesday.

"We are pleased to begin our 2011 fiscal year with a profitable quarter, driven by the strong results of our underlying business," said **Bill Jasper**, the president and chief executive of Unifi.

"Although uncertainty remains around consumer demand amid rising raw-material prices, we are prepared to react quickly and are confident in our ability to recoup raw-material cost increases we are experiencing.

Michael Lord, an associate professor of management at Wake Forest University, said he is impressed that Unifi's improved performance "is not just from cost-cutting, but from growth in sales that is particularly good given that the economy continues to be tough."

The split reduces the number of outstanding shares to 20 million.

Unifi's share price rose **10 cents** yesterday to close at **\$4.71**. At that price, it would be worth **\$14.13** a share on Wednesday.

Usually, a reverse stock split is to lift a stock above **\$1** to avoid being delisted by a stock market.

"Given the recent performance of our stock and the outlook for the company's future, we believe the reverse stock split of our common stock will facilitate long-term growth and enhance our shareholder value," **Jasper** said in August when Unifi announced plans for the reverse stock split.

The share price has made a stunning rebound since hitting a low of **47 cents** in March 2009.

Its 52-week high, reached Oct. 20, is **\$4.85** a share.