

Item 7.01 Regulation FD Disclosure.

The Company's senior officers will hold meetings with securities industry analysts and investors on June 24 and June 25, 2010. The information contained in Exhibit 99.1 to this Report is being presented in connection with such meetings. The information attached as Exhibit 99.1 hereto, and incorporated herein by reference, is being furnished pursuant to Item 7.01, and shall not be deemed to be "filed" for any purpose.

Item 9.01 Financial Statements and Exhibits.

- (c) Exhibits
 - (99.1) Presentation Materials, June 24, 2010.

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.

Date: June 24, 2010

THE DIXIE GROUP, INC.

By: /s/ Jon A. Faulkner

Jon A. Faulkner

Chief Financial Officer



Exhibit 99.1

Investor Presentation



THE DIXIE GROUP

June 2010



Forward-Looking Statements



T H E D I X I E G R O U P

Statements in this presentation which relate to the future, are subject to risk factors and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements. Such factors include the levels of demand for the products produced by the Company. Other factors that could affect the Company's results include, but are not limited to, raw material and transportation costs related to petroleum prices, the cost and availability of capital, and general economic and competitive conditions related to the Company's business. Issues related to the availability and price of energy may adversely affect the Company's operations. Additional information regarding these and other factors and uncertainties may be found in the Company's filings with the Securities and Exchange Commission.

General information set forth in this presentation concerning market conditions, sales data and trends in the U.S. carpet and rug markets are derived from various public and, in some cases, non-public sources. Although we believe such data and information to be accurate, we have not attempted to independently verify such information.

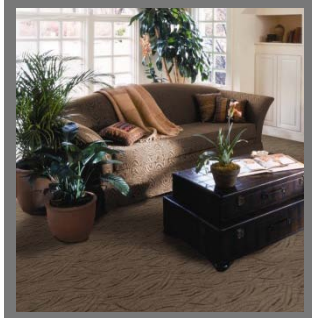
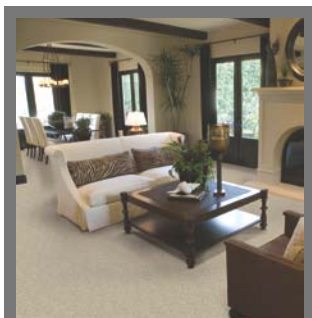
Dixie History



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- **Began operations in 1920**
- **Entered floorcovering in 1993 and exited textiles in 1999 - now 100% floorcovering**
- **Eight floorcovering acquisitions in the '90's**
- **Exclusively focused on upper end markets**
- **Traditionally we have outperformed the industry and expect to do so in the future**





- **Commitment to brands in the upper-end market with strong growth potential**
- **Diversified between Commercial and Residential markets**
- **Diversified customer base**
 - Top 10 carpet customers - 11% of carpet sales
 - Top 20 carpet customers - 14% of carpet sales

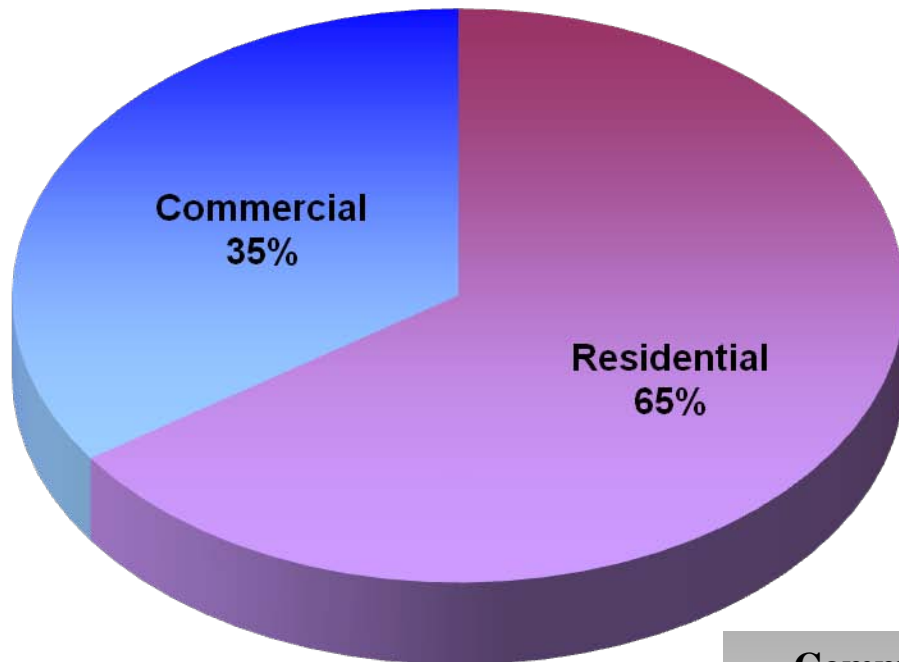
The Industry



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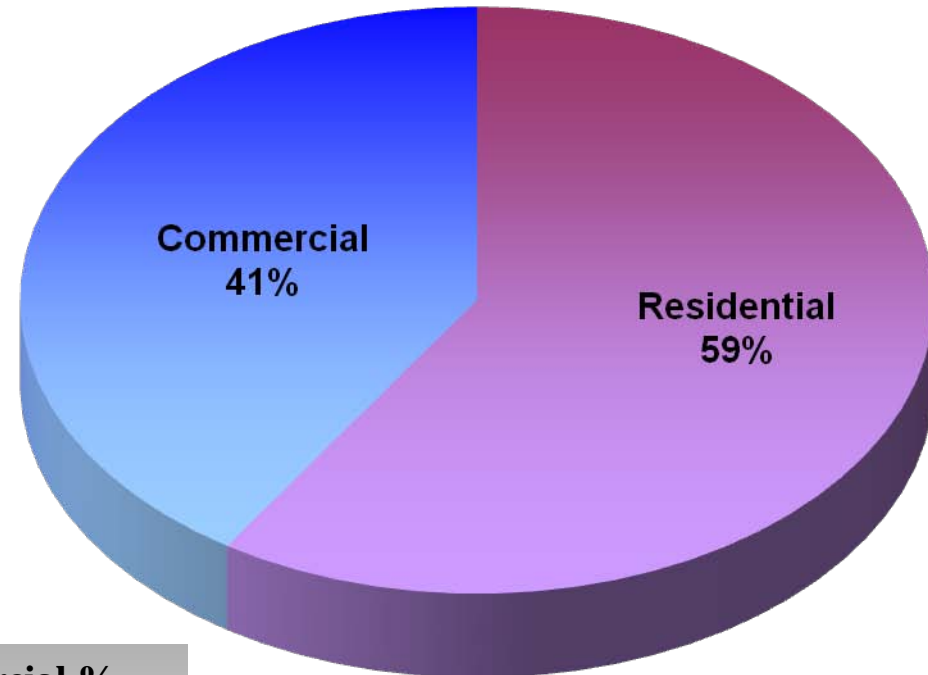
2006 Broadloom Carpet End Use

Sales \$10.19 Billion



2009 Broadloom Carpet End Use

Sales \$7.00 Billion



Source: CRI

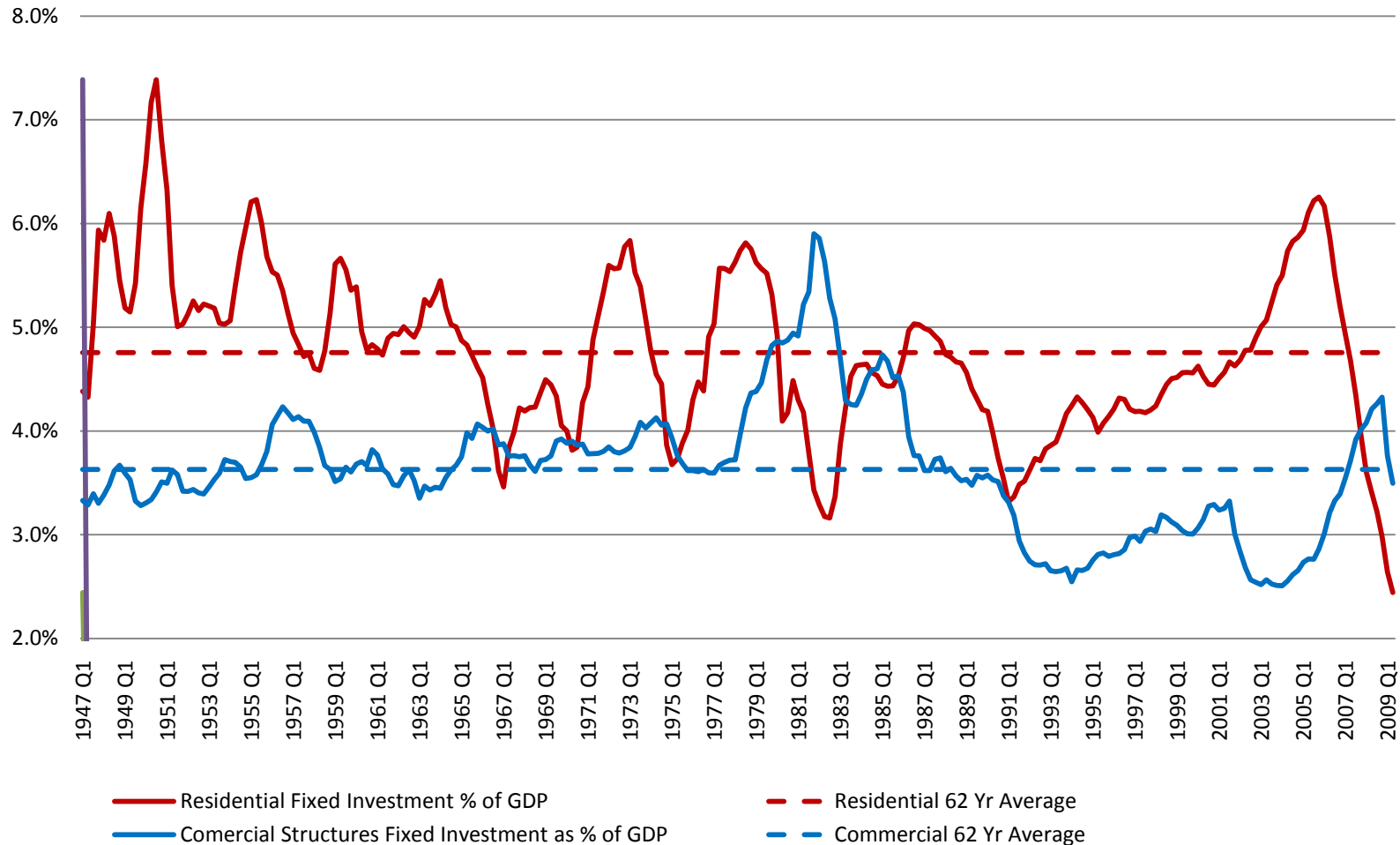
Commercial %
2001 – 2009
From 32% to 42%

The Industry



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Fixed Investment as % of GDP



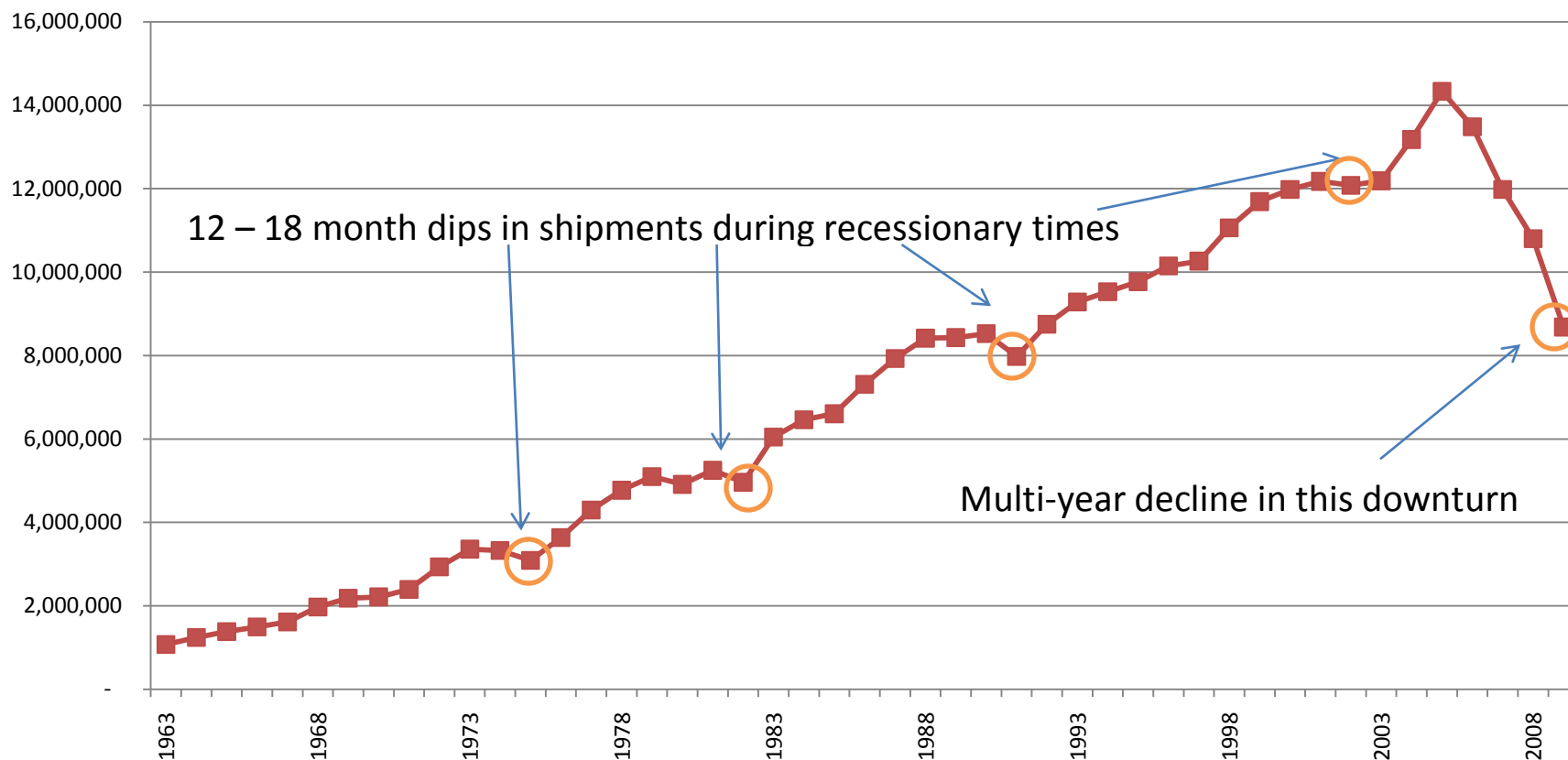
Source: U.S. Census Bureau

The Industry



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Value of U.S. Carpet & Rug Mill Shipments (\$ 000's)

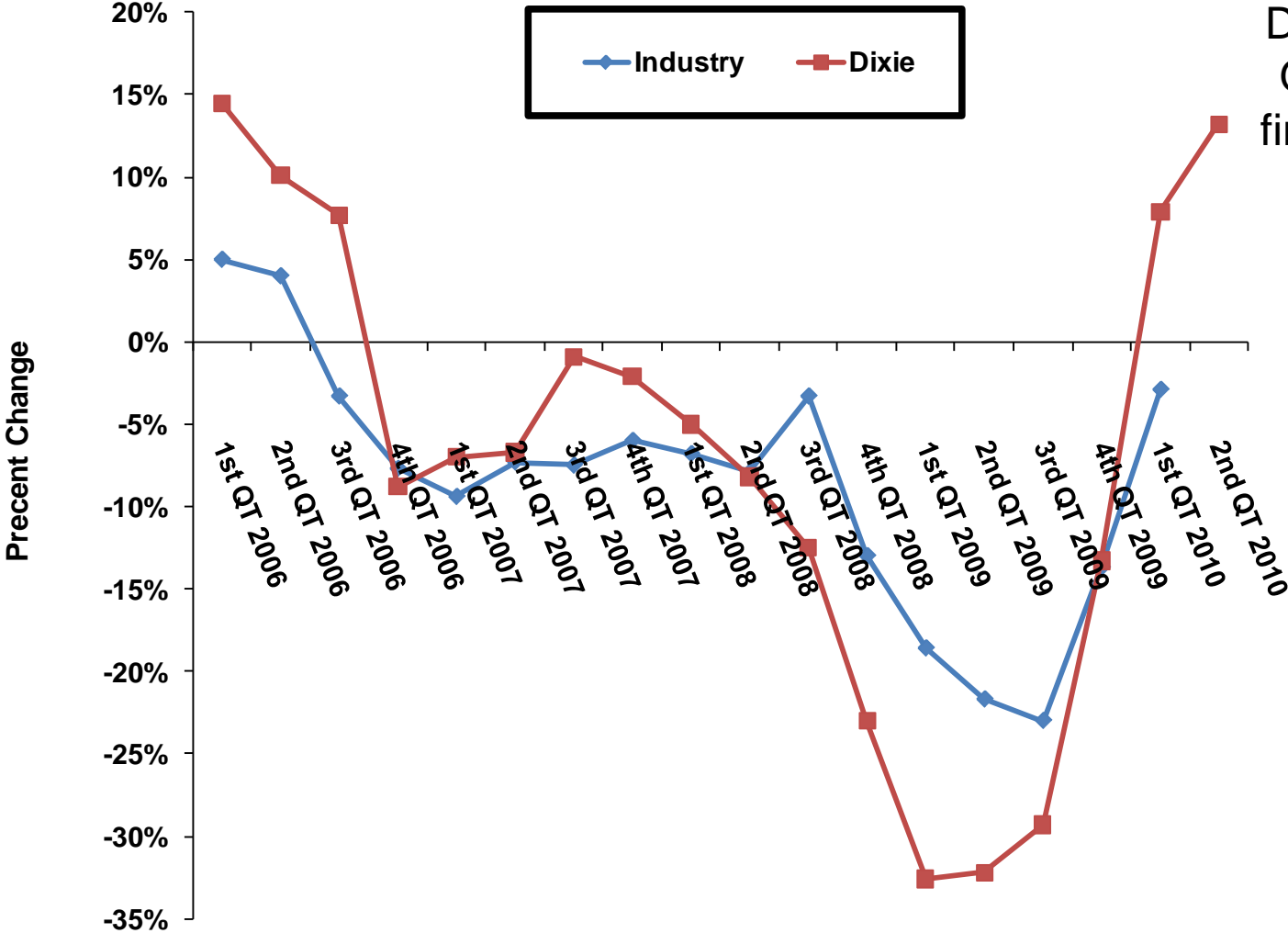


Source: U.S. Census Bureau & CRI Estimate

Sales Dollars % Change VS Prior Yr Quarter



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Dixie up 13%
QTD for the
first 12 weeks

2009 US Carpet Manufacturers



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Carpet & Rug Sales	Dollars in Millions	% Total
Shaw	\$3,025	31.4%
Mohawk	\$2,479	25.8%
Beaulieu	\$857	8.9%
Interface	\$423	4.4%
The Dixie Group	\$199	2.1%
Others	\$2,642	27.4%
Total Industry	\$9,625	100.0%

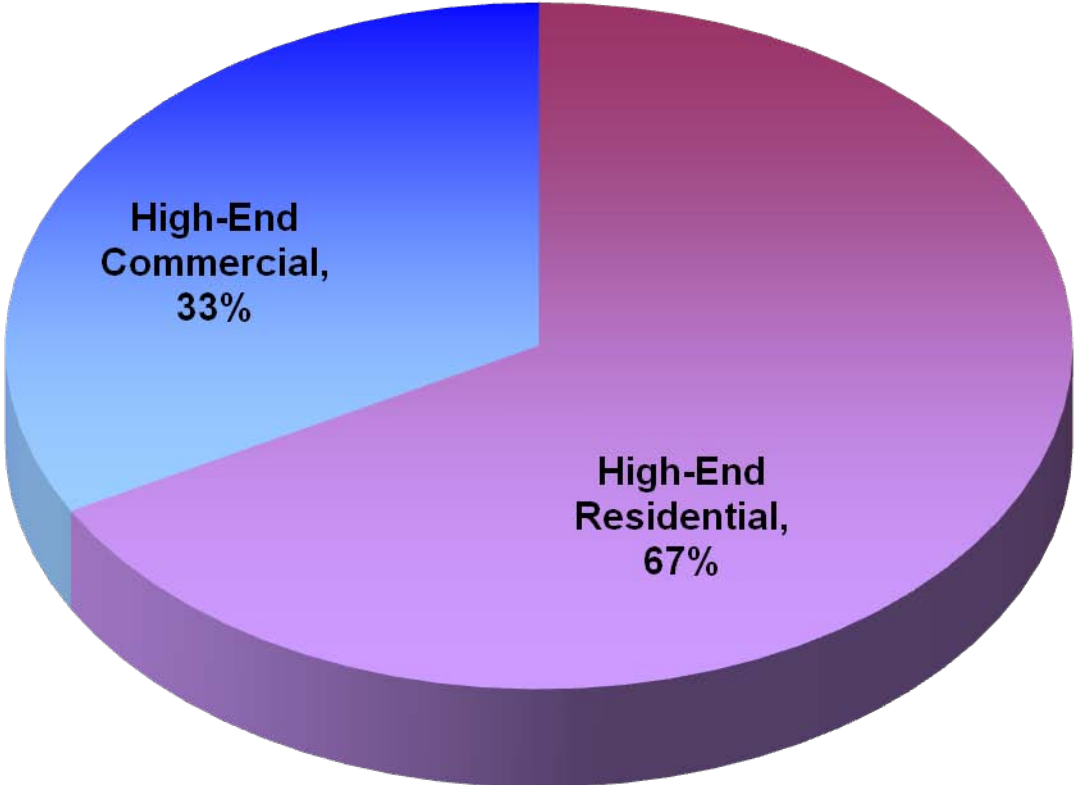
Dixie Group Carpet Sales



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Dixie Carpet and Rug Sales by End Market

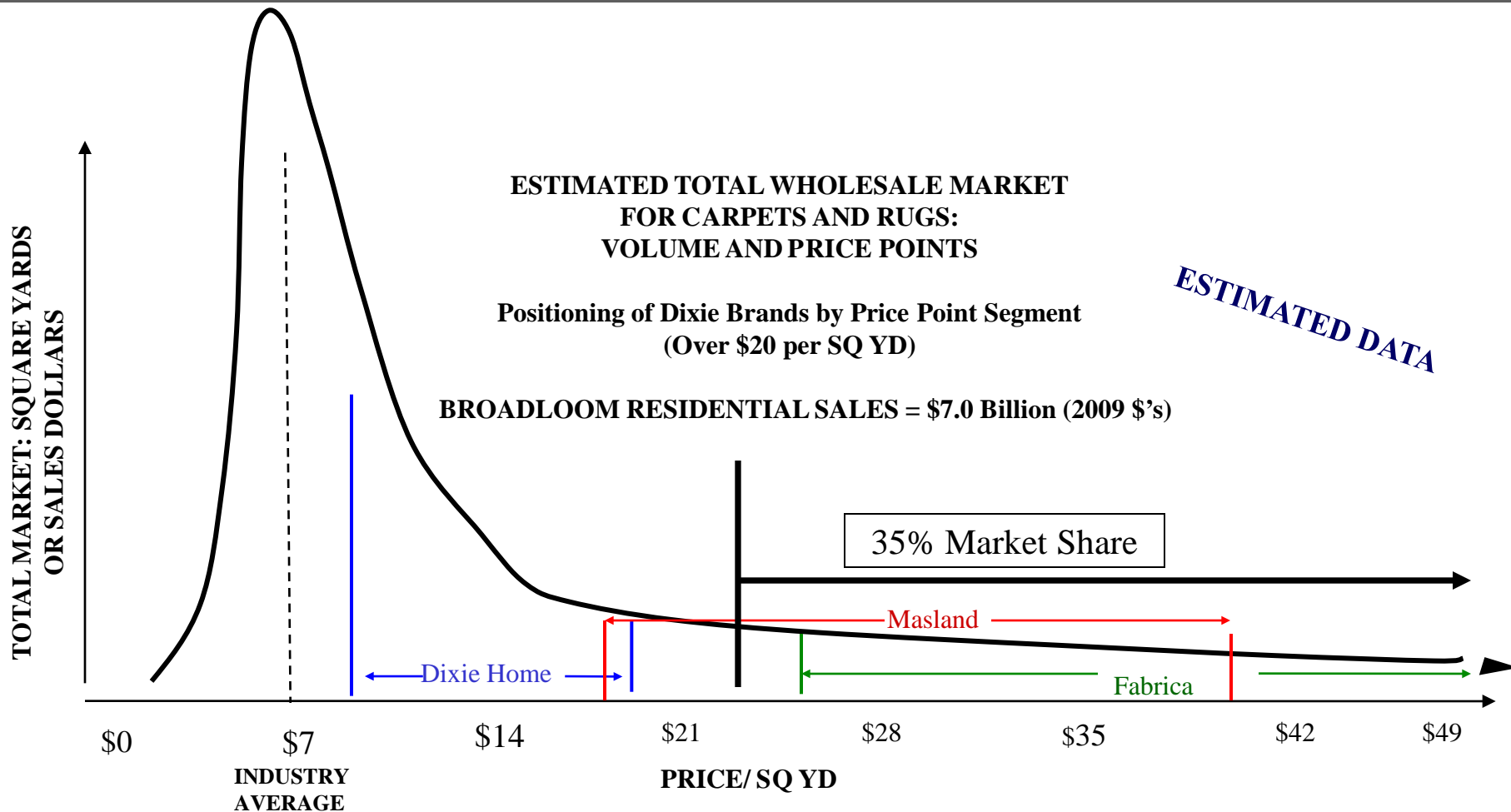
**Commercial %
2001 – 2009
From 29% to 38%**



Residential Positioning of The Dixie Group



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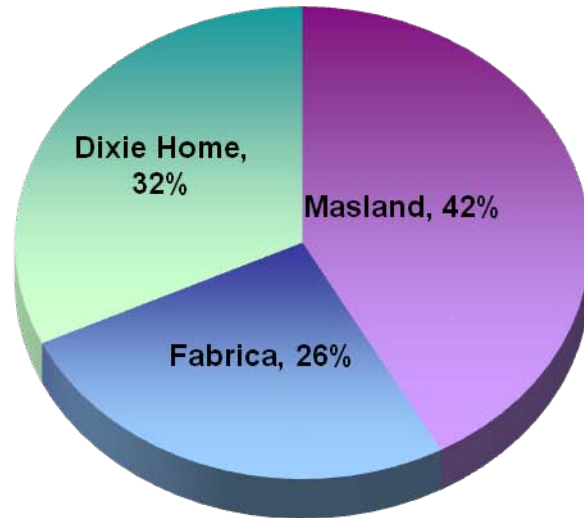
Note: Industry average price is based on sales reported through industry sources.

Dixie High-End Residential Sales

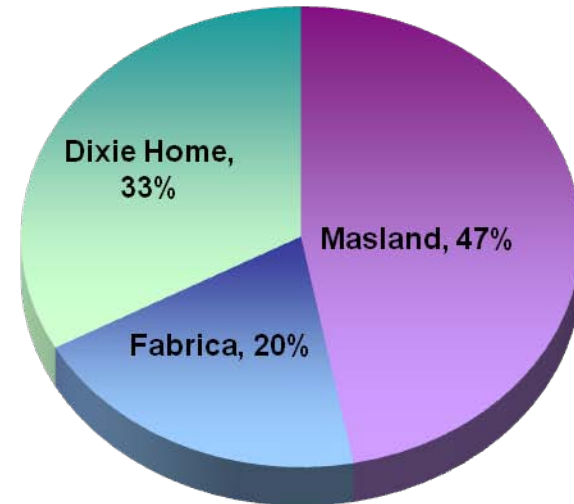


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Year 2006



Year 2009



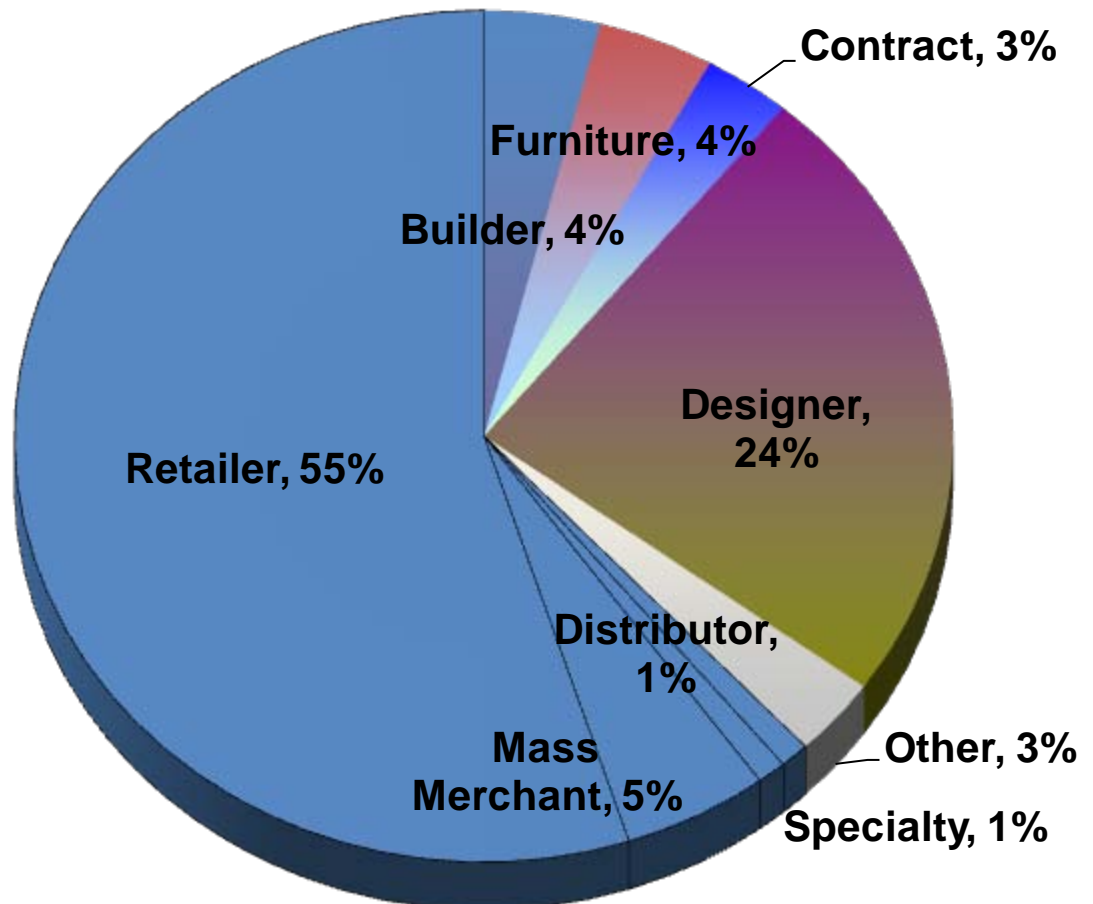
Dixie High-End Residential Sales

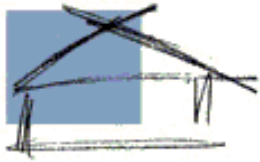


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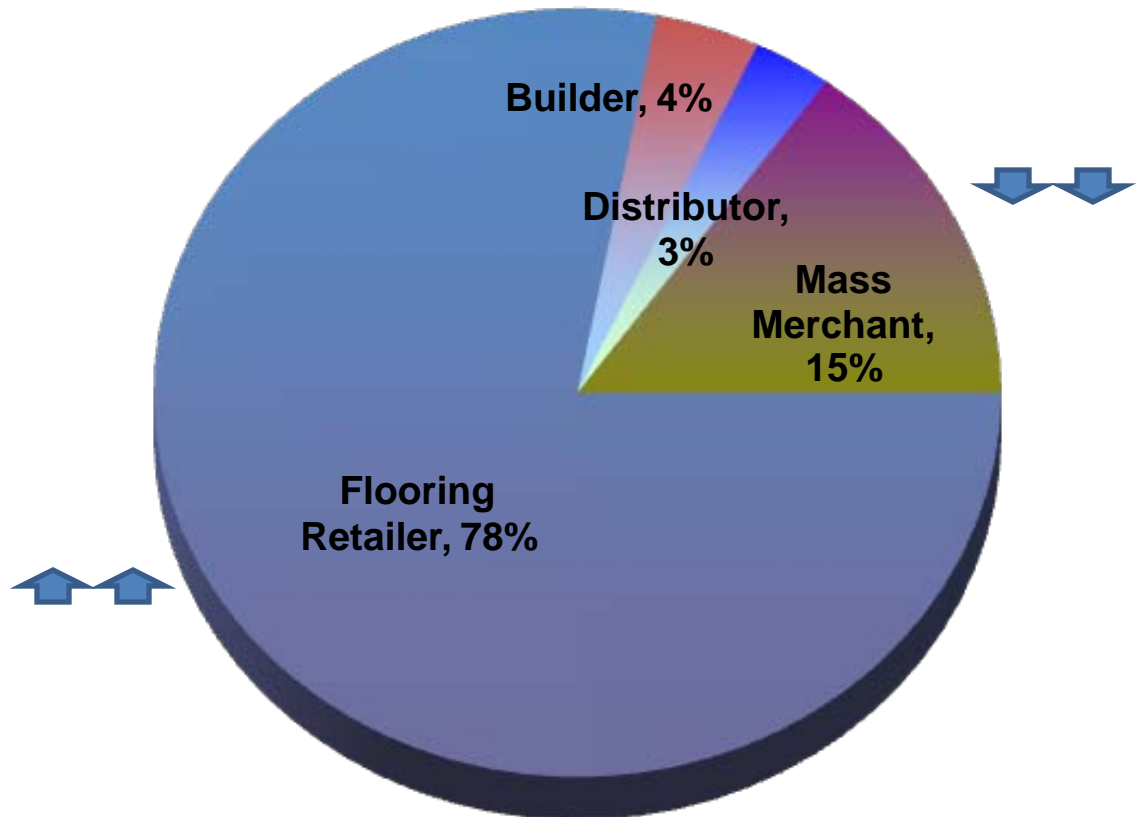


Sales by Segment for 2009

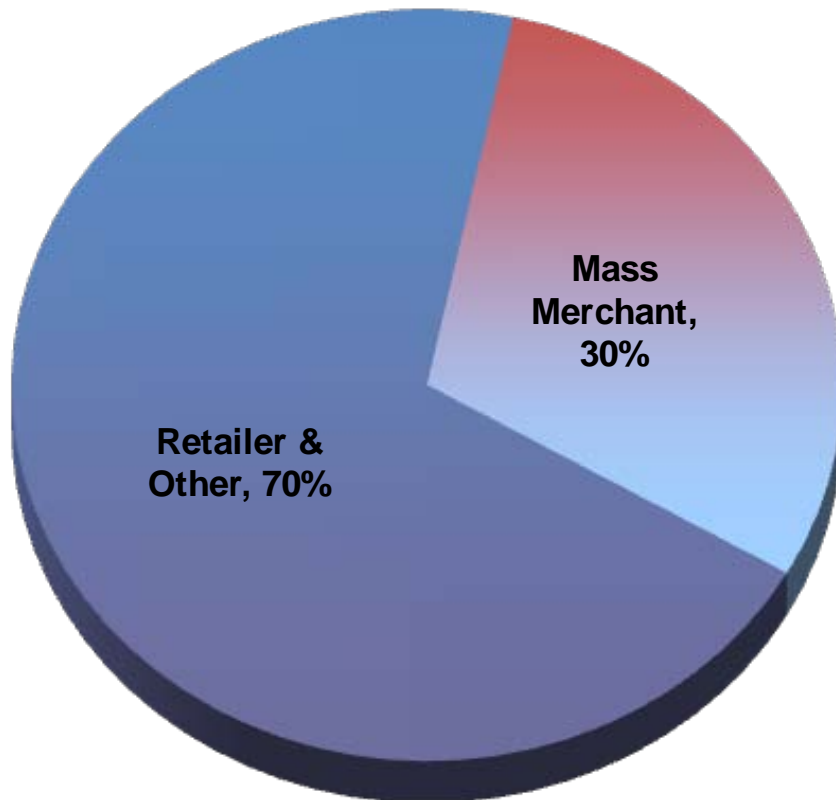




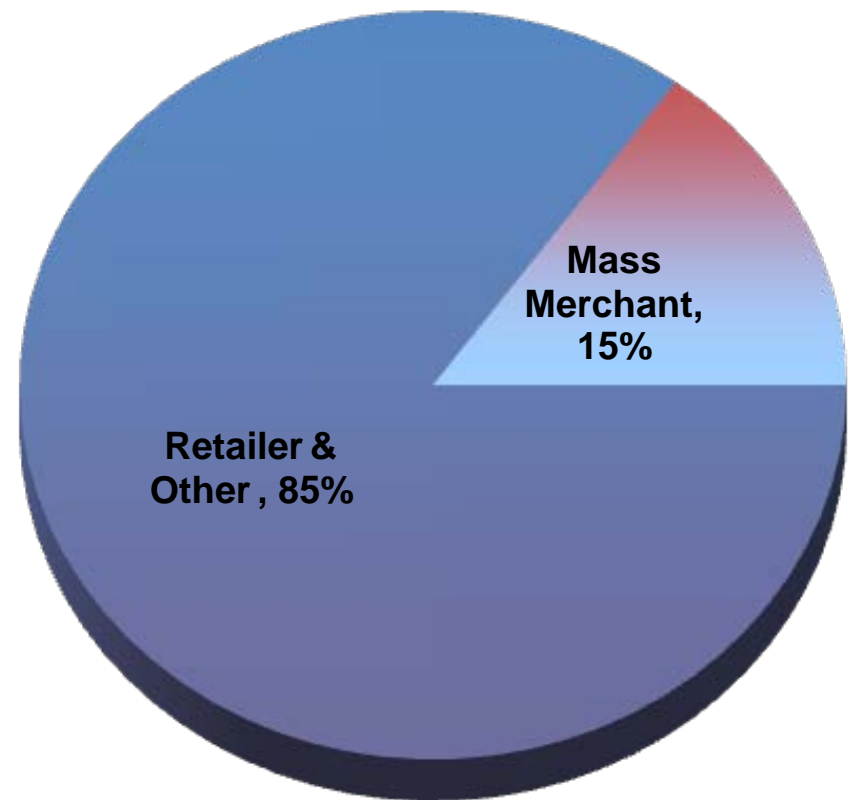
Sales by Segment for 2009 (arrows versus 2006)



Sales by Segment for 2006



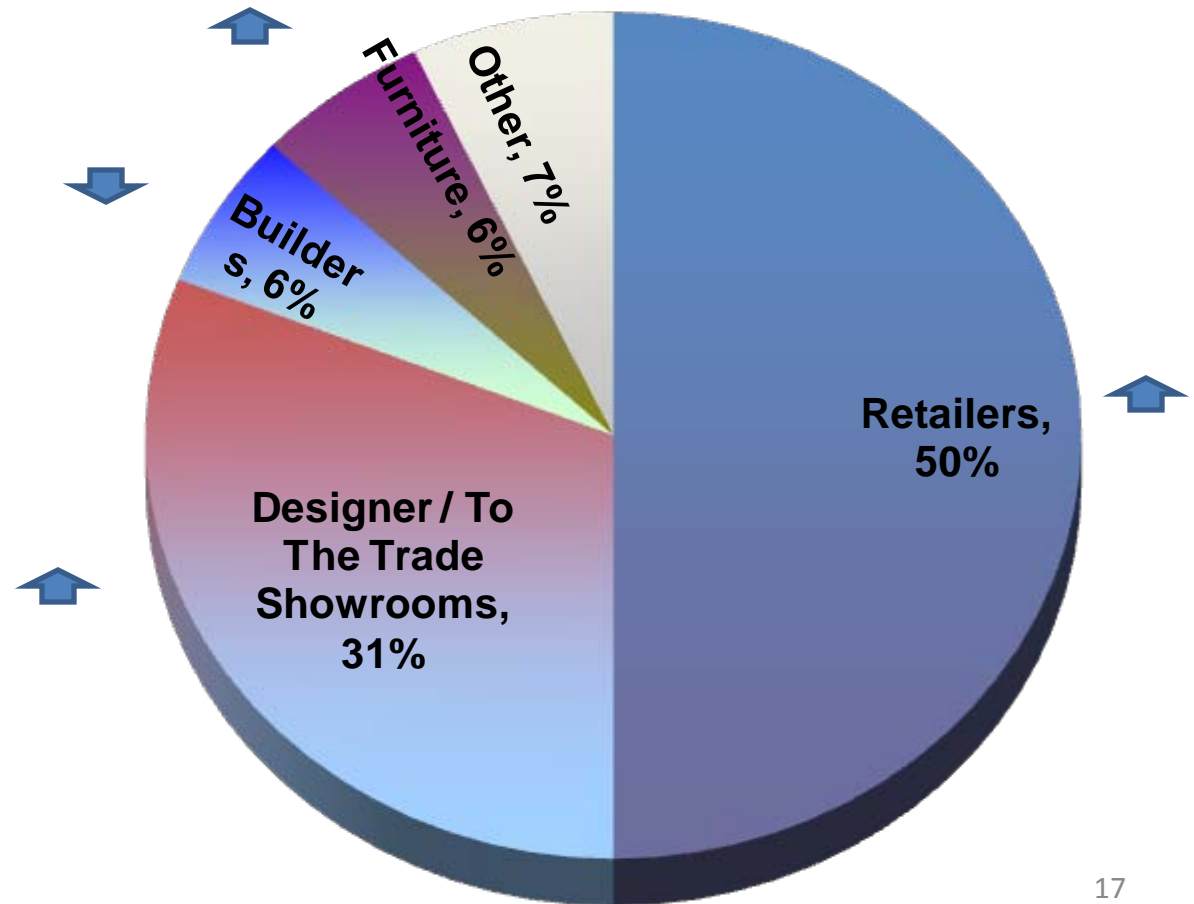
Sales by Segment for 2009





- **Well-styled moderate to upper priced residential broadloom line**
- **Provides Dixie a “full line” to retailers**
- **Leverage needed by fiber suppliers for market access**
- **Selective distribution strategy attractive to retailers**
- **Growth initiatives –**
 - **Stainmaster® “value” products**
 - **Durasilk (polyester) collection**

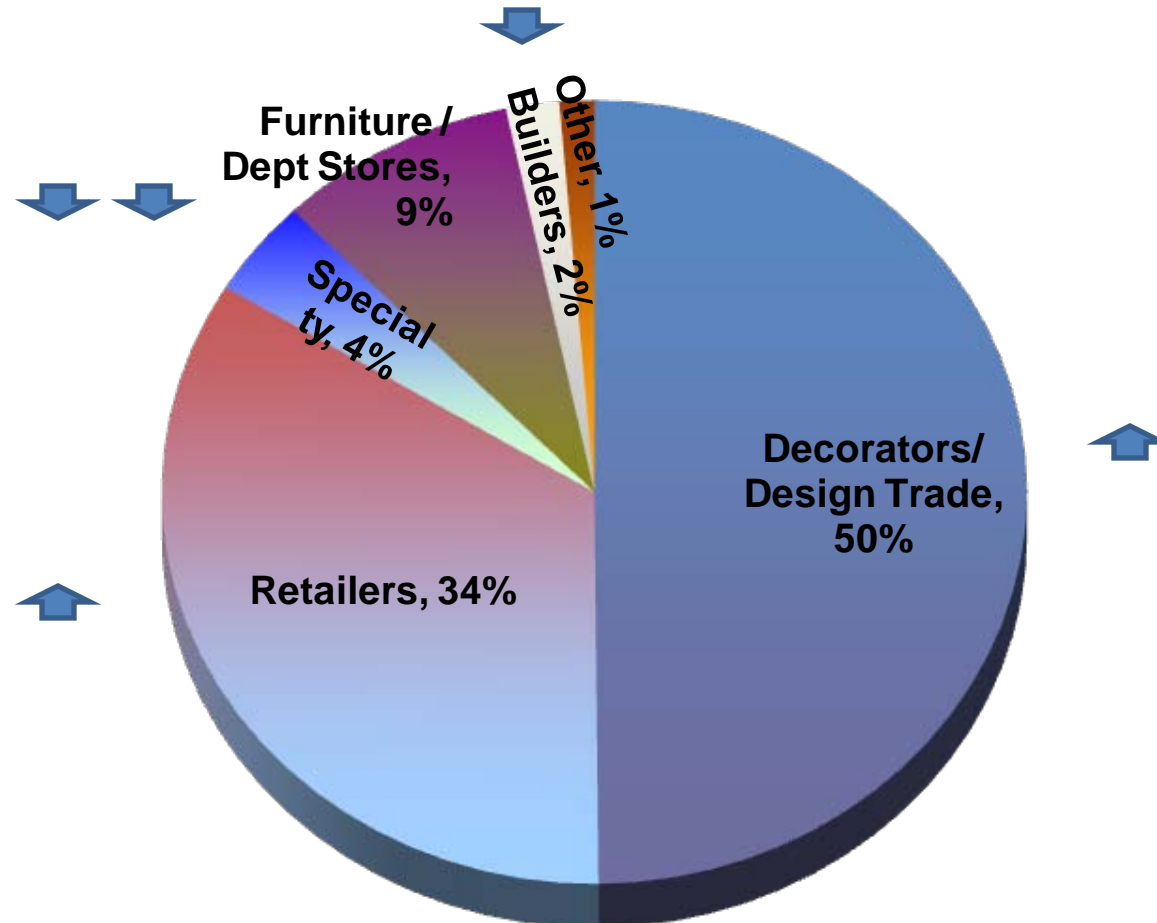
Sales by Segment for 2009 (arrows versus 2006)





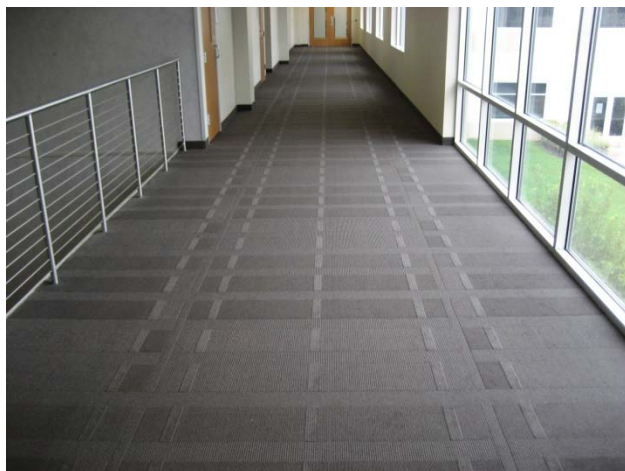
- **Leading high-end brand with reputation for innovative styling, design and color**
- **High-end retail / designer driven**
- **Hand crafted and imported rugs**
- **Growth initiative –**
 - **New Stainmaster® products for more volume orientated price points**
 - **Wool products introduced in ‘07**

Sales by Segment for 2009 (arrows versus 2006)

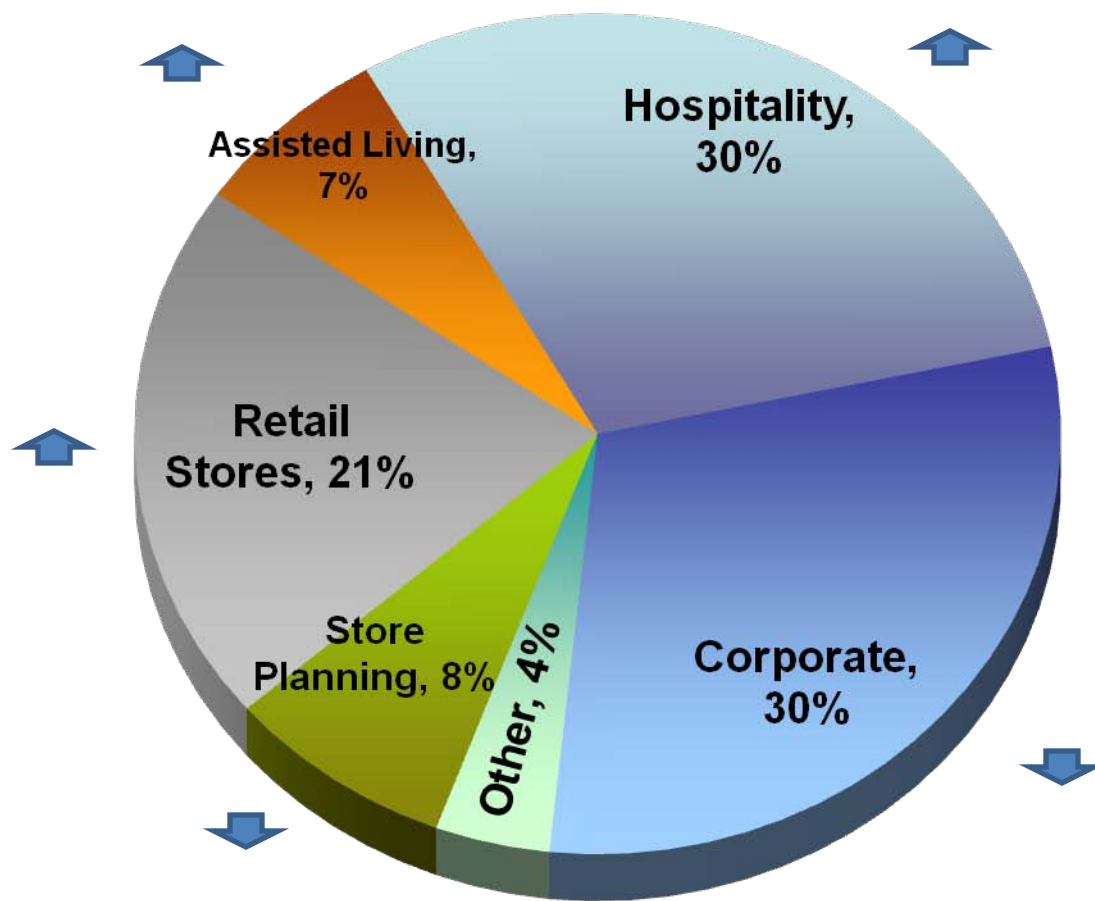




- **Premium high-end brand**
- **Designer focused**
- **Hand crafted and imported rugs**
- **Growth Initiative –**
 - **New products, heightened focus on retail penetration**
 - **Full service national supplier of wool to the designer trade with excellent service and support**



Sales by Segment for 2009 (arrows versus 2006)





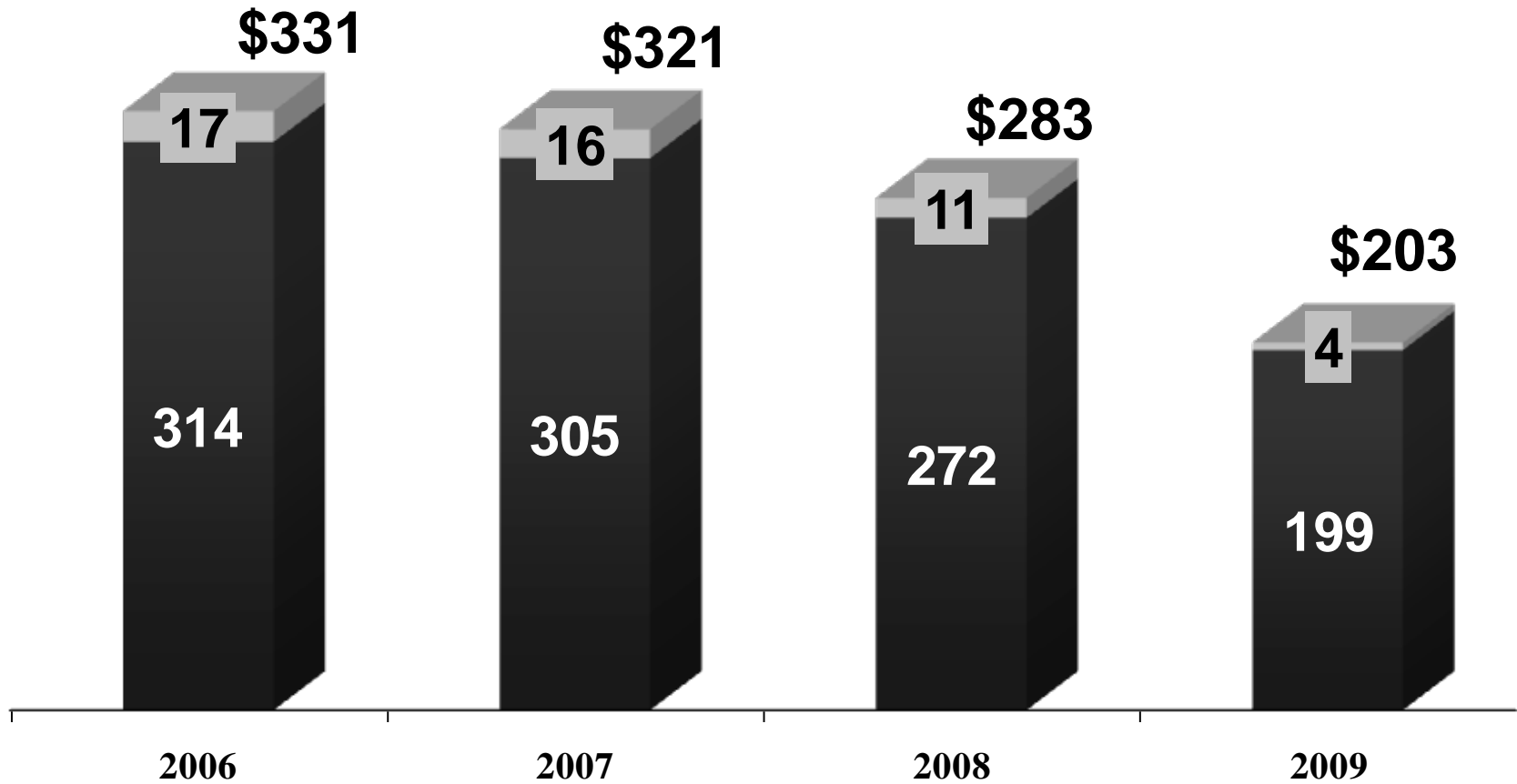
- **Premium brand in the commercial marketplace**
- **Designer focused**
- **Strong national account base**
 - Nordstrom's, Target, Sears, Olive Garden, Red Lobster, Victoria's Secret, Applebee's
- **Growth Initiative -**
 - Modular/carpet tile
 - Updated "*Energy Collection*"²²

Dixie Sales Continuing Operations

(\$ in millions)



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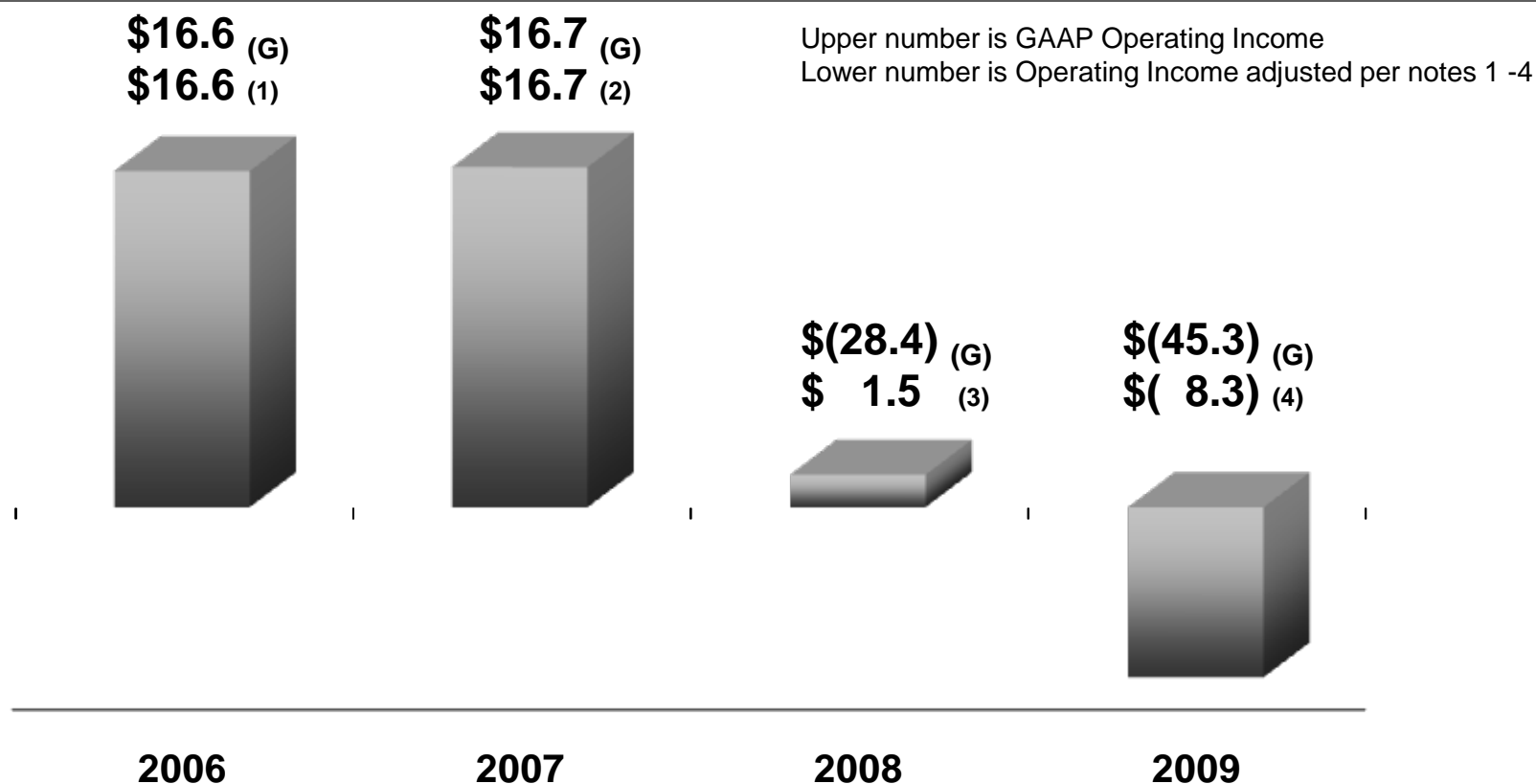
■ Carpet Sales

Dixie Operating Income

(\$ in millions)



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(1) - Includes \$3.2 million of pension plan termination expenses; GAAP Op Inc= \$16.6

(2) - Includes \$1.5 million of pension plan merger expenses, GAAP Op Inc= \$16.7

(3) - Excludes \$29.9 million of goodwill & impairments and consolidation & severance, GAAP Op Inc = \$(28.4)

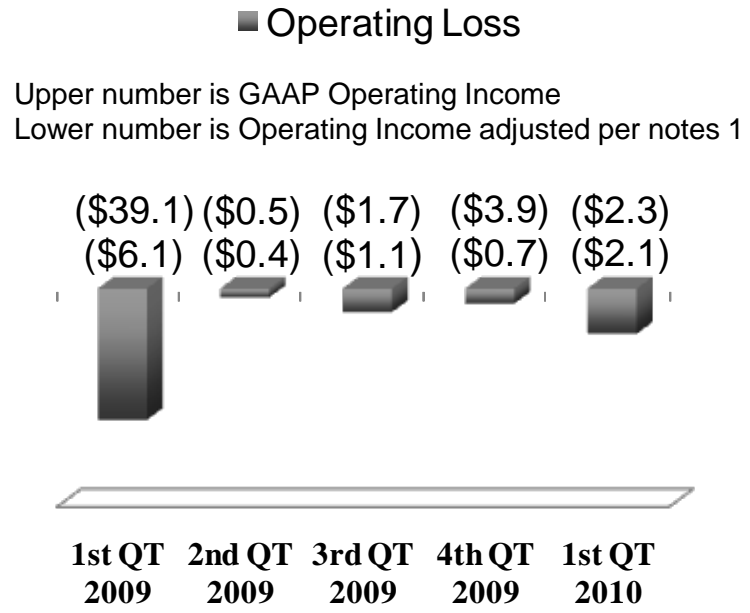
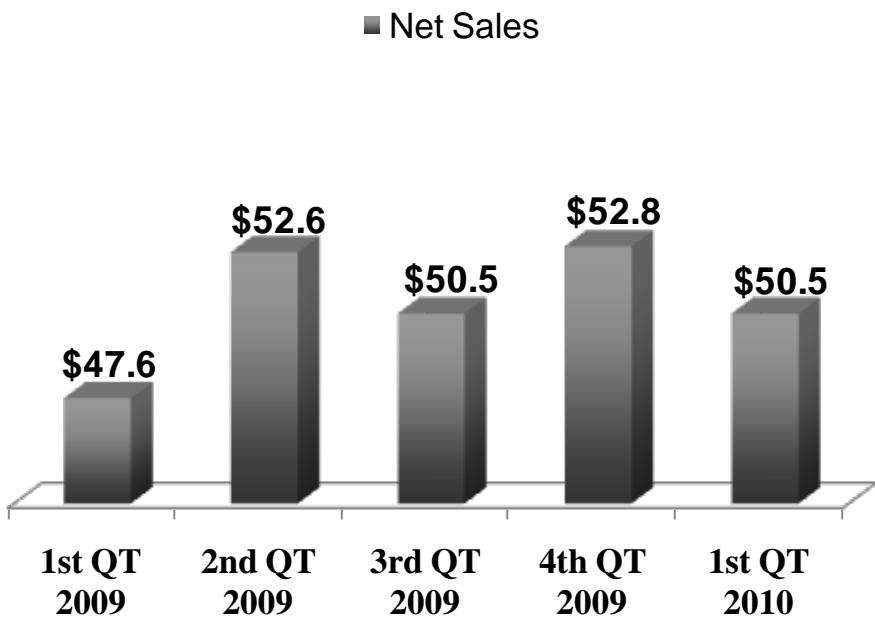
(4) - Excludes \$37.0 million of goodwill & impairments and consolidation & severance, GAAP Op Inc = \$(45.3)

Quarterly Sales & Operating Income

(\$ in millions)



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(1) Excludes goodwill, asset impairments, consolidation and severance expenses:

	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
Excluded charges	33.0	0.1	0.6	3.2	0.2
GAAP Op Inc	(39.1)	(0.5)	(1.7)	(3.9)	(2.3)

LIFO tier reductions increased op. profit by \$1.0 million in the 2nd QT 2009

Dixie Cost Structure



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Considering the following assumptions:

- Our current mix, noting that we are very affected by change in mix between product lines
- Our current volume and cost structure
- Our current pricing (the price increase will be fully effective in July)

Our cost structure if you do the math implies that:

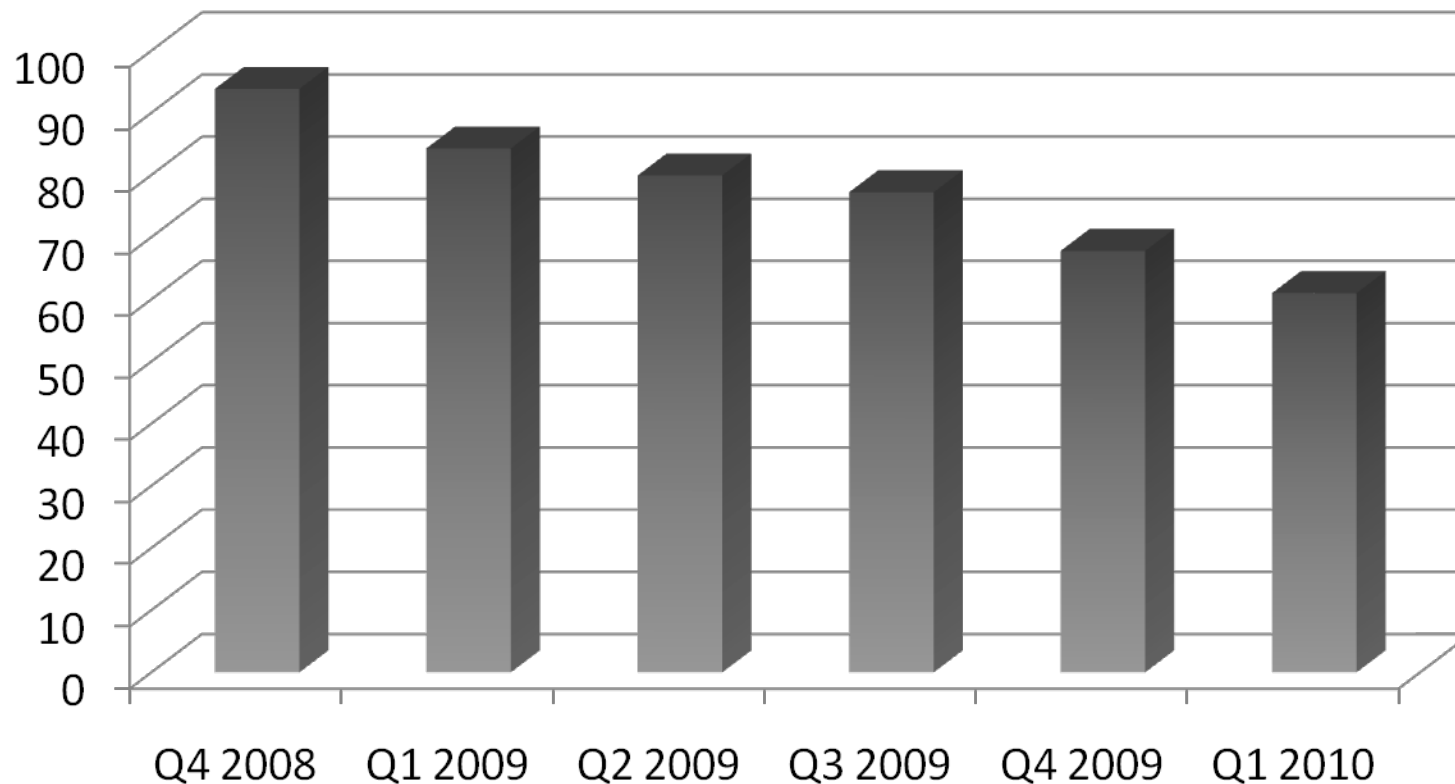
- Our break even is between \$235 and \$245 million in sales depending upon mix
- Our pre-tax profit improves by approximately \$0.25 for every 1\$ above break even
- Our tax rate will return to a normal 34% from 31% today

Dixie Cumulative Debt Reduction

(\$ in millions)



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We have reduced debt \$32 million since the beginning of 2008

Capital expenditures of \$3+ million in 2010 versus depreciation and amortization of \$11.7 million

Dixie Capital Structure

(\$ in millions)



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	<u>Dec. 27, 2008</u>	<u>Mar 27, 2010</u>
Debt	\$ 93.8	\$ 61.0
Equity	<u>107.6</u>	<u>65.3</u>
Total Capitalization	<u><u>\$ 201.4</u></u>	<u><u>\$ 126.3</u></u>
 Debt to Total Capitalization:		
Senior Debt	38.1%	36.7%
Subordinated Debt	<u>8.5%</u>	<u>11.6%</u>
Total Debt	<u><u>46.6%</u></u>	<u><u>48.3%</u></u>

Current Business Conditions



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The carpet industry is in recovery mode

- **Our sales up 13% Y/Y for the first 12 weeks of the quarter**
 - Residential up 19% Y/Y, Commercial up 2% Y/Y
 - Our 2nd quarter sales up approximately 17.5% over 1st quarter
- **Actions to consolidate facilities and make organizational changes and cut expenses have positioned us for a return to profitability**
- **Raw material costs increased in 2010 but the industry has passed along price increases to cover those costs**

Outlook



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Although the industry has experienced a difficult period, we are encouraged by:

- **Positive market reception to our new products:**
 - Masland and Fabrica Wool Collections
 - Durasilk (polyester)
 - Masland Avenue – new technology with a woven look
 - Modular / Carpet Tile
- **Carpet price increases will be fully implemented by Q3**
- **Successful realignment of our organizational structure**
- **Have invested significantly in our capabilities for future growth**



Masland
contract

DIXIE
HOME 



T H E D I X I E G R O U P



FABRICA
FINE CARPET & RUGS

Masland
CARPETS & RUGS

