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

FORM 8-K

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

Date of Report (Date of earliest event reported) February 27, 2008

Culp, Inc.

(Exact Name of Registrant as Specified in its Charter)

North Carolina	0-12781	56-1001967
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1823 Eastchester Drive
High Point, North Carolina 27265
(Address of Principal Executive Offices)
(Zip Code)

(336) 889-5161
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former name or address, if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Forward Looking Information. This report and the exhibits hereto contain statements that may be deemed "forward-looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995 (Section 27A of the Securities Act of 1933 and Section 27A of the Securities and Exchange Act of 1934). Such statements are inherently subject to risks and uncertainties. Further, forward-looking statements are intended to speak only as of the date on which they are made. Forward-looking statements are statements that include projections, expectations or beliefs about future events or results or otherwise are not statements of historical fact. Such statements are often but not always characterized by qualifying words such as "expect," "believe," "estimate," "plan" and "project" and their derivatives, and include but are not limited to statements about the company's future operations, production levels, sales, SG&A or other expenses, margins, gross profit, operating income, earnings or other performance measures. Factors that could influence the matters discussed in such statements include the level of housing starts and sales of existing homes, consumer confidence, trends in disposable income, and general economic conditions. Decreases in these economic indicators could have a negative effect on the company's business and prospects. Likewise, increases in interest rates, particularly home mortgage rates, and increases in consumer debt or the general rate of inflation, could affect the Company adversely. Changes in consumer tastes or preferences toward products not produced by the Company could erode demand for the Company's products. Strengthening of the U.S. dollar against other currencies could make the Company's products less competitive on the basis of price in markets outside the United States, and strengthening of currencies in Canada and China can have a negative impact on the company's sales in the U.S. of products produced in those countries. Also, economic and political instability in international areas could affect the company's operations or sources of goods in those areas, as well as demand for the company's products in international markets. Finally, unanticipated delays or costs in executing restructuring actions could cause the cumulative effect of restructuring actions to fail to meet the objectives set forth by management. Other factors that could affect the matters discussed in forward-looking statements are included in the company's periodic reports filed with the Securities and Exchange Commission, including the "Risk Factors" section in the company's most recent annual report of Form 10-K filed with the Securities and Exchange Commission on July 19, 2007 for the fiscal year ended April 29, 2007.

Item 2.02 – Results of Operations and Financial Condition

On February 27, 2008, the Company issued a news release to announce its financial results for the third quarter ended January 27, 2008. The news release is attached hereto as Exhibit 99(a).

Also on February 27, 2008, the Company released a Financial Information Release containing additional financial information and disclosures about the Company's third quarter ended January 27, 2008. The Financial Information Release is attached hereto as Exhibit 99(b).

The news release and Financial Information Release contain disclosures about free cash flow, a non-GAAP performance measure, that management believes provides useful information to investors because it measures the Company's available cash flow for potential debt repayment, stock repurchases and additions to cash and cash equivalents. In addition, the news release and Financial Information Release contain proforma income statement information, which reconciles the reported and projected income statement information with proforma results, which exclude restructuring and related charges. The Company has included this proforma information in order to show operational performance excluding the effects of restructuring and related charges that are not expected to occur on a regular basis. Management believes this presentation aids in the comparison of financial results among comparable financial periods. In addition, this information is used by management to make operational decisions about the Company's business, is used in certain financial covenants in the Company's loan agreements, and is used by the Company as a financial goal for purposes of determining management incentive bonuses.

Item 8.01 - Other Events

The company has received notification from the New York Stock Exchange ("NYSE") that it is now considered a "company in good standing" under the NYSE's continued listing standards and will be removed from its "Watch List". The NYSE's decision comes as a result of the company's consistent positive performance with respect to its business plan submitted to the NYSE in September 2006 and its compliance with the NYSE's minimum market capitalization and shareholders' equity standard over the past six quarters. After a twelve month follow up period to ensure continuing compliance, the company will remain subject to normal NYSE monitoring procedures.

Item 9.01 (d) -- Exhibits

99(a) News Release dated February 27, 2008

99(b) Financial Information Release dated February 27, 2008

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.

CULP, INC.
(Registrant)

By: **/s/ Kenneth R. Bowling**
Chief Financial Officer
(principal financial officer)

By: **/s/ Thomas B. Gallagher, Jr.**
Corporate Controller
(principal accounting officer)

Dated: February 27, 2008

EXHIBIT INDEX

Exhibit Number	Exhibit
99(a)	News Release dated February 27, 2008
99(b)	Financial Information Release dated February 27, 2008

Culp Announces Results for Third Quarter Fiscal 2008

HIGH POINT, N.C.--(BUSINESS WIRE)--Culp, Inc. (NYSE: CFI) today reported financial and operating results for the third quarter and nine months ended January 27, 2008.

Overview

For the three months ended January 27, 2008, net sales were $60.5 million, up 8.6 percent compared with $55.7 million a year ago. The company reported net income of $903,000, or $0.07 per diluted share, for the third quarter of fiscal 2008, compared with a net loss of $2.2 million, or $0.19 per diluted share, for the third quarter of fiscal 2007. The financial results for the third quarter of fiscal 2008 included $551,000, or $0.04 per diluted share, in restructuring and related charges, after taxes. Excluding these charges, net income for the third fiscal quarter was $1.5 million, or $0.11 per diluted share. The financial results for the third quarter of fiscal 2007 included $2.1 million, or $0.18 per diluted share, in restructuring and related charges, after taxes. Excluding these restructuring and related charges, net loss for the third quarter of fiscal 2007 was $99,000, or $0.01 per diluted share.
(A reconciliation of net income and net income per share has been set forth on Page 6.)

For the nine months ended January 27, 2008, the company reported net sales of $190.0 million compared with $177.3 million for the same period a year ago, an increase of 7.2 percent. Net income for the first nine months of fiscal 2008 was $3.3 million, or $0.26 per diluted share, compared with a net loss of $1.3 million, or $0.11 per diluted share, for the same period last year. Excluding restructuring and related charges, net income for the first nine months of fiscal 2008 was $5.0 million, or $0.39 per diluted share. Excluding restructuring and related charges, net income for the first nine months of fiscal 2007 was $2.1 million, or $0.18 per diluted share.

Frank Saxon, chief executive officer of Culp, Inc., said, “We delivered another solid performance in the third quarter. We are pleased with our year over year sales improvement and our ability to generate strong cash flow from operations and strengthen our financial position in this environment, even as business conditions for the retail furniture industry continued to be very weak and bedding industry demand began to soften. These results reflect continued growth in our mattress fabrics sales and a solid gain in our non-U.S. produced upholstery fabrics. Our China platform and lower operating cost structure in our upholstery fabrics business have positioned us to operate more efficiently during this downturn, remain profitable on lower volumes and benefit from any upturn in demand.”

Mattress Fabrics Segment

Mattress fabric (known as mattress ticking) sales for the third quarter were $30.9 million, a 27 percent increase compared with $24.4 million for the third quarter of fiscal 2007. This trend reflects the incremental sales related to the company’s acquisition of ITG’s mattress fabrics business in January 2007. However, the year over year sales gain is lower than the previous quarters since the acquisition due to the planned discontinuation of certain ITG products that did not fit Culp’s business model. The third quarter of last year included $1.0 million in sales from the acquisition. Mattress fabric sales represented 51 percent of total company sales for the quarter, compared with 44 percent a year ago. On a unit volume basis, total yards sold increased by 21 percent compared with the third quarter of fiscal 2007. The average selling price of $2.42 per yard for the third quarter of fiscal 2008 was four percent higher than the same period a year ago, reflecting a shift in product mix toward more knitted fabrics. Operating income for this segment was $2.6 million, or 8.5 percent of sales, compared with $2.5 million, or 10.3 percent of sales, for the prior-year period.

“Culp’s mattress fabrics business has continued to perform well throughout this fiscal year and has been a key driver of our growth,” said Saxon. “Over the past year, we have worked very hard to ensure the smooth integration of ITG’s mattress fabrics business with minimal customer disruption. As a result, Culp has continued to enjoy excellent customer relationships and we have benefited from the additional sales volumes and more efficient production. As a final stage of this integration process, we sold some excess inventory at reduced margins. The results for the quarter were also affected by higher raw materials costs and increased Canadian operating costs due to the strengthening of the Canadian currency as compared with the same period last year. To offset these higher costs, we have implemented a price increase in our mattress fabrics segment, effective in March.

“As we focus on maintaining our high level of execution and service for our customers, we are continuing to make strategic investments to enhance our manufacturing platform and provide additional reactive capacity in mattress fabrics. During the next few months we are implementing a $5.0 million capital project that includes the expansion of our weaving and finishing operations in our Stokesdale, North Carolina, facility. We expect to have this project completed around the end of May 2008. This state-of-the-art equipment and additional capacity will allow us to operate more efficiently on lower inventories and provide even faster response time to our customers. Additionally, these capital projects will position Culp to pursue additional growth opportunities and extend our leadership position in mattress fabrics,” added Saxon.

Upholstery Fabrics Segment

Sales for this segment, which include both fabric and cut and sewn kits, were $29.6 million, a 5.5 percent decline compared with $31.3 million in the third quarter of fiscal 2007. Total fabric yards sold declined by 12 percent, while average selling prices were approximately five percent higher than the third quarter of fiscal 2007. Sales of cut and sewn kits were up significantly over the same period last year. Upholstery fabrics sales reflect very weak demand industry wide, as well as continued soft demand for U.S. produced upholstery fabrics driven by consumer preference for leather and suede furniture and other imported furniture and fabrics. Sales of non-U.S. produced fabrics were $20.2 million in the third quarter, up 17 percent over the prior year period, while sales of U.S. produced fabrics were $9.4 million, down 33 percent from the third quarter of fiscal 2007. The year over year growth in non-U.S. produced fabrics reverses a trend reflected in the results for the previous two fiscal quarters. Operating income for the upholstery fabrics segment for the third quarter of fiscal 2008 was $395,000 compared with an operating loss of $496,000 for the same period a year ago.

“We were pleased to report another profitable quarter in upholstery fabrics in this very difficult operating environment,” said Saxon. “The solid sales gains in our non-U.S. operations reflect our strategic focus on product development, innovation and improved supply chain performance. Today, our China platform is the cornerstone of Culp’s upholstery fabrics business and we are excited about the opportunities to grow this business when overall industry demand improves. However, we still face significant challenges with respect to the underperformance of our remaining U.S. manufacturing operation and the lower volume it is experiencing. We will also be implementing a price increase on our U.S.-produced products during the fourth quarter. We have improved our cost structure in our overall upholstery fabric business with substantially lower selling, general and administrative (SG&A) expenses for the third quarter of fiscal 2008, which were down approximately $1.0 million, or 26 percent, from the same period a year ago. We have also reduced our inventory levels by almost $4.0 million, or 16 percent, since the third quarter of fiscal 2007. We continue to monitor our U.S. operations and are prepared to take the necessary steps to remain profitable in the upholstery fabrics segment.”

Balance Sheet

“We are focused on keeping our financial position and cash flow strong,” added Saxon. “At the end of the third fiscal quarter, our balance sheet reflected $15.5 million in cash and cash equivalents. Our cash position represents substantial improvement in cash flow from operations, which was $14.8 million for the year to date period compared with $4.4 million for the same period of last year. This performance is due to increased profitability and significant improvement in working capital management. The strong cash flow is helping the company to substantially reduce its long term debt during this fiscal year. During the third quarter we reduced total borrowings by $5.6 million, which brings the year to date total debt reduction to $7.6 million. With the scheduled repayment during the fourth quarter of an additional $8.3 million, the company will have reduced total debt by almost $16 million this fiscal year. Total debt was $33.4 million at the end of the third quarter compared with $46.7 million a year earlier, a 28 percent reduction. Our debt to capital ratio has improved significantly and was 28 percent at the end of the third quarter, compared with 37 percent a year earlier.”

Outlook

Commenting on the outlook for the fourth quarter of fiscal 2008, Saxon remarked, “We believe our mattress fabrics segment will continue to perform well, even though bedding industry demand is softening. However, industry conditions for upholstery fabrics have been extremely difficult all year and continue to be difficult today. Overall, we expect our fourth quarter sales to be down in the ten percent range from the fourth quarter of last year.

“We expect sales in our mattress fabrics segment to be down approximately 5 to 10 percent for the fourth quarter, primarily due to the planned discontinuation of certain ITG products and softening overall demand. Operating income in this segment is expected to approximate the prior year period with operating margins back over our target of 10 percent.

“In our upholstery fabrics segment, we expect sales to be down approximately 13 to 18 percent for the fourth quarter, due entirely to lower sales of U.S. produced fabrics. We believe the upholstery fabric segment’s operating results will reflect breakeven results, due primarily to very weak gross profits in our U.S. operations. However, we still expect continued solid gross profit margins in our non-U.S. produced business and substantially lower selling, general and administrative expenses as compared to the fourth quarter of the prior year.

“Considering these factors, we expect the company to report net income in the fourth quarter in the range of $0.11 to $0.15 per diluted share, excluding restructuring and related charges for previously announced restructuring initiatives. This is management's best estimate at present, recognizing that future financial results are difficult to predict because the upholstery fabrics industry is undergoing a dramatic transition, some internal changes are still underway within the company and foreign currency fluctuations may continue. The actual results will depend primarily upon the level of demand throughout the quarter," said Saxon.

The company estimates that restructuring and related charges of approximately $200,000 ($176,000 net of taxes, or $0.01 per diluted share) from previously announced restructuring initiatives will be incurred during the fourth fiscal quarter. Including the restructuring and related charges, the company expects to report net income for the fourth fiscal quarter of 2008 in the range of $0.10 to $0.14 per diluted share. The net income for the fourth quarter of fiscal 2007 was $0.00 per diluted share. (A reconciliation of the projected net income per share calculation has been set forth on Page 6.)

In closing, Saxon remarked, "We are pleased with our execution and we are building upon the leadership positions we enjoy in both of our businesses. Our mattress fabrics business will continue to be the key driver of our growth in the short term. With the capital improvements underway to enhance our manufacturing capabilities, we believe we have additional opportunities to grow our mattress fabrics business. Our upholstery fabrics business is being affected by the extremely challenging conditions in the furniture industry; however, we believe we are well positioned to both withstand the current downturn and report better results with any upturn in demand. Our China platform is gaining traction and provides a sustainable business model for Culp to compete effectively in upholstery fabrics in today’s global marketplace. Overall, we are pleased with our progress in fiscal 2008 and remain focused on achieving profitable growth over the long term.”

About the Company

Culp, Inc. is one of the world's largest marketers of mattress fabrics for bedding and upholstery fabrics for furniture. The company's fabrics are used principally in the production of bedding products and residential and commercial upholstered furniture.

This release contains statements that may be deemed "forward-looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995 (Section 27A of the Securities Act of 1933 and Section 27A of the Securities and Exchange Act of 1934). Such statements are inherently subject to risks and uncertainties. Further, forward-looking statements are intended to speak only as of the date on which they are made. Forward-looking statements are statements that include projections, expectations or beliefs about future events or results or otherwise are not statements of historical fact. Such statements are often but not always characterized by qualifying words such as "expect," "believe," "estimate," "plan" and "project" and their derivatives, and include but are not limited to statements about the company's future operations, production levels, sales, SG&A or other expenses, margins, gross profit, operating income, earnings or other performance measures. Factors that could influence the matters discussed in such statements include the level of housing starts and sales of existing homes, consumer confidence, trends in disposable income, and general economic conditions. Decreases in these economic indicators could have a negative effect on the company's business and prospects. Likewise, increases in interest rates, particularly home mortgage rates, and increases in consumer debt or the general rate of inflation, could affect the company adversely. Changes in consumer tastes or preferences toward products not produced or marketed by the company could erode demand for the company's products. Strengthening of the U.S. dollar against other currencies could make the company's products less competitive on the basis of price in markets outside the United States and strengthening of currencies in Canada and China can have a negative impact on the company's sales in the U.S. of products produced in those countries. Also, economic and political instability in international areas could affect the company's operations or sources of goods in those areas, as well as demand for the company's products in international markets. Finally, unanticipated delays or costs in executing restructuring actions could cause the cumulative effect of restructuring actions to fail to meet the objectives set forth by management. Other factors that could affect the matters discussed in forward-looking statements are included in the company's periodic reports filed with the Securities and Exchange Commission, including the "Risk Factors" section in the company's most recent annual report on Form 10-K.

CULP, INC.
Condensed Financial Highlights
(Unaudited)

	Three Months Ended		Nine Months Ended	
	January 27, 2008	January 28, 2007	January 27, 2008	January 28, 2007
Net sales	$ 60,482,000	$ 55,712,000	$ 190,048,000	$ 177,337,000
Income (loss) before income taxes	$ 643,000	$ (3,703,000)	$ 3,412,000	$ (2,816,000)
Net income (loss)	$ 903,000	$ (2,221,000)	$ 3,307,000	$ (1,276,000)
Net income (loss) per share:				
Basic	$ 0.07	$ (0.19)	$ 0.26	$ (0.11)
Diluted	$ 0.07	$ (0.19)	$ 0.26	$ (0.11)
Income before income taxes, excluding restructuring and related charges[a]	$ 1,417,000	$ 373,000	$ 5,691,000	$ 2,793,000
Net income (loss) per share, diluted, excluding restructuring and related charges[a]	$ 0.11	$ (0.01)	$ 0.39	$ 0.18
Average shares outstanding:				
Basic	12,635,000	11,773,000	12,617,000	11,710,000
Diluted	12,738,000	11,773,000	12,770,000	11,713,000

[a]Excludes restructuring and related charges of $774,000 ($551,000 or $0.04 per diluted share, after taxes) for the third quarter of fiscal 2008. Excludes restructuring and related charges of $2.3 million ($1.7 million, or $0.13 per diluted share, after taxes) for the first nine months of fiscal 2008.

[a]Excludes restructuring and related charges of $4.1 million ($2.1 million, or $0.18 per diluted share, after taxes) for the third quarter of fiscal 2007. Excludes restructuring and related charges of $5.6 million ($3.3 million or $0.29 per diluted share, after taxes) for the first nine months of fiscal 2007.

CULP, INC.
Reconciliation of Income (Loss) before Income Taxes as Reported to Pro Forma Income before Income Taxes
(Unaudited)

	Three Months Ended		Nine Months Ended	
	January 27, 2008	January 28, 2007	January 27, 2008	January 28, 2007
Income (loss) before income taxes, as reported	$ 643,000	$ (3,703,000)	$ 3,412,000	$ (2,816,000)
Restructuring and related charges	$ 774,000	$ 4,076,000	$ 2,279,000	$ 5,609,000
Pro forma income before income taxes	$ 1,417,000	$ 373,000	$ 5,691,000	$ 2,793,000

Reconciliation of Net Income (Loss) as Reported to Pro Forma Net Income (Loss)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	January 27, 2008	January 28, 2007	January 27, 2008	January 28, 2007
Net income (loss)as reported	$ 903,000	$ (2,221,000)	$ 3,307,000	$ (1,276,000)
Restructuring and related charges, net of income taxes	$ 551,000	$ 2,122,000	$ 1,676,000	$ 3,340,000
Pro forma net income (loss)	$ 1,454,000	$ (99,000)	$ 4,983,000	$ 2,064,000

Reconciliation of Net Income (Loss) Per Share as Reported to Pro Forma Net Income (Loss) Per Share
(Unaudited)

	Three Months Ended[a]		Nine Months Ended[a]	
	January 27,	January 28,	January 27,	January 28,

	2008	2007	2008	2007
Net income (loss), per diluted share, as reported	$ 0.07	$ (0.19)	$ 0.26	$ (0.11)
Restructuring and related charges, net of income taxes	$ 0.04	$ 0.18	$ 0.13	$ 0.29
Net income (loss) per diluted share, adjusted	$ 0.11	$ (0.01)	$ 0.39	$ 0.18

[(a)]Per share numbers have been rounded

Reconciliation of Projected Range of Net Income Per Share to Projected Range of Pro Forma Net Income Per Share
(Unaudited)

	Three Months Ending April 27, 2008
Projected range of net income per diluted share	$ 0.10 - $ 0.14
Projected restructuring and related charges, net of income taxes	0.01
Projected range of pro forma net income per diluted share	$ 0.11 - $ 0.15

CONTACT:
Culp, Inc.
Investor & Media Contact:
Kenneth R. Bowling, 336-881-5630
Chief Financial Officer

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF NET INCOME (LOSS)
FOR THE THREE MONTHS AND NINE MONTHS ENDED JANUARY 27, 2008 AND JANUARY 28, 2007
(UNAUDITED)
(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED				
	Amounts			Percent of Sales	
	January 27, 2008	January 28, 2007	% Over (Under)	**January 27, 2008**	January 28, 2007
Net sales	$ **60,482**	55,712	8.6%	**100.0**%	100.0%
Cost of sales	**53,706**	51,001	5.3%	**88.8**%	91.5%
Gross profit	**6,776**	4,711	43.8%	**11.2**%	8.5%
Selling, general and administrative expenses	**5,117**	6,394	(20.0)%	**8.5**%	11.5%
Restructuring expense	**412**	1,275	(67.7)%	**0.7**%	2.3%
Income (loss) from operations	**1,247**	(2,958)	142.2%	**2.1**%	(5.3)%
Interest expense	**753**	952	(20.9)%	**1.2**%	1.7%
Interest income	**(77)**	(50)	54.0%	**(0.1)**%	(0.1)%
Other income	**(72)**	(157)	(54.1)%	**(0.1)**%	(0.3)%
Income (loss) before income taxes	**643**	(3,703)	117.4%	**1.1**%	(6.6)%
Income taxes*	**(260)**	(1,482)	(82.5)%	**(40.4)**%	40.0%
Net income (loss)	$ **903**	(2,221)	140.7%	**1.5**%	(4.0)%
Net income (loss) per share-basic	**$0.07**	($0.19)	136.8%		
Net income (loss) per share-diluted	**$0.07**	($0.19)	136.8%		
Net income (loss) per share, diluted, excluding restructuring and related charges (see proforma statement on page 6)	**$0.11**	($0.01)	N.M.		
Average shares outstanding-basic	**12,635**	11,773	7.3%		
Average shares outstanding-diluted	**12,738**	11,773	8.2%		

	NINE MONTHS ENDED				
	Amounts			Percent of Sales	
	January 27, 2008	January 28, 2007	% Over (Under)	**January 27, 2008**	January 28, 2007
Net sales	$ **190,048**	177,337	7.2%	**100.0**%	100.0%
Cost of sales	**165,794**	156,575	5.9%	**87.2**%	88.3%
Gross profit	**24,254**	20,762	16.8%	**12.8**%	11.7%
Selling, general and administrative expenses	**17,275**	19,240	(10.2)%	**9.1**%	10.8%
Restructuring expense	**759**	1,742	(56.4)%	**0.4**%	1.0%
Income (loss) from operations	**6,220**	(220)	N.M.	**3.3**%	(0.1)%
Interest expense	**2,380**	2,841	(16.2)%	**1.3**%	1.6%
Interest income	**(197)**	(147)	34.0%	**(0.1)**%	(0.1)%
Other expense (income)	**625**	(98)	N.M.	**0.3**%	(0.1)%
Income (loss) before income taxes	**3,412**	(2,816)	221.2%	**1.8**%	(1.6)%
Income taxes*	**105**	(1,540)	(106.8)%	**3.1**%	54.7%
Net income (loss)	$ **3,307**	(1,276)	359.2%	**1.7**%	(0.7)%
Net income (loss) per share-basic	**$0.26**	($0.11)	336.4%		
Net income (loss) per share-diluted	**$0.26**	($0.11)	336.4%		
Net income per share, diluted, excluding restructuring and related charges (see proforma statement on page 7)	**$0.39**	$0.18	116.7%		
Average shares outstanding-basic	**12,617**	11,710	7.7%		
Average shares outstanding-diluted	**12,770**	11,710	9.1%		

* Percent of sales column for income taxes is calculated as a % of income (loss) before income taxes.

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED BALANCE SHEETS
JANUARY 27, 2008, JANUARY 28, 2007 AND APRIL 29, 2007
Unaudited
(Amounts in Thousands)

	Amounts		Increase (Decrease)		
	January 27, 2008	January 28, 2007	Dollars	Percent	* April 29, 2007
Current assets					
Cash and cash equivalents	$ **15,500**	10,675	4,825	45.2%	10,169
Accounts receivable	**23,370**	23,755	(385)	(1.6)%	29,290
Inventories	**37,923**	42,717	(4,794)	(11.2)%	40,630
Deferred income taxes	**5,376**	7,120	(1,744)	(24.5)%	5,376
Assets held for sale	**4,972**	1,231	3,741	303.9%	2,499
Income taxes receivable	**423**	-	423	100.0%	-
Other current assets	**995**	2,710	(1,715)	(63.3)%	1,824
Total current assets	**88,559**	88,208	351	0.4%	89,788
Property, plant and equipment, net	**32,218**	40,784	(8,566)	(21.0)%	37,773
Goodwill	**4,114**	4,114	-	0.0%	4,114
Deferred income taxes	**25,993**	23,232	2,761	11.9%	25,683
Other assets	**2,442**	2,683	(241)	(9.0)%	2,588
Total assets	$ **153,326**	159,021	(5,695)	(3.6)%	159,946
Current liabilities					
Current maturities of long-term debt	$ **8,569**	4,744	3,825	80.6%	16,046
Lines of credit	**2,783**	-	2,783	100.0%	2,593
Accounts payable	**19,036**	18,051	985	5.5%	23,585
Accrued expenses	**10,422**	7,704	2,718	35.3%	8,670
Accrued restructuring	**1,875**	3,490	(1,615)	(46.3)%	3,282
Income taxes payable - current (1)	**-**	4,136	(4,136)	(100.0)%	4,579
Total current liabilities	**42,685**	38,125	4,560	12.0%	58,755
Income taxes payable - long-term (1)	**4,497**	-	4,497	100.0%	-
Long-term debt , less current maturities	**22,026**	41,965	(19,939)	(47.5)%	22,114
Total liabilities	**69,208**	80,090	(10,882)	(13.6)%	80,869
Shareholders' equity	**84,118**	78,931	5,187	6.6%	79,077
Total liabilities and shareholders' equity	$ **153,326**	159,021	(5,695)	(3.6)%	159,946
Shares outstanding	**12,635**	12,555	80	0.6%	12,569

* Derived from audited financial statements

(1) Amounts as of January 27, 2008 reflect the adoption of Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting for Uncertainty in Income Taxes" during the first quarter of fiscal 2008.

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED JANUARY 27, 2008 AND JANUARY 28, 2007
Unaudited
(Amounts in Thousands)

		NINE MONTHS ENDED	
		Amounts	
		January 27, 2008	January 28, 2007
Cash flows from operating activities:			
Net income (loss)	$	**3,307**	(1,276)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation		**4,264**	5,651
Amortization of other assets		**280**	59
Stock-based compensation		**520**	406
Excess tax benefit related to stock options exercised		**(21)**	-
Deferred income taxes		**73**	(3,056)
Loss on impairment of equipment		**256**	-
Restructuring expenses, net of gain on sale of related assets		**123**	(546)
Changes in assets and liabilities:			
Accounts receivable		**6,140**	5,294
Inventories		**2,707**	(1,270)
Other current assets		**829**	787
Other assets		**(128)**	(46)
Accounts payable		**(3,716)**	(2,507)
Accrued expenses		**1,651**	(141)
Accrued restructuring		**(1,483)**	(564)
Income taxes		**16**	1,648
Net cash provided by operating activities		**14,818**	4,439
Cash flows from investing activities:			
Capital expenditures		**(4,303)**	(2,492)
Acquisition of assets		**-**	(2,500)
Proceeds from the sale of buildings and equipment		**2,336**	3,260
Net cash used in investing activities		**(1,967)**	(1,732)
Cash flows from financing activities:			
Net proceeds from lines of credit		**190**	-
Payments on vendor-financed capital expenditures		**(571)**	(927)
Payments on long-term debt		**(7,565)**	(3,513)
Proceeds from the issuance of long-term debt		**-**	2,500
Proceeds from common stock issued		**405**	194
Excess tax benefit related to stock options exercised		**21**	-
Net cash used in financing activities		**(7,520)**	(1,746)
Increase in cash and cash equivalents		**5,331**	961
Cash and cash equivalents at beginning of period		**10,169**	9,714
Cash and cash equivalents at end of period	$	**15,500**	10,675
Free Cash Flow (1)	$	**12,301**	4,280

(1) Free Cash Flow reconciliation is as follows:		3rd Qtr FY 2008	3rd Qtr FY 2007
A) Net cash provided by operating activities	$	14,818	4,439
B) Minus: Capital Expenditures		(4,303)	(2,492)
C) Add: Proceeds from the sale of buildings and equipment		2,336	3,260
D) Minus: Payments on vendor-financed capital expenditures		(571)	(927)
E) Add: Excess tax benefit related to stock options exercised		21	-
	$	**12,301**	4,280

CULP, INC. FINANCIAL INFORMATION RELEASE
SALES, GROSS PROFIT AND OPERATING INCOME (LOSS) BY SEGMENT
FOR THE THREE MONTHS ENDED JANUARY 27, 2008 AND JANUARY 28, 2007

(Amounts in thousands)

		THREE MONTHS ENDED (UNAUDITED)				
		Amounts			Percent of Total Sales	
Net Sales by Segment		**January 27, 2008**	January 28, 2007	% Over (Under)	**January 27, 2008**	January 28, 2007
Mattress Fabrics	$	**30,880**	24,396	26.6%	**51.1%**	43.8%
Upholstery Fabrics		**29,602**	31,316	(5.5)%	**48.9%**	56.2%
Net Sales	$	**60,482**	55,712	8.6%	**100.0%**	100.0%
Gross Profit by Segment					Gross Profit Margin	
Mattress Fabrics	$	**4,200**	4,215	(0.4)%	**13.6%**	17.3%
Upholstery Fabrics		**3,181**	3,269	(2.7)%	**10.7%**	10.4%
Subtotal		**7,381**	7,484	(1.4)%	**12.2%**	13.4%
Loss on impairment of equipment		**(256)** (1)	-	(100.0)%	**(0.4)%**	0.0%
Restructuring related charges		**(349)** (2)	(2,773) (4)	(87.4)%	**(0.6)%**	(5.0)%
Gross Profit	$	**6,776**	4,711	43.8%	**11.2%**	8.5%
Selling, General and Administrative expenses by Segment					Percent of Sales	
Mattress Fabrics	$	**1,571**	1,706	(7.9)%	**5.1%**	7.0%
Upholstery Fabrics		**2,787**	3,765	(26.0)%	**9.4%**	12.0%
Unallocated Corporate expenses		**746**	895	(16.6)%	**1.2%**	1.6%
		5,104	6,366	(19.8)%	**8.4%**	11.4%
Restructuring related charges		**13** (2)	28 (4)	(53.6)%	**0.0%**	0.1%
Selling, General and Administrative expenses	$	**5,117**	6,394	(20.0)%	**8.5%**	11.5%
Operating Income (loss) by Segment					Operating Income (Loss) Margin	
Mattress Fabrics	$	**2,628**	2,509	4.7%	**8.5%**	10.3%
Upholstery Fabrics		**395**	(496)	179.6%	**1.3%**	(1.6)%
Unallocated corporate expenses		**(746)**	(895)	(16.6)%	**(1.2)%**	(1.6)%
Subtotal		**2,277**	1,118	103.7%	**3.8%**	2.0%
Loss on impairment of equipment		**(256)** (1)	-	(100.0)%	**(0.4)%**	0.0%
Restructuring expense and restructuring related charges		**(774)** (3)	(4,076) (5)	(81.0)%	**(1.3)%**	(7.3)%
Operating income (loss)	$	**1,247**	(2,958)	142.2%	**2.1%**	(5.3)%
Depreciation by Segment						
Mattress Fabrics	$	**874**	912	(4.2)%		
Upholstery Fabrics		**497**	710	(30.0)%		
Subtotal		**1,371**	1,622	(15.5)%		
Accelerated Depreciation		**-**	665	(100.0)%		
Total Depreciation		**1,371**	**2,287**	(40.1)%		

Notes:
(1) The $256 represents an impairment loss on older and existing equipment that was sold after January 27, 2008 and is being replaced by newer and more efficient equipment. This impairment loss pertains to the mattress fabrics segment.
(2) The $349 restructuring related charge represents $218 for other operating costs associated with closed plant facilities and $131 for inventory markdowns. The $13 restructuring related charge represents other operating costs associated with closed plant facilities.
(3) The $774 restructuring and related charge represents $238 for employee termination benefits, $231 for other operating costs associated with closed plant facilities, $131 for inventory markdowns, $93 for a write-down of a building, $68 for lease termination and other exit costs, $57 for asset movement costs, and a credit of $44 for sales proceeds received on equipment with no carrying value. Of this total charge, $349 was recorded in cost of sales, $13 was recorded in selling, general, and administrative expenses, and $412 was recorded in restructuring expense. The total $774 restructuring and related charge pertains to the upholstery fabrics segment.
(4) The $2.8 million represents restructuring related charges of $2.2 million for inventory markdowns, $665 for accelerated depreciation, and a credit of $52 for other operating costs associated with closed plant facilities. The $28 restructuring related charge represents other operating costs associated with closed plant facilities.
(5) The $4.1 million restructuring and related charge represents $2.2 million for inventory markdowns, $1.2 million for employee termination benefits, $665 for accelerated depreciation, $272 for write-downs of equipment, $181 for asset movement costs, $61 for lease termination and other

exit costs, a credit of $24 for other operating costs associated with closed plant facilities, and a credit of $455 for sales proceeds received on equipment with no carrying value. Of this total charge, $2.8 million was recorded in cost of sales, $28 was recorded in selling, general, and administrative expenses and $1.3 million was recorded in restructuring expense. The total $4.1 million restructuring and related charge pertains to the upholstery fabrics segment.

CULP, INC. FINANCIAL INFORMATION RELEASE
SALES, GROSS PROFIT AND OPERATING INCOME (LOSS) BY SEGMENT
FOR THE NINE MONTHS ENDED JANUARY 27, 2008 AND JANUARY 28, 2007

(Amounts in thousands)

		NINE MONTHS ENDED (UNAUDITED)				
		Amounts			Percent of Total Sales	
Net Sales by Segment		**January 27, 2008**	January 28, 2007	% Over (Under)	**January 27, 2008**	January 28, 2007
Mattress Fabrics	$	**103,426**	69,734	48.3%	**54.4%**	39.3%
Upholstery Fabrics		**86,622**	107,603	(19.5)%	**45.6%**	60.7%
Net Sales	$	**190,048**	177,337	7.2%	**100.0%**	100.0%
Gross Profit by Segment					Gross Profit Margin	
Mattress Fabrics	$	**16,043**	11,880	35.0%	**15.5%**	17.0%
Upholstery Fabrics		**9,922**	12,691	(21.8)%	**11.5%**	11.8%
Subtotal		**25,965**	24,571	5.7%	**13.7%**	13.9%
Loss on impairment of equipment		**(256)** (1)	-	(100.0)%	**(0.1)%**	0.0%
Restructuring related charges		**(1,455)** (2)	(3,809) (4)	(61.8)%	**(0.8)%**	(2.1)%
Gross Profit	$	**24,254**	20,762	16.8%	**12.8%**	11.7%
Selling, General and Administrative expenses by Segment					Percent of Sales	
Mattress Fabrics	$	**5,779**	5,043	14.6%	**5.6%**	7.2%
Upholstery Fabrics		**8,877**	11,219	(20.9)%	**10.2%**	10.4%
Unallocated Corporate expenses		**2,554**	2,920	(12.5)%	**1.3%**	1.6%
Subtotal		**17,210**	19,182	(10.3)%	**9.1%**	10.8%
Restructuring related charges		**65** (2)	58 (4)	12.1%	**0.0%**	0.0%
Selling, General and Administrative expenses	$	**17,275**	19,240	(10.2)%	**9.1%**	10.8%
Operating Income (loss) by Segment					Operating Income (Loss) Margin	
Mattress Fabrics	$	**10,264**	6,837	50.1%	**9.9%**	9.8%
Upholstery Fabrics		**1,045**	1,472	(29.0)%	**1.2%**	1.4%
Unallocated corporate expenses		**(2,554)**	(2,920)	(12.5)%	**(1.3)%**	(1.6)%
Subtotal		**8,755**	5,389	62.5%	**4.6%**	3.0%
Loss on impairment of equipment		**(256)** (1)	-	(100.0)%	**(0.1)%**	0.0%
Restructuring expense and restructuring related charges		**(2,279)** (3)	(5,609) (5)	(59.4)%	**(1.2)%**	(3.2)%
Operating income (loss)	$	**6,220**	(220)	N.M.	**3.3%**	(0.1)%
Depreciation by Segment						
Mattress Fabrics	$	**2,668**	2,771	(3.7)%		
Upholstery Fabrics		**1,596**	2,215	(27.9)%		
Subtotal		**4,264**	4,986	(14.5)%		
Accelerated Depreciation		-	665	(100.0)%		
Total Depreciation		**4,264**	5,651	(24.5)%		

Notes:
(1) The $256 represents an impairment loss on older and existing equipment that was sold after January 27, 2008 and is being replaced by newer and more efficient equipment. This impairment loss pertains to the mattress fabrics segment.
(2) The $1.4 million restructuring related charge represents $920 for other operating costs associated with closed plant facilities and $535 for inventory markdowns. The $65 restructuring related charge represents other operating costs associated with plant facilities.
(3) The $2.3 million represents $985 for other operating costs associated with closed plant facilities, $612 for lease termination and other exit costs, $535 for inventory markdowns, $482 for write-downs of buildings and equipment, $184 for asset movement costs, a credit of $160 for employee termination benefits, and a credit of $359 for sales proceeds received on equipment with no carrying value. Of this total charge, $1.4 million was recorded in cost of sales, $65 was recorded in selling, general, and administrative expenses, and $759 was recorded in restructuring expense. The total $2.3 million restructuring and related charge pertains to the upholstery fabrics segment.
(4) The $3.8 million represents restructuring related charges of $2.3 million for inventory markdowns, $744 for other operating costs associated with the closed plant facilities, and $665 for accelerated depreciation. The $58 restructuring related charge represents other operating costs associated with closed plant facilities.
(5) The $5.6 million represents restructuring and related charges of $2.3 million for inventory markdowns, $990 for employee termination benefits, $914 for asset movement costs, $802 for other operating costs associated with closed plant facilities, $665 for accelerated deprecation, $395 for lease termination and other exit costs, $334 for write-downs of buildings and equipment, and a credit of $890 for sales proceeds received on equipment with no carrying value. Of this total charge, $3.8 million was recorded in cost of sales, $58 was recorded in selling, general, and administrative expenses, and $1.7 million was recorded in restructuring expense. The total $5.6 million restructuring and related charge pertains to the upholstery fabrics segment.

CULP, INC. FINANCIAL INFORMATION RELEASE
PROFORMA CONSOLIDATED STATEMENTS OF NET INCOME (LOSS)
FOR THE THREE MONTHS ENDED JANUARY 27, 2008 AND JANUARY 28, 2007
(Unaudited)
(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED												
	As Reported January 27, 2008	% of Sales	Adjustments	% of Sales	January 27, 2008 Proforma Net of Adjustments	% of Sales	**As Reported January 28, 2007**	% of Sales	Adjustments	% of Sales	January 28, 2007 Proforma Net of Adjustments	% of Sales	Proforma % Over (Under)
Net sales	$ **60,482**	100.0%	-		60,482	100.0%	**55,712**	100.0%	-		55,712	100.0%	8.6%
Cost of sales	**53,706**	88.8%	(349)	-0.6%(1)	53,357	88.2%	**51,001**	91.5%	(2,773)	-5.0%(3)	48,228	86.6%	10.6%
Gross profit	**6,776**	11.2%	(349)	-0.6%	7,125	11.8%	**4,711**	8.5%	(2,773)	-5.0%	7,484	13.4%	-4.8%
Selling, general and administrative expenses	**5,117**	8.5%	(13)	0.0%(1)	5,104	8.4%	**6,394**	11.5%	(28)	-0.1%(3)	6,366	11.4%	-19.8%
Restructuring expense	**412**	0.7%	(412)	-0.7%(2)	-	0.0%	**1,275**	2.3%	(1,275)	-2.3%(4)	-	0.0%	0.0%
Income (loss) from operations	**1,247**	2.1%	(774)	-1.3%	2,021	3.3%	**(2,958)**	-5.3%	(4,076)	-7.3%	1,118	2.0%	80.8%
Interest expense	**753**	1.2%	-	0.0%	753	1.2%	**952**	1.7%	-	0.0%	952	1.7%	-20.9%
Interest income	**(77)**	-0.1%	-	0.0%	(77)	-0.1%	**(50)**	-0.1%	-	0.0%	(50)	-0.1%	54.0%
Other income	**(72)**	-0.1%	-	0.0%	(72)	-0.1%	**(157)**	-0.3%	-	0.0%	(157)	-0.3%	-54.1%
Income (loss) before income taxes	**643**	1.1%	(774)	-1.3%(5)	1,417	2.3%	**(3,703)**	-6.6%	(4,076)	-7.3%(6)	373	0.7%	279.9%
Income taxes (7)	**(260)**	-40.4%	(223)	28.8%	(37)	-2.6%	**(1,482)**	40.0%	(1,954)	47.9%	472	126.5%	107.8%
Net income (loss)	$ **903**	1.5%	(551)	-0.9%	1,454	2.4%	**(2,221)**	-4.0%	(2,122)	-3.8%	(99)	-0.2%	1568.7%
Net income (loss) per share-basic	**$0.07**		($0.04)		$0.11		**($0.19)**		**($0.18)**		($0.01)		
Net income (loss) per share-diluted	**$0.07**		($0.04)		$0.11		**($0.19)**		**($0.18)**		($0.01)		
Average shares outstanding-basic	**12,635**		12,635		12,635		**11,773**		**11,773**		11,773		
Average shares outstanding-diluted	**12,738**		12,635		12,738		**11,773**		**11,773**		11,773		

Notes:

(1) The $349 restructuring related charge represents $218 for other operating costs associated with closed plant facilities and $131 for inventory markdowns. The $13 restructuring related charge represents other operating costs associated with closed plant facilities.

(2) The $412 restructuring charge represents $238 for employee termination benefits, $93 for fixed asset write-downs, $68 for lease termination and other exit costs, $57 for asset movement costs, and a credit of $44 for sales proceeds received on equipment with no carrying value.

(3) The $2.8 million represents restructuring related charges of $2.2 million for inventory markdowns, $665 for accelerated depreciation, and a credit of $52 for other operating costs associated with closed plant facilities. The $28 restructuring related charge represents other operating costs associated with closed plant facilities.

(4) The $1.3 million restructuring charge represents $1.2 million for employee termination benefits, $272 for write-downs of equipment, $181 for asset movement costs, $61 for lease termination and other exit costs, and a credit of $455 for sales proceeds received on equipment with no carrying value.

(5) Of this total charge, $550 and $224 represent cash and non-cash charges, respectively.

(6) Of this total charge, $3.1 million and $1.0 million represent cash charges and non-cash charges, respectively.

(7)The percent of net sales column for income taxes is calculated as a % of income (loss) before income taxes.

CULP, INC. FINANCIAL INFORMATION RELEASE
PROFORMA CONSOLIDATED STATEMENTS OF NET INCOME (LOSS)
FOR THE NINE MONTHS ENDED JANUARY 27, 2008 AND JANUARY 28, 2007
(Unaudited)
(Amounts in Thousands, Except for Per Share Data)

	NINE MONTHS ENDED												
	As Reported January 27, 2008	% of Sales	Adjustments	% of Sales	January 27, 2008 Proforma Net of Adjustments	% of Sales	**As Reported January 28, 2007**	% of Sales	Adjustments	% of Sales	January 28, 2007 Proforma Net of Adjustments	% of Sales	Proforma % Over (Under)
Net sales	$ **190,048**	100.0%	-		190,048	100.0%	**177,337**	100.0%	-		177,337	100.0%	7.2%
Cost of sales	**165,794**	87.2%	(1,455)	-0.8%(1)	164,339	86.5%	**156,575**	88.3%	(3,809)	-2.1%(3)	152,766	86.1%	7.6%
Gross profit	**24,254**	12.8%	(1,455)	-0.8%	25,709	13.5%	**20,762**	11.7%	(3,809)	-2.1%	24,571	13.9%	4.6%
Selling, general and administrative expenses	**17,275**	9.1%	(65)	0.0%(1)	17,210	9.1%	**19,240**	10.8%	(58)	0.0%(3)	19,182	10.8%	-10.3%
Restructuring expense	**759**	0.4%	(759)	-0.4%(2)	-	0.0%	**1,742**	1.0%	(1,742)	-1.0%(4)	-	0.0%	0.0%
Income (loss) from operations	**6,220**	3.3%	(2,279)	-1.2%	8,499	4.5%	**(220)**	-0.1%	(5,609)	-3.2%	5,389	3.0%	57.7%
Interest expense	**2,380**	1.3%	-	0.0%	2,380	1.3%	**2,841**	1.6%	-	0.0%	2,841	1.6%	-16.2%
Interest income	**(197)**	-0.1%	-	0.0%	(197)	-0.1%	**(147)**	-0.1%	-	0.0%	(147)	-0.1%	34.0%
Other expense (income)	**625**	0.3%	-	0.0%	625	0.3%	**(98)**	-0.1%	-	0.0%	(98)	-0.1%	-737.8%
Income (loss) before income taxes	**3,412**	1.8%	(2,279)	-1.2%(5)	5,691	3.0%	**(2,816)**	-1.6%	(5,609)	-3.2%(6)	2,793	1.6%	103.8%
Income taxes (7)	**105**	3.1%	(603)	26.5%	708	12.4%	**(1,540)**	54.7%	(2,269)	40.5%	729	26.1%	-2.9%
Net income (loss)	$ **3,307**	1.7%	(1,676)	-0.9%	4,983	2.6%	**(1,276)**	-0.7%	(3,340)	-1.9%	2,064	1.2%	141.4%
Net income (loss) per share-basic	**$0.26**		($0.13)		$0.39		**($0.11)**		($0.29)		$0.18		
Net income (loss) per share-diluted	**$0.26**		($0.13)		$0.39		**($0.11)**		($0.29)		$0.18		
Average shares outstanding-basic	**12,617**		12,617		12,617		**11,710**		11,710		11,710		
Average shares outstanding-diluted	**12,770**		12,617		12,770		**11,710**		11,710		11,713		

Notes:

(1) The $1.4 million restructuring related charge represents $920 for other operating costs associated with closed plant facilities and $535 for inventory markdowns. The $65 restructuring related charge represents other operating costs associated with closed plant facilities.

(2) The $759 restructuring charge represents $612 for lease termination and other exit costs, $482 for write-downs of buildings and equipment, $184 for asset movement costs, a credit of $160 for employee termination benefits, and a credit of $359 for sales proceeds received on equipment with no carrying value.

(3) The $3.8 million represents restructuring related charges of $2.3 million for inventory markdowns, $744 for other operating costs associated with closed plant facilities, and $665 for accelerated depreciation. The $58 restructuring related charge represents other operating costs associated with closed plant facilities.

(4) The $1.7 million restructuring charge represents $990 for employee termination benefits, $913 for asset movement costs, $395 for lease termination and other exit costs, $334 for write-downs of buildings and equipment, and a credit of $890 for sales proceeds received on equipment with no carrying value.

(5) Of this total charge, $1.3 million and $1.0 million represent cash and non-cash charges, respectively.

(6) Of this total charge, $2.3 million and $3.3 million represent cash and non-cash charges, respectively.

(7) The percent of net sales column for income taxes is calculated as a % of income (loss) before income taxes.