

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) August 18, 1999

CULP, INC.

(Exact name of registrant as specified in its charter)

North Carolina (State or other jurisdiction of incorporation)	0-12781 (Commission File No.)	56-1001967 (IRS Employer Identification No.)
---	----------------------------------	--

101 South Main Street
High Point, North Carolina 27260
(Address of principal executive offices)
(336) 889-5161
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Item 5. Other Events

See attached Press Release (2 pages) and Financial Information Release (10 pages), both dated August 18, 1999, related to the fiscal 2000 first quarter ended August 1, 1999.

Forward Looking Information. This Report contains statements that could be deemed "forward-looking statements" within the meaning of the federal securities laws. Such statements are inherently subject to risks and uncertainties. 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 characterized by qualifying words such as "expect," "believe," "estimate," "plan" and "project" and their derivatives. 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. Because of the significant percentage of the Company's sales derived from international shipments, 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. Additionally, economic and political instability in international areas could affect the demand for the Company's products.

SIGNATURE

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: Phillip W. Wilson
Vice President and
Chief Financial Officer

Dated: August 18, 1999

FOR IMMEDIATE RELEASE

CULP REPORTS FIRST QUARTER NET INCOME

HIGH POINT, N. C. (Aug. 18, 1999) - Culp, Inc. (NYSE: CFI) today reported net income of \$1.6 million for the first quarter of its 2000 fiscal year.

For the three months ended August 1, 1999, Culp reported net sales increased to \$115.9 million compared with \$110.7 million a year ago. The company reported net income for the quarter of \$1.6 million, or \$0.13 per share diluted, compared with a net loss of \$2.6 million, or \$0.20 per share diluted, in the year-earlier quarter.

"The favorable year-to-year comparisons for the first quarter extend the positive momentum that we achieved as fiscal 1999 progressed," said Robert G. Culp, III, chief executive officer. "A primary goal for us in fiscal 2000 is to sustain this pattern of improvement. We are pleased with the recovery to date and are confident about realizing further gains in our level of profitability."

Culp noted, "The first fiscal quarter is historically not the strongest period for our industry due to planned vacations and seasonal plant closings. That makes it difficult to gauge the underlying trend in demand. The backdrop of consumer spending on home furnishings still appears favorable, and we are optimistic about the success of the new patterns and textures that will be introduced to retailers this fall. Much of the improvement in our results relates directly to the changes we made in our management structure a year ago. We are continuing to refine our new organizational framework and believe that this realignment has strengthened our ability to capitalize on the trends within the home furnishings industry. Probably the most significant change is the ongoing consolidation at all levels within the supply chain linking manufacturers with consumers. Culp's vertical integration and broad product line equip us to develop strong working relationships with these larger companies that are seeking true corporate partners. Our objective is to provide not only the volume of fabrics and mattress ticking that these accounts need but also consistently high product quality and customer service."

Culp indicated that the company is maintaining its stock repurchase program. He said, "During the first quarter, we invested an additional \$393,000 to repurchase our shares. We currently have authorization from the Board of Directors to invest an additional \$4.1 million in this program. Culp's financial position is enabling us to execute this program and still make the appropriate investments to expand and modernize our capacity. We believe that the repurchase of our shares at attractive market levels will prove to be a sound investment of the company's capital."

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

CULP, INC.
Condensed Financial Highlights
(Unaudited)

	Three Months Ended	
	August 1, 1999	August 2, 1998
Net sales	\$ 115,937,000	\$ 110,667,000
Net income (loss)	\$ 1,597,000	\$ (2,640,000)
Net income (loss) per share:		
Basic	\$ 0.13	\$ (0.20)
Diluted	\$ 0.13	\$ (0.20)
Average shares outstanding:		
Basic	12,063,000	13,000,000
Diluted	12,219,000	13,203,000

This release contains statements that could be deemed "forward-looking statements" within the meaning of the federal securities laws. Such statements are inherently subject to risks and uncertainties. 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 characterized by qualifying words such as "expect," "believe," "estimate," "plan" and "project" and their derivatives. 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. Because of the significant percentage of the company's sales derived from international shipments, 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. Additionally, economic and political instability in international areas could affect the demand for the company's products.

-END-

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THREE MONTHS ENDED AUGUST 1, 1999 AND AUGUST 2, 1998

(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Sales	
	August 1, 1999	August 2, 1998	% Over (Under)	2000	1999
Net sales	\$ 115,937	110,667	4.8 %	100.0 %	100.0 %
Cost of sales	95,525	97,056	(1.6)%	82.4 %	87.7 %
Gross profit	20,412	13,611	50.0 %	17.6 %	12.3 %
Selling, general and administrative expenses	15,038	14,473	3.9 %	13.0 %	13.1 %
Income (loss) from operations	5,374	(862)	723.4 %	4.6 %	(0.8)%
Interest expense	2,416	2,361	2.3 %	2.1 %	2.1 %
Interest income	(17)	(53)	(67.9)%	(0.0)%	(0.0)%
Other expense (income), net	555	770	(27.9)%	0.5 %	0.7 %
Income (loss) before income taxes	2,420	(3,940)	161.4 %	2.1 %	(3.6)%
Income taxes *	823	(1,300)	163.3 %	34.0 %	33.0 %
Net income (loss)	\$ 1,597	(2,640)	160.5 %	1.4 %	(2.4)%
Net income (loss) per share	\$0.13	(\$0.20)	165.0 %		
Net income (loss) per share, assuming dilution	\$0.13	(\$0.20)	165.0 %		
Dividends per share	\$0.035	\$0.035	0.0 %		
Average shares outstanding	12,063	13,000	(7.2)%		
Average shares outstanding, assuming dilution	12,219	13,203	(7.5)%		

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

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED BALANCE SHEETS
AUGUST 1, 1999, AUGUST 2, 1998 AND MAY 2, 1999
Unaudited
(Amounts in Thousands)

	Amounts		Increase (Decrease)		* May 2, 1999
	August 1, 1999	August 2, 1998	Dollars	Percent	
Current assets					
Cash and cash investments	\$ 1,097	1,520	(423)	(27.8)%	509
Accounts receivable	61,984	63,833	(1,849)	(2.9)%	70,503
Inventories	75,337	79,358	(4,021)	(5.1)%	67,070
Other current assets	10,860	7,511	3,349	44.6 %	9,633
Total current assets	149,278	152,222	(2,944)	(1.9)%	147,715
Restricted investments	1,684	4,074	(2,390)	(58.7)%	3,340
Property, plant & equipment, net	120,971	127,287	(6,316)	(5.0)%	123,310
Goodwill	50,920	54,798	(3,878)	(7.1)%	51,269
Other assets	4,969	4,317	652	15.1 %	4,978
Total assets	\$ 327,822	342,698	(14,876)	(4.3)%	330,612
Current liabilities					
Current maturities of long-term debt	\$ 1,678	3,250	(1,572)	(48.4)%	1,678
Accounts payable	26,099	31,710	(5,611)	(17.7)%	25,687
Accrued expenses	20,309	13,856	6,453	46.6 %	21,026
Income taxes payable	798	0	798	100.0 %	0
Total current liabilities	48,884	48,816	68	0.1 %	48,391
Long-term debt	136,228	154,383	(18,155)	(11.8)%	140,312
Deferred income taxes	14,583	11,227	3,356	29.9 %	14,583
Total liabilities	199,695	214,426	(14,731)	(6.9)%	203,286
Shareholders' equity	128,127	128,272	(145)	(0.1)%	127,326
Total liabilities and shareholders' equity	\$ 327,822	342,698	(14,876)	(4.3)%	330,612
Shares outstanding	12,040	12,995	(955)	(7.3)%	12,079

* Derived from audited financial statements.

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED AUGUST 1, 1999 AND AUGUST 2, 1998
Unaudited
(Amounts in Thousands)

	THREE MONTHS ENDED	
	----- Amounts -----	
	August 1, 1999	August 2, 1998

Cash flows from operating activities:		
Net income (loss)	\$ 1,597	(2,640)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	4,759	4,376
Amortization of intangible assets	399	398
Changes in assets and liabilities:		
Accounts receivable	8,519	9,940
Inventories	(8,267)	(764)
Other current assets	(1,227)	297
Other assets	(41)	(11)
Accounts payable	270	(3,017)
Accrued expenses	(717)	(4,080)
Income taxes payable	798	(1,282)
	-----	-----
Net cash provided by operating activities	6,090	3,217
	-----	-----
Cash flows from investing activities:		
Capital expenditures	(2,420)	(2,858)
Purchases of restricted investments	(15)	(53)
Sale of restricted investments	1,671	0
	-----	-----
Net cash used in investing activities	(764)	(2,911)
	-----	-----
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	3,333	2,071
Principal payments on long-term debt	(7,417)	(75)
Change in accounts payable-capital expenditures	142	(2,487)
Dividends paid	(423)	(455)
Payments to acquire common stock	(393)	(160)
Proceeds from common stock issued	20	8
	-----	-----
Net cash used in financing activities	(4,738)	(1,098)
	-----	-----
Increase (decrease) in cash and cash investments	588	(792)
Cash and cash investments at beginning of period	509	2,312
	-----	-----
Cash and cash investments at end of period	\$ 1,097	1,520
	=====	=====

CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL ANALYSIS
AUGUST 1, 1999

	FISCAL 99	FISCAL 00				LTM
	Q1	Q1	Q2	Q3	Q4	
INVENTORIES						
Inventory turns	4.9	5.4				
RECEIVABLES						
Days sales in receivables	48	45				
Percent current & less than 30 days past due	93.8%	93.2%				
WORKING CAPITAL						
Current ratio	3.1	3.1				
Working capital turnover (4)	4.5	4.4				
Operating working capital (4)	\$111,481	\$111,222				
PROPERTY, PLANT & EQUIPMENT						
Depreciation rate	7.7%	8.0%				
Percent property, plant & equipment are depreciated	43.8%	49.0%				
Capital expenditures	\$10,689 (1)	\$2,420				
PROFITABILITY						
Return on average total capital	(1.6%)	4.8%				5.1%
Return on average equity	(8.1%)	5.0%				5.7%
Net income (loss) per share	(\$0.20)	\$0.13				\$0.58
Net income (loss) per share (diluted)	(\$0.20)	\$0.13				\$0.58
LEVERAGE (3)						
Total liabilities/equity	167.2%	155.9%				
Funded debt/equity	119.7%	106.3%				
Funded debt/capital employed	54.5%	51.5%				
Funded debt	\$153,559	\$136,222				
Funded debt/EBITDA (LTM) (6)	3.75	3.33				
EBITDA/Interest expense, net (LTM)	4.9	4.3				
OTHER						
Book value per share	\$9.87	\$10.64				
Employees at quarter end	4,230	4,050				
Sales per employee (annualized)	\$103,000	\$116,000				
Capital employed (3)	\$281,831	\$264,349				
Effective income tax rate	33.0%	34.0%				
EBITDA (2)	\$3,142	\$9,977				\$40,682
EBITDA/net sales	2.8%	8.6%				8.3%

- (1) Expenditures for entire year
(2) Earnings before interest, income taxes, and depreciation & amortization.
(3) Long-term debt, funded debt and capital employed are all net of restricted investments.
(4) Working capital for this calculation is accounts receivable, inventories and accounts payable.
(5) LTM represents "Latest Twelve Months"
(6) EBITDA includes capitalized interest and pro forma amounts for acquisitions.

CULP, INC. FINANCIAL INFORMATION RELEASE
 SALES BY SEGMENT/DIVISION
 FOR THREE MONTHS ENDED AUGUST 1, 1999 AND AUGUST 2, 1998

(Amounts in thousands)

Segment/Division	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
	August 1, 1999	August 2, 1998	% Over (Under)	2000	1999
<hr style="border-top: 1px dashed black;"/>					
Upholstery Fabrics					
Culp Decorative Fabrics	\$ 50,516	51,445	(1.8)%	43.6 %	46.5 %
Culp Velvets/Prints	36,209	29,994	20.7 %	31.2 %	27.1 %
Culp Yarn	4,129	6,596	(37.4)%	3.6 %	6.0 %
	90,854	88,035	3.2 %	78.4 %	79.5 %
Mattress Ticking					
Culp Home Fashions	25,083	22,632	10.8 %	21.6 %	20.5 %
	* \$ 115,937	110,667	4.8 %	100.0 %	100.0 %
	115,937	110,667	4.8 %	100.0 %	100.0 %

* U.S. sales were \$92,124 and \$84,310 for the three months of fiscal 2000 and fiscal 1999, respectively. The percentage increase in U.S. sales was 9.3% for the three months.

CULP, INC. FINANCIAL INFORMATION RELEASE
INTERNATIONAL SALES BY GEOGRAPHIC AREA
FOR THREE MONTHS ENDED AUGUST 1, 1999 AND AUGUST 2, 1998

(Amounts in thousands)

THREE MONTHS ENDED (UNAUDITED)					
Geographic Area	Amounts			Percent of Total Sales	
	August 1, 1999	August 2, 1998	% Over (Under)	2000	1999
North America (Excluding USA) \$	7,676	7,253	5.8 %	32.2 %	27.5 %
Europe	2,929	3,683	(20.5)%	12.3 %	14.0 %
Middle East	6,992	8,300	(15.8)%	29.4 %	31.5 %
Far East & Asia	4,309	4,868	(11.5)%	18.1 %	18.5 %
South America	620	1,000	(38.0)%	2.6 %	3.8 %
All other areas	1,287	1,253	2.7 %	5.4 %	4.8 %
\$	23,813	26,357	(9.7)%	100.0 %	100.0 %

International sales, and the percentage of total sales, for each of the last five fiscal years follows: fiscal 1995-\$57,971 (19%); fiscal 1996-\$77,397 (22%); fiscal 1997-\$101,571 (25%); fiscal 1998-\$137,223 (29%); and fiscal 1999-\$113,354 (23%). International sales for the first quarter represented 20.5% and 23.8% for 2000 and 1999, respectively.

Culp, Inc.
SALES BY SEGMENT/DIVISION - TREND ANALYSIS
1998 vs 1999 vs 2000
Unaudited
(Amounts in thousands)

Segment/Division	Fiscal 1998					Fiscal 1999				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
Upholstery Fabrics										
Culp Decorative Fabrics	39,814	56,781	53,415	60,155	210,165	51,445	59,573	50,520	60,520	222,058
Culp Velvets/Prints	38,397	43,928	44,020	45,044	171,389	29,994	38,728	34,949	40,402	144,073
Culp Yarn	-	-	761	7,115	7,876	6,596	6,367	4,088	4,462	21,513
	78,211	100,709	98,196	112,314	389,430	88,035	104,668	89,557	105,384	387,644
Mattress Ticking										
Culp Home Fashions	21,287	22,217	20,261	23,520	87,285	22,632	23,491	22,536	26,781	95,440
	99,498	122,926	118,457	135,834	476,715	110,667	128,159	112,093	132,165	483,084

Segment/Division	Percent increase(decrease) from prior year:									
Upholstery Fabrics										
Culp Decorative Fabrics	2.2	24.2	35.8	37.7	25.3	29.2	4.9	(5.4)	0.6	5.7
Culp Velvets/Prints	10.1	9.2	9.0	9.9	9.5	(21.9)	(11.8)	(20.6)	(10.3)	(15.9)
Culp Yarn	-	-	100.0	100.0	100.0	100.0	100.0	437.2	(37.3)	173.1
	5.9	17.2	23.2	32.6	20.1	12.6	3.9	(8.8)	(6.2)	(0.5)
Mattress Ticking										
Culp Home Fashions	27.5	15.4	14.2	12.0	16.9	6.3	5.7	11.2	13.9	9.3
	9.9	16.8	21.5	28.5	19.5	11.2	4.3	(5.4)	(2.7)	1.3
Overall Growth Rate										
Internal (without acquisitions)	9.9	6.6	9.2	11.6	9.3	(4.6)	(0.9)	(8.5)	(2.7)	(4.1)
External	-	10.2	12.3	16.9	10.2	15.8	5.2	3.1	-	5.4
	9.9	16.8	21.5	28.5	19.5	11.2	4.3	(5.4)	(2.7)	1.3

Culp, Inc.
SALES BY SEGMENT/DIVISION - TREND ANALYSIS
1998 vs 1999 vs 2000
Unaudited
(Amounts in thousands)

Segment/Division	Fiscal 2000				
	Q1	Q2	Q3	Q4	TOTAL
<hr style="border-top: 1px dashed black;"/>					
Upholstery Fabrics					
Culp Decorative Fabrics	50,516				50,516
Culp Velvets/Prints	36,209				36,209
Culp Yarn	4,129				4,129
	90,854				90,854
<hr style="border-top: 1px dashed black;"/>					
Mattress Ticking					
Culp Home Fashions	25,083				25,083
	115,937				115,937

Segment/Division	Percent increase(decrease) from prior year:	
<hr style="border-top: 1px dashed black;"/>		
Upholstery Fabrics		
Culp Decorative Fabrics	(1.8)	(1.8)
Culp Velvets/Prints	20.7	20.7
Culp Yarn	(37.4)	(37.4)
	3.2	3.2
<hr style="border-top: 1px dashed black;"/>		
Mattress Ticking		
Culp Home Fashions	10.8	10.8
	4.8	4.8
Overall Growth Rate		
Internal (without acquisitions)	4.8	4.8
External	-	-
	4.8	4.8

CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL NARRATIVE
for the three month periods ended August 1, 1999 and August 2, 1998

INCOME STATEMENT COMMENTS

GENERAL - For the first quarter, net sales increased 4.8% to \$115.9 million; and net income amounted to \$1.6 million, or \$0.13 per share diluted, versus a net loss a year ago of \$2.6 million, or \$0.20 per share diluted.

The company's strategic plan encompasses several competitive initiatives:

Broad Product Offering - continuing to market one of the broadest product lines in upholstery fabrics and mattress ticking. Through its extensive manufacturing capabilities, the company competes in every major category except leather;

Diverse Global Customer Base - increasing its penetration into other end-use markets in addition to U.S. residential furniture, such as bedding, international, commercial furniture and juvenile furniture. The company has long-standing relationships with most major upholstery furniture manufacturers, but is not reliant on a single customer or a small group of dominant customers. No one customer accounted for more than 9% of net sales during the first quarter of fiscal 2000;

Design Innovation - continuing to invest in the design of upholstery fabrics and ticking with appealing patterns and textures. An integral component of the value Culp provides to customers is supplying fabrics that are fashionable and meet current consumer preferences. The company's principal design resources are consolidated in a single facility that provides advanced CAD systems and promotes a sharing of innovative designs among the divisions;

Vertical Integration - operating as a vertically integrated manufacturer and taking advantage of economies that can be gained by producing the raw material components that are used in the manufacture of its products; and

Additional Acquisitions - investing in selective acquisitions complementary to existing segments/divisions.

NET SALES - Compared with the first quarter of last year, upholstery fabric sales increased 3.2% to \$90.8 million and mattress ticking sales increased 10.8% to \$25.1 million (See Sales by Segment/Division schedule on Page 5 and Sales by Segment/Division - Trend Analysis on Page 7). International sales were down 9.7% for the quarter compared to a year ago. The first fiscal quarter is historically not the strongest period of the year for Culp due to planned vacations and seasonal industry-wide plant closings.

During the first quarter of fiscal 1999, the company implemented a major reorganization from six business units to four divisions. This new corporate alignment grouped related operations together and was accompanied by several changes in managerial positions. The company believes that this move is aiding its growth through improved customer service, more effective use of design resources and increased manufacturing efficiency. Results for the first quarter of fiscal 2000 include a 3.2% increase in sales of upholstery fabrics, reflecting higher sales of upholstery fabrics to U.S.-based customers that offset some further softness in international sales. The trend of weakness in international sales, which the company believes has also affected other manufacturers of upholstery fabrics, has persisted since the close of fiscal 1998. During fiscal 1999, the company took steps to mitigate the impact of this industry-wide trend by significantly curtailing production schedules for certain international-targeted fabrics, introducing a new line of printed cotton upholstery fabrics and shifting its marketing focus to geographic areas where demand appears more favorable. The company has a diversified global base of customers and is seeking to broaden that further to minimize exposure to economic uncertainties in any geographic area.

CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL NARRATIVE
for the three month periods ended August 1, 1999 and August 2, 1998

The company also benefited in the first quarter from increased sales by Culp Home Fashions (primarily mattress ticking) which has experienced a longer-term pattern of expansion. Culp's growth in mattress ticking continues to be driven by the introduction of new designs and fabric constructions as well as the advantages of the company's vertical integration. In particular, the ability to manufacture the jacquard greige (or unfinished) goods that are then printed to produce mattress ticking has aided Culp in meeting faster delivery schedules and providing improved overall customer service.

GROSS PROFIT - Gross profit for the first quarter increased 50.0% to \$20.4 million and increased as a percentage of net sales from 12.3% to 17.6%. The increase was due principally to the actions that the company took during fiscal 1999, including a significant reduction in the capacity for manufacturing printed flock fabrics and an intense effort to reduce operating expenses and raise productivity.

S,G&A EXPENSES - S,G&A expenses for the first quarter declined as a percentage of sales to 13.0% from 13.1% for the year-earlier period. The decrease reflects improved economies of scale as a result of the increased net sales as well as programs throughout the company to contain operating expenses.

INTEREST EXPENSE - Interest expense of \$2.4 million for the first quarter was unchanged from a year ago even though the company had lower average borrowings outstanding. The lower level of borrowings were offset by lower capitalized interest related to capital expenditures and higher average interest rates.

OTHER EXPENSE (INCOME), NET - Other expense (income) decreased to \$555,000 for the first quarter versus \$770,000 a year ago. The prior year included a non-recurring charge to write-off certain fixed assets.

INCOME TAXES - The effective tax rate for the quarter was 34.0%, up slightly from 33.0% for the same quarter of last year.

EBITDA - Due principally to the increase in net income from a year ago, EBITDA for the first quarter increased to \$10.0 million compared with \$3.1 million a year ago.

BALANCE SHEET COMMENTS

WORKING CAPITAL - Accounts receivable as of August 1, 1999 decreased 2.9% from the year-earlier level. Days sales outstanding decreased to 45 days at August 1, 1999 compared with 48 a year ago. Additionally, the aging of accounts receivable was 93.2% current and less than 30 days past due versus 93.8% at August 2, 1998. Inventories at the close of the first quarter decreased \$4.0 million or 5.1% from August 2, 1998. Inventory turns for the first quarter were 5.4 versus 4.9 for the first quarter of fiscal 1999. The reduction in inventories is attributable to the increased focus management has placed on controlling the level of inventories. Operating working capital (comprised of accounts receivable, inventory and accounts payable) was \$111.2 million at August 1, 1999, as compared with \$111.5 million a year ago. The balance at May 2, 1999 was \$111.9 million.

CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL NARRATIVE
for the three month periods ended August 1, 1999 and August 2, 1998

PROPERTY, PLANT AND EQUIPMENT - For fiscal 2000, the company's budgeted capital spending is \$20 million. The major projects planned for upholstery fabrics are new dobby and velvet looms. The projects are intended to increase capacity for the woven velvet product line and improve efficiencies for the dobby product line as part of the company's continuing modernization effort. The major projects for mattress ticking are for weaving expansions intended to increase the capacity for jacquard greige goods. Depreciation expense for fiscal 2000 is currently estimated to be approximately \$20 million.

LONG-TERM DEBT - The company's funded debt-to-capital ratio was 51.5% at August 1, 1999, compared with 54.5% at August 2, 1998 and 52.1% at May 2, 1999. Funded debt was \$136.2 million at August 1, 1999, down from \$153.6 million at August 2, 1998 and \$138.7 million at May 2, 1999. Funded debt equals long-term debt, including current maturities, less restricted investments, which represent unspent IRB funds. The decrease in funded debt from May 2, 1999 resulted primarily from an operating cash flow of \$6.1 million, offset by capital expenditures of \$2.4 million, dividends paid of \$423,000 and repurchases of common stock of \$393,000.

STOCK REPURCHASE

In separate authorizations in June 1998 and March 1999, the Board of Directors authorized the use of a total of \$10.0 million to repurchase the company's common stock. During fiscal 1999, the company repurchased 938,600 shares at an average price of \$5.90 per share under these authorizations. During the first quarter of fiscal 2000, the company repurchased 46,000 shares at an average price of \$8.55 per share.