SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

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

For the quarterly period ended January 30, 2000

Commission File No. 0-12781

CULP, INC.

(Exact name of registrant as specified in its charter)

NORTH CAROLINA	56-1001967
(State or other jurisdiction of incorporation or other organization)	(I.R.S. Employer Identification No.)

101 S. Main St., High Point, North Carolina	27261-2686
(Address of principal executive offices)	(zip code)

(336) 889-5161
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to the filing requirements for at least the past 90 days.

YES X NO

Common shares outstanding at January 30, 2000: 11,215,945
Par Value: $.05

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For the period ended January 30, 2000

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CULP, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED JANUARY 30, 2000 AND JANUARY 31, 1999

(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Sales	
	January 30, 2000	January 31, 1999	% Over (Under)	2000	1999
Net sales	$ 113,181	112,093	1.0 %	100.0 %	100.0 %
Cost of sales	94,712	92,911	1.9 %	83.7 %	82.9 %
Gross profit	18,469	19,182	(3.7)%	16.3 %	17.1 %
Selling, general and administrative expenses	13,949	14,100	(1.1)%	12.3 %	12.6 %
Income from operations	4,520	5,082	(11.1)%	4.0 %	4.5 %
Interest expense	2,366	2,308	2.5 %	2.1 %	2.1 %
Interest income	(8)	(10)	(20.0)%	(0.0)%	(0.0)%
Other expense (income), net	229	492	(53.5)%	0.2 %	0.4 %
Income before income taxes	1,933	2,292	(15.7)%	1.7 %	2.0 %
Income taxes *	501	753	(33.5)%	25.9 %	32.9 %
Net income	$ 1,432	1,539	(7.0)%	1.3 %	1.4 %
Net income per share	$0.13	$0.12	8.3 %		
Net income per share, assuming dilution	$0.13	$0.12	8.3 %		
Dividends per share	$0.035	$0.035	0.0 %		
Average shares outstanding	11,296	12,995	(13.1)%		
Average shares outstanding, assuming dilution	11,389	13,124	(13.2)%		

	NINE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Sales	
	January 30, 2000	January 31, 1999	% Over (Under)	2000	1999
Net sales	$ 358,660	350,919	2.2 %	100.0 %	100.0 %
Cost of sales	296,072	297,652	(0.5)%	82.5 %	84.8 %
Gross profit	62,588	53,267	17.5 %	17.5 %	15.2 %
Selling, general and administrative expenses	45,022	44,047	2.2 %	12.6 %	12.6 %
Income from operations	17,566	9,220	90.5 %	4.9 %	2.6 %
Interest expense	7,266	7,133	1.9 %	2.0 %	2.0 %
Interest income	(41)	(82)	(50.0)%	(0.0)%	(0.0)%
Other expense (income), net	1,200	1,866	(35.7)%	0.3 %	0.5 %
Income before income taxes	9,141	303	2,916.8 %	2.5 %	0.1 %
Income taxes *	2,952	97	2,943.3 %	32.3 %	32.0 %
Net income	$ 6,189	206	2,904.4 %	1.7 %	0.1 %
Net income per share	$0.53	$0.02	2,550.0 %		
Net income per share, assuming dilution	$0.52	$0.02	2,500.0 %		
Dividends per share	$0.105	$0.105	0.0 %		
Average shares outstanding	11,703	12,997	(10.0)%		
Average shares outstanding, assuming dilution	11,816	13,171	(10.3)%		

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

CULP, INC.
CONSOLIDATED BALANCE SHEETS
JANUARY 30, 2000, JANUARY 31, 1999 AND MAY 2, 1999
Unaudited
(Amounts in Thousands)

	Amounts		Increase (Decrease)		* May 2,
	January 30, 2000	January 31, 1999	Dollars	Percent	1999
Current assets					
Cash and cash investments	$ 568	655	(87)	(13.3)%	509
Accounts receivable	65,788	63,090	2,698	4.3 %	70,503
Inventories	80,874	69,210	11,664	16.9 %	67,070
Other current assets	9,016	7,560	1,456	19.3 %	9,633
Total current assets	156,246	140,515	15,731	11.2 %	147,715
Restricted investments	1,047	3,416	(2,369)	(69.4)%	3,340
Property, plant & equipment, net	123,303	125,885	(2,582)	(2.1)%	123,310
Goodwill	50,222	51,615	(1,393)	(2.7)%	51,269
Other assets	5,388	5,017	371	7.4 %	4,978
Total assets	$ 336,206	326,448	9,758	3.0 %	330,612
Current liabilities					
Current maturities of long-term debt	$ 1,678	1,678	0	0.0 %	1,678
Accounts payable	35,347	25,808	9,539	37.0 %	25,687
Accrued expenses	20,878	17,317	3,561	20.6 %	21,026
Income taxes payable	903	0	903	100.0 %	0
Total current liabilities	58,806	44,803	14,003	31.3 %	48,391
Long-term debt	137,052	140,210	(3,158)	(2.3)%	140,312
Deferred income taxes	14,583	11,227	3,356	29.9 %	14,583
Total liabilities	210,441	196,240	14,201	7.2 %	203,286
Shareholders' equity	125,765	130,208	(4,443)	(3.4)%	127,326
Total liabilities and shareholders' equity	$ 336,206	326,448	9,758	3.0 %	330,612
Shares outstanding	11,216	12,995	(1,779)	(13.7)%	12,079

* Derived from audited financial statements.

CULP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED JANUARY 30, 2000 AND JANUARY 31, 1999
Unaudited
(Amounts in Thousands)

	NINE MONTHS ENDED	
	Amounts	
	January 30, 2000	January 31, 1999
Cash flows from operating activities:		
Net income	$ 6,189	206
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	14,481	13,785
Amortization of intangible assets	1,197	1,174
Changes in assets and liabilities:		
Accounts receivable	4,715	10,546
Inventories	(13,804)	9,984
Other current assets	617	303
Other assets	(560)	(95)
Accounts payable	4,619	(8,609)
Accrued expenses	(148)	(973)
Income taxes payable	903	(1,282)
Net cash provided by operating activities	18,209	25,039
Cash flows from investing activities:		
Capital expenditures	(14,474)	(8,500)
Purchases of restricted investments	(35)	(73)
Purchase of investments to fund deferred compensation liability	0	(735)
Sale of restricted investments	2,328	678
Net cash used in investing activities	(12,181)	(8,630)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	8,510	2,535
Principal payments on long-term debt	(11,770)	(16,284)
Change in accounts payable-capital expenditures	5,041	(2,800)
Dividends paid	(1,218)	(1,365)
Payments to acquire common stock	(6,552)	(160)
Proceeds from common stock issued	20	8
Net cash used in financing activities	(5,969)	(18,066)
Increase (decrease) in cash and cash investments	59	(1,657)
Cash and cash investments at beginning of period	509	2,312
Cash and cash investments at end of period	$ 568	655

CULP, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

(Dollars in thousands, except per share data)

	Common Stock		Capital Contributed in Excess of Par Value	Retained Earnings	Total Shareholders' Equity
	Shares	Amount			
Balance, May 3, 1998	13,007,021	$ 650	$ 40,882	$ 89,987	$ 131,519
Cash dividends ($0.14 per share)				(1,788)	(1,788)
Net income				3,102	3,102
Common stock issued in connection with stock option plans	10,750	1	34		35
Common stock purchased	(938,600)	(47)	(2,950)	(2,545)	(5,542)
Balance, May 2, 1999	12,079,171	604	37,966	88,756	127,326
Cash dividends ($0.105 per share)				(1,218)	(1,218)
Net income				6,189	6,189
Common stock issued in connection with stock option plans	7,313		20		20
Common stock purchased	(870,539)	(43)	(2,735)	(3,774)	(6,552)
Balance, January 30, 2000	11,215,945	$ 561	$ 35,251	$ 89,953	$ 125,765

Culp, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements of Culp, Inc. and subsidiary include all adjustments, consisting only of normal, recurring adjustments and accruals, which are, in the opinion of management, necessary for fair presentation of the results of operations and financial position. Results of operations for interim periods may not be indicative of future results. The unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements, which are incorporated by reference in the company's annual report on Form 10-K filed with the Securities and Exchange Commission on July 30, 1999 for the fiscal year ended May 2, 1999.

2. Accounts Receivable

A summary of accounts receivable follows (dollars in thousands):

	January 30, 2000	May 2, 1999
Customers	$ 68,082	$ 73,089
Allowance for doubtful accounts	(1,485)	(1,452)
Reserve for returns and allowances	(809)	(1,134)
	$ 65,788	$ 70,503

3. Inventories

Inventories are carried at the lower of cost or market. Cost is determined for substantially all inventories using the LIFO (last-in, first-out) method.

A summary of inventories follows (dollars in thousands):

	January 30, 2000	May 2, 1999
Raw materials	$ 51,582	$ 40,728
Work-in-process	6,467	6,790
Finished goods	29,795	24,885
Total inventories valued at FIFO cost	87,844	72,403
Adjustments of certain inventories to the LIFO cost method	(1,478)	(1,478)
Adjustments of certain inventories to market	(5,492)	(3,855)
	$ 80,874	$ 67,070

4. Restricted Investments

Restricted investments were purchased with proceeds from industrial revenue bond issues and are invested pending application of such proceeds to project costs or repayment of the bonds. The investments are stated at cost which approximates market value.

5. Accounts Payable

A summary of accounts payable follows (dollars in thousands):

	January 30, 2000	May 2, 1999
Accounts payable-trade	$ 30,069	$ 25,450
Accounts payable-capital expenditures	5,278	237
	$ 35,347	$ 25,687

6. Accrued Expenses

A summary of accrued expenses follows (dollars in thousands):

	January 30, 2000	May 2, 1999
Compensation and benefits	$ 12,514	$ 13,136
Other	8,364	7,890
	$ 20,878	$ 21,026

7. Long-Term Debt

A summary of long-term debt follows (dollars in thousands):

	January 30, 2000	May 2, 1999
Senior unsecured notes	$ 75,000	$ 75,000
Industrial revenue bonds and other obligations	33,519	35,278
Revolving credit facility	24,000	25,000
Revolving line of credit	1,177	0
Obligations to sellers	5,034	6,712
	138,730	141,990
Less current maturities	(1,678)	(1,678)
	$137,052	$ 140,312

The senior unsecured notes have a fixed coupon rate of 6.76% and an average remaining term of 9 years. The principal payments become due from March 2006 to March 2010 with interest payable semi-annually.

The company's revolving credit agreement (the "Credit Agreement") provides an unsecured multi-currency revolving credit facility, which expires in April 2002, with a syndicate of banks in the United States. The Credit Agreement provides for a revolving loan commitment of $88,000,000. The agreement requires payment of a quarterly facility fee in advance. On borrowings outstanding at January 30, 2000, the interest rate was 7.23%.

The company's $6,000,000 revolving line of credit expires on February 28, 2001. However, the line of credit will automatically be extended for an additional three-month period on each May 31, August 31, November 30 and February 28 unless the bank notifies the company that the line of credit will not be extended. On borrowings outstanding at January 30, 2000, the interest rate was 6.95%.

The industrial revenue bonds (IRBs) are generally due in balloon maturities which occur at various dates from 2006 to 2013. The IRBs are collateralized by restricted investments of $1,047,000 and letters of credit for the outstanding balance of the IRBs and certain interest payments due thereunder.

The company's loan agreements require, among other things, that the company maintain compliance with certain financial ratios. At January 30, 2000, the company was in compliance with these required financial covenants.

At January 30, 2000, the company had three interest rate swap agreements with a bank in order to reduce its exposure to floating interest rates on a portion of its variable rate borrowings. The following table summarizes certain data regarding the interest rate swaps:

notational amount	interest rate	expiration date
$ 15,000,000	7.3%	April 2000
$ 5,000,000	6.9%	June 2002
$ 5,000,000	6.6%	July 2002

The estimated amount at which the company could terminate these agreements as of January 30, 2000 is approximately $134,000. Net amounts paid under these agreements increased interest expense by approximately $216,000 and $194,000 for the nine months of fiscal 2000 and 1999, respectively. Management believes the risk of incurring losses resulting from the inability of the bank to fulfill its obligation under the interest rate swap agreements to be remote and that any losses incurred would be immaterial.

8. Cash Flow Information

Payments for interest and income taxes during the period were (dollars in thousands):

	2000	1999
Interest	$ 6,202	$ 5,908
Income taxes, net of $1,826 in refunds in 2000	1,398	2,657

9. Foreign Exchange Forward Contracts

The company generally enters into foreign exchange forward and option contracts as a hedge against its exposure to currency fluctuations on firm commitments to purchase certain machinery and equipment and raw materials. The company had approximately $4,844,000 of outstanding foreign exchange forward contracts as of January 30, 2000.

10. Net Income Per Share

The following tables reconcile the numerators and denominators of net income per share and net income per share, assuming dilution for the three and nine months ended January 30, 2000 and January 31, 1999:

	THREE MONTHS ENDED					
	January 30, 2000			January 31, 1999		
(Amounts in thousands, except per share data)	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net income per share	$1,432	11,296	$0.13	$1,539	12,995	$0.12
Effect of dilutive securities: Options	-	93		-	129	
Net income per share, assuming dilution	$1,432	11,389	$0.13	$1,539	13,124	$0.12

	NINE MONTHS ENDED					
	January 30, 2000			January 31, 1999		
(Amounts in thousands, except per share data)	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net income per share	$6,189	11,703	$0.53	$206	12,997	$0.02
Effect of dilutive securities: Options		113		-	174	
Net income per share, assuming dilution	$6,189	11,816	$0.52	$206	13,171	$0.02

11. Segment Information

The company's operations are classified into two business segments: upholstery fabrics and mattress ticking. The upholstery fabrics segment principally manufactures and sells woven jacquards and dobbies, wet and heat-transfer prints, and woven and tufted velvets primarily to residential and commercial (contract) furniture manufacturers. The mattress ticking segment principally manufactures and sells woven jacquards, heat-transfer prints and pigment prints to bedding manufacturers.

The company internally manages and reports selling, general and administrative expenses, interest expense, interest income, other expense and income taxes on a total company basis. Thus, profit by business segment represents gross profit. In addition, the company internally manages and reports cash and cash investments, accounts receivable, other current assets, restricted investments, property, plant and equipment, goodwill and other assets on a total company basis. Thus, identifiable assets by business segment represent inventories.

Sales and gross profit for the company's operating segments for the three months ended January 30, 2000 and January 31, 1999 are as follows:

(dollars in thousands):

	January 30, 2000	January 31, 1999
Net sales		
Upholstery Fabrics	$ 87,978	$ 89,557
Mattress Ticking	25,203	22,536
	$ 113,181	$ 112,093
Gross Profit		
Upholstery Fabrics	$ 11,951	$ 12,645
Mattress Ticking	6,518	6,537
	$ 18,469	$ 19,182

Sales and gross profit for the company's operating segments for the nine months ended January 30, 2000 and January 31, 1999 are as follows:

(dollars in thousands):

	January 30, 2000	January 31, 1999
Net sales		
Upholstery Fabrics	$ 281,870	$ 282,260
Mattress Ticking	76,790	68,659
	$ 358,660	$ 350,919
Gross Profit		
Upholstery Fabrics	$ 43,558	$ 35,920
Mattress Ticking	19,030	17,347
	$ 62,588	$ 53,267

Inventories for the company's operating segments as of January 30, 2000 and January 31, 1999 are as follows:

(dollars in thousands):

	January 30, 2000	January 31, 1999
Inventories		
Upholstery Fabrics	$ 65,788	$ 56,842
Mattress Ticking	15,086	12,368
	$ 80,874	$ 69,210

CULP, INC.
SALES BY SEGMENT/DIVISION
FOR THE THREE MONTHS AND NINE MONTHS ENDED JANUARY 30, 2000 AND JANUARY 31, 1999

(Amounts in thousands)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Segment/Division	January 30, 2000	January 31, 1999	% Over (Under)	2000	1999
Upholstery Fabrics					
Culp Decorative Fabrics	$ 49,654	50,520	(1.7)%	43.9 %	45.1 %
Culp Velvets/Prints	34,050	34,949	(2.6)%	30.1 %	31.2 %
Culp Yarn	4,274	4,088	4.5 %	3.8 %	3.6 %
	87,978	89,557	(1.8)%	77.7 %	79.9 %
Mattress Ticking					
Culp Home Fashions	25,203	22,536	11.8 %	22.3 %	20.1 %
	* $ 113,181	112,093	1.0 %	100.0 %	100.0 %

	NINE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Segment/Division	January 30, 2000	January 31, 1999	% Over (Under)	2000	1999
Upholstery Fabrics					
Culp Decorative Fabrics	$ 157,067	161,538	(2.8)%	43.8 %	46.0 %
Culp Velvets/Prints	112,042	103,671	8.1 %	31.2 %	29.5 %
Culp Yarn	12,761	17,051	(25.2)%	3.6 %	4.9 %
	281,870	282,260	(0.1)%	78.6 %	80.4 %
Mattress Ticking					
Culp Home Fashions	76,790	68,659	11.8 %	21.4 %	19.6 %
	* $ 358,660	350,919	2.2 %	100.0 %	100.0 %

* U.S. sales were $86,359 and $88,152 for the third quarter of fiscal 2000 and fiscal 1999, respectively; and $275,699 and $266,934 for the nine months of fiscal 2000 and fiscal 1999, respectively. The percentage decrease in U.S. sales was 2.0% for the third quarter and an increase of 3.3% for the nine months.

CULP, INC.
INTERNATIONAL SALES BY GEOGRAPHIC AREA
FOR THE THREE MONTHS AND NINE MONTHS ENDED JANUARY 30, 2000 AND JANUARY 31, 1999

(Amounts in thousands)

THREE MONTHS ENDED (UNAUDITED)

Geographic Area		Amounts January 30, 2000	Amounts January 31, 1999	% Over (Under)	Percent of Total Sales 2000	Percent of Total Sales 1999
North America (Excluding USA)	$	8,476	7,280	16.4 %	31.6 %	30.4 %
Europe		4,698	3,881	21.1 %	17.5 %	16.2 %
Middle East		8,140	6,711	21.3 %	30.3 %	28.0 %
Far East & Asia		4,422	4,993	(11.4)%	16.5 %	20.9 %
South America		523	555	(5.8)%	1.9 %	2.3 %
All other areas		563	521	8.1 %	2.1 %	2.2 %
	$	26,822	23,941	12.0 %	100.0 %	100.0 %

NINE MONTHS ENDED (UNAUDITED)

Geographic Area		Amounts January 30, 2000	Amounts January 31, 1999	% Over (Under)	Percent of Total Sales 2000	Percent of Total Sales 1999
North America (Excluding USA)	$	26,064	23,035	13.1 %	31.4 %	27.4 %
Europe		13,696	14,787	(7.4)%	16.5 %	17.6 %
Middle East		24,092	25,071	(3.9)%	29.0 %	29.9 %
Far East & Asia		14,088	15,296	(7.9)%	17.0 %	18.2 %
South America		1,773	2,793	(36.5)%	2.1 %	3.3 %
All other areas		3,248	3,003	8.2 %	3.9 %	3.6 %
	$	82,961	83,985	(1.2)%	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 third quarter represented 23.7% and 21.4% for 2000 and 1999, respectively. Year-to-date international sales represented 23.1% and 23.9% of total sales for 2000 and 1999, respectively.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following analysis of the financial condition and results of operations should be read in conjunction with the Financial Statements and Notes and other exhibits included elsewhere in this report.

Overview

Culp is one of the largest manufacturers and marketers in the world for upholstery fabrics for furniture and is one of the leading global producers of mattress fabrics (or ticking). The company's fabrics are used primarily in the production of residential and commercial upholstered furniture and bedding products, including sofas, recliners, chairs, love seats, sectionals, sofa-beds, office seating and mattress sets. Although Culp markets fabrics at most price levels, the company emphasizes fabrics that have broad appeal in the promotional and popular-priced categories of furniture and bedding.

Culp's worldwide leadership as a manufacturer and marketer of upholstery fabrics and mattress ticking has been achieved through internal expansion and the integration of strategic acquisitions.

The company's operating segments are upholstery fabrics and mattress ticking, with related divisions organized within those segments. In upholstery fabrics, Culp Decorative Fabrics manufactures jacquard and dobby woven fabrics for residential and commercial furniture. Culp Velvets/Prints manufactures a broad range of printed and velvet fabrics used primarily for residential and juvenile furniture. Culp Yarn manufactures specialty filling yarn that is used by Culp and also marketed to outside customers. In mattress ticking, Culp Home Fashions manufactures and markets a broad array of fabrics used primarily by bedding manufacturers.

Three and Nine Months ended January 30, 2000 compared with Three and Nine Months ended January 31, 1999

Net Sales. Net sales for the third quarter of fiscal 2000 increased by $1.1 million, or 1.0%, compared with the same quarter of fiscal 1999. The company's sales of upholstery fabrics decreased $1.6 million, or 1.8%, for the quarter compared with the prior year. Alternatively, the company's sales of mattress ticking increased $2.7 million, or 11.8%, for the quarter compared with the prior year. Net sales for the first nine months of fiscal 2000 increased by $7.7 million, or 2.2%, compared with the year-earlier period. The company's sales of upholstery fabrics and mattress ticking decreased $0.4 million and increased $8.1 million, respectively, or (0.1)% and 11.8%, respectively, for the first nine months compared with the same period in the prior year. 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 benefits of this move have included improved customer service, more effective use of design resources and increased manufacturing efficiency.

The 0.1% decrease in sales of upholstery fabrics in the first nine months of fiscal 2000 reflects higher sales of upholstery fabrics to U.S.-based customers that offset a 25.2% decrease in external Culp Yarn sales and a 1.2% decrease in international sales. The decrease in external Culp Yarn sales is due primarily to an increasing percentage of sales to divisions within the company. As a result, external Culp Yarn sales for the first nine months of fiscal 2000 represent 31.4% of total sales for the division compared with 43.1% in the prior year. Weakness in international sales affected results in the first two quarters of fiscal 2000, but sales to customers outside the United States were up 12.0% for the third quarter. The company believes that this increase indicates that it has established a base of international sales from which to build. This follows an industry-wide trend of declining international sales of upholstery fabrics that began in fiscal 1999 after several years of strong growth. 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 appeared 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.

The increased sales by Culp Home Fashions (primarily mattress ticking) during the third quarter and first nine months of fiscal 2000 marked a continuation of the longer-term expansion that this division has experienced. The introduction of new designs and fabric constructions as well as the advantages of the company's vertical integration are driving Culp's growth in mattress ticking. 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 and Cost of Sales. Gross profit for the third quarter declined 3.7% to $18.5 million when compared to the year-earlier period, and decreased as a percentage of net sales from 17.1% (14.1% for upholstery fabrics and 29.0% for mattress ticking) to 16.3% (13.6% for upholstery fabrics and 25.9% for mattress ticking). The decrease in gross profit % for upholstery fabrics and mattress ticking is primarily due to the decrease in upholstery fabric sales of 1.8% and a product mix change for mattress ticking. For the first nine months, gross profit increased 17.5% to $62.6 million and increased as a percentage of net sales from 15.2% (12.7% for upholstery fabrics and 25.3% for mattress ticking) to 17.5% (15.5% for upholstery fabrics and 24.8% for mattress ticking). The company has taken a number of actions to increase gross profit, including a significant reduction in the capacity for manufacturing printed flock fabrics and an intense effort to reduce operating expenses and raise productivity. The cost of raw materials has remained relatively stable during the first nine months of fiscal 2000.

Selling, General and Administrative Expenses. Selling, general and administrative expenses as a percentage of sales for the third quarter of fiscal 2000 were 12.3%, down slightly from 12.6% for the year-earlier period. For the first nine months, these expenses were unchanged as a percentage of sales at 12.6%. The increase in absolute dollars for the nine months principally reflects higher costs related to resources for the design of new fabrics and information systems, as well as other increased operating expenses intended to support a higher level of sales.

Interest Expense. Interest expense of $2.4 million and $7.3 million for the third quarter and first nine months, respectively, increased $58,000 and $133,000, respectively, from a year ago. A lower average amount of borrowings outstanding was offset by lower capitalized interest related to capital expenditures and higher average interest rates.

Other Expense. Other expense decreased to $229,000 and $1.2 million for the third quarter and first nine months of fiscal 2000, respectively, versus $492,000 and $1.9 million, respectively, for the year-earlier periods. These decreases were due principally to the incidence of a non-recurring charge in the first quarter of fiscal 1999 to write-off certain fixed assets and to higher investment income on the assets related to the nonqualified deferred compensation plan in the first nine months of fiscal 2000.

Income Taxes. The effective tax rate for the first nine months of fiscal 2000 was 32.3%, up slightly from 32.0% for the year-earlier period.

Net Income Per Share. Net income per share for the third quarter of fiscal 2000 totaled $0.13 per share diluted (based on 11,389,000 average shares outstanding during the period) compared with $0.12 per share diluted (based on 13,124,000 average shares outstanding during the period) a year ago. For the first nine months, the company reported net income of $0.52 per share diluted (based on 11,816,000 average shares outstanding during the period) versus net income of $0.02 per share diluted (based on 13,171,000 average shares outstanding during the period) in the prior year.

Liquidity and Capital Resources

Liquidity. Cash and cash investments were $0.6 million as of January 30, 2000, compared with $0.7 million at January 31, 1999, and $0.5 million at the end of fiscal 1999. Funded debt (long-term debt, including current maturities, less restricted investments) was $137.7 million at January 30, 2000, down from $138.5 million at January 31, 1999 and $138.7 million at May 2, 1999. As a percentage of total capital (funded debt plus total stockholders' equity), the company's borrowings amounted to 52.3% at January 30, 2000, compared with 51.5% at January 31, 1999, and 52.1% at May 2, 1999. The company's working capital as of January 30, 2000 was $97.4 million, compared with $95.7 million as of January 31, 1999, and $99.3 million at the close of fiscal 1999.

The company's cash flow from operations was $18.2 million for the first nine months of fiscal 2000, consisting of $21.9 million from earnings (net income plus depreciation and amortization) offset by a $3.7 million increase in working capital. The increase in working capital was primarily due to a $13.8 million increase in inventories offset by a $4.7 million decrease in accounts receivable, a $4.6 million increase in accounts payable and a $0.9 million increase in income taxes payable.

In separate authorizations in June 1998, March 1999, September 1999 and December 1999, the board of directors of the company authorized the use of a total of $20.0 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 nine months of fiscal 2000, the company repurchased 870,539 shares at an average price of $7.53 per share.

Financing Arrangements. In April 1998, Culp completed the sale of $75 million of senior unsecured notes ("Notes") in a private placement to institutional investors. The Notes have a fixed coupon rate of 6.76% and an average remaining term of nine years.

Culp has an $88 million syndicated, unsecured, multi-currency revolving credit facility. The facility, which expires in April 2002, requires quarterly payments of interest on all outstanding borrowings and a quarterly facility fee paid in advance. As of January 30, 2000, the company had outstanding borrowings of $24 million under the credit facility.

The company also has a total of $33.5 million in currently outstanding industrial revenue bonds ("IRBs") which have been used to finance capital expenditures. The IRBs are collateralized by restricted investments of $1.0 million as of January 30, 2000 and letters of credit for the outstanding balance of the IRBs and certain interest payments due thereunder.

The company's loan agreements require, among other things, that the company maintain certain financial ratios. As of January 30, 2000, the company was in compliance with these financial covenants.

As of January 30, 2000, the company had three interest rate swap agreements to reduce its exposure to floating interest rates on a $25 million notional amount. The effect of these contracts is to "fix" the interest rate payable on $25 million of the company's variable rate borrowings at a weighted average rate of 7.1%. The company also enters into foreign exchange forward and option contracts to hedge against currency fluctuations with respect to firm commitments to purchase certain machinery, equipment and raw materials. The company had approximately $4.8 million of outstanding foreign exchange forward contracts as of January 30, 2000.

Capital Expenditures. The company maintains an ongoing program of capital expenditures designed to increase capacity as needed, enhance manufacturing efficiencies through modernization and increase the company's vertical integration. Capital expenditures for the first nine months of fiscal 2000 totaled $14.5 million compared with $8.5 million in the year-earlier period. The company currently projects capital spending of approximately $23 million in fiscal 2000.

The company believes that cash flows from operations and funds available under existing credit facilities and committed IRB financings will be sufficient to fund capital expenditures and working capital requirements for the foreseeable future.

Inflation

The cost of the company's raw materials has been generally stable during the past four quarters. Factors that reasonably can be expected to influence margins in the future include changes in raw material prices, trends in other operating costs and overall competitive conditions.

Seasonality

The company's business is slightly seasonal, with increased sales during the second and fourth fiscal quarters. This seasonality results from one-week closings of the company's manufacturing facilities, and the facilities of most of its customers in the United States, during the first and third quarters for the holiday weeks including July 4th and Christmas.

Year 2000 Considerations Update

The company did not experience any significant malfunctions or errors in its operating or business systems when the date changed from 1999 to 2000. Based on operations since January 1, 2000, the company does not expect any significant impact on its ongoing business as a result of the "Year 2000 issue." However, it is possible that the full impact of the date change, which was of concern due to computer programs that use two digits instead of four digits to define years, has not been fully recognized. The company believes that any unforeseen problems are likely to be minor and correctable. In addition, the company could still be negatively affected if its customers or suppliers are adversely affected by the Year 2000 or similar issues. The company currently is not aware of any significant Year 2000 or similar problems that have arisen for its customers and suppliers.

Forward-Looking Information

The company's quarterly report on Form 10-Q contains statements that could be deemed "forward-looking statements," within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. 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.

New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," effective for periods beginning after June 15, 2000, although early adoption is allowed. This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. The company has not determined the financial impact of adopting this SFAS and has not determined if it will adopt its provisions prior to its effective date.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The company is exposed to market risk from changes in interest rates on debt and foreign currency exchange rates. The company's market risk sensitive instruments are not entered into for trading purposes. The company has not experienced any significant changes in market risk since January 30, 2000.

The company's exposure to interest rate risk consists of floating rate debt based on the London Interbank Offered Rate plus an adjustable margin under the company's revolving credit agreement and variable rate debt in connection with the industrial revenue bonds. To lower or limit overall borrowing costs, the company enters into interest rate swap agreements to modify the interest characteristics of portions of its outstanding debt. The agreements entitle the company to receive or pay to the counterparty (a major bank), on a quarterly basis, the amounts, if any, by which the company's interest payments covered by swap agreements differ from those of the counterparty. These amounts are recorded as adjustments to interest expense. The fair value of the swap agreements and changes in fair value resulting from changes in market interest rates are not recognized in the consolidated financial statements. The annual impact on the company's results of operations of a 100 basis point interest rate change on the January 30, 2000 outstanding balance of the variable rate debt would be approximately $569,000 irrespective of any swaps associated with this debt.

The company's exposure to fluctuations in foreign currency exchange rates is due primarily to a foreign subsidiary domiciled in Canada and purchases of certain machinery, equipment and raw materials in foreign currencies. The company's Canadian subsidiary uses the United States dollar as its functional currency. The company generally does not use financial derivative instruments to hedge foreign currency exchange rate risks associated with the Canadian subsidiary. However, the company generally enters into foreign exchange forward and option contracts as a hedge against its exposure to currency fluctuations on firm commitments to purchase certain machinery, equipment and raw materials. The Canadian subsidiary is not material to the company's consolidated results of operations; therefore, the impact of a 10% change in the exchange rate at January 30, 2000 would not have a significant impact on the company's results of operations or financial position. In addition, the company had approximately $4.8 million of outstanding foreign exchange forward contracts as of January 30, 2000. As a result, any change in exchange rates would not have a significant impact on the company's results of operations or financial position as the foreign exchange forward contracts have "fixed" the exchange rate.

Part II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

The following exhibits are filed as part of this report or incorporated by reference. Management contracts, compensatory plans, and arrangements are marked with an asterisk (*).

3(i) Articles of Incorporation of the Company, as amended, were filed as Exhibit 3(i) to the Company's Form 10-Q for the quarter ended January 29, 1995, filed March 15, 1995, and are incorporated herein by reference.

3(ii) Restated and Amended Bylaws of the Company, as amended, were filed as Exhibit 3(b) to the Company's Form 10-K for the year ended April 28, 1991, filed July 25, 1991, and are incorporated herein by reference.

3(iii) Articles of Amendment of Culp, Inc. dated October 5, 1999 for the purpose of amending its Restated Charter to fix the designation, preferences, limitations and relative rights of a series of its Preferred Stock. The Articles of Amendment of Culp, Inc. were filed as Exhibit 3(iii) to the Company's Form 10-Q for the quarter ended October 31, 1999, filed December 15, 1999, and are incorporated herein by reference.

10(a) Loan Agreement dated December 1, 1988 with Chesterfield County, South Carolina relating to Series 1988 Industrial Revenue Bonds in the principal amount of $3,377,000 was filed as Exhibit 10(n) to the Company's Form 10-K for the year ended April 29, 1989, and is incorporated herein by reference.

10(b) Loan Agreement dated November 1, 1988 with the Alamance County Industrial Facilities and Pollution Control Financing Authority relating to Series A and B Industrial Revenue Refunding Bonds in the principal amount of $7,900,000, was filed as exhibit 10(o) to the Company's Form 10-K for the year ended April 29, 1990, and is incorporated herein by reference.

10(c) Loan Agreement dated January 5, 1990 with the Guilford County Industrial Facilities and Pollution Control Financing Authority, North Carolina, relating to Series 1989 Industrial Revenue Bonds in the principal amount of $4,500,000, was filed as Exhibit 10(d) to the Company's Form 10-K for the year ended April 19, 1990, filed on July 15, 1990, and is incorporated herein by reference.

10(d) Loan Agreement dated as of December 1, 1993 between Anderson County, South Carolina and the Company relating to $6,580,000 Anderson County, South Carolina Industrial Revenue Bonds (Culp, Inc. Project) Series 1993, was filed as Exhibit 10(o) to the Company's Form 10-Q for the quarter ended January 30, 1994, filed March 16, 1994, and is incorporated herein by reference.

10(e) Form of Severance Protection Agreement, dated September 21, 1989, was filed as Exhibit 10(f) to the Company's Form 10-K for the year ended April 29, 1990, filed on July 25, 1990, and is incorporated herein by reference. (*)

10(f) Lease Agreement, dated January 19, 1990, with Phillips Interests, Inc. was filed as Exhibit 10(g) to the Company's Form 10-K for the year ended April 29, 1990, filed on July 25, 1990, and is incorporated herein by reference.

10(g) Management Incentive Plan of the Company, dated August 1986 and amended July 1989, filed as Exhibit 10(o) to the Company's Form 10-K for the year ended May 3, 1992, filed on August 4, 1992, and is incorporated herein by reference. (*)

10(h) Lease Agreement, dated September 6, 1988, with Partnership 74 was filed as Exhibit 10(h) to the Company's Form 10-K for the year ended April 28, 1991, filed on July 25, 1990, and is incorporated herein by reference.

10(i) Amendment and Restatement of the Employee's Retirement Builder Plan of the Company dated May 1, 1981 with amendments dated January 1, 1990 and January 8, 1990 were filed as Exhibit 10(p) to the Company's Form 10-K for the year ended May 3, 1992, filed on August 4, 1992, and is incorporated herein by reference. (*)

10(j) First Amendment of Lease Agreement dated July 27, 1992 with Partnership 74 Associates was filed as Exhibit 10(n) to the Company's Form 10-K for the year ended May 2, 1993, filed on July 29, 1993, and is incorporated herein by reference.

10(k) Second Amendment of Lease Agreement dated April 16, 1993, with Partnership 52 Associates was filed as Exhibit 10(l) to the Company's Form 10-K for the year ended May 2, 1993, filed on July 29, 1993, and is incorporated herein by reference.

10(l) 1993 Stock Option Plan was filed as Exhibit 10(o) to the Company's Form 10-K for the year ended May 2, 1993, filed on July 29, 1993, and is incorporated herein by reference. (*)

10(m) First Amendment to Loan Agreement dated as of December 1, 1993 by and between The Guilford County Industrial Facilities and Pollution Control Financing Authority and the Company was filed as Exhibit 10(p) to the Company's Form 10-Q, filed on March 15, 1994, and is incorporated herein by reference.

10(n) First Amendment to Loan Agreement dated as of December 16, 1993 by and between The Alamance County Industrial Facilities and Pollution Control Financing Authority and the Company was filed as Exhibit 10(q) to the Company's Form 10-Q, filed on March 15, 1994, and is incorporated herein by reference.

10(o) First Amendment to Loan Agreement dated as of December 16, 1993 by and between Chesterfield County, South Carolina and the Company was filed as Exhibit 10(r) to the Company's Form 10-Q, filed on March 15, 1994, and is incorporated herein by reference.

10(p) Amendment to Lease dated as of November 4, 1994, by and between the Company and RDC, Inc. was filed as Exhibit 10(w) to the Company's Form 10-Q, for the quarter ended January 29, 1995, filed on March 15, 1995, and is incorporated herein by reference.

10(q) Amendment to Lease Agreement dated as of December 14, 1994, by and between the Company and Rossville Investments, Inc. (formerly known as A & E Leasing, Inc.), was filed as Exhibit 10(y) to the Company's Form 10-Q, for the quarter ended January 29, 1995, filed on March 15, 1995, and is incorporated herein by reference.

10(r) Interest Rate Swap Agreement between Company and First Union National Bank of North Carolina dated April 17, 1995, was filed as Exhibit 10(aa) to the Company's Form 10-K for the year ended April 30, 1995, filed on July 26, 1995, and is incorporated herein by reference.

10(s) Performance-Based Stock Option Plan, dated June 21, 1994, was filed as Exhibit 10(bb) to the Company's Form 10-K for the year ended April 30, 1995, filed on July 26, 1995, and is incorporated herein by reference. (*)

10(t) Interest Rate Swap Agreement between Company and First Union National Bank of North Carolina, dated May 31, 1995 was filed as exhibit 10(w) to the Company's Form 10-Q for the quarter ended July 30, 1995, filed on September 12, 1995, and is incorporated herein by reference.

10(u) Interest Rate Swap Agreement between Company and First Union National Bank of North Carolina, dated July 7, 1995 was filed as exhibit 10(x) to the Company's Form 10-Q for the quarter ended July 30, 1995, filed on September 12, 1995, and is incorporated herein by reference.

10(v) Second Amendment of Lease Agreement dated June 15, 1994 with Partnership 74 Associates was filed as Exhibit 10(v) to the Company's Form 10-Q for the quarter ended October 29, 1995, filed on December 12, 1995, and is incorporated herein by reference.

10(w) Lease Agreement dated November 1, 1993 by and between the Company and Chromatex, Inc. was filed as Exhibit 10(w) to the Company's Form 10-Q for the quarter ended October 29, 1995, filed on December 12, 1995, and is incorporated herein by reference.

10(x) Lease Agreement dated November 1, 1993 by and between the Company and Chromatex Properties, Inc. was filed as Exhibit 10(x) to the Company's Form 10-Q for the quarter ended October 29, 1995, filed on December 12, 1995, and is incorporated herein by reference.

10(y) Amendment to Lease Agreement dated May 1, 1994 by and between the Company and Chromatex Properties, Inc. was filed as Exhibit 10(y) to the Company's Form 10-Q for the quarter ended October 29, 1995, filed on December 12, 1995, and is incorporated herein by reference.

10(z) Canada-Quebec Subsidiary Agreement on Industrial Development (1991), dated January 4, 1995, was filed as Exhibit 10(z) to the Company's Form 10-Q for the quarter ended October 29, 1995, filed on December 12, 1995, and is incorporated herein by reference.

10(aa) Loan Agreement between Chesterfield County, South Carolina and the Company dated as of April 1, 1996 relating to Tax Exempt Adjustable Mode Industrial Development Bonds (Culp, Inc. Project) Series 1996 in the aggregate principal amount of $6,000,000 was filed as Exhibit 10(aa) to the Company's Form 10-K for the year ended April 28, 1996, and is incorporated herein by reference.

10(bb) Loan Agreement between the Alamance County Industrial Facilities and Pollution Control Financing Authority, North Carolina and the Company, dated December 1, 1996, relating to Tax Exempt Adjustable Mode Industrial Development Revenue Bonds, (Culp, Inc. Project Series 1996) in the aggregate amount of $6,000,000 was filed as Exhibit 10(cc) to the Company's Form 10-Q for the quarter ended January 26, 1997, and is incorporated herein by reference.

10(cc) Loan Agreement between Luzerne County, Pennsylvania and the Company, dated as of December 1, 1996, relating to Tax-Exempt Adjustable Mode Industrial Development Revenue Bonds (Culp, Inc. Project) Series 1996 in the aggregate principal amount of $3,500,000 was filed as Exhibit 10(dd) to the Company's Form 10-Q for the quarter ended January 26, 1997, and is incorporated herein by reference.

10(dd) Second Amendment to Lease Agreement between Chromatex Properties, Inc. and the Company, dated April 17, 1997 was filed as Exhibit 10(dd) to the Company's Form 10-K for the year ended April 27, 1997, and is incorporated herein by reference.

10(ee) Lease Agreement between Joseph E. Proctor (doing business as JEPCO) and the Company, dated April 21, 1997 was filed as Exhibit 10(ee) to the Company's Form 10-K for the year ended April 27, 1997, and is incorporated herein by reference.

10(ff) $125,000,000 Revolving Loan Facility dated April 23, 1997 by and among the Company and Wachovia Bank of Georgia, N.A., as agent, and First Union National Bank of North Carolina, as documentation agent was filed as Exhibit 10(ff) to the Company's Form 10-K for the year ended April 27, 1997, and is incorporated herein by reference.

10(gg) Revolving Line of Credit for $4,000,000 dated April 23, 1997 by and between the Company and Wachovia Bank of North Carolina, N.A. was filed as Exhibit 10(gg) to the Company's Form 10-K for the year ended April 27, 1997, and is incorporated herein by reference.

10(hh) Reimbursement and Security Agreement between Culp, Inc. and Wachovia Bank of North Carolina, N.A., dated as of April 1, 1997, relating to $3,337,000 Principal Amount, Chesterfield County, South Carolina Industrial Revenue Bonds (Culp, Inc. Project) Series 1988 was filed as Exhibit 10(hh) to the Company's Form 10-K for the year ended April 27, 1997, and is incorporated herein by reference.

Additionally, there are Reimbursement and Security Agreements between Culp, Inc. and Wachovia Bank of North Carolina, N.A., dated as of April 1, 1997 in the following amounts and with the following facilities:

$7,900,000 Principal Amount, Alamance County Industrial Facilities and Pollution Control Financing Authority Industrial Revenue Refunding Bonds (Culp, Inc. Project) Series A and B.

$4,500,000 Principal Amount, Guilford County Industrial Facilities and Pollution Control Financing Authority Industrial Development Revenue Bonds (Culp, Inc. Project) Series 1989.

$6,580,000 Principal Amount, Anderson County South Carolina Industrial Revenue Bonds (Culp, Inc. Project) Series 1993.

$6,000,000 Principal Amount, Chesterfield County, South Carolina Tax-Exempt Adjustable Mode Industrial Development Revenue Bonds (Culp, Inc. Project) Series 1996.

$6,000,000 Principal Amount, The Alamance County Industrial Facilities and Pollution Control Financing Authority Tax-exempt Adjustable Mode Industrial Development Revenue Bonds (Culp, Inc. Project) Series 1996.

$3,500,000 Principal Amount, Luzerne County Industrial Development Authority Tax-Exempt Adjustable Mode Industrial Development Revenue Bonds (Culp, Inc. Project) Series 1996.

10(ii) Loan Agreement and Reimbursement and Security Agreement dated July 1, 1997 with the Robeson County Industrial Facilities and Pollution Control Financing Authority relating to the issuance of Tax-Exempt Adjustable Mode Industrial Development Revenue Bonds (Culp, Inc. Project), Series 1997 in the aggregate principal amount of $8,500,000 was filed as Exhibit 10(ii) to the Company's Form 10-Q for the quarter ended August 3, 1997, and is incorporated herein by reference.

10(jj) Asset Purchase Agreement dated as of August 4, 1997 by and between Culp, Inc., Phillips Weaving Mills, Inc., Phillips Printing Mills, Inc., Phillips Velvet Mills, Inc., Phillips Mills, Inc., Phillips Property Company, LLC, Phillips Industries, Inc. and S. Davis Phillips was filed as Exhibit (10jj) to the Company's Form 10-Q for the quarter ended November 2, 1997, and is incorporated herein by reference.

10(kk) Asset Purchase Agreement dated as of October 14, 1997 among Culp, Inc., Artee Industries, Incorporated, Robert T. Davis, Robert L. Davis, Trustee u/a dated 8/25/94, Robert L. Davis, Louis W. Davis, Kelly D. England, J. Marshall Bradley, Frankie S. Bradley and Mickey R. Bradley was filed as Exhibit 10(kk) to the Company's Form 10-Q for the quarter ended November 2, 1997, and is incorporated herein by reference.

10(ll) Form of Note Purchase Agreement (providing for the issuance by Culp, Inc. of its $20 million 6.76% Series A Senior Notes due 3/15/08 and its $55 million 6.76% Series B Senior Notes due 3/15/10), each dated March 4, 1998, between Culp, Inc. and each of the following:

1. Connecticut General Life Insurance Company;
2. The Mutual Life Insurance Company of New York;
3. United of Omaha Life Insurance Company;
4. Mutual of Omaha Insurance Company;
5. The Prudential Insurance Company of America;
6. Allstate Life Insurance Company;
7. Life Insurance Company of North America; and

8. CIGNA Property and Casualty Insurance Company This agreement was filed as Exhibit 10(ll) to the Company's Form 10-K for the year ended May 3, 1998, and is incorporated herein by reference.

10(mm) First Amendment to Credit Agreement dated July 22, 1998 among Culp, Inc., Wachovia Bank, N.A., as agent, First Union National Bank, as documentation agent, and Wachovia Bank, N.A., First Union National Bank, SunTrust Bank, Atlanta, and Cooperatieve Centrale Raiffeisen-Boerenleeenbank B.A., Rabobank Nederland, New York Branch, as lenders. This amendment was filed as Exhibit 10(mm) to the Company's Form 10-Q for the quarter ended August 2, 1998, and is incorporated herein by reference.

10(nn) Second Amendment to Credit Agreement dated October 26, 1998, among Culp, Inc., Wachovia Bank, N.A., as agent, First Union National Bank, as documentation agent, and Wachovia Bank, N.A., First Union National Bank, and SunTrust Bank, Atlanta, as lenders. This amendment was filed as Exhibit 10(nn) to the Company's Form 10-Q for the quarter ended November 1, 1998, and is incorporated herein by reference.

10(oo) Rights Agreement, dated as of October 8, 1999, between Culp, Inc. and EquiServe Trust Company, N.A., as Rights Agent, including the form of Articles of Amendment with respect to the Series A Participating Preferred Stock included as Exhibit A to the Rights Agreement, the forms of Rights Certificate included as Exhibit B to the Rights Agreement, and the form of Summary of Rights included as Exhibit C to the Rights Agreement. The Rights Agreement was filed as Exhibit 99.1 to the Company's Form 8-K dated October 12, 1999, and is incorporated herein by reference.

27 Financial Data Schedule

(b) Reports on Form 8-K:

The following reports on Form 8-K were filed during the period covered by this report:

(1) Form 8-K dated November 18, 1999, included under Item 5, Other Events, included the Company's press release for quarterly earnings and the Financial Information Release relating to certain financial information for the quarter ended October 31, 1999.

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 thereunto duly authorized.

CULP, INC.
(Registrant)

Date: March 15, 2000

By: s/s Phillip W. Wilson
Phillip W. Wilson
Vice President and Chief Financial and Accounting Officer

(Authorized to sign on behalf of the registrant and also signing as principal financial officer)

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