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) August 29, 2012

Culp, Inc.

(Exact Name of Registrant as Specified in its Charter)

North Carolina	1-12597	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 (*see* General Instruction A.2. below):

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

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

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

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

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This report and the exhibits attached hereto contain "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, and we disclaim any duty to update such statements. 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 expectations for our future operations, production levels, sales, gross profit margins, operating income, SG&A or other expenses, earnings, and other performance measures, as well as any statements regarding future economic or industry trends or future developments. 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 our 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 us adversely. Changes in consumer tastes or preferences toward products not produced by us could erode demand for our products. Changes in the value of the U.S. dollar versus other currencies could affect our financial results because a significant portion of our operations are located outside the United States. Strengthening of the U.S. dollar against other currencies could make our 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 our sales of products produced in those places. Also, economic and political instability in international areas could affect our operations or sources of goods in those areas, as well as demand for our products in international markets. Further information about these factors, as well as other factors that could affect our future operations or financial results and the matters discussed in forward-looking statements, are included in Item 1A "Risk Factors" section in our Form 10-K filed with the Securities and Exchange Commission on July 12, 2012 for the fiscal year ended April 29, 2012.

Item 2.02 – Results of Operations and Financial Condition

On August 29, 2012, we issued a news release to announce our financial results for the first quarter ended July 29, 2012. The news release is attached hereto as Exhibit 99(a).

Also on August 29, 2012, we released a Financial Information Release containing additional financial information and disclosures about our first quarter ended July 29, 2012. 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 liquidity measure that we define as net cash provided by operating activities, less cash capital expenditures, plus any proceeds from sales of fixed assets, and the effects of exchange rate changes on cash and cash equivalents. Details of these calculations and a reconciliation to information from our GAAP financial statements is set forth in the Financial Information Release. Management believes the disclosure of free cash flow provides useful information to investors because it measures our available cash flow for potential debt repayment, stock repurchases, dividends, and additions to cash and cash equivalents. We note, however, that not all of the company's free cash flow is available for discretionary spending, as we have mandatory debt payments and other cash requirements that must be deducted from our cash available for future use. In operating our business, management uses free cash flow to make decisions about what commitments of cash to make for operations, such as capital expenditures (and financing arrangements for these expenditures), purchases of inventory or supplies, SG&A expenditure levels, compensation, and other commitments of cash, while still allowing for adequate cash to meet known future commitments for cash, such as debt repayment.

The news release and Financial Information Release contain disclosures about return on capital, both for the entire company and for individual business segments. We define return on capital as operating income (on an annualized basis if at a point other than the end of the fiscal year) divided by average capital employed. Operating income excludes certain non-recurring charges, and average capital employed is calculated over rolling two – five fiscal periods, depending on which quarter is being presented. Details of these calculations and a reconciliation to information from our GAAP financial statements is set forth in the Financial Information Release. We believe return on capital is an accepted measure of earnings efficiency in relation to capital employed, but it is a non-GAAP performance measure that is not defined or calculated in the same manner by all companies. This measure should not be considered in isolation or as an alternative to net income or other performance measures, but we believe it provides useful information to investors by comparing the operating income we produce to the asset base used to generate that income. Also, annualized operating income does not necessarily indicate results that would be expected for the full fiscal year. We note that, particularly for return on capital measured at the segment level, not all assets and expenses are allocated to our operating segments, and there are assets and expenses at the corporate (unallocated) level that may provide support to a segment's operations and yet are not included in the assets and expenses used to calculate that segment's return on capital. Thus, the average return on capital for the company's segments will generally be different from the company's overall return on capital. Management uses return on capital to evaluate the company's earnings efficiency and the relative performance of its segments.

The news release and Financial Information Release contain disclosures about our consolidated adjusted effective income tax rate, which is a non-GAAP liquidity measure that represents our estimated cash expenditures for income taxes. The consolidated adjusted effective income tax rate is calculated by eliminating the non-cash items that affect our GAAP income tax expense, including adjustments to valuation allowances for deferred tax assets, reductions in income taxes due to net operating loss (NOL) carry forwards, and non-cash foreign income tax expenses. Currently we do not pay income taxes in the U.S. due to NOL carryforward amounts, and thus the consolidated adjusted effective income tax rate represents income tax expense for our subsidiaries located in China and Canada. A reconciliation of our consolidated adjusted effective income tax rate to our consolidated effective GAAP income tax rate is set forth in the Financial Information Release. We believe this information is useful to investors because it demonstrates the amount of cash, as a percentage of income before income taxes, expected to be required to fund our income tax liabilities incurred for the periods reported. Our consolidated income tax expense on a GAAP basis can vary widely over different reporting periods due to the effects of non-cash items, and we believe the calculation of our consolidated adjusted effective tax rate is helpful in comparing financial reporting periods and the amount of income tax liability that we are or will be required to pay to taxing authorities in cash. We also note that, because the consolidated adjusted effective income tax rate used to calculate adjusted net income is based on annualized amounts and estimates, adjusted net income for any quarter or year-to-date period does not necessarily indicate results that could be expected for the full fiscal year. In addition, non-cash reductions in our U.S. NOL carryforwards are based on pre-tax losses in prior periods and will not be available to reduce taxes on current earnings once the NOL carryforward amounts are utilized. Management uses the consolidated adjusted effective income rate to analyze the effect that income tax expenditures are likely to have on cash balances and overall liquidity.

The news release and Financial Information Release contains disclosures about our adjusted net income, which is a non-GAAP performance measure that incorporates the consolidated adjusted effective income tax rate discussed in the preceding paragraph. Adjusted net income is calculated by multiplying the consolidated adjusted effective income tax rate by the amount of income before income taxes shown on our income statement. Because the consolidated adjusted effective income tax rate eliminates non-cash items that affect our GAAP income tax expense, adjusted net income is intended to demonstrate the amount of net income that would be generated by our operations if only the cash portions of our income tax expense are deducted from income before income taxes. As noted above, our consolidated income tax expense on a GAAP basis can vary widely over different reporting periods due to the effect of non-cash items, and we believe the calculation of adjusted net income is useful to investors because it eliminates these items and aids in the analysis of comparable financial periods by reflecting the amount of earnings available after the deduction of tax liabilities that are paid in cash. Adjusted net income should not be viewed in isolation by investors and should not be used as a substitute for net income calculated in accordance with GAAP. We also note that, because the consolidated adjusted effective income tax rate used to calculate adjusted net income is based on annualized amounts and estimates, adjusted net income for any quarter or year-to-date period does not necessarily indicate results that could be expected for the full fiscal year. In addition, the limitations on the usefulness of consolidated adjusted effective income tax rates described in the preceding paragraph also apply to the usefulness of adjusted net income, since consolidated adjusted effective income tax rates are used to calculate adjusted net income. Management uses adjusted net income to help it analyze the company's earnings and performance after taking certain tax matters into account when comparing comparable quarterly and year-to-date periods.

Item 9.01 (d) -- Exhibits

99(a) News Release dated August 29, 2012

99(b) Financial Information Release dated August 29, 2012

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: August 29, 2012

EXHIBIT INDEX

Exhibit Number	Exhibit
99(a)	News Release dated August 29, 2012
99(b)	Financial Information Release dated August 29, 2012

Investor Contact:	Kenneth R. Bowling Chief Financial Officer 336-881-5630	Media Contact:	Teresa A. Huffman Vice President, Human Resources 336-889-5161

CULP ANNOUNCES RESULTS FOR FIRST QUARTER FISCAL 2013

Board of Directors Authorizes Additional Share Repurchases

HIGH POINT, N.C. (August 29, 2012) ─ Culp, Inc. (NYSE: CFI) today reported financial and operating results for the first quarter ended July 29, 2012.

Fiscal 2013 first quarter highlights:

- Net sales were $69.2 million, up 14.8 percent, with mattress fabric sales up 18.0 percent and upholstery fabric sales up 11.1 percent, as compared to the same quarter last year. This is the company's highest total sales for the first quarter period in eight years.

- Pre-tax income was $5.4 million, up 81.2 percent from the first quarter of fiscal 2012.

- Adjusted net income (non-GAAP) was $4.3 million, or $0.34 per diluted share, for the current quarter, compared with $2.4 million, or $0.18 per diluted share, for the prior year period. (Adjusted net income is calculated using estimated cash income tax expense. See the reconciliation to net income on page 6). Net income (GAAP) was $3.5 million, or $0.28 per diluted share, compared with net income of $1.8 million, or $0.14 per diluted share, in the prior year period.

- The company's financial position remained strong with a total cash position of $27.1 million and total debt of $9.9 million as of July 29, 2012.

- During the quarter, the company repurchased 47,296 of its outstanding shares, for $470,000. Subsequent to the end of first quarter, the company repurchased an additional 455,299 shares for $4.5 million. Since June 2011, the company has repurchased 1,127,054 shares, or 8.5 percent of its outstanding shares, for a total of $10.4 million.

- The company also announced today a new authorization of additional share repurchases up to $2.0 million.

- The company paid a cash dividend of $0.03 per share during the quarter. This was the first dividend paid since fiscal 2001.

- The projection for the second quarter of fiscal 2013 is for overall sales to be up 2 to 6 percent as compared to the same period last year. Pre-tax income is expected to be in the range of $3.0 million to $3.7 million. Pre-tax income for the second quarter of fiscal 2012 was $2.9 million.

Overview

Commenting on the results, Frank Saxon, president and chief executive officer of Culp, Inc., said, "We are pleased with our first quarter performance, marking a solid start to fiscal 2013. These results reflect better than expected sales momentum through the summer months in both of our businesses. We have continued to experience a favorable customer response to our outstanding design capabilities and wide range of innovative products. Our flexible and global manufacturing platform has enhanced our ability to develop new and exciting products and meet the changing style demands of our customers.

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“We are also pleased that our focus on building a sound financial position and achieving favorable operating results over the past several years has enabled us to return cash to our shareholders in the form of cash dividends and significant share repurchases,” added Saxon.

Given the volatility in the income tax area during fiscal 2012 and previous years, the company is reporting adjusted net income (non-GAAP), which is calculated using estimated cash income tax expense for its foreign subsidiaries. (A presentation of adjusted net income and reconciliation to net income is set forth on page 6). The company currently does not incur cash income tax expense in the U.S., nor does it expect to in the foreseeable future, due to its $60 million in U.S. net operating loss carryforwards.

Mattress Fabrics Segment

Mattress fabric sales for the first quarter were $38.0 million, up 18.0 percent compared with $32.2 million for the first quarter of fiscal 2012.

“Our mattress fabrics business had a strong first quarter performance with sales gains across all major product categories,” said Iv Culp, president of Culp’s mattress fabrics division. “The overall sales growth reflects growing consumer demand for better bedding and a higher quality mattress fabric. As the mattress industry continues to evolve into a more decorative business, Culp’s many years of planned capital investments have positioned us to meet this demand with an extensive manufacturing platform and flexible capacity to produce an innovative and diverse line of products. We have a strong competitive position, supported by exceptional customer service, reliable delivery performance and the consistent quality and value that are synonymous with the Culp brand.

“We are also pleased to note that, along with the higher volumes and favorable product mix, the efficiencies of our reactive capacity and the recent stabilization of raw material costs contributed to an improvement in our results for the first quarter. Compared with the peak high levels for the same period a year ago, our production costs were considerably lower. We have also continued to merchandise new products with alternative sources of yarns and raw materials without compromising quality and value for our customers. Looking ahead to the second quarter, we expect continued stabilization of raw material costs, countered by customer pricing pressure. We also anticipate a normal seasonal slowdown in the second fiscal quarter, which may affect operating costs and efficiencies. Despite this, we expect sales and operating profitability for the second quarter to be higher than the same period a year ago,” Culp concluded.

Joint Marketing Venture in Mattress Covers - Culp-Lava Applied Sewn Solutions

“We are very pleased with the progress we are making with respect to our previously announced joint marketing agreement with A. Lava & Son Co. to design, produce and market mattress covers,” added Culp. “We are very fortunate to partner with the market leader in this product category and are confident this strategic relationship will be successful for both companies. This new venture, known as Culp-Lava Applied Sewn Solutions, or ‘Culp-Lava’, further enhances our strategy to leverage our outstanding design capabilities and state-of-the-art manufacturing platform and produce a diverse product line that keeps pace with changing industry demand trends.

“Culp-Lava’s new manufacturing facility, located in Stokesdale, North Carolina, is directly adjacent to Culp’s mattress fabric headquarters, providing favorable operating synergies with management and production in the same location. We are grateful for the cooperation from the economic development and governmental officials in the Town of Stokesdale, Guilford County and the State of North Carolina. Over the next four years, our total capital investment in Culp-Lava will be approximately $1.0 million and we expect to add up to 129 employees at full capacity. We are on schedule to commence production late in the second quarter of fiscal 2013.”

Culp continued, “We believe Culp-Lava represents an ideal business partnership and highlights our commitment to a leadership position in the bedding industry. We are excited about the future growth opportunities ahead as we work together to develop this new product line for Culp-Lava.”

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Upholstery Fabrics Segment

Sales for this segment were $31.2 million for the first quarter, an 11.1 percent improvement compared with sales of $28.1 million in the first quarter of fiscal 2012. Sales of China produced fabrics were $27.6 million in the first quarter of fiscal 2013, up 11.4 percent over the prior year period, while sales of U.S. produced fabrics were $3.6 million, up 9.1 percent from the first quarter of fiscal 2011.

“We experienced stronger than expected growth in sales in our upholstery fabrics business during the first quarter of fiscal 2013,” noted Saxon. “These results primarily reflect outstanding response to our innovative designs and new product introductions from key customers. However, recent trends in incoming orders reflect a seasonal softening of demand heading into the fall, similar to the demand pattern that occurred at the same time last fiscal year.

“Sales of our China produced fabrics continued to be the primary catalyst of our growth for the first quarter. China produced fabrics account for over 85 percent of Culp’s upholstery fabrics sales, reflecting our ability to offer innovative products at excellent values. Culp China, now in its tenth year of operation, plays a major role in our global sales efforts, and we are pleased with the increasing level of fabric placements with key customers in the U.S., China and other countries.

“We were especially pleased with the turnaround in our U.S. operation compared with this time last year,” added Saxon. “The higher sales during the first quarter reflect increased demand for both velvets and woven texture fabrics. As a result of our efforts to improve productivity, we have a much more efficient U.S. operation with higher capacity utilization than a year ago. In addition, we have seen raw material costs stabilize as compared with previous quarters. We are also working diligently to create innovative products from this platform. All of these factors had a favorable impact on the performance of our U.S. upholstery fabrics operation.”

Saxon continued, “We continue efforts to develop Culp Europe; however, the ongoing uncertainties related to the European economy have affected our business. While this is creating challenges for the near term, we remain optimistic about future opportunities for Culp Europe to enhance our global sales as business conditions improve.”

Cash Returned to Shareholders

“We are committed to generating value for our shareholders,” said Saxon. “To that end, during the first quarter, the company repurchased 47,296 of its outstanding shares, for $470,000. Subsequent to the end of first quarter, the company repurchased an additional 455,299 shares for $4.5 million. We have now completed our previously approved program, announced June 13, 2012, to acquire up to $5.0 million of our common stock. Since June 2011, when we began our share buyback initiative, the company has repurchased 1,127,054 shares, or 8.5 percent of its outstanding shares, for a total of $10.4 million.”

The company announced today that its Board of Directors has approved a new authorization for the company to acquire up to $2.0 million of its common stock. Under the stock repurchase program, shares may be purchased from time to time in open market transactions, block trades, through plans established under the Securities Exchange Act Rule 10b5-1, or otherwise. The amount of shares purchased and the timing of the purchases will be based on working capital requirements, market and general business conditions and other factors, including alternative investment opportunities.

Additionally, the company paid a $0.03 per share dividend in the first quarter. This is the first dividend payment since fiscal 2001.

Balance Sheet

“Maintaining a strong financial position continues to be a top priority for us, even as we return significant cash to shareholders,” added Saxon. “As of July 29, 2012, we reported $27.1 million in cash and cash equivalents and short-term investments. Total debt was $9.9 million, which includes long-term debt plus current maturities of long-term debt and our line of credit. We have since made a scheduled annual principal payment of $2.2 million, thus further lowering our total debt by that amount.”

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Outlook

Commenting on the outlook for the second quarter of fiscal 2013, Saxon remarked, "We expect overall sales to be up 2 to 6 percent as compared with the second quarter of last year.

"We expect sales in our mattress fabrics segment to be 3 to 8 percent higher than the same period a year ago. Operating income and margins in this segment are expected to be moderately higher than the same period a year ago.

"In our upholstery fabrics segment, we expect sales to approximate the previous year's second quarter results. We believe the upholstery fabric segment's operating income and margin will be higher than the same quarter of last year.

"Considering these factors, the company expects to report pre-tax income for the second fiscal quarter of 2013 in the range of $3.0 million to $3.7 million. Pre-tax income for last year's second quarter was $2.9 million."

In closing, Saxon remarked, "We are pleased with an excellent start to fiscal 2013. We have many reasons to be optimistic about the year ahead with our outstanding design capabilities and diverse product offerings, along with the ability to leverage our scalable and global manufacturing platforms. Importantly, we also have the financial strength to pursue our growth initiatives and continue to generate added value for our shareholders through dividends and share repurchases. While challenges remain in an uncertain global economy, we believe Culp is favorably positioned to continue growing our business and performing well. Above all, we are committed to outstanding performance for our customers as a financially stable and trusted source for innovative fabrics."

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 "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, and we disclaim any duty to update such statements. 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 expectations for our future operations, production levels, sales, gross profit margins, operating income, SG&A, or other expenses, earnings, and other performance measures, as well as any statements regarding future economic or industry trends or future developments. 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 our 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 us adversely. Changes in consumer tastes or preferences toward products not produced by us could erode demand for our products. Changes in the value of the U.S. dollar versus other currencies could affect our financial results because a significant portion of our operations are located outside the United States. Strengthening of the U.S. dollar against other currencies could make our 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 our sales of products produced in those places. Also, economic and political instability in international areas could affect our operations or sources of goods in those areas, as well as demand for our products in international markets. Further information about these factors, as well as other factors that could affect our future operations or financial results and the matters discussed in forward-looking statements, are included in Item 1A "Risk Factors" section in our Form 10-K filed with the Securities and Exchange Commission on July 12, 2012, for the fiscal year ended April 29, 2012.

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CULP, INC.
Condensed Financial Highlights
(Unaudited)

	Three Months Ended	
	July 29, 2012	**July 31, 2011**
Net sales	$ 69,184,000	$ 60,270,000
Income before income taxes	$ 5,372,000	$ 2,965,000
Net income	$ 3,524,000	$ 1,820,000
Net income per share:		
Basic	$ 0.28	$ 0.14
Diluted	$ 0.28	$ 0.14
Adjusted net income	$ 4,341,000	$ 2,425,000
Adjusted net income per share		
Basic	$ 0.35	$ 0.19
Diluted	$ 0.34	$ 0.18
Average shares outstanding:		
Basic	12,551,000	13,061,000
Diluted	12,711,000	13,205,000

Presentation of Adjusted Net Income and Adjusted Income Taxes (1)

	Three Months Ended	
	July 29, 2012	**July 31, 2011**
Income before income taxes	$ 5,372,000	$ 2,965,000
Adjusted income taxes (2)	$ 1,031,000	$ 540,000
Adjusted net income	$ 4,341,000	$ 2,425,000

(1) Culp, Inc. currently does not incur cash income tax expense in the U.S. due to its $59.9 million in net operating loss carryforwards. Therefore, adjusted net income is calculated using only income tax expense for the company's subsidiaries in Canada and China.

(2) Represents estimated income tax expense for the company's subsidiaries in Canada and China, calculated with a consolidated adjusted effective income tax rate of 19.2% for fiscal 2013 and 18.2% for fiscal 2012.

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Consolidated Adjusted Effective Income Tax Rate, Net Income and Earnings Per Share
For the Three Months Ended July 29, 2012, and July 31, 2011
(Unaudited)
(Amounts in Thousands)

		THREE MONTHS ENDED Amounts	
		July 29, 2012	July 31 2011
Consolidated Effective GAAP Income Tax Rate	(1)	**34.4%**	38.6%
Non-Cash U.S. Income Tax Expense		**(15.0)%**	(18.5)%
Non-Cash Foreign Income Tax Expense		**(0.2)%**	(1.9)%
Consolidated Adjusted Effective Income Tax Rate	(2)	**19.2%**	18.2%

	THREE MONTHS ENDED					
	As reported July 29, 2012	Adjustments	**July 29, 2012 Proforma Net of Adjustments**	**As reported July 31, 2011**	Adjustments	**July 31, 2011 Proforma Net of Adjustments**
Income before income taxes	**$ 5,372**	$ -	**$ 5,372**	**$ 2,965**	$ -	**$ 2,965**
Income taxes (3)	**1,848**	$ (817)	**$ 1,031**	**1,145**	$ (605)	**540**
Net income	**$ 3,524**	$ 817	**$ 4,341**	**$ 1,820**	$ 605	**$ 2,425**
Net income per share-basic	**$ 0.28**	$ (0.07)	**$ 0.35**	**$ 0.14**	$ (0.05)	**$ 0.19**
Net income per share-diluted	**$ 0.28**	$ (0.06)	**$ 0.34**	**$ 0.14**	$ (0.05)	**$ 0.18**
Average shares outstanding-basic	**12,551**	**12,551**	**12,551**	**13,061**	**13,061**	**13,061**
Average shares outstanding-diluted	**12,711**	**12,711**	**12,711**	**13,205**	**13,205**	**13,205**

(1) Calculated by dividing consolidated income tax expense by consolidated income before income taxes.

(2) Represents estimated income tax expense for our subsidiaries located in Canada and China divided by consolidated income before income taxes.

(3) Proforma taxes calculated using the Consolidated Adjusted Effective Income Tax Rate as reflected above.

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CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF NET INCOME
FOR THE THREE MONTHS ENDED JULY 29, 2012 AND JULY 31, 2011
(UNAUDITED)
(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED				
	Amounts			Percent of Sales	
	July 29, 2012	July 31, 2011	% Over (Under)	**July 29, 2012**	July 31, 2011
Net sales	**$ 69,184**	60,270	14.8 %	**100.0 %**	100.0 %
Cost of sales	**56,064**	51,392	9.1 %	**81.0 %**	85.3 %
Gross profit	**13,120**	8,878	47.8 %	**19.0 %**	14.7 %
Selling, general and administrative expenses	**7,641**	5,757	32.7 %	**11.0 %**	9.6 %
Income from operations	**5,479**	3,121	75.6 %	**7.9 %**	5.2 %
Interest expense	**190**	220	(13.6) %	**0.3 %**	0.4 %
Interest income	**(127)**	(129)	(1.6) %	**(0.2) %**	(0.2) %
Other expense	**44**	65	(32.3) %	**0.1 %**	0.1 %
Income before income taxes	**5,372**	2,965	81.2 %	**7.8 %**	4.9 %
Income taxes*	**1,848**	1,145	61.4 %	**34.4 %**	38.6 %
Net income	**$ 3,524**	1,820	93.6 %	**5.1 %**	3.0 %
Net income per share-basic	**$ 0.28**	$ 0.14	100.0 %		
Net income per share-diluted	**$ 0.28**	$ 0.14	100.0 %		
Average shares outstanding-basic	**12,551**	13,061	(3.9) %		
Average shares outstanding-diluted	**12,711**	13,205	(3.7) %		

PRESENTATION OF ADJUSTED NET INCOME, ADJUSTED INCOME TAXES AND EARNINGS PER SHARE (1)

	THREE MONTHS ENDED				
	Amounts			Percent of Sales	
	July 29, 2012	July 31, 2011	% Over (Under)	**July 29, 2012**	July 31, 2011
Income before income taxes (see above)	**$ 5,372**	2,965	81.2 %	**7.8%**	4.9%
Adjusted Income taxes (2)*	**1,031**	540	90.9 %	**19.2%**	18.2%
Adjusted net income	**4,341**	2,425	79.0 %	**6.3%**	4.0%
Adjusted net income per share-basic	**$ 0.35**	$ 0.19	84.2 %		
Adjusted net income per share-diluted	**$ 0.34**	$ 0.18	88.9 %		
Average shares outstanding-basic	**12,551**	13,061	(3.9) %		
Average shares outstanding-diluted	**12,711**	13,205	(3.7) %		

(1) Culp, Inc. currently does not incur cash income tax expense in the US due to its $59.9 million in net operating loss carryforwards. Therefore, adjusted net income is calculated using only income tax expense for our subsidiaries located in Canada and China. See reconciliation on page 7 of 7.

(2) Represents estimated income tax expense for our subsidiaries located in Canada and China. See reconciliation on page 7 of 7.

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

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED BALANCE SHEETS
JULY 29, 2012, JULY 31, 2011 AND APRIL 29, 2012
Unaudited
(Amounts in Thousands)

	Amounts		Increase (Decrease)		
	July 29, 2012	July 31, 2011	Dollars	Percent	* April 29, 2012
Current assets					
Cash and cash equivalents	$ **21,889**	14,570	7,319	50.2 %	25,023
Short-term investments	**5,200**	10,443	(5,243)	(50.2) %	5,941
Accounts receivable	**20,021**	18,905	1,116	5.9 %	25,055
Inventories	**44,052**	34,858	9,194	26.4 %	36,373
Deferred income taxes	**2,337**	1,237	1,100	88.9 %	2,467
Assets held for sale	**15**	75	(60)	(80.0) %	15
Income taxes receivable	**-**	79	(79)	(100.0) %	-
Other current assets	**2,563**	2,862	(299)	(10.4) %	1,989
Total current assets	**96,077**	83,029	13,048	15.7 %	96,863
Property, plant & equipment, net	**31,016**	30,615	401	1.3 %	31,279
Goodwill	**11,462**	11,462	-	0.0 %	11,462
Deferred income taxes	**2,715**	2,191	524	23.9 %	3,205
Other assets	**1,890**	2,010	(120)	(6.0) %	1,907
Total assets	$ **143,160**	129,307	13,853	10.7 %	144,716
Current liabilities					
Current maturities of long-term debt	$ **2,400**	2,409	(9)	(0.4) %	2,404
Line of credit	**834**	-	834	100.0 %	889
Accounts payable - trade	**27,284**	25,022	2,262	9.0 %	30,663
Accounts payable - capital expenditures	**152**	342	(190)	(55.6) %	169
Accrued expenses	**8,366**	5,862	2,504	42.7 %	9,321
Accrued restructuring	**40**	41	(1)	(2.4) %	40
Deferred income taxes	**-**	82	(82)	(100.0) %	-
Income taxes payable - current	**751**	345	406	117.7 %	642
Total current liabilities	**39,827**	34,103	5,724	16.8 %	44,128
Income taxes payable - long-term	**4,131**	4,178	(47)	(1.1) %	4,164
Deferred income taxes	**705**	596	109	18.3 %	705
Long-term debt , less current maturities	**6,666**	9,079	(2,413)	(26.6) %	6,719
Total liabilities	**51,329**	47,956	3,373	7.0 %	55,716
Shareholders' equity	**91,831**	81,351	10,480	12.9 %	89,000
Total liabilities and shareholders' equity	$ **143,160**	129,307	13,853	10.7 %	144,716
Shares outstanding	**12,656**	13,181	(525)	(4.0) %	12,703

* Derived from audited financial statements.

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JULY 29, 2012 AND JULY 31, 2011
Unaudited
(Amounts in Thousands)

	THREE MONTHS ENDED	
	Amounts	
	July 29, 2012	July 31, 2011
Cash flows from operating activities:		
Net income	**$ 3,524**	$ 1,820
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	**1,254**	1,187
Amortization of other assets	**60**	56
Stock-based compensation	**70**	77
Excess tax benefit related to stock-based compensation	**(55)**	(31)
Deferred income taxes	**675**	502
Foreign currency exchange gains	**(80)**	(39)
Changes in assets and liabilities:		
Accounts receivable	**4,985**	1,322
Inventories	**(7,710)**	(6,080)
Other current assets	**(572)**	(486)
Other assets	**(43)**	(14)
Accounts payable-trade	**(3,288)**	54
Accrued expenses	**(930)**	(1,750)
Accrued restructuring	**-**	(3)
Income taxes	**148**	(257)
Net cash used in operating activities	**(1,962)**	(3,642)
Cash flows from investing activities:		
Capital expenditures	**(1,008)**	(1,304)
Purchase of short-term investments	**(25)**	(4,761)
Proceeds from the sale of short-term investments	**795**	2,032
Net cash used in investing activities	**(238)**	(4,033)
Cash flows from financing activities:		
Payments on long-term debt	**(50)**	(53)
Proceeds from common stock issued	**-**	169
Common stock shares repurchased	**(470)**	(1,102)
Dividends paid	**(381)**	-
Excess tax benefit related to stock-based compensation	**55**	31
Net cash used in financing activities	**(846)**	(955)
Effect of exchange rate changes on cash and cash equivalents	**(88)**	19
Decrease in cash and cash equivalents	**(3,134)**	(8,611)
Cash and cash equivalents at beginning of period	**25,023**	23,181
Cash and cash equivalents at end of period	**$ 21,889**	$ 14,570
Free Cash Flow (1)	**$ (3,003)**	$ (4,896)

(1) Free Cash Flow reconciliation is as follows:

	FY 2013	FY 2012
A) Net cash used in operating activities	**$ (1,962)**	$ (3,642)
B) Minus: Capital Expenditures	**(1,008)**	(1,304)
C) Add: Excess tax benefit related to stock-based compensation	**55**	31
D) Effects of exchange rate changes on cash and cash equivalents	**(88)**	19
	$ (3,003)	$ (4,896)

CULP, INC. FINANCIAL INFORMATION RELEASE
STATEMENTS OF OPERATIONS BY SEGMENT
FOR THE THREE MONTHS ENDED JULY 29, 2012 AND JULY 31, 2011
(Unaudited)
(Amounts in thousands)

	THREE MONTHS ENDED				
	Amounts			Percent of Total Sales	
Net Sales by Segment	**July 29, 2012**	July 31, 2011	% Over (Under)	**July 29, 2012**	July 31, 2011
Mattress Fabrics	**$ 37,964**	32,170	18.0%	**54.9 %**	53.4 %
Upholstery Fabrics	**31,220**	28,100	11.1%	**45.1 %**	46.6 %
Net Sales	**$ 69,184**	60,270	14.8%	**100.0 %**	100.0 %
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	**$ 7,622**	5,137	48.4%	**20.1 %**	16.0 %
Upholstery Fabrics	**5,498**	3,741	47.0%	**17.6 %**	13.3 %
Gross Profit	**13,120**	8,878	47.8%	**19.0 %**	14.7 %
Selling, General and Administrative expenses by Segment				Percent of Sales	
Mattress Fabrics	**$ 2,391**	1,992	20.0%	**6.3 %**	6.2 %
Upholstery Fabrics	**3,340**	2,766	20.8%	**10.7 %**	9.8 %
Unallocated Corporate expenses	**1,910**	999	91.2%	**2.8 %**	1.7 %
Selling, general, and administrative expenses	**7,641**	5,757	32.7%	**11.0 %**	9.6 %
Operating Income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	**$ 5,230**	3,146	66.2%	**13.8 %**	9.8 %
Upholstery Fabrics	**2,159**	974	121.7%	**6.9 %**	3.5 %
Unallocated corporate expenses	**(1,910)**	(999)	91.2%	**(2.8) %**	(1.7) %
Operating income	**5,479**	3,121	75.6%	**7.9 %**	5.2 %
Return on Capital (1)					
Mattress Fabrics	**37.8%**	23.2%			
Upholstery Fabrics	**51.6%**	33.2%			
Unallocated Corporate	**N/A**	N/A			
Consolidated	**30.6%**	18.9%			
Capital Employed (2)					
Mattress Fabrics	**56,803**	55,994	1.4%		
Upholstery Fabrics	**18,967**	13,176	44.0%		
Unallocated Corporate	**(593)**	350	N/A		
Consolidated	**75,177**	69,520	8.1%		
Depreciation by Segment					
Mattress Fabrics	**$ 1,092**	1,029	6.1%		
Upholstery Fabrics	**162**	158	2.5%		
Subtotal	**1,254**	1,187	5.6%		

Notes:

(1) See pages 5 and 6 of this financial information release for calculations.

(2) The capital employed balances are as of July 29, 2012 and July 31, 2011.

CULP, INC. FINANCIAL INFORMATION RELEASE
RETURN ON CAPITAL EMPLOYED BY SEGMENT
FOR THE THREE MONTHS ENDED JULY 29, 2012
(Amounts in Thousands)
(Unaudited)

	Operating Income Three Months Ended July 29, 2012 (1)	Average Capital Employed (3)	Return on Avg. Capital Employed (2)
Mattress Fabrics	$ 5,230	$ 55,357	37.8%
Upholstery Fabrics	2,159	16,743	51.6%
(less: Unallocated Corporate)	(1,910)	(567)	N/A
Total	$ 5,479	$ 71,532	30.6%

Average Capital Employed	**As of the three Months Ended July 29, 2012**				**As of the three Months Ended April 29, 2012**			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	78,098	29,973	35,089	143,160	71,563	33,641	39,512	144,716
Total liabilities	(21,295)	(11,006)	(19,028)	(51,329)	(17,653)	(19,123)	(18,940)	(55,716)
Subtotal	$ 56,803	$ 18,967	$ 16,061	$ 91,831	$ 53,910	$ 14,518	$ 20,572	$ 89,000
Less:								
Cash and cash equivalents	-	-	(21,889)	(21,889)	-	-	(25,023)	(25,023)
Short-term investments	-	-	(5,200)	(5,200)	-	-	(5,941)	(5,941)
Deferred income taxes - current	-	-	(2,337)	(2,337)	-	-	(2,467)	(2,467)
Deferred income taxes - non-current	-	-	(2,715)	(2,715)	-	-	(3,205)	(3,205)
Current maturities of long-term debt	-	-	2,400	2,400	-	-	2,404	2,404
Line of credit	-	-	834	834			889	889
Income taxes payable - current	-	-	751	751	-	-	642	642
Income taxes payable - long-term	-	-	4,131	4,131	-	-	4,164	4,164
Deferred income taxes - non-current	-	-	705	705	-	-	705	705
Long-term debt, less current maturities	-	-	6,666	6,666	-	-	6,719	6,719
Total Capital Employed	$ 56,803	$ 18,967	$ (593)	$ 75,177	$ 53,910	$ 14,518	$ (541)	$ 67,887

	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Average Capital Employed (3)	$ 55,357	$ 16,743	$ (567)	$ 71,532

Notes:

(1) Operating income excludes restructuring and related charges--see reconciliation per page 4 of this financial information release.

(2) Return on average capital employed represents operating income for the three month period ending July 29, 2012 times four quarters to arrive at an annualized value then divided by average capital employed. Average capital employed does not include cash and cash equivalents, short-term investments, long-term debt, including current maturities, line of credit, current and noncurrent deferred tax assets and liabilities, and income taxes payable.

(3) Average capital employed was computed using the two periods ending July 29, 2012 and April 29, 2012.

CULP, INC. FINANCIAL INFORMATION RELEASE
RETURN ON CAPITAL EMPLOYED BY SEGMENT
FOR THE THREE MONTHS ENDED JULY 31, 2011
(Amounts in Thousands)
(Unaudited)

	Operating Income Three Months Ended July 31, 2011 (1)	Average Capital Employed (3)	Return on Avg. Capital Employed (2)
Mattress Fabrics	$ 3,146	$ 54,313	23.2%
Upholstery Fabrics	974	11,747	33.2%
(less: Unallocated Corporate)	(999)	(39)	N/A
Total	$ 3,121	$ 66,021	18.9%

Average Capital Employed	**As of the three Months Ended July 31, 2011**				**As of the three Months Ended May 1, 2011**			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	71,325	26,683	31,299	129,307	66,637	25,929	37,485	130,051
Total liabilities	(15,331)	(13,507)	(19,118)	(47,956)	(14,005)	(15,612)	(20,093)	(49,710)
Subtotal	$ 55,994	$ 13,176	$ 12,181	$ 81,351	$ 52,632	$ 10,317	$ 17,392	$ 80,341
Less:								
Cash and cash equivalents	-	-	(14,570)	(14,570)	-	-	(23,181)	(23,181)
Short-term investments	-	-	(10,443)	(10,443)	-	-	(7,699)	(7,699)
Deferred income taxes - current	-	-	(1,237)	(1,237)	-	-	(1,381)	(1,381)
Income taxes receivable	-	-	(79)	(79)	-	-	(79)	(79)
Deferred income taxes - non-current	-	-	(2,191)	(2,191)	-	-	(2,518)	(2,518)
Current maturities of long-term debt	-	-	2,409	2,409	-	-	2,412	2,412
Deferred income taxes - current			82	82			82	82
Income taxes payable - current	-	-	345	345	-	-	646	646
Income taxes payable - long-term	-	-	4,178	4,178	-	-	4,167	4,167
Deferred income taxes - non-current	-	-	596	596	-	-	596	596
Long-term debt, less current maturities	-	-	9,079	9,079	-	-	9,135	9,135
Total Capital Employed	$ 55,994	$ 13,176	$ 350	$ 69,520	$ 52,632	$ 10,317	$ (428)	$ 62,521

	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Average Capital Employed (3)	$ 54,313	$ 11,747	$ (39)	$ 66,021

Notes:
(1) Operating income excludes restructuring and related charges--see reconciliation per page 4 of this financial information release.

(2) Return on average capital employed represents operating income for the three month period ending July 31, 2011 times four quarters to arrive at an annualized value then divided by average capital employed. Average capital employed does not include cash and cash equivalents, short-term investments, long-term debt, including current maturities, current and noncurrent deferred tax assets and liabilities, income taxes payable, and income taxes receivable.

(3) Average capital employed was computed using the two periods ending July 31, 2011 and May 1, 2011.

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED ADJUSTED EFFECTIVE INCOME TAX RATE, NET INCOME AND EARNINGS PER SHARE
FOR THE THREE MONTHS ENDED JULY 29, 2012 AND JULY 31, 2011
Unaudited
(Amounts in Thousands)

		THREE MONTHS ENDED	
		Amounts	
		July 29, 2012	July 31 2011
Consolidated Effective GAAP Income Tax Rate	(1)	**34.4 %**	38.6 %
Non-Cash U.S. Income Tax Expense		**(15.0) %**	(18.5) %
Non-Cash Foreign Income Tax Expense		**(0.2) %**	(1.9) %
Consolidated Adjusted Effective Income Tax Rate	(2)	**19.2 %**	18.2 %

	THREE MONTHS ENDED					
	As reported July 29, 2012	Adjustments	**July 29, 2012 Proforma Net of Adjustments**	**As reported July 31, 2011**	Adjustments	**July 31, 2011 Proforma Net of Adjustments**
Income before income taxes	**$ 5,372**	$ -	**$ 5,372**	**$ 2,965**	$ -	**$ 2,965**
Income taxes (3)	**1,848**	$ (817)	**$ 1,031**	**1,145**	$ (605)	**540**
Net income	**$ 3,524**	$ 817	**$ 4,341**	**$ 1,820**	$ 605	**$ 2,425**
Net income per share-basic	**$ 0.28**	$ (0.07)	**$ 0.35**	**$ 0.14**	$ (0.05)	**$ 0.19**
Net income per share-diluted	**$ 0.28**	$ (0.06)	**$ 0.34**	**$ 0.14**	$ (0.05)	**$ 0.18**
Average shares outstanding-basic	**12,551**	**12,551**	**12,551**	**13,061**	**13,061**	**13,061**
Average shares outstanding-diluted	**12,711**	**12,711**	**12,711**	**13,205**	**13,205**	**13,205**

(1) Calculated by dividing consolidated income tax expense by consolidated income before income taxes.

(2) Represents estimated income tax expense for our subsidiaries located in Canada and China divided by consolidated income before income taxes.

(3) Proforma taxes calculated using the Consolidated Adjusted Effective Income Tax Rate as reflected above.