

FORM 11K

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

ANNUAL REPORT

Pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 1997

COMMISSION FILE NO. 0-12781

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

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CULP, INC. EMPLOYEES' RETIREMENT BUILDER PLAN  
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B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

CULP, INC.  
101 SOUTH MAIN STREET  
P.O. BOX 2686  
HIGH POINT, NORTH CAROLINA 27261-2686

There were no material changes in the Plan or the Investment Policy of the Plan. Culp, Inc. has made no profit sharing contributions during the past five years. The approximate number of employees participating in the Plan at December 31, 1997 was 3,661. The Retirement Committee administers the Plan, and its members are Franklin N. Saxon, Kenneth M. Ludwig and Robert G. Culp, III, all employees of Culp, Inc.

Financial Statements and Exhibits.

(a) Financial Statements. A list of all financial statements filed as part of this report, beginning on page 1, is set forth below:

Financial Statement	Page of Report
Report of Independent Accountants	1
Statements of Net Assets Available for Plan Benefits	2
Statements of Changes in Net Assets Available for Plan Benefits	3
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(b) Exhibits. No exhibits are filed with this annual report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the plan administrator has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

CULP, INC. EMPLOYEES' RETIREMENT BUILDER PLAN

By: Culp, Inc. Plan Administrator

By: The Culp, Inc. Retirement Committee

Date: June 29, 1998

Robert G. Culp, III

Franklin N. Saxon

Culp, Inc. Employees' Retirement Builder Plan

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INDEPENDENT AUDITORS' REPORT

To the Retirement Committee of the  
Culp, Inc. Employees' Retirement Builder Plan  
High Point, North Carolina

We have audited the accompanying statements of net assets available for plan benefits of the Culp, Inc. Employees' Retirement Builder Plan as of December 31, 1997 and 1996 and the related statements of changes in net assets available for plan benefits for each of the years in the three year period ended December 31, 1997. These financial statements are the responsibility of the Plan Administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Culp, Inc. Employees' Retirement Builder Plan as of December 31, 1997 and 1996 and the changes in net assets available for plan benefits for each of the years in the three year period ended December 31, 1997 in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules presented on pages 12 through 15 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The supplemental schedules on pages 12 and 13 are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information for the years ended December 31, 1997, 1996 and 1995 has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The supplemental information for the years ended December 31, 1994 and 1993 was audited by us and our report dated March 23, 1995 expressed an unqualified opinion on such information in relation to the basic financial statements for those years taken as a whole.

Dixon Odom PLLC

High Point, North Carolina

March 27, 1998

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CULP, INC. EMPLOYEES' RETIREMENT BUILDER PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS  
December 31, 1997 and 1996  
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ASSETS	1997	1996
Investments, at fair value	\$25,814,249	\$20,555,547
Receivables		
Employer contributions	176,879	73,313
Employee contributions	432,309	178,773
TOTAL ASSETS	26,423,437	20,807,633
LIABILITIES		
Accounts payable	751	1,395
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$26,422,686	\$20,806,238

See accompanying notes.

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See accompanying notes.

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CULP, INC. EMPLOYEES' RETIREMENT BUILDER PLAN  
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS  
Years Ended December 31, 1997, 1996 and 1995

	1997	1996	1995
ADDITIONS TO NET ASSETS ATTRIBUTED TO			
Net income from investment in a common trust	\$ 2,327,091	\$ 1,390,480	\$ 1,657,794
Appreciation in fair value of Culp, Inc. Stock Fund	1,424,837	1,080,348	285,027
Dividend income from Culp, Inc. Stock Fund	20,216	32,073	25,344
Interest income from Culp, Inc. Stock Fund	-	-	194
Contributions			
Employer	987,617	870,394	801,452
Employees	2,386,222	2,110,867	1,922,941
Direct rollovers	68,171	-	-
TOTAL ADDITIONS	7,214,154	5,484,162	4,692,752
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO			
Benefits paid to participants	1,562,644	1,591,272	1,459,844
Insurance	7,869	9,126	9,425
Trustee fees	27,193	50,457	61,696
TOTAL DEDUCTIONS	1,597,706	1,650,855	1,530,965
NET INCREASE	5,616,448	3,833,307	3,161,787
NET ASSETS AVAILABLE FOR PLAN BENEFITS			
Beginning of year	20,806,238	16,972,931	13,811,144
END OF YEAR	\$26,422,686	\$20,806,238	\$16,972,931

See accompanying notes.

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December 31, 1997 and 1996  
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NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Valuation of Investments and Income Recognition

Investments in common trust funds are stated at fair value based on the values of the respective instruments held by each fund as determined by the quoted market prices on the last day of the plan year. Investments in common stocks are stated at fair value as determined by the quoted market prices on the last day of the plan year. The cost of securities sold is determined based on average cost.

Purchases and sales of investments are reported on a trade date basis. Income from investments is reported as earned on the accrual basis. Dividends are recorded on the ex-dividend date.

Payment of Benefits

Benefits are recorded when paid.

Allocated Insurance Contracts

Assets related to life insurance purchased through the Plan are excluded from plan assets.

NOTE B - DESCRIPTION OF PLAN

The following description of the Culp, Inc. Employees' Retirement Builder Plan provides only general information. Participants should refer to the summary plan description for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all full-time employees of Culp, Inc. (the Company) and its subsidiaries who have one year of service and are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective July 1997, employees of Rossville/Chromatex, who were previously covered under a union benefit plan, were admitted into the plan and must meet the above general requirements in order to participate in the plan.

NOTE B - DESCRIPTION OF PLAN (Continued)

Contributions

The Plan was established in 1982 as a profit-sharing plan to which contributions determined by the Board of Directors of Culp, Inc. could be made on a discretionary basis. No profit-sharing contributions were made during 1997, 1996 or 1995.

In November 1986, the Plan was amended to include provisions for 401(k) contributions and several related investment options. Participants may contribute from 2% to 15% of their annual compensation as 401(k) contributions. The Company makes a matching contribution equal to 50% of the participant's contribution up to the first 5% of annual compensation. Participants may elect to have contributions invested in 25% increments in a value fund, a guaranteed insurance contract fund, a Culp, Inc. stock fund, or a balanced fund. Contributions are subject to certain limitations.

In addition to its contributions to the Plan, the Company paid administrative expenses on behalf of the Plan which totaled \$0 for the year ended December 31, 1997, \$8,988 for the year ended December 31, 1996 and \$8,872 for the year ended December 31, 1995.

Participant Accounts

401(k) contributions are credited on a specific identification basis. Income of the respective funds is allocated based on participants' account balances. Upon retirement, death or termination, the participant or beneficiary may elect to receive either a lump sum amount equal to the vested portion of his account, or an annuity contract of equivalent value. Upon termination, life insurance coverage purchased through the Plan may be either converted to cash or transferred to the participant.

Vesting

Participants are immediately vested in their profit-sharing accounts and their 401(k) contributions, including the matching contributions from the Company and actual earnings thereon.

Payment of Benefits

On termination of service, a participant may elect to receive either a lump-sum distribution or monthly or annual installments over a term not to exceed the lesser of fifteen years or life expectancy of the participant and the designated beneficiary.

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## NOTE C - INVESTMENT FUNDS

The following information summarizes the financial condition of the Plan by investment option as of December 31, 1997 and 1996:

	December 31, 1997					
	Value Fund	Guaranteed Insurance Contract Fund	Life Insurance Fund	Stock Fund	Balanced Fund	Total
<b>ASSETS</b>						
Investments	\$5,261,068	\$ 8,969,261	\$ -	\$6,495,731	\$5,088,189	\$ 25,814,249
Receivables						
Employer contributions	34,943	71,240	-	40,687	30,009	176,879
Employee contributions	91,197	162,562	-	102,820	75,730	432,309
TOTAL ASSETS	5,387,208	9,203,063	-	6,639,238	5,193,928	26,423,437
<b>LIABILITIES</b>						
Accounts payable	-	751	-	-	-	751
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$5,387,208	\$ 9,202,312	\$ -	\$6,639,238	\$5,193,928	\$ 26,422,686
<b>December 31, 1996</b>						
	Value Fund	Guaranteed Insurance Contract Fund	Life Insurance Fund	Stock Fund	Balanced Fund	Total
<b>ASSETS</b>						
Investments	\$3,522,812	\$ 8,462,876	\$ -	\$4,695,244	\$ 3,874,615	\$ 20,555,547
Receivables						
Employer contributions	12,076	34,475	-	13,981	12,781	73,313
Employee contributions	31,637	79,646	-	35,678	31,812	178,773
TOTAL ASSETS	3,566,525	8,576,997	-	4,744,903	3,919,208	20,807,633
<b>LIABILITIES</b>						
Accounts payable	-	1,395	-	-	-	1,395
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$3,566,525	\$ 8,575,602	\$ -	\$4,744,903	\$ 3,919,208	\$ 20,806,238



## NOTE C - INVESTMENT FUNDS (Continued)

The following information summarizes the changes in net assets available for plan benefits by investment option for the years ended December 31, 1997, 1996 and 1995:

	Year Ended December 31, 1997					Total
	Value Fund	Guaranteed Insurance Contract Fund	Life Insurance Fund	Stock Fund	Balanced Fund	
ADDITIONS TO NET ASSETS ATTRIBUTED TO						
Net income from investment in a common trust	\$981,246	\$483,155	\$ -	\$ -	\$862,690	\$2,327,091
Appreciation in fair value of Culp, Inc. Stock Fund	-	-	-	1,424,837	-	1,424,837
Dividend income from Culp, Inc. Stock Fund	-	-	-	20,216	-	20,216
Contributions						
Employer	195,678	386,973	-	228,362	176,604	987,617
Employees	499,405	884,821	5,590	561,414	434,992	2,386,222
Direct rollovers	17,482	-	-	17,482	33,207	68,171
<b>TOTAL ADDITIONS</b>	<b>1,693,811</b>	<b>1,754,949</b>	<b>5,590</b>	<b>2,252,311</b>	<b>1,507,493</b>	<b>7,214,154</b>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO						
Benefits paid to participants	132,373	926,649	5,590	303,065	194,967	1,562,644
Insurance	624	4,408	-	1,124	1,713	7,869
Trustee fees	4,611	10,931	-	6,509	5,142	27,193
<b>TOTAL DEDUCTIONS</b>	<b>137,608</b>	<b>941,988</b>	<b>5,590</b>	<b>310,698</b>	<b>201,822</b>	<b>1,597,706</b>
<b>NET INCREASE</b>	<b>1,556,203</b>	<b>812,961</b>	<b>-</b>	<b>1,941,613</b>	<b>1,305,671</b>	<b>5,616,448</b>
NET ASSETS AVAILABLE FOR PLAN BENEFITS						
Beginning of year	3,566,525	8,575,602	-	4,744,903	3,919,208	20,806,238
Fund transfers	264,480	(186,251)	-	(47,278)	(30,951)	-
<b>END OF YEAR</b>	<b>\$5,387,208</b>	<b>\$ 9,202,312</b>	<b>\$ -</b>	<b>\$6,639,238</b>	<b>\$5,193,928</b>	<b>\$26,422,686</b>

## NOTE C - INVESTMENT FUNDS (Continued)

	Year Ended December 31, 1996						Total
	Value Fund	Guaranteed Insurance Contract Fund	Life Insurance Fund	Stock Fund	Balanced Fund		
ADDITIONS TO NET ASSETS ATTRIBUTED TO							
Net income from investment in a common trust	\$540,670	\$ 441,212	\$ -	\$ -	\$408,598	\$1,390,480	
Appreciation in fair value of Culp, Inc. Stock Fund	-	-	-	1,080,348	-	1,080,348	
Dividend income from Culp, Inc. Stock Fund	-	-	-	32,073	-	32,073	
Contributions							
Employer	150,672	391,215	-	155,581	172,926	870,394	
Employees	391,122	910,076	10,604	378,196	420,869	2,110,867	
TOTAL ADDITIONS	1,082,464	1,742,503	10,604	1,646,198	1,002,393	5,484,162	
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO							
Benefits paid to participants	72,284	1,006,442	10,604	303,316	198,626	1,591,272	
Insurance	744	5,669	-	731	1,982	9,126	
Trustee fees	7,892	23,003	-	9,598	9,964	50,457	
TOTAL DEDUCTIONS	80,920	1,035,114	10,604	313,645	210,572	1,650,855	
NET INCREASE	1,001,544	707,389	-	1,332,553	791,821	3,833,307	
NET ASSETS AVAILABLE FOR PLAN BENEFITS							
Beginning of year	2,407,144	8,101,720	-	3,011,066	3,453,001	16,972,931	
Fund transfers	157,837	(233,507)	-	401,284	(325,614)	-	
END OF YEAR	\$3,566,525	\$ 8,575,602	\$ -	\$4,744,903	\$3,919,208	\$ 20,806,238	

## NOTE C - INVESTMENT FUNDS (Continued)

	Year Ended December 31, 1995					Total
	Value Fund	Guaranteed Insurance Contract Fund	Life Insurance Fund	Stock Fund	Balanced Fund	
ADDITIONS TO NET ASSETS ATTRIBUTED TO						
Net income from investment in a common trust	\$494,397	\$447,764	\$ -	\$ -	\$715,633	\$1,657,794
Appreciation in fair value of Culp, Inc. Stock Fund	-	-	-	285,027	-	285,027
Dividend income from Culp, Inc. Stock Fund	-	-	-	25,344	-	25,344
Interest income from Culp, Inc. Stock Fund	-	-	-	194	-	194
Contributions						
Employer	108,018	378,015	-	144,284	171,135	801,452
Employees	280,253	873,833	3,377	352,490	412,988	1,922,941
TOTAL ADDITIONS	882,668	1,699,612	3,377	807,339	1,299,756	4,692,752
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO						
Benefits paid to participants	92,103	956,495	607	187,168	223,471	1,459,844
Insurance	406	7,121	-	2	1,896	9,425
Trustee fees	8,005	30,302	-	10,056	13,333	61,696
TOTAL DEDUCTIONS	100,514	993,918	607	197,226	238,700	1,530,965
NET INCREASE	782,154	705,694	2,770	610,113	1,061,056	3,161,787
NET ASSETS AVAILABLE FOR PLAN BENEFITS						
Beginning of year	1,299,497	7,289,865	-	2,463,876	2,757,906	13,811,144
Fund transfers	325,493	106,161	(2,770)	(62,923)	(365,961)	-
END OF YEAR	\$2,407,144	\$8,101,720	\$ -	\$3,011,066	\$ 3,453,001	\$ 16,972,931

## NOTE D - INVESTMENTS

The following table presents the quoted market value of investments at December 31, 1997 and 1996. Investments that represent 5% or more of total plan assets are separately identified.

	1997	1996
Investments at fair value as determined by quoted market price:		
Common trust funds:		
First Union Funds Value Portfolio Trust	\$ 5,261,068	\$ 3,522,812
Common trust fund - Money Market Stable Investment Fund	8,969,261	8,462,876
First Union Funds Balanced Portfolio Trust	5,088,189	3,874,615
Culp, Inc. common stock	6,495,731	4,695,244
	\$25,814,249	\$20,555,547

The Plan's investments (including investments bought, sold, and held during the year) have appreciated in value as follows:

	1997	1996	1995
Investments at fair value as determined by quoted market price:			
Common trust funds	\$2,327,091	\$1,390,480	\$1,657,794
Culp, Inc. common stock	1,424,837	1,080,348	285,027
	\$3,751,928	\$2,470,828	\$1,942,821

## NOTE E - ACCOUNTS OF TERMINATED PARTICIPANTS

Included in net assets available for plan benefits at December 31, 1997 and 1996 is \$446,180 and \$238,514, respectively, allocated to the accounts of persons who elected to withdraw from the Plan or who were terminated but have not yet been paid.

## NOTE F - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

NOTE G - INCOME TAX STATUS

The Plan obtained its last determination letter on June 15, 1995, in which the Internal Revenue Service stated that the Plan, as then designed, constituted a qualified trust under Section 401(a) of the Internal Revenue Code and is therefore exempt from federal income taxes under provisions of Section 501. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

NOTE H - RELATED PARTY TRANSACTIONS

Certain plan investments are shares of mutual funds managed by First Union National Bank. First Union National Bank is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

