UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported) February 18, 2005

Culp, Inc.
(Exact Name of Registrant as Specified in its Charter)

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

101 South Main Street
High Point, North Carolina 27260
(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):

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

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

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

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

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Item 1.01 - Entry into a Material Definitive Agreement

As of February 18, 2005, Culp, Inc. (the "Registrant" or the "company") entered into a Fifth Amendment to Amended and Restated Credit Agreement, which amends the credit agreement between the company and its bank lender, Wachovia Bank, National Association. The principal terms of the Fifth Amendment involve amending the Interest and Leases Coverage Ratio such that at the end of each Fiscal Quarter beginning with the third Fiscal Quarter of Fiscal Year 2005, the Interest and Leases Coverage Ratio shall not be less than 1.25 to 1.0. The Fifth Amendment is attached hereto as Exhibit 99(c).

Item 2.02 - Results of Operations and Financial Condition

On February 23, 2005, the company issued a news release to announce its financial results for the third quarter ended January 30, 2005. The news release is attached hereto as Exhibit 99(a).

Also on February 23, 2005, the Registrant released a Financial Information Release containing additional financial information and disclosures about the Registrant's third quarter ended January 30, 2005. The Financial Information Release is attached hereto as Exhibit 99(b).

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

Forward Looking Information. This Report and the exhibits attached hereto contain statements that may be deemed "forward-looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995 (Section 27A of the Securities Act of 1933 and Section 27A of the Securities and Exchange Act of 1934). Such statements are inherently subject to risks and uncertainties. Further, forward-looking statements are intended to speak only as of the date on which they are made. Forward-looking statements are statements that include projections, expectations or beliefs about future events or results or otherwise are not statements of historical fact. Such statements are often but not always characterized by qualifying words such as "expect," "believe," "estimate," "plan" and "project" and their derivatives, and include but are not limited to statements about the company's future operations, production levels, sales, SG&A or other expenses, margins, gross profit, operating income, earnings or other performance measures. Factors that could influence the matters discussed in such statements include the level of housing starts and sales of existing homes, consumer confidence, trends in disposable income, and general economic conditions. Decreases in these economic indicators could have a negative effect on the company's business and prospects. Likewise, increases in interest rates, particularly home mortgage rates, and increases in consumer debt or the general rate of inflation, could affect the company adversely. In addition, 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. Also, economic and political instability in international areas could affect the company's operations or sources of goods in those areas, as well as demand for the company's products in international markets. Finally, unanticipated delays or costs in executing restructuring actions could cause the cumulative effect of restructuring actions to fail to meet the objectives set forth by management. Other factors that could affect the matters discussed in forward looking statements are included in the company's periodic reports filed with the Securities and Exchange Commission.

Item 9.01 (c) -- Exhibits

99(a) News Release dated February 23, 2005

99(b) Financial Information Release dated February 23, 2005

99(c) Fifth Amendment to Amended and Restated Credit Agreement dated February 18, 2005

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CULP, INC.
(Registrant)

By: Franklin N. Saxon

President and Chief Operating Officer

By: Kenneth R. Bowling

Vice President-Finance, Treasurer

Dated: February 23, 2005
- ------------------------

Exhibit 99(a)

Culp Announces Third Quarter Fiscal 2005 Results

HIGH POINT, N.C.--(BUSINESS WIRE)--Feb. 23, 2005--Culp, Inc. (NYSE: CFI) today reported financial and operating results for the third quarter and nine months ended January 30, 2005.

Overview

For the three months ended January 30, 2005, net sales were $69.1 million, compared with net sales of $76.6 million a year ago. The company reported a net loss of $4.9 million, or $0.42 per diluted share, for the third quarter of fiscal 2005, compared with net income of $752,000, or $0.06 per diluted share, for the third quarter of fiscal 2004. The financial results for the third quarter of fiscal 2005 include after-tax restructuring and related charges of $3.4 million, or $0.29 per diluted share. Excluding these charges, net loss for the third fiscal quarter was $1.5 million, or $0.13 per diluted share. The results for the third fiscal quarter of fiscal 2004 include a one-time after-tax charge of $1.1 million, or $0.10 per diluted share, related to the prepayment of debt. Excluding this charge for the early extinguishment of debt, net income for the third fiscal quarter of fiscal 2004 was $1.9 million, or $0.16 per diluted share. (A reconciliation of the net income (loss) and net income (loss) per share calculations has been set forth on Page 6.)

For the nine months ended January 30, 2005, the company reported net sales of $212.3 million compared with $233.0 million for the same period a year ago. Net loss for the first nine months of fiscal 2005 was $10.1 million, or $0.88 per diluted share, compared with net income of $3.5 million, or $0.30 per diluted share, for the same period of fiscal 2004. Excluding restructuring and related charges and goodwill impairment, net loss for the first nine months of fiscal 2005 was $2.1 million, or $0.18 per diluted share. Excluding the $1.1 million charge for the early extinguishment of debt, net income for the first nine months of fiscal 2004 was $4.6 million, or $0.39 per diluted share. The year-to-date period for fiscal 2005 included 39 weeks versus 40 weeks for the same period of fiscal 2004.

"Our results for the third quarter primarily reflect continued soft demand for domestically produced upholstery fabrics and, to a lesser extent, pricing pressures for mattress ticking and higher raw material costs," remarked Robert G. Culp, III, chief executive officer of Culp, Inc. "Additionally, because of scheduled holiday plant closings, the third fiscal quarter is typically a slower period of the year for our business. Our expectation of this seasonal softness in sales put an even greater emphasis on efficiently managing our operations and controlling expenses during the quarter. Overall, we are pleased with the progress we have made with respect to our strategic plan to reconfigure Culp's manufacturing operations and believe we are taking the right steps to move the company forward in today's global marketplace."

Mattress Fabrics Segment

Mattress fabric (known as mattress ticking) sales were $25.6 million compared with $25.1 million for the third quarter of fiscal 2004. Operating income for this segment was $1.6 million, or 6.2 percent of sales, compared with $3.0 million, or 12.1 percent of sales, for the prior-year period. Operating margins in this segment were affected by industry-wide pricing pressures, as well as higher raw material costs and manufacturing variances related to the relocation of mattress ticking looms.

"We are pleased to report year-over-year improvement in our mattress ticking sales and believe we have a strong competitive position with key customers," noted Culp. "While sales for the quarter were up approximately two percent in absolute dollars, we actually sold close to nine percent more yards of ticking than we did a year ago. However, we have continued to face challenges in achieving our target operating margins. To partially offset higher raw material costs, we are implementing a price increase of approximately three percent in this segment during the fourth quarter of this fiscal year. As previously announced in October of 2004, we have identified opportunities to reduce our operating costs by consolidating our mattress ticking operations. This $7.0 million capital project involves relocation of ticking looms from an upholstery fabric plant to existing mattress ticking facilities in the U.S. and Canada and the purchase of new weaving machines that are faster and more efficient than the equipment they will replace. This transition is well underway and is expected to be completed as planned by August 2005. More importantly, the expected $4.5 million in savings will allow us to compete more effectively and sustain our leadership position."

Upholstery Fabrics Segment

Sales for this segment were $43.5 million, a 15.5 percent decline compared with $51.4 million in the third quarter of fiscal 2004. Overall, sales reflect continued soft demand industry-wide for U.S. produced upholstery fabrics resulting primarily from the current consumer preference for leather and suede furniture as well as customer selection of other imported fabrics. Operating loss for this segment was $2.0 million, compared with operating income of $2.3 million, or 4.4 percent of sales, for the same period a year ago. The continued underutilization of U.S. capacity, higher raw material prices and manufacturing variances related to restructuring activities affected profit margins for the upholstery fabrics segment.

Culp noted, "The purpose of our restructuring plan in the upholstery fabrics segment, announced in October 2004, is to consolidate our decorative fabrics weaving and yarn operations, reduce manufacturing complexities and lower costs, and significantly reduce selling, general and administrative expenses. The restructuring is moving ahead as planned and we believe that the steps we are taking today will place Culp in a stronger position in terms of both operating efficiency and higher asset utilization. However, we are continuing to evaluate our costs and manufacturing capacity throughout our U.S. operations and remain committed to adjusting our domestic cost structure as necessary to keep it in line with expected demand for U.S. produced products. Additionally, to partially offset higher raw material prices, we have recently announced a price increase of approximately three to four percent on our domestically produced upholstery fabrics.

We are enthusiastic about the momentum in our offshore manufacturing and sourcing programs which significantly enhance our ability to meet the changing demands of our customers as they continue to source an increasing amount of fabrics and cut-and-sewn kits from Asia. Sales of upholstery fabrics produced outside of our U.S. manufacturing plants, which include the popular micro-denier suedes as well as fabrics produced at our China facility, were up 92 percent over the same period last year and accounted for almost 20 percent of Culp's overall upholstery fabric sales during the quarter.

Balance Sheet

"One of our important financial goals is to maintain a sound balance sheet," added Culp. "Our cash position was $13.0 million at the close of the third quarter of fiscal 2005, compared with $14.6 million at the end of fiscal 2004. Long-term debt stands at $50.6 million and our long-term debt-to-capital ratio is 35.1 percent.

Outlook

Commenting on the outlook for the remainder of the fiscal year ending May 1, 2005, Culp continued, "Given current market conditions, we expect to see a year-over-year decline in our overall sales performance for the fourth quarter that is slightly higher than the sales decrease in our third fiscal quarter of 9.8 percent. However, we are encouraged by the recent trends in our mattress ticking business and we expect mattress ticking sales will show a modest gain over fourth quarter sales last year. Operating income margin in this segment is expected to improve from the third quarter and approximate the margin of 10.0 percent reported for the second quarter of this year. With respect to the upholstery fabrics segment, while we expect continued growth in sales of fabrics sourced outside the U.S., the outlook remains uncertain for any recovery in demand for domestically produced upholstery fabrics. For the fourth quarter, upholstery fabrics segment sales are expected to decrease somewhat more than the third quarter decline of 15.5 percent. We believe the continued softness in demand for domestically produced upholstery fabrics and the related underutilization of U.S. capacity, combined with the raw material price increases we are experiencing, will result in an operating loss, although smaller than that reported in the third fiscal quarter for this segment. In light of these factors, we expect to report a net loss of $0.03 to $0.08 per diluted share in the fourth fiscal quarter, excluding previously announced restructuring and related charges, with the actual results depending primarily on the level of demand throughout the quarter."

The company estimates that restructuring and related charges of approximately $4.0 million, net of taxes, or $0.35 per diluted share, will be incurred during the fourth fiscal quarter. Including the restructuring and related charges, the company expects to report a net loss for the fourth fiscal quarter of $0.38 to $0.43 per diluted share. (A reconciliation of the projected net loss per share calculation has been set forth on page 6.)

Culp added, "We clearly recognize the challenges facing our domestic upholstery fabric business and we will continue to adapt our strategy to meet these challenges head on. As we enter the final quarter of fiscal 2005 and look forward to fiscal 2006, we are excited about our growth prospects and leadership position with respect to our mattress fabric and offshore upholstery fabric businesses. In addition, we will remain focused on reducing costs and increasing asset utilization in our U.S. upholstery fabric operations and improving profitability in this part of our business."

About the Company

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

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

CULP, INC.
Condensed Financial Highlights
(Unaudited)

	Three Months Ended		Nine Months Ended	
	January 30, 2005	February 1, 2004	January 30, 2005	February 1, 2004
Net sales	$69,060,000	$76,561,000	$212,315,000	$232,968,000
Net income (loss)	$(4,877,000)	$ 752,000	$(10,122,000)	$ 3,487,000
Net income (loss) per share:				
Basic	$ (0.42)	$ 0.07	$ (0.88)	$ 0.30
Diluted	$ (0.42)	$ 0.06	$ (0.88)	$ 0.30
Net income (loss) per share, diluted, excluding restructuring and related charges, goodwill impairment and early extinguishment of debt(a)	$ (0.13)	$ 0.16	$ (0.18)	$ 0.39
Average shares outstanding:				
Basic	11,550,000	11,529,000	11,549,000	11,522,000
Diluted	11,550,000	11,859,000	11,549,000	11,764,000

(a) Excludes restructuring and related charges of $5.4 million ($3.4 million or $0.29 per diluted share, after taxes) for the third quarter of fiscal 2005. Excludes restructuring and related charges and goodwill impairment of $12.9 million ($8.0 million or $0.70 per diluted share, after taxes) for the first nine months of fiscal 2005. For the third quarter and nine months ended February 1, 2004, excludes charge for early extinguishment of debt of $1.7 million ($1.1 million, or $0.10 per diluted share, after taxes).

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

	Three Months Ended		Nine Months Ended	
	January 30, 2005	February 1, 2004	January 30, 2005	February 1, 2004
Net income (loss), as reported	$(4,877,000)	$ 752,000	$(10,122,000)	$ 3,487,000
Restructuring and related charges and goodwill impairment, net of income taxes	3,387,000	--	8,043,000	--
Early extinguishment of debt, net of income taxes	--	1,120,000	--	1,120,000
Pro forma net income (loss)	$(1,490,000)	$ 1,872,000	$ (2,079,000)	$ 4,607,000

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

	Three Months Ended		Nine Months Ended	
	January 30,	February 1,	January 30,	February 1,

	2005	2004	2005	2004
Diluted net income (loss) per share	$ (0.42)	$ 0.06	$ (0.88)	$ 0.30
Restructuring and related charges and goodwill impairment, net of income taxes	0.29	--	0.70	--
Early extinguishment of debt, net of income taxes	--	0.10	--	0.10
Effect of dilutive stock options	--	--	--	(0.01)
Diluted net income per share, adjusted	$ (0.13)	$ 0.16	$ (0.18)	$ 0.39

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

	Three Months Ending May 1, 2005
Projected range of net loss per diluted share	$(0.38)-(0.43)
Projected restructuring and related charges, net of income taxes	0.35
Projected range of pro forma net loss per diluted share	$(0.03)-(0.08)

CONTACT: Culp Inc., High Point
Investor:
Kathy J. Hardy, 336-888-6209
or
Media:
Kenneth M. Ludwig, 336-889-5161

Exhibit 99(b)

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE THREE MONTHS AND NINE MONTHS ENDED JANUARY 30, 2005 AND FEBRUARY 1, 2004
(UNAUDITED)
(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED				
	Amounts			Percent of Sales	
	January 30, 2005	February 1, 2004	% Over (Under)	January 30, 2005	February 1, 2004
Net sales	$ 69,060	76,561	(9.8)%	100.0 %	100.0 %
Cost of sales	66,493	62,093	7.1 %	96.3 %	81.1 %
Gross profit	2,567	14,468	(82.3)%	3.7 %	18.9 %
Selling, general and administrative expenses	8,191	10,282	(20.3)%	11.9 %	13.4 %
Restructuring expense	1,135	0	100.0 %	1.6 %	0.0 %
Income (loss) from operations	(6,759)	4,186	(261.5)%	(9.8)%	5.5 %
Interest expense	912	1,534	(40.5)%	1.3 %	2.0 %
Interest income	(42)	(113)	(62.8)%	(0.1)%	(0.1)%
Early extinguishment of debt	0	1,672	(100.0)%	0.0 %	2.2 %
Other expense	49	229	(78.6)%	0.1 %	0.3 %
Income (loss) before income taxes	(7,678)	864	(988.7)%	(11.1)%	1.1 %
Income taxes*	(2,801)	112	(2,600.9)%	36.5 %	13.0 %
Net income (loss)	$ (4,877)	752	(748.5)%	(7.1)%	1.0 %
Net income (loss) per share-basic	($0.42)	$0.07	(700.0)%		
Net income (loss) per share-diluted	($0.42)	$0.06	(800.0)%		
Net income (loss) per share, diluted, excluding restructuring and related charges and early extinguishment of debt (see pro-forma statement on page 7)	($0.13)	$0.16	(181.3)%		
Average shares outstanding-basic	11,550	11,529	0.2 %		
Average shares outstanding-diluted	11,550	11,859	(2.6)%		

	NINE MONTHS ENDED				
	Amounts			Percent of Sales	
	January 30, 2005	February 1 2004	% Over (Under)	January 30, 2005	February 1, 2004
Net sales	$ 212,315	232,968	(8.9)%	100.0 %	100.0 %
Cost of sales	191,506	190,283	0.6 %	90.2 %	81.7 %
Gross profit	20,809	42,685	(51.2)%	9.8 %	18.3 %
Selling, general and administrative expenses	26,309	31,089	(15.4)%	12.4 %	13.3 %
Goodwill impairment	5,126	0	100.0 %	2.4 %	0.0 %
Restructuring expense	2,289	0	100.0 %	1.1 %	0.0 %
Income (loss) from operations	(12,915)	11,596	(211.4)%	(6.1)%	5.0 %
Interest expense	2,789	4,540	(38.6)%	1.3 %	1.9 %
Interest income	(98)	(356)	(72.5)%	(0.0)%	(0.2)%
Early extinguishment of debt	0	1,672	(100.0)%	0.0 %	0.7 %
Other expense	436	536	(18.7)%	0.2 %	0.2 %
Income (loss) before income taxes	(16,042)	5,204	(408.3)%	(7.6)%	2.2 %
Income taxes*	(5,920)	1,717	(444.8)%	36.9 %	33.0 %
Net income (loss)	$ (10,122)	3,487	(390.3)%	(4.8)%	1.5 %
Net income (loss) per share-basic	($0.88)	$0.30	(393.3)%		
Net income (loss) per share-diluted	($0.88)	$0.30	(393.3)%		
Net income (loss) per share, diluted, excluding restructuring and related charges, goodwill impairment, and early extinguishment of debt (see pro-forma statement on page 8)	($0.18)	$0.39	(146.2)%		
Average shares outstanding-basic	11,549	11,522	0.2 %		
Average shares outstanding-diluted	11,549	11,764	(1.8)%		

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

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED BALANCE SHEETS
JANUARY 30, 2005, FEBRUARY 1, 2004 AND MAY 2, 2004
Unaudited
(Amounts in Thousands)

	Amounts		Increase (Decrease)		
	January 30, 2005	February 1, 2004	Dollars	Percent	* May 2, 2004
Current assets					
Cash and cash equivalents	$ 13,020	8,932	4,088	45.8 %	14,568
Accounts receivable	26,681	28,282	(1,601)	(5.7)%	30,719
Inventories	46,649	52,000	(5,351)	(10.3)%	49,045
Deferred income taxes	4,910	12,303	(7,393)	(60.1)%	9,256
Other current assets	1,088	2,610	(1,522)	(58.3)%	1,634
Total current assets	92,348	104,127	(11,779)	(11.3)%	105,222
Property, plant & equipment, net	71,024	78,909	(7,885)	(10.0)%	77,770
Goodwill	4,114	9,240	(5,126)	(55.5)%	9,240
Deferred income taxes	7,115	0	7,115	100.0 %	0
Other assets	1,330	1,577	(247)	(15.7)%	1,496
Total assets	$ 175,931	193,853	(17,922)	(9.2)%	193,728
Current liabilities					
Current maturities of long-term debt	$ 584	544	40	7.4 %	528
Accounts payable	15,580	17,790	(2,210)	(12.4)%	15,323
Accrued expenses	9,568	12,901	(3,333)	(25.8)%	13,028
Accrued restructuring	5,093	6,353	(1,260)	(19.8)%	4,968
Income taxes payable	1,690	2,428	(738)	(30.4)%	1,850
Total current liabilities	32,515	40,016	(7,501)	(18.7)%	35,697
Long-term debt , less current maturities	49,975	50,519	(544)	(1.1)%	50,502
Deferred income taxes	0	3,851	(3,851)	(100.0)%	4,138
Total liabilities	82,490	94,386	(11,896)	(12.6)%	90,337
Shareholders' equity	93,441	99,467	(6,026)	(6.1)%	103,391
Total liabilities and shareholders' equity	$ 175,931	193,853	(17,922)	(9.2)%	193,728
Shares outstanding	11,550	11,529	21	0.2 %	11,547

* Derived from audited financial statements

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED JANUARY 30, 2005 AND FEBRUARY 1, 2004
Unaudited
(Amounts in Thousands)

	NINE MONTHS ENDED	
	Amounts	
	January 30, 2005	February 1, 2004
Cash flows from operating activities:		
Net income (loss)	$ (10,122)	3,487
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	14,505	10,294
Amortization of other assets	100	136
Stock-based compensation	157	157
Goodwill impairment	5,126	0
Deferred income taxes	(6,907)	0
Restructuring expense	2,289	0
Changes in assets and liabilities:		
Accounts receivable	4,038	3,977
Inventories	2,396	(2,448)
Other current assets	546	594
Other assets	120	522
Accounts payable	1,659	544
Accrued expenses	(3,460)	(1,170)
Accrued restructuring	(1,733)	(1,390)
Income taxes payable	(160)	2,079
Net cash provided by operating activities	8,554	16,782
Cash flows from investing activities:		
Capital expenditures	(8,216)	(4,097)
Purchases of short-term investments	0	10,043
Net cash (used in) provided by investing activities	(8,216)	5,946
Cash flows from financing activities:		
Payments on vendor-financed capital expenditures	(1,430)	(2,772)
Payments on long-term debt	(471)	(25,437)
Proceeds from common stock issued	15	58
Net cash used in financing activities	(1,886)	(28,151)
Decrease in cash and cash equivalents	(1,548)	(5,423)
Cash and cash equivalents at beginning of period	14,568	14,355
Cash and cash equivalents at end of period	$ 13,020	8,932
Free Cash Flow (1)	$ (1,092)	9,913

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(1) Free Cash Flow reconciliation is as follows:	3rd Qtr FY 2005	3rd Qtr FY 2004
A) Net cash provided by operating activities	8,554	16,782
B) Minus: Capital Expenditures	(8,216)	(4,097)
C) Minus: Payments on vendor-financed capital expenditures	(1,430)	(2,772)
	(1,092)	9,913

CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL ANALYSIS
January 30, 2005

	FISCAL 04	FISCAL 05			
	Q3	Q1	Q2	Q3	Q4
INVENTORIES					
Inventory turns	4.7	4.7	5.2	5.6	
RECEIVABLES					
Days sales in receivables	31	30	32	32	
WORKING CAPITAL					
Current ratio	2.6	3.1	3.0	2.8	
Operating working capital turnover (1)	5.3	5.1	4.9	4.9	
Operating working capital (1)	$62,492	$61,468	$59,926	$57,750	
PROPERTY, PLANT & EQUIPMENT					
Depreciation rate	6.2%	6.1%	6.1%(4)	6.0%	(4)
Percent property, plant & equipment are depreciated	64.0%	64.2%	64.9%(4)	65.0%	(4)
Capital expenditures	$6,747 (2)	$4,543	$1,008	$2,660	
LEVERAGE					
Total liabilities/equity	94.9%	84.2%	85.3%	88.3%	
Long-term debt/equity	51.3%	49.9%	52.1%	54.1%	
Long-term debt/capital employed (3)	33.9%	33.3%	34.1%	35.1%	
Long-term debt	$51,063	$51,064	$51,163	$50,559	
OTHER					
Book value per share	$8.63	$8.87	$8.51	$8.09	
Employees at quarter end	2,350	2,235	2,165	2,091	
Sales per employee (annualized)	$129,682	$119,190	$137,102	$129,812	
Capital employed (3)	$150,530	$153,462	$149,428	$144,000	

(1) Working capital for this calculation is accounts receivable, inventories and accounts payable.
(2) Expenditures for entire year.
(3) Capital employed represents long-term debt plus stockholders equity; Long-term debt is long-term debt plus current maturities of long-term debt.
(4) Property, plant & equipment ratios are calculated excluding accelerated depreciation of approximately $4.3 million and $215,000 in the 3rd and 2nd quarters, respectively.

CULP, INC. FINANCIAL INFORMATION RELEASE
SALES, GROSS PROFIT AND OPERATING INCOME (LOSS) BY SEGMENT/DIVISION
FOR THE THREE MONTHS ENDED JANUARY 30, 2005 AND FEBRUARY 1, 2004

(Amounts in thousands)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Net Sales by Segment	January 30, 2005	February 1, 2004	% Over (Under)	January 30, 2005	February 1, 2004
Mattress Fabrics					
Culp Home Fashions	$ 25,576	25,114	1.8 %	37.0 %	32.8 %
Upholstery Fabrics					
Culp Decorative Fabrics	25,051	29,678	(15.6)%	36.3 %	38.8 %
Culp Velvets/Prints	18,433	21,769	(15.3)%	26.7 %	28.4 %
	43,484	51,447	(15.5)%	63.0 %	67.2 %
Net Sales	$ 69,060	76,561	(9.8)%	100.0 %	100.0 %
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	$ 3,478	5,093	(31.7)%	13.6 %	20.3 %
Upholstery Fabrics	3,391	9,375	(63.8)%	7.8 %	18.2 %
Restructuring related charges (1)	(4,302)	0	100.0 %	(6.2)%	0.0 %
Gross Profit	$ 2,567	14,468	(82.3)%	3.7 %	18.9 %
Operating Income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	$ 1,589	3,039	(47.7)%	6.2 %	12.1 %
Upholstery Fabrics	(2,010)	2,260	(188.9)%	(4.6)%	4.4 %
Unallocated corporate expenses	(901)	(1,113)	(19.0)%	(1.3)%	(1.5)%
Goodwill impairment	0	0	(100.0)%	0.0 %	0.0 %
Restructuring and related charges and credits (1)	(5,437)	0	(100.0)%	(7.9)%	0.0 %
Operating income (loss)	$ (6,759)	4,186	(261.5)%	(9.8)%	5.5 %
Depreciation by Segment					
Mattress Fabrics	$ 912 (2)	937	(2.7)%		
Upholstery Fabrics	2,330 (2)	2,475	(5.9)%		
Total Depreciation	$ 3,242	3,412	(5.0)%		

(1) The $4.3 million represents restructuring related charges for accelerated depreciation. The $5.4 million represents accelerated depreciation, asset movement costs, and fixed asset write downs.
(2) Excludes accelerated depreciation of approximately $4.3 million associated with plant and equipment scheduled to be disposed of over the next three months.

CULP, INC. FINANCIAL INFORMATION RELEASE
SALES, GROSS PROFIT AND OPERATING INCOME (LOSS) BY SEGMENT/DIVISION
FOR THE NINE MONTHS ENDED JANUARY 30, 2005 AND FEBRUARY 1, 2004

(Amounts in thousands)

	NINE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Net Sales by Segment	January 30, 2005	February 1, 2004	% Over (Under)	January 30, 2005	February 1, 2004
Mattress Fabrics					
Culp Home Fashions	$ 78,414	79,122	(0.9)%	36.9 %	34.0 %
Upholstery Fabrics					
Culp Decorative Fabrics	76,249	91,753	(16.9)%	35.9 %	39.4 %
Culp Velvets/Prints	57,652	62,093	(7.2)%	27.2 %	26.7 %
	133,901	153,846	(13.0)%	63.1 %	66.0 %
Net Sales	$ 212,315	232,968	(8.9)%	100.0 %	100.0 %
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	$ 12,735	17,494	(27.2)%	16.2 %	22.1 %
Upholstery Fabrics	13,575	25,191	(46.1)%	10.1 %	16.4 %
Restructuring related charges (1)	(5,501)	0	100.0 %	(2.6)%	0.0 %
Gross Profit	$ 20,809	42,685	(51.2)%	9.8 %	18.3 %
Operating Income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	$ 7,166	11,430	(37.3)%	9.1 %	14.4 %
Upholstery Fabrics	(4,417)	3,993	(210.6)%	(3.3)%	2.6 %
Unallocated corporate expenses	(2,748)	(3,827)	(28.2)%	(1.3)%	(1.6)%
Goodwill impairment	(5,126)	0	(100.0)%	(2.4)%	0.0 %
Restructuring and related charges and credits (1)	(7,790)	0	(100.0)%	(3.7)%	0.0 %
Operating income (loss)	$ (12,915)	11,596	(211.4)%	(6.1)%	5.0 %
Depreciation by Segment					
Mattress Fabrics	$ 2,743 (2)	2,823	(2.8)%		
Upholstery Fabrics	7,184 (2)	7,471	(3.8)%		
Total Depreciation	$ 9,927	10,294	(3.6)%		

(1) The $5.5 million represents restructuring related charges for inventory markdowns and accelerated depreciation. The $7.8 million represents the $5.5 million restructuring related charges plus $2.3 million in restructuring charges for fixed asset write-downs, accrued termination benefits and asset movement costs.
(2) Excludes accelerated depreciation of approximately $4.5 million associated with plant and equipment scheduled to be disposed of over the next three months.

CULP, INC.
PROFORMA CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE THREE MONTHS ENDED JANUARY 30, 2005 AND FEBRUARY 1, 2004
(Amounts in Thousands, Except for Per Share Data)

THREE MONTHS ENDED

	As Reported January 30, 2005	% of Sales	Adjustments	% of Sales		January 30, 2005 Proforma Net of Adjustments	% of Sales
Net sales	$ 69,060	100.0%	0			69,060	100.0%
Cost of sales	66,493	96.3%	(4,302)	-6.2%	(1)	62,191	90.1%
Gross profit	2,567	3.7%	(4,302)	-6.2%		6,869	9.9%
Selling, general and administrative expenses	8,191	11.9%	0	0.0%		8,191	11.9%
Goodwill impairment	0	0.0%	0	0.0%		0	0.0%
Restructuring expense	1,135	1.6%	(1,135)	-1.6%	(2)	0	0.0%
Income (loss) from operations	(6,759)	-9.8%	(5,437)	-7.9%		(1,322)	-1.9%
Interest expense	912	1.3%	0	0.0%		912	1.3%
Interest income	(42)	-0.1%	0	0.0%		(42)	-0.1%
Early extinguishment of debt	0	0.0%	0	0.0%		0	0.0%
Other expense	49	0.1%	0	0.0%		49	0.1%
Income (loss) before income taxes	(7,678)	-11.1%	(5,437)	-7.9%		(2,241)	-3.2%
Income taxes	(2,801)	36.5%	(2,050)	37.7%	(3)	(751)	33.5%
Net income (loss)	$ (4,877)	-7.1%	(3,387)	-4.9%		(1,490)	-2.2%
Net income (loss) per share-basic	($0.42)		($0.29)			($0.13)	
Net income (loss) per share-diluted	($0.42)		($0.29)			($0.13)	
Average shares outstanding-basic	11,550		11,550			11,550	
Average shares outstanding-diluted	11,550		11,550			11,550	

Notes:

	As Reported February 1, 2004	% of Sales	Adjustments	% of Sales	February 1, 2004 Proforma Net of Adjustments	% of Sales	Proforma % Over (Under)
Net sales	76,561	100.0%	0		76,561	100.0%	-9.8%
Cost of sales	62,093	81.1%	0	0.0%	62,093	81.1%	0.2%
Gross profit	14,468	18.9%	0	0.0%	14,468	18.9%	-52.5%
Selling, general and administrative expenses	10,282	13.4%	0	0.0%	10,282	13.4%	-20.3%
Goodwill impairment	0	0.0%	0	0.0%	0	0.0%	0.0%
Restructuring expense	0	0.0%	0	0.0%	0	0.0%	0.0%
Income (loss) from operations	4,186	5.5%	0	0.0%	4,186	5.5%	-131.6%
Interest expense	1,534	2.0%	0	0.0%	1,534	2.0%	-40.5%
Interest income	(113)	-0.1%	0	0.0%	(113)	-0.1%	-62.8%
Early extinguishment of debt	1,672	2.7%	(1,672)	0.0%(4)	0	0.0%	0.0%
Other expense	229	0.3%	0	0.0%	229	0.3%	-78.6%
Income (loss) before income taxes	864	1.1%	1,672	2.2%	2,536	3.3%	-188.4%
Income taxes	112	13.0%	552	0.0%	664	26.2%	-213.2%
Net income (loss)	752	1.0%	1,120	1.5%	1,872	2.4%	-179.6%
Net income (loss) per share-basic	$0.07		$0.10		$0.16		
Net income (loss) per share-diluted	$0.06		$0.10		$0.16		
Average shares outstanding-basic	11,529		11,529		11,529		
Average shares outstanding-diluted	11,859		11,529		11,859		

Notes:

(1) The $4.3 million represents restructuring related charges for accelerated depreciation.
(2) The $1.1 restructuring charges represent asset movement costs.
(3) The percent of net sales column for income taxes is calculated as a % of income (loss) before income taxes.
(4) Premium and fees paid to reduce private placement loan balance.

CULP, INC.
PROFORMA CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE NINE MONTHS ENDED JANUARY 30, 2005 AND FEBRUARY 1, 2004
(Amounts in Thousands, Except for Per Share Data)

NINE MONTHS ENDED

	As Reported January 30, 2005	% of Sales	Adjustments	% of Sales		January 30, 2005 Proforma Net of Adjustments	% of Sales
Net sales	$ 212,315	100.0%	0			212,315	100.0%
Cost of sales	191,506	90.2%	(5,501)	-2.6%	(1)	186,005	87.6%
Gross profit	20,809	9.8%	(5,501)	-2.6%		26,310	12.4%
Selling, general and administrative expenses	26,309	12.4%	0	0.0%		26,309	12.4%
Goodwill impairment	5,126	2.4%	(5,126)	0.0%	(2)	0	0.0%
Restructuring expense	2,289	1.1%	(2,289)	-1.1%	(3)	0	0.0%
Income (loss) from operations	(12,915)	-6.1%	(12,916)	-6.1%		1	0.0%
Interest expense	2,789	1.3%	0	0.0%		2,789	1.3%
Interest income	(98)	(0.0)	0	0.0%		(98)	(0.0)
Early extinguishment of debt	0	0.0%	0	0.0%		0	0.0%
Other expense	436	0.2%	0	0.0%		436	0.2%
Income (loss) before income taxes	(16,042)	-7.6%	(12,916)	-6.1%		(3,126)	-1.5%
Income taxes	(5,920)	36.9%	(4,873)	37.7%	(4)	(1,047)	33.5%
Net income (loss)	$ (10,122)	-4.8%	(8,043)	-3.8%		(2,079)	-1.0%
Net income (loss) per share-basic	($0.88)		($0.70)			($0.18)	
Net income (loss) per share-diluted	($0.88)		($0.70)			($0.18)	
Average shares outstanding-basic	11,549		11,549			11,549	
Average shares outstanding-diluted	11,549		11,549			11,549	

	As Reported February 1, 2004	% of Sales	Adjustments	% of Sales		February 1, 2004 Proforma Net of Adjustments	% of Sales	Proforma % Over (Under)
Net sales	232,968	100.0%	0			232,968	100.0%	-8.9%
Cost of sales	190,283	81.7%	0	0.0%		190,283	81.7%	-2.2%
Gross profit	42,685	18.3%	0	0.0%		42,685	18.3%	-38.4%
Selling, general and administrative expenses	31,089	13.3%	0	0.0%		31,089	13.3%	-15.4%
Goodwill impairment	0	0.0%	0	0.0%		0	0.0%	0.0%
Restructuring expense	0	0.0%	0	0.0%		0	0.0%	0.0%
Income (loss) from operations	11,596	5.0%	0	0.0%		11,596	5.0%	-100.0%
Interest expense	4,540	1.9%	0	0.0%		4,540	1.9%	-38.6%
Interest income	(356)	-0.2%	0	0.0%		(356)	-0.2%	-72.5%
Early extinguishment of debt	1,672	0.9%	(1,672)	0.0%	(5)	0	0.0%	0.0%
Other expense	536	0.2%	0	0.0%		536	0.2%	-18.7%
Income (loss) before income taxes	5,204	2.2%	1,672	0.7%		6,876	3.0%	-145.5%
Income taxes	1,717	33.0%	552	0.0%		2,269	33.0%	-146.2%
Net income (loss)	3,487	1.5%	1,120	0.5%		4,607	2.0%	-145.1%
Net income (loss) per share-basic	$0.30		$0.10			$0.40		
Net income (loss) per share-diluted	$0.30		$0.10			$0.39		
Average shares outstanding-basic	11,522		11,522			11,522		
Average shares outstanding-diluted	11,764		11,522			11,764		

Notes:
(1) The $5.5 million represents restructuring related charges for inventory markdowns and accelerated depreciation.
(2) The $5.1 million represents a goodwill impairment charge related to the Culp Decorative Fabrics division.
(3) The $2.3 million restructuring charge represents fixed asset write-downs, accrued termination benefits, and asset movement costs.
(4) The percent of net sales column for income taxes is calculated as a % of income (loss) before income taxes.
(5) Premium and fees paid to reduce private placement loan balance.

CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL NARRATIVE
for the three and nine months ended January 30, 2005 and February 1, 2004

OVERVIEW

GENERAL -- The financial results for the third quarter reflect continued soft demand for domestically produced upholstery fabrics, pricing pressures for mattress ticking and higher raw material costs. Additionally, because of the scheduled holiday plant closings, the third quarter is typically a slow period of the year. For the third quarter of fiscal 2005, consolidated net sales decreased 9.8% to $69.1 million; and the company reported a net loss of $4.9 million, or $0.42 per share diluted, compared with net income of $752,000, or $0.06 per diluted share, for the third quarter of fiscal 2004. The financial results for the third quarter of fiscal 2005 include after-tax restructuring and related charges of $3.4 million, or $0.29 per diluted share. Excluding these charges, net loss for the third quarter of fiscal 2005 was $1.5 million or $0.13 per share diluted, versus net income of $1.9 million, or $0.16 per share diluted, in the third quarter of fiscal 2004, excluding early extinguishment of debt charges (see reconciliation on page 7). For the first nine months of fiscal 2005, net sales decreased 8.9% to $212.3 million; and the company reported a net loss of $10.1 million, or $0.88 per share diluted, compared with net income of $3.5 million or $0.30 per share diluted, for the same period last year. Excluding restructuring and related charges and goodwill impairment, net loss for the first nine months of fiscal 2005 was $2.1 million, or $0.18 per share diluted, compared with net income of $4.6 million, or $0.39 per share diluted, for the same period last year, excluding early extinguishment of debt charges (see reconciliation on page 8). Year-to-date for fiscal 2005 included 39 weeks versus 40 weeks for the same period of fiscal 2004.

RESTRUCTURING AND RELATED CHARGES -- The financial results for the third quarter include a total of $5.4 million in restructuring and related charges. The charges are made up of the following: (1) $1.0 million in restructuring expenses related to the dismantling, moving and relocation of equipment to other company facilities, (2) approximately $143,000 in write-down of equipment and (3) $4.3 million in accelerated depreciation associated with plant and equipment scheduled to be disposed of, either by sale or by abandonment, by fiscal year end. As reflected in the financial statements, restructuring and related expenses were recorded as $1.1 million in the line item "restructuring expense" and $4.3 million in "cost of sales." See below for additional comments on the progress of the restructuring projects.

STATEMENT OF OPERATIONS COMMENTS
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MATTRESS FABRICS SEGMENT (See page 5 - Sales, Gross Profit and Operating Income (Loss) by Segment)

Net Sales - Mattress fabric (known as mattress ticking) sales were $25.6 million compared with $25.1 million for the third quarter of fiscal 2004. Mattress ticking yards sold during the third quarter of fiscal 2005 were 10.9 million compared with 10.0 million yards in the third quarter of last year, an increase of 8.8%. This increase in yards sold is noteworthy because it occurred as the bedding industry nears the completion of the transition to selling predominantly one-sided mattresses, which utilize about one-third less mattress ticking. The average selling price was $2.34 per yard for the third quarter, compared to $2.50 per yard in the same quarter last year, a decrease of 6.4%.

Operating income -- For the third quarter of fiscal 2005, the mattress fabrics segment reported operating income of $1.6 million, or 6.2% of sales, compared with $3.0 million, or 12.1% of sales, for the prior year period. Operating margins in this segment were affected by industry wide pricing pressures, as well as higher raw material costs and manufacturing variances related to the relocation of mattress ticking looms. To partially offset higher material costs, the company is implementing a price increase of approximately 3.0 percent in this segment during the fourth quarter of this fiscal year.

As previously announced in October 2004, the company has identified opportunities to reduce operating costs by consolidating mattress ticking operations. This $7.0 million capital project involves relocation of ticking looms from an upholstery fabric plant to existing mattress ticking facilities in the U.S. and Canada and the purchase of new weaving machines that are faster and more efficient than the equipment they will replace. This transition is well underway and is expected to be completed as planned by August 2005. More importantly, this transition is expected to generate $4.5 million in annual savings.

CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL NARRATIVE
for the three and nine months ended January 30, 2005 and February 1, 2004

UPHOLSTERY FABRICS SEGMENT (See page 5-Sales, Gross Profit and Operating Income (Loss) by Segment)

Net Sales -- Upholstery fabric sales for the third quarter of fiscal 2005 decreased 15.5% to $43.5 million when compared to the third quarter of fiscal 2004. Overall, sales of upholstery fabrics reflect continued soft demand industry wide for U.S. produced fabrics and consumer preference for leather furniture.

With the company's offshore sourcing efforts, including the China platform, the company is experiencing higher sales of upholstery fabric products produced outside of the company's U.S. manufacturing plants, which include the popular micro-denier suedes. These sales increased 92.0% over the prior year period and accounted for approximately $8.3 million or almost 20% of upholstery fabric sales for the quarter. Offshore sourced fabrics of $4.3 million accounted for approximately 8.4% of upholstery fabric sales for the same period last year.

Upholstery fabric yards sold during the third quarter were 9.5 million versus 11.7 million in the third quarter of fiscal 2004, a decline of 19.0%. Average selling price was $4.18 per yard for the third quarter compared with $4.29 per yard in the same quarter of last year, a decrease of 2.6 %.

Operating income (loss) -- Operating loss for the third quarter of fiscal 2005 was $2.0 million or 4.6% of sales, compared with operating income of $2.3 million, or 4.4% of sales, for the same period last year. Included in the operating loss was a favorable impact of approximately $500,000 related to a change in the inventory aging percentages for the converted product line, which are products sourced, primarily from Asia, by the CVP division. The change was made in order to better reflect current market conditions and the company's actual experiences.

The continued underutilization of U.S. capacity, higher raw material prices and manufacturing variances related to restructuring activities affected profit margins for the upholstery fabrics segment. The purpose of the restructuring plan in the upholstery fabrics segment, announced in October 2004, is to consolidate the decorative fabrics weaving and yarn operations, reduce manufacturing complexities and lower costs, and significantly reduce selling, general and administrative expenses. The restructuring is moving ahead as planned and management believes that the steps taken will place the company in a stronger position in terms of both operating efficiency and higher asset utilization. However, management is continuing to evaluate costs and manufacturing capacity throughout the U.S. operations and remains committed to adjusting the domestic cost structure as necessary to keep it in line with expected demand for U.S. produced products. Additionally, to partially offset higher raw material prices, the company recently announced a price increase of approximately 3.0 to 4.0 percent on most domestically produced upholstery fabrics.

SG&A EXPENSES -- SG&A expenses of $8.2 million for the third quarter of fiscal 2005 decreased approximately $2.1 million, or 20.3%, from the prior year amount. As a percent of net sales, SG&A expenses decreased to 11.9% from 13.4% the previous year, due mostly to lower incentive compensation expense and lower sales and marketing expenses.

Unallocated Corporate Expenses - The unallocated corporate expense category includes certain items that have not been allocated to the company's segments (see Page 5 - Sales and Gross Profit/Operating Income (Loss) by Segment). The major components of unallocated corporate expenses include compensation and benefits for certain executive officers and all costs related to being a public company. For the third quarter of fiscal 2005, unallocated corporate expenses totaled $901,000 compared with $1.1 million for the same period last year, reflecting a decrease in incentive compensation expense.

INTEREST EXPENSE AND INTEREST INCOME -- Interest expense for the third quarter declined to $912,000 from $1.5 million the previous year due to lower borrowings outstanding. Interest income decreased to $42,000 from $113,000 the previous year due to lower invested balances in fiscal 2005.

CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL NARRATIVE
for the three and nine months ended January 30, 2005 and February 1, 2004

INCOME TAXES - The effective tax rate (taxes as a percentage of pretax income (loss)) for the first nine months of fiscal 2005 was 36.9% compared with 33.0% for the first nine months of fiscal 2004. Excluding restructuring and related charges and goodwill impairment, the effective tax rate for the first nine months of fiscal 2005 was 33.5%

BALANCE SHEET COMMENTS
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CASH AND CASH EQUIVALENTS -- Cash and cash equivalents as of January 30, 2005 decreased to $13.0 million from $14.6 million at the end of fiscal 2004, primarily reflecting cash flow from operations of $8.6 million, capital expenditures and payments on vendor financed capital expenditures of $9.6 million and payments on long-term debt of $471,000.

WORKING CAPITAL -- Accounts receivable as of January 30, 2005 decreased 5.7% from the year-earlier level. Days sales outstanding totaled 32 days at January 30, 2005 compared with 31 days a year ago. Inventories at the close of the third quarter decreased 10.3% from a year ago. Inventory turns for the third quarter were 5.6 versus 4.7 for the year-earlier period. Operating working capital (comprised of accounts receivable and inventories, less trade accounts payable) was $57.8 million at January 30, 2005, down from $ 62.5 million a year ago.

PROPERTY, PLANT AND EQUIPMENT -- Capital spending for the first nine months of fiscal 2005 was $8.2 million, including approximately $5.5 million for the purchase of a building that will serve as the company's new corporate offices and as new space for the company's showrooms. The company expects the annual operating costs of the new building to be significantly lower than the lease and related costs associated with the current facilities. Depreciation for the third quarter was $7.6 million, of which approximately $4.4 million was related to accelerated depreciation associated with plant and equipment scheduled to be disposed of by fiscal year end. As part of the fiscal 2005 restructuring plan, the company increased the capital budget by $6.1 million to approximately $15.6 million, of which $4.9 million relates to the mattress ticking plant consolidation.

INTANGIBLE ASSETS -- As of January 30, 2005, $4.1 million in goodwill, which relates to the mattress fabrics segment, was the company's only intangible asset. In the second quarter of fiscal 2005, the company's $5.1 million in remaining goodwill associated with the upholstery fabrics segment was written off based on an evaluation of this segment in accordance with SFAS 142, "Goodwill and Other Intangible Assets."

LONG-TERM DEBT -- The company's long-term debt of $50.6 million is unsecured and is comprised of $50.0 million in outstanding senior notes, with a fixed interest rate of 7.76%, and a $584,000, non-interest bearing term loan with the Canadian government. Additionally, the company has a $10.0 million revolving credit line with a bank, of which no balance was outstanding at January 30, 2005. The current bank agreement expires in August 2005. The first scheduled principal payment on the $50.0 million senior notes is due March 2006 in the amount of $7.5 million. The Canadian government loan is repaid in annual installments of approximately $600,000 per year. The company was in compliance with all financial covenants in its loan agreements as of January 30, 2005.

CASH FLOW FROM OPERATIONS COMMENTS
- ----------------------------------

Cash flow from operations was $8.6 million for the first nine months of fiscal 2005, compared with $16.8 million for the same period last year. This decrease was due primarily to lower profitability.

BUSINESS OUTLOOK
- ----------------

Given current market conditions, management expects to see a year-over-year decline in overall sales performance for the fourth quarter that is slightly higher than the sales decrease in the third fiscal quarter of 9.8%. However, management is encouraged by recent trends in the mattress ticking business and expects mattress ticking sales will show a modest gain over fourth quarter sales last year. Operating income margin in this segment is expected to improve from the third quarter and approximate the margin of 10.0 percent reported for the second quarter of this year. With respect to the upholstery fabrics segment, while management expects continued growth in sales of fabrics sourced outside the U.S., the outlook remains uncertain for any recovery in demand for domestically produced upholstery fabrics. For the fourth quarter, upholstery fabrics segment sales are expected to decrease somewhat more than the third quarter decline of 15.5 percent. Management believes the continued softness in demand for domestically produced upholstery fabrics and the related underutilization of U.S. capacity, combined with raw material price increases the company is currently experiencing, will result in an operating loss, although smaller than that reported in the third fiscal quarter for this segment. In light of these factors, management expects the company to report a net loss of $0.03 to $0.08 per diluted share in the fourth fiscal quarter, excluding previously announced restructuring and related charges, with actual results depending primarily on the level of demand throughout the quarter.

CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL NARRATIVE
for the three and nine months ended January 30, 2005 and February 1, 2004

The company estimates that restructuring and related charges of approximately $4.0 million, net of taxes, or $0.35 per diluted share, will be incurred during the fourth fiscal quarter. Including the restructuring and related charges, the company expects to report a net loss for the fourth fiscal quarter of $0.38 to $0.43 per diluted share.

Exhibit 99(c)

FIFTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

THIS FIFTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT ("Fifth Amendment") is made as of the 18th day of February, 2005, by and between CULP, INC., a North Carolina corporation (together with its successors and permitted assigns, the "Borrower") and WACHOVIA BANK, NATIONAL ASSOCIATION (formerly, Wachovia Bank, N.A.), a national banking association, as Agent and as a Bank (together with its endorsees, successors and assigns, the "Bank").

BACKGROUND

The Borrower and the Bank entered into an Amended and Restated Credit Agreement, dated as of August 23, 2002, as amended by Second Amendment to Amended and Restated Credit Agreement (the "Second Amendment"), dated as of June 3, 2003, by Third Amendment to Amended and Restated Credit Agreement (the "Third Amendment"), dated as of August 23, 2004, and by Fourth Amendment to Amended and Restated Credit Agreement ("Fourth Amendment"), dated as of December 7, 2004 (it being acknowledged by the parties hereto that the proposed First Amendment to Amended and Restated Credit Agreement, which had been under discussion in March 2003, was never executed by the parties and is of no force or effect; otherwise, such agreement, as amended by the Second Amendment, Third Amendment and Fourth Amendment and as it may be further amended, restated, supplemented and/or modified, shall be referred to herein as the "Credit Agreement"). Terms used herein and not herein defined shall have the meanings given to them in the Credit Agreement.

The Borrower has now requested another amendment to the provisions of the Credit Agreement, which the Bank is willing to accommodate subject to the terms, provisions and conditions set forth in this Fifth Amendment.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Bank hereby agree as follows:

1. Amendment to Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) Section 5.19 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

SECTION 5.19. Interest and Leases Coverage. At the end of each Fiscal Quarter beginning with the third Fiscal Quarter of Fiscal Year 2005, the Interest and Leases Coverage Ratio shall not be less than 1.25 to 1.0.

2. Further Assurances. The Borrower will execute such confirmatory instruments, if any, with respect to the Credit Agreement and this Fifth Amendment as the Bank may reasonably request.

3. Ratification by Borrower. The Borrower ratifies and confirms all of its representations, warranties, covenants, liabilities and obligations under the Credit Agreement (except as expressly modified by this Fifth Amendment) and agrees that: (i) except as expressly modified by this Fifth Amendment, the Credit Agreement continues in full force and effect as if set forth specifically herein; and (ii) the Borrower has no right of setoff, counterclaim or defense to payment of its obligations under the Credit Agreement. The Borrower and the Bank agree that this Fifth Amendment shall not be construed as an agreement to extinguish the Borrower's obligations under the Credit Agreement or the Notes and shall not constitute a novation as to the obligations of the Borrower under the Credit Agreement or the Notes. The Bank hereby expressly reserves all rights and remedies it may have against all parties who may be or may hereafter become secondarily liable for the repayment of the obligations under the Credit Agreement or the Notes.

4. Amendments. This Fifth Amendment may not itself be amended, changed, modified, altered, or terminated without in each instance the prior written consent of the Bank. This Fifth Amendment shall be construed in accordance with and governed by the laws of the State of North Carolina.

5. Counterparts. This Fifth Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same agreement.

6. Credit Agreement Modification Fee. The Borrower shall pay to the Bank on the date this Fifth Amendment is executed, an amendment fee equal to $500.00, which fee, once paid, shall be fully earned and non-refundable.

7. Bank's Expenses. In accordance with Section 9.03 of the Credit Agreement, Borrower hereby acknowledges and agrees to pay all reasonable out-of-pocket expenses incurred by the Bank in connection with the preparation of this Fifth Amendment, including without limitation reasonable attorneys' fees.

[Signature Page Follows]

IN WITNESS WHEREOF, this Fifth Amendment has been duly executed under seal by Borrower and Bank as of the day and year first above written.

BORROWER:

CULP, INC.

By: /s/ Kenneth R. Bowling
Name: Kenneth R. Bowling
Title: Vice President-Finance, Treasurer

ATTEST:

/s/ Kathy J. Hardy
Secretary

[Corporate Seal]

BANK:

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Agent and as Bank

By: /s/ Peter T. Callahan
Name: Peter T. Callahan
Title: Senior Vice President