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) March 1, 2010

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.)

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))

INDEX

<u>Forward Looking Information</u>. This report and the exhibits 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. Changes in consumer tastes or preferences toward products not produced by the company could erode demand for the company's products. 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, and strengthening of currencies in Canada and China can have a negative impact on the company's sales in the U.S. of products produced in those countries. 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, including the "Risk Factors" section in the company's most recent annual report of Form 10-K filed with the Securities and Exchange Commission on July 16, 2009 for the fiscal year ended May 3, 2009.

Item 2.02 – Results of Operations and Financial Condition

On March 1, 2010, we issued a news release to announce our financial results for the third quarter ended January 31, 2010. The news release is attached hereto as Exhibit 99(a).

Also on March 1, 2010, we released a Financial Information Release containing additional financial information and disclosures about our third quarter ended January 31, 2010. 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 the company defines as net cash provided by operating activities, less cash capital expenditures and capital lease expenditures, plus any proceeds from sales of fixed assets, and the effects of exchange rate changes on cash and cash equivalents. 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 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. Also, free cash flow is used by the company as a financial goal for purposes of determining management incentive bonuses.

The news release and Financial Information Release contain adjusted income statement information, which reconciles reported and projected income statement information with adjusted results, on a pre-tax basis, which exclude restructuring and related charges. This information constitutes a non-GAAP performance measure. The company has included this adjusted information in order to show operational performance excluding the effects of restructuring and related charges that occur on an irregular basis. We have presented pre-tax results because the company's income tax provisions and percentages have been volatile and unpredictable in recent periods. Management believes these presentations aid in the comparison of financial results among comparable financial periods. We note, however, that the usefulness of earnings before income taxes and excluding restructuring and related charges is limited in that these performance measures do not necessarily indicate the likely future financial results of the company and that the excluded income tax and restructuring charges can and do relate to liabilities or charges that reflect reductions in income, future expenditures, or lower values for our assets and business. Adjusted income statement information is used by management to make operational decisions about our business and to evaluate the financial success of the company or its individual segments, especially when comparing results among various periods, is used in certain financial covenants in our loan agreements, and is used by the company as financial goals for purposes of determining management incentive bonuses.

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 restructuring and related 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 are allocated to our operating segments, and there are assets held at the corporate (unallocated) level that may provide support to a segment's operations and yet are not included in the asset base used to calculate that segment's return on capital. Thus, the average return on capital for the company's segments will generally be higher than 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, and return on capital is also used as a financial goal for purposes of determining certain management incentive compensation awards.

Item 9.01 (d) -- Exhibits

99(a) News Release dated March 1, 2010

99(b) Financial Information Release dated March 1, 2010

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: March 1, 2010

EXHIBIT INDEX

Exhibit Number	Exhibit
99(a)	News Release dated March 1, 2010
99(b)	Financial Information Release dated March 1, 2010

CULP ANNOUNCES RESULTS FOR THIRD QUARTER FISCAL 2010

HIGH POINT, N.C. (March 1, 2010) – Culp, Inc. (NYSE: CFI) today reported financial and operating results for the third quarter ended January 31, 2010.

Highlights for the third quarter of fiscal 2010 include the following:

- § Net sales were $54.0 million, up 21 percent from the third quarter of last year, with mattress fabric segment sales up seven percent and upholstery fabrics segment sales up 39 percent. This is the company's first overall sales gain in two years and the first sales gain in upholstery fabrics in three years.
- § Pre-tax income was $3.8 million, or 7.1 percent of net sales, compared with $17,000 in the prior year period.
- § Net income was $3.0 million, or $0.23 per diluted share, the highest in almost six years. These results compare with a net loss of ($450,000), or ($0.04) per share, in the prior year quarter.
- § The mattress fabrics segment had another strong operating performance for the quarter with solid sales and profitability.
- § The upholstery fabrics segment showed substantial profit improvement for the quarter compared with the previous year period and reported the highest quarterly profit in over 5 years.
- § The company's financial position remains very solid at quarter end, with cash and cash equivalents of $19.0 million exceeding total debt of $16.4 million.
- § The projection for the fourth quarter of fiscal 2010 is for overall sales to increase approximately 12 to 16 percent over the prior year period. Mattress fabric sales are expected to be up by approximately 10 to 14 percent and upholstery fabrics sales up approximately 13 to 17 percent compared with the prior year. Pre-tax income for the fourth quarter of fiscal 2010 is expected to be in the range of $3.5 to $4.2 million.

Overview

For the three months ended January 31, 2010, net sales were $54.0 million, a 21 percent increase compared with $44.6 million a year ago. The company reported net income of $3.0 million, or $0.23 per diluted share, for the third quarter of fiscal 2010, compared with a net loss of ($450,000), or ($0.04) per share, for the third quarter of fiscal 2009. The results for the third quarter of fiscal 2009 included restructuring and related pre-tax charges of approximately $777,000.

Frank Saxon, chief executive officer of Culp, Inc., said, "We are pleased with Culp's strong performance for the third quarter. We achieved a 21 percent gain in overall sales from the third quarter of last year, marking the first year-over-year sales gain for the company in two years. We are encouraged that the consumer appears to be slowly returning to the marketplace. Our mattress fabrics business has continued to perform well with solid sales and profitability. During the third quarter, we have seen a significant improvement in our upholstery fabrics performance primarily due to a better macro economic environment and favorable results from our sales and marketing initiatives. We are also realizing the benefits of a lean and agile operating platform in both business segments, as well as recent capital expenditures in our mattress fabrics business. We have established a strong competitive position in both businesses. Culp represents a stable and reliable supplier in today's market with a proven ability to execute. Our strong financial position is another key advantage in these uncertain economic times and provides us with greater operating flexibility going forward."

Mattress Fabrics Segment

Mattress fabric sales for the third quarter of fiscal 2010 were $27.0 million, a seven percent increase compared with $25.2 million for the prior year period.

"Our mattress fabrics business has continued to be a strong performer with higher sales and improved profitability this quarter compared with a challenging third quarter last year," said Saxon. "These results reflect the benefits of the ongoing investments we have made to develop an efficient and scalable manufacturing platform. In addition, we also benefitted from other operational initiatives. During the third quarter, we began the installation of state-of-the-art finishing equipment for our growing knit business and will complete the project during the fourth quarter. In the next four months, we are making additional capital investments, including expanding capacity for both knit and woven product lines, as well as completing an energy efficiency initiative in our Canadian operation that will have an environmental benefit and reduce our operating costs going forward. Capital expenditures for fiscal 2010 in mattress fabrics are expected to total $6.6 million, reflecting our continued commitment to the industry. These initiatives, complemented by our unrelenting focus on execution for our customers, are further enhancing our strong capability to provide outstanding service, reliable delivery performance and consistent quality and value."

Upholstery Fabrics Segment
Sales for this segment were $27.0 million, a 39 percent improvement compared with $19.4 million in the third quarter of fiscal 2009. During this period, sales of non-U.S. produced fabrics were $23.5 million in the third quarter, up 53 percent over the prior year period. Sales of U.S. produced fabrics were $3.5 million, down 12 percent from the third quarter of fiscal 2009.

"We are very pleased with the substantial improvement in sales and profitability in our upholstery fabrics business for the third quarter of fiscal 2010," Saxon noted. "This period marks the first year-over-year sales increase for this business segment in three years, and the highest quarterly profit in over five years. We are especially encouraged by the extent of our sales gains throughout our customer base. We are realizing the benefits of our long-term strategy to build a wholly-owned China manufacturing platform that is scalable and vertical, but not capital intensive. Additionally, we are beginning to benefit from a complimentary strategy to grow our business in our one remaining U.S. manufacturing facility. Also, with the multi-year restructuring activities behind us, we have been able to shift our focus this fiscal year to product development, sales and marketing initiatives, and delivery performance. We are making excellent progress in each of these areas. Further, we are aggressively defending our design copyrights. Most importantly, our goal remains to provide our customers with innovative products from China, or the U.S., along with reliable delivery and quality performance at excellent values.

Balance Sheet
"We have been diligent in our efforts to maintain a strong balance sheet and generate cash flow throughout this tough economic environment," added Saxon. "Notably, at the end of the third fiscal quarter, our balance sheet reflected $19.0 million in cash, compared with $11.8 million at the end of fiscal 2009. Total debt of $16.4 million, which includes current maturities of long-term debt plus long-term debt, remained unchanged from the previous fiscal year end. We have a scheduled principal payment of $4.8 million due in mid-March 2010, which will reduce our total debt to $11.6 million. Our next scheduled principal payment of $2.2 million is not due until August 2011, eighteen months away. Our sound financial position provides us with an important competitive advantage with the resources to invest significantly in our businesses during this economic downturn in terms of capital projects and working capital growth.

"Our capital expenditures for fiscal 2010 are expected to total $7.0 million, most of which are for our mattress fabrics segment. Additionally, for the current fiscal year, we expect to make payments on vendor-financed capital expenditures and capital lease obligations from earlier fiscal years of $1.6 million," said Saxon.

Outlook
Commenting on the outlook for the fourth quarter of fiscal 2010, Saxon remarked, "We expect the prevailing economic uncertainties and unemployment issues will continue to influence consumer demand for furniture and bedding through the end of our fiscal year. However, we are encouraged by the improving trends in both of our businesses and expect that overall sales will be up 12 to 16 percent compared with the same quarter of fiscal 2009.

"We expect sales in our mattress fabrics segment to be up approximately 10 to 14 percent for the fourth quarter, with improved operating profit compared with last year's fourth quarter. In our upholstery fabrics segment, we expect sales to be approximately 13 to 17 percent higher for the fourth quarter than a year ago. It is important to note that the fourth quarter will be affected by at least a week of plant closures for the Chinese New Year holiday. Accordingly, we expect the upholstery fabrics segment to report a profit that is substantially higher than the fourth quarter of last year, but lower than the operating profit achieved in the third quarter of this year.

"Considering these factors, we expect to report pre-tax income in the fourth quarter in the range of $3.5 to $4.2 million. Given the volatility in the income tax area during fiscal 2009 and continuing into fiscal 2010, the income tax expense and related tax rate for the fourth quarter of fiscal 2010 are too uncertain to project. This is management's best estimate at present, recognizing that future financial results are difficult to predict because of overall economic uncertainties," said Saxon.

In closing, Saxon remarked, "Our results to date for fiscal 2010 demonstrate that we have positioned Culp to operate effectively and profitably through this challenging period. We have created lean and agile business models in both of our segments that are scalable and position us very well to handle significant growth as the home furnishings industry recovers. We believe we are a market leader in both of our businesses, and we have the financial strength necessary to build upon our position. Our mattress fabrics business has shown consistent improvement this fiscal year, even in a challenging environment. We are excited about the additional growth opportunities related to our enhanced manufacturing capabilities. In the upholstery fabrics business, our sales and marketing initiatives are producing favorable results. With our China and U.S. manufacturing platforms, we believe we are well positioned for continued profitability and sales growth. Above all, we are focused on outstanding execution for our customers as a financially strong and trusted supplier of innovative products with excellent quality and delivery performance."

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. Changes in consumer tastes or preferences toward products not produced by the company could erode demand for the company's products. 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, and strengthening of currencies in Canada and China can have a negative impact on the company's sales in the U.S. of products produced in those countries. 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, including the "Risk Factors" section in the company's most recent annual report on Form 10-K filed with the Securities and Exchange Commission on July 16, 2009, for the fiscal year ended May 3, 2009.

CULP, INC.
Condensed Financial Highlights
(Unaudited)

	Three Months Ended	
	January 31, 2010	**February 1, 2009**
Net sales	$ 53,980,000	$ 44,592,000
Income before income taxes	$ 3,825,000	$ 17,000
Net income (loss)	$ 3,000,000	$ (450,000)
Net income (loss) per share:		
Basic	$ 0.24	$ (0.04)
Diluted	$ 0.23	$ (0.04)
Income before income taxes, excluding restructuring and related charges*	$ 3,879,000	$ 794,000
Average shares outstanding:		
Basic	12,713,000	12,653,000
Diluted	13,074,000	12,653,000

*Excludes restructuring and related charges of $54,000 for the third quarter of fiscal 2010.
Excludes restructuring and related charges of $777,000 for the third quarter of fiscal 2009.

CULP, INC.
Reconciliation of Income before Income Taxes
as Reported to Adjusted Income before Income Taxes
(Unaudited)

	Three Months Ended	
	January 31, 2010	**February 1, 2009**
Income before income taxes, as reported	$ 3,825,000	$ 17,000
Restructuring and related charges	$ 54,000	$ 777,000
Adjusted income before income taxes	$ 3,879,000	$ 794,000

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

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS AND NINE MONTHS ENDED JANUARY 31, 2010 AND FEBRUARY 1, 2009
(UNAUDITED)
(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED				
	Amounts			Percent of Sales	
	January 31, 2010	February 1, 2009	% Over (Under)	**January 31, 2010**	**February 1, 2009**
Net sales	**$ 53,980**	44,592	21.1 %	**100.0 %**	100.0 %
Cost of sales	**43,323**	38,843	11.5 %	**80.3 %**	87.1 %
Gross Profit	**10,657**	5,749	85.4 %	**19.7 %**	12.9 %
Selling, general and administrative expenses	**6,435**	4,676	37.6 %	**11.9 %**	10.5 %
Restructuring expense	**26**	402	(93.5) %	**0.0 %**	0.9 %
Income from operations	**4,196**	671	N.M.	**7.8 %**	1.5 %
Interest expense	**327**	646	(49.4) %	**0.6 %**	1.4 %
Interest income	**(52)**	(20)	160.0 %	**(0.1) %**	(0.0) %
Other expense	**96**	28	242.9 %	**0.2 %**	0.1 %
Income before income taxes	**3,825**	17	N.M.	**7.1 %**	0.0 %
Income taxes*	**825**	467	76.7 %	**21.6 %**	N.M.
Net income (loss)	**$ 3,000**	(450)	N.M.	**5.6 %**	(1.0) %
Net income (loss) per share-basic	**$ 0.24**	$ (0.04)	N.M.		
Net income (loss) per share-diluted	**$ 0.23**	$ (0.04)	N.M.		
Average shares outstanding-basic	**12,713**	12,653	0.5 %		
Average shares outstanding-diluted	**13,074**	12,653	3.3 %		

	NINE MONTHS ENDED				
	Amounts			Percent of Sales	
	January 31, 2010	February 1, 2009	% Over (Under)	**January 31, 2010**	February 1, 2009
Net sales	**$ 149,173**	156,176	(4.5) %	**100.0 %**	100.0 %
Cost of sales	**121,795**	139,879	(12.9) %	**81.6 %**	89.6 %
Gross Profit	**27,378**	16,297	68.0 %	**18.4 %**	10.4 %
Selling, general and administrative expenses	**16,716**	14,498	15.3 %	**11.2 %**	9.3 %
Restructuring (credit) expense	**(317)**	9,438	N.M.	**(0.2) %**	6.0 %
Income (loss) from operations	**10,979**	(7,639)	N.M.	**7.4 %**	(4.9) %
Interest expense	**1,026**	1,739	(41.0) %	**0.7 %**	1.1 %
Interest income	**(81)**	(75)	8.0 %	**(0.1) %**	(0.0) %
Other expense (income)	**714**	(207)	N.M.	**0.5 %**	(0.1) %
Income (loss) before income taxes	**9,320**	(9,096)	N.M.	**6.2 %**	(5.8) %
Income taxes*	**1,565**	31,442	N.M.	**16.8 %**	N.M.
Net income (loss)	**$ 7,755**	(40,538)	N.M.	**5.2 %**	(26.0) %
Net income (loss) per share-basic	**$ 0.61**	$ (3.20)	N.M.		
Net income (loss) per share-diluted	**$ 0.60**	$ (3.20)	N.M.		
Average shares outstanding-basic	**12,679**	12,650	0.2 %		
Average shares outstanding-diluted	**12,960**	12,650	2.5 %		

* 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 31, 2010, FEBRUARY 1, 2009 AND MAY 3, 2009
Unaudited
(Amounts in Thousands)

	Amounts		Increase (Decrease)		
	January 31, 2010	February 1, 2009	Dollars	Percent	* May 3, 2009
Current assets					
Cash and cash equivalents	$ **19,015**	15,809	3,206	20.3 %	11,797
Accounts receivable	**20,871**	14,219	6,652	46.8 %	18,116
Inventories	**24,366**	25,376	(1,010)	(4.0) %	23,978
Deferred income taxes	**57**	-	57	100.0 %	54
Assets held for sale	**98**	1,681	(1,583)	(94.2) %	1,209
Income taxes receivable	**331**	-	331	100.0 %	210
Other current assets	**1,217**	1,493	(276)	(18.5) %	1,264
Total current assets	**65,955**	58,578	7,377	12.6 %	56,628
Property, plant & equipment, net	**26,431**	24,763	1,668	6.7 %	24,253
Goodwill	**11,462**	11,593	(131)	(1.1) %	11,593
Other assets	**2,660**	2,922	(262)	(9.0) %	2,820
Total assets	$ **106,508**	97,856	8,652	8.8 %	95,294
Current liabilities					
Current maturities of long-term debt	$ **4,880**	7,180	(2,300)	(32.0) %	4,764
Current portion of obligation under a capital lease	**107**	692	(585)	(84.5) %	626
Accounts payable - trade	**18,649**	10,947	7,702	70.4 %	17,030
Accounts payable - capital expenditures	**790**	725	65	9.0 %	923
Accrued expenses	**8,144**	5,592	2,552	45.6 %	6,504
Accrued restructuring	**362**	1,215	(853)	(70.2) %	853
Income taxes payable - current	**153**	1,469	(1,316)	(89.6) %	83
Total current liabilities	**33,085**	27,820	5,265	18.9 %	30,783
Accounts payable - capital expenditures	**188**	912	(724)	(79.4) %	638
Income taxes payable - long-term	**3,690**	747	2,943	394.0 %	3,264
Deferred income taxes	**1,092**	1,213	(121)	(10.0) %	974
Obligation under capital lease	-	107	(107)	(100.0) %	-
Long-term debt , less current maturities	**11,529**	20,933	(9,404)	(44.9) %	11,604
Total liabilities	**49,584**	51,732	(2,148)	(4.2) %	47,263
Shareholders' equity	**56,924**	46,124	10,800	23.4 %	48,031
Total liabilities and shareholders' equity	$ **106,508**	97,856	8,652	8.8 %	95,294
Shares outstanding	**12,935**	12,768	167	1.3 %	12,768

* Derived from audited financial statements.

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED JANUARY 31, 2010 AND FEBRUARY 1, 2009
Unaudited
(Amounts in Thousands)

	NINE MONTHS ENDED	
	Amounts	
	January 31, 2010	February 1, 2009 (2)
Cash flows from operating activities:		
Net income (loss)	$ **7,755**	(40,538)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	**3,042**	5,756
Amortization of other assets	**416**	350
Stock-based compensation	**695**	306
Excess tax benefits related to stock-based compensation	**(182)**	-
Deferred income taxes	**190**	33,816
Gain on sale of equipment	**(72)**	(51)
Restructuring expenses, net of gain on sale of related assets	**(127)**	7,960
Foreign currency exchange losses (gains)	**613**	(313)
Changes in assets and liabilities, net of effects of acquisition of business:		
Accounts receivable	**(2,742)**	12,820
Inventories	**(385)**	11,452
Other current assets	**46**	(200)
Other assets	**(48)**	26
Accounts payable	**1,558**	(11,347)
Accrued expenses	**1,555**	(2,668)
Accrued restructuring	**(491)**	(217)
Income taxes	**109**	(2,289)
Net cash provided by operating activities	**11,932**	14,863
Cash flows from investing activities:		
Capital expenditures	**(4,209)**	(1,719)
Net cash paid for acquisition of business	**-**	(11,365)
Proceeds from the sale of buildings and equipment	**513**	4,148
Net cash used in investing activities	**(3,696)**	(8,936)
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	**-**	11,000
Payments on vendor-financed capital expenditures	**(797)**	(962)
Payments on capital lease obligation	**(519)**	(586)
Payments on long-term debt	**(32)**	(4,310)
Debt issuance costs	**(15)**	(133)
Proceeds from common stock issued	**250**	21
Excess tax benefits related to stock-based compensation	**182**	-
Net cash (used in) provided by financing activities	**(931)**	5,030
Effect of exchange rate changes on cash and cash equivalents	**(87)**	(62)
Increase in cash and cash equivalents	**7,218**	10,895
Cash and cash equivalents at beginning of period	**11,797**	4,914
Cash and cash equivalents at end of period	$ **19,015**	15,809
Free Cash Flow (1)	$ **7,015**	15,682

(1) Free Cash Flow reconciliation is as follows:	**3rd Qtr FY 2010**	3rd Qtr FY 2009
A) Net cash provided by operating activities	$ **11,932**	14,863
B) Minus: Capital Expenditures	**(4,209)**	(1,719)
C) Add: Proceeds from the sale of buildings and equipment	**513**	4,148
D) Minus: Payments on vendor-financed capital expenditures	**(797)**	(962)
E) Minus: Payments on capital lease obligation	**(519)**	(586)
F) Add: Excess tax benefits related to stock-based compensation	**182**	-
G) Effects of exchange rate changes on cash and cash equivalents	**(87)**	(62)
	$ **7,015**	15,682

(2) Certain prior year amounts have been reclassified to conform to current year presentation to reflect the effects of foreign exchange losses and gains on operating cash flows and cash and cash equivalents held as of February 1, 2009. Reclassifications are not material to total net cash provided by operating activities, total net cash used in investing activities, and total net cash provided by financing activities.

CULP, INC. FINANCIAL INFORMATION RELEASE
STATEMENTS OF OPERATIONS BY SEGMENT
FOR THE THREE MONTHS ENDED JANUARY 31, 2010 AND FEBRUARY 1, 2009
(Amounts in thousands)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Net Sales by Segment	**January 31, 2010**	February 1, 2009	% Over (Under)	**January 31, 2010**	February 1, 2009
Mattress Fabrics	**$ 26,953**	25,198	7.0 %	**49.9 %**	56.5 %
Upholstery Fabrics	**27,027**	19,394	39.4 %	**50.1 %**	43.5 %
Net Sales	**$ 53,980**	44,592	21.1 %	**100.0 %**	100.0 %
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	**$ 5,587**	4,176	33.8 %	**20.7 %**	16.6 %
Upholstery Fabrics	**5,098**	1,931	164.0 %	**18.9 %**	10.0 %
Subtotal	**10,685**	6,107	75.0 %	**19.8 %**	13.7 %
Restructuring related charges	**(28)**	(358)	(92.2) %	**(0.1) %**	(0.8) %
Gross Profit	**$ 10,657**	5,749	85.4 %	**19.7 %**	12.9 %
Selling, General and Administrative expenses by Segment				Percent of Sales	
Mattress Fabrics	**$ 2,031**	1,941	4.6 %	**7.5 %**	7.7 %
Upholstery Fabrics	**2,627**	1,880	39.7 %	**9.7 %**	9.7 %
Unallocated Corporate	**1,777**	838	112.1 %	**3.3 %**	1.9 %
	6,435	4,659	38.1 %	**11.9 %**	10.4 %
Restructuring related charges	**-**	17	(100.0) %	**0.0 %**	0.0 %
Selling, General and Administrative expenses	**$ 6,435**	4,676	37.6 %	**11.9 %**	10.5 %
Operating Income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	**$ 3,556**	2,235	59.1 %	**13.2 %**	8.9 %
Upholstery Fabrics	**2,471**	51	N.M.	**9.1 %**	0.3 %
Unallocated Corporate	**(1,777)**	(838)	112.1 %	**(3.3) %**	(1.9) %
Subtotal	**4,250**	1,448	193.5 %	**7.9 %**	3.2 %
Restructuring expense and restructuring related charges	**(54)**	(777)	(93.1) %	**(0.1) %**	(1.7) %
Income from operations	**$ 4,196**	671	N.M.	**7.8 %**	1.5 %
Depreciation by Segment					
Mattress Fabrics	**$ 842**	941	(10.5) %		
Upholstery Fabrics	**149**	92	62.0 %		
Total Depreciation	**991**	1,033	(4.1) %		

Notes:

See page 6 for detailed explanations of restructuring expense and restructuring related charges.

CULP, INC. FINANCIAL INFORMATION RELEASE
STATEMENTS OF OPERATIONS BY SEGMENT
FOR THE NINE MONTHS ENDED JANUARY 31, 2010 AND FEBRUARY 1, 2009
(Amounts in thousands)

	NINE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Net Sales by Segment	**January 31, 2010**	February 1, 2009	% Over (Under)	**January 31, 2010**	February 1, 2009
Mattress Fabrics	**$ 81,429**	88,808	(8.3) %	**54.6 %**	56.9 %
Upholstery Fabrics	**67,744**	67,368	0.6 %	**45.4 %**	43.1 %
Net Sales	**$ 149,173**	156,176	(4.5) %	**100.0 %**	100.0 %
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	**$ 16,245**	15,603	4.1 %	**19.9 %**	17.6 %
Upholstery Fabrics	**11,175**	4,277	161.3 %	**16.5 %**	6.3 %
Subtotal	**27,420**	19,880	37.9 %	**18.4 %**	12.7 %
Restructuring related charges	**(42)**	(3,583)	(98.8) %	**(0.0) %**	(2.3) %
Gross Profit	**$ 27,378**	16,297	68.0 %	**18.4 %**	10.4 %
Selling, General and Administrative expenses by Segment				Percent of Sales	
Mattress Fabrics	**$ 5,696**	5,902	(3.5) %	**7.0 %**	6.6 %
Upholstery Fabrics	**6,843**	6,444	6.2 %	**10.1 %**	9.6 %
Unallocated Corporate	**4,177**	2,131	96.0 %	**2.8 %**	1.4 %
Subtotal	**16,716**	14,477	15.5 %	**11.2 %**	9.3 %
Restructuring related charges	**-**	21	(100.0) %	**0.0 %**	0.0 %
Selling, General and Administrative expenses	**$ 16,716**	14,498	15.3 %	**11.2 %**	9.3 %
Operating Income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	**$ 10,549**	9,702	8.7 %	**13.0 %**	10.9 %
Upholstery Fabrics	**4,332**	(2,168)	N.M.	**6.4 %**	(3.2) %
Unallocated Corporate	**(4,177)**	(2,131)	96.0 %	**(2.8) %**	(1.4) %
Subtotal	**10,704**	5,403	98.1 %	**7.2 %**	3.5 %
Restructuring (credit) expense and restructuring related charges	**275**	(13,042)	N.M.	**0.2 %**	(8.4) %
Income (loss) from operations	**$ 10,979**	(7,639)	N.M.	**7.4 %**	(4.9) %
Depreciation by Segment					
Mattress Fabrics	**$ 2,620**	2,617	0.1 %		
Upholstery Fabrics	**422**	1,049	(59.8) %		
Subtotal	**3,042**	3,666	(17.0) %		
Accelerated Depreciation	**-**	2,090	100.0 %		
Total Depreciation	**3,042**	5,756	(47.2) %		

Notes:

See page 7 for detailed explanations of restructuring (credit) expense and restructuring related charges.

CULP, INC. FINANCIAL INFORMATION RELEASE
ADJUSTED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED JANUARY 31, 2010 AND FEBRUARY 1, 2009
(Unaudited)
(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED														
	As Reported January 31, 2010	% of Sales	Adjustments	% of Sales		January 31, 2010 Adjusted Results	% of Sales	**As Reported February 1, 2009**	% of Sales	Adjustments	% of Sales		February 1, 2009 Adjusted Results	% of Sales	Adjusted % Over (Under)
Net sales	**$ 53,980**	100.0%	-			53,980	100.0%	**44,592**	100.0%	-			44,592	100.0%	21.1%
Cost of sales	**43,323**	80.3%	(28)	-0.1%	(1)	43,295	80.2%	**38,843**	87.1%	(358)	-0.8%	(3)	38,485	86.3%	12.5%
Gross Profit	**10,657**	19.7%	(28)	-0.1%		10,685	19.8%	**5,749**	12.9%	(358)	-0.8%		6,107	13.7%	75.0%
Selling, general and administrative expenses	**6,435**	11.9%	-	0.0%		6,435	11.9%	**4,676**	10.5%	(17)	0.0%	(3)	4,659	10.4%	38.1%
Restructuring expense	**26**	0.0%	(26)	0.0%	(2)	-	0.0%	**402**	0.9%	(402)	-0.9%	(4)	-	0.0%	0.0%
Income from operations	**4,196**	7.8%	(54)	-0.1%		4,250	7.9%	**671**	1.5%	(777)	-1.7%		1,448	3.2%	193.5%
Interest expense	**327**	0.6%	-	0.0%		327	0.6%	**646**	1.4%	-	0.0%		646	1.4%	-49.4%
Interest income	**(52)**	-0.1%	-	0.0%		(52)	-0.1%	**(20)**	0.0%	-	0.0%		(20)	0.0%	160.0%
Other expense	**96**	0.2%	-	0.0%		96	0.2%	**28**	0.1%	-	0.0%		28	0.1%	242.9%
Income before income taxes	**$ 3,825**	7.1%	(54)	-0.1%	(5)	3,879	7.2%	**17**	0.0%	(777)	-1.7%	(6)	794	1.8%	388.5%

Notes:
(1) The $28 restructuring related charge represents other operating costs associated with closed plant facilities.
(2) The $26 restructuring charge represents $40 for lease termination and other exit costs offset by a credit of $14 for sales proceeds received on equipment with no carrying value.
(3) The $358 restructuring related charge represents $322 for inventory markdowns and $36 for other operating costs associated with closed plant facilities. The $17 restructuring related charge represents other operating costs associated with closed plant facilities.
(4) The $402 restructuring charge represents $234 for lease termination and other exit costs, $148 for write-downs of equipment, and $20 for employee termination benefits. The lease termination and other exit costs of $234 primarily relate to the sale of the company's corporate headquarters.
(5) The $54 represents a cash charge.
(6) Of this total charge, $273 and $504 represent cash and non-cash charges, respectively.

CULP, INC. FINANCIAL INFORMATION RELEASE
ADJUSTED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED JANUARY 31, 2010 AND FEBRUARY 1, 2009
(Unaudited)
(Amounts in Thousands, Except for Per Share Data)

	NINE MONTHS ENDED															
	As Reported January 31, 2010	% of Sales	Adjustments	% of Sales		January 31, 2010 Adjusted Results	% of Sales	**As Reported February 1, 2009**	% of Sales	Adjustments	% of Sales		February 1, 2009 Adjusted Results	% of Sales	Adjusted % Over (Under)
Net sales	$ **149,173**	100.0%	-			149,173	100.0%	**156,176**	100.0%	-			156,176	100.0%	-4.5%
Cost of sales	**121,795**	81.6%	(42)	0.0%	(1)	121,753	81.6%	**139,879**	89.6%	(3,583)	-2.3%	(3)	136,296	87.3%	-10.7%
Gross Profit	**27,378**	18.4%	(42)	0.0%		27,420	18.4%	**16,297**	10.4%	(3,583)	-2.3%		19,880	12.7%	37.9%
Selling, general and administrative expenses	**16,716**	11.2%	-	0.0%		16,716	11.2%	**14,498**	9.3%	(21)	0.0%	(3)	14,477	9.3%	15.5%
Restructuring (credit) expense	**(317)**	-0.2%	317	0.2%	(2)	-	0.0%	**9,438**	6.0%	(9,438)	-6.0%	(4)	-	0.0%	0.0%
Income (loss) from operations	**10,979**	7.4%	275	0.2%		10,704	7.2%	**(7,639)**	-4.9%	(13,042)	-8.4%		5,403	3.5%	98.1%
Interest expense	**1,026**	0.7%	-	0.0%		1,026	0.7%	**1,739**	1.1%	-	0.0%		1,739	1.1%	-41.0%
Interest income	**(81)**	-0.1%	-	0.0%		(81)	-0.1%	**(75)**	0.0%	-	0.0%		(75)	0.0%	8.0%
Other expense (income)	**714**	0.5%	-	0.0%		714	0.5%	**(207)**	-0.1%	-	0.0%		(207)	-0.1%	-444.9%
Income (loss) before income taxes	$ **9,320**	6.2%	275	0.2%	(5)	9,045	6.1%	**(9,096)**	-5.8%	(13,042)	-8.4%	(6)	3,946	2.5%	129.2%

Notes:
(1) The $42 restructuring related charge represents $92 for other operating costs associated with closed plant facilities offset by a credit of $50 for inventory markdowns.
(2) The $317 restructuring credit represents a credit of $169 for employee termination benefits, a credit of $127 for sales proceeds recevied on equipment with no carrying value, and a credit of $21 for lease termination and other exit costs.
(3) The $3.6 million restructuring related charge represents $2.1 million for accelerated depreciation, $1.4 million for inventory markdowns, and $63 for other operating costs associated with closed plant facilities. The $21 restructuring related charge represents other operating costs associated with closed plant facilities.
(4) The $9.4 million restructuring charge represents $8.0 million for write-downs of equipment and buildings, $797 for employee termination benefits, and $681 for lease termination and other exit costs.
(5) Of this total credit, $225 and $50 represent cash and non-cash credits, respectively.
(6) Of this total charge, $1.5 million and $11.5 million represent cash and non-cash charges, respectively.

CULP, INC. FINANCIAL INFORMATION RELEASE
RETURN ON CAPITAL EMPLOYED BY SEGMENT
FOR THE NINE MONTHS ENDED JANUARY 31, 2010
(UNAUDITED)

	Operating Income Nine Months Ended January 31, 2010 (1)	Average Capital Employed (3)	Return on Avg. Capital Employed (2)
Mattress Fabrics	$ 10,549	$ 47,373	29.7%
Upholstery Fabrics	4,332	10,269	56.2%
(less: Unallocated Corporate)	(4,177)	(5,596)	N/A
Total	$ 10,704	$ 52,046	27.4%

Average Capital Employed

As of the three Months Ended January 31, 2010	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	58,609	25,928	21,971	106,508
Total liabilities	(10,066)	(13,527)	(25,991)	(49,584)
Subtotal	$ 48,543	$ 12,401	$ (4,020)	$ 56,924
Less:				
Cash and cash equivalents	-		(19,015)	$ (19,015)
Current maturities of long-term debt	-		4,880	4,880
Long-term debt, less current maturities			11,529	11,529
Total Capital Employed	$ 48,543	$ 12,401	$ (6,626)	$ 54,318

As of the three Months Ended November 1, 2009	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	56,686	19,598	22,496	98,780
Total liabilities	(10,625)	(10,461)	(24,416)	(45,502)
Subtotal	$ 46,061	$ 9,137	$ (1,920)	$ 53,278
Less:				
Cash and cash equivalents	-	-	(19,575)	(19,575)
Current maturities of long-term debt	-	-	4,863	4,863
Long-term debt, less current maturities		-	11,568	11,568
Total Capital Employed	$ 46,061	$ 9,137	$ (5,064)	$ 50,134

As of the three Months Ended August 2, 2009	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	57,772	16,128	18,511	92,411
Total liabilities	(10,138)	(7,670)	(24,427)	(42,235)
Subtotal	$ 47,634	$ 8,458	$ (5,916)	$ 50,176
Less:				
Cash and cash equivalents	-		(15,481)	$ (15,481)
Current maturities of long-term debt	-		4,817	4,817
Long-term debt, less current maturities			11,618	11,618
Total Capital Employed	$ 47,634	$ 8,458	$ (4,962)	$ 51,130

As of the three Months Ended May 3, 2009	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	58,626	22,078	14,590	95,294
Total liabilities	(11,372)	(10,999)	(24,892)	(47,263)
Subtotal	$ 47,254	$ 11,079	$ (10,302)	$ 48,031
Less:				
Cash and cash equivalents	-		(11,797)	$ (11,797)
Current maturities of long-term debt	-		4,764	4,764
Long-term debt, less current maturities			11,604	11,604
Total Capital Employed	$ 47,254	$ 11,079	$ (5,731)	$ 52,602

	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Average Capital Employed (3)	$ 47,373	$ 10,269	$ (5,596)	$ 52,046

Notes:

(1) Operating income excludes restructuring and related charges--see reconciliation per page 5 of this financial information release.

(2) Return on average capital employed represents operating income for the 9 month period ending January 31, 2010 divided by 3 quarters times 4 quarters to arrive at an annualized value then divided by average capital employed. Average capital employed does not include cash and cash equivalents, long-term debt, including current maturities and shareholders' equity.

(3) Average capital employed computed using the four periods ending May 3,2009, August 2,2009, November 1, 2009, and January 31, 2010.