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) December 1, 2009

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):

☐ 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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Forward Looking Information. 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 December 1, 2009, the company issued a news release to announce its financial results for the second quarter ended November 1, 2009. The news release is attached hereto as Exhibit 99(a).

Also on December 1, 2009, the company released a Financial Information Release containing additional financial information and disclosures about the company's second quarter ended November 1, 2009. 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 December 1, 2009

99(b) Financial Information Release dated December 1, 2009

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: December 1, 2009

EXHIBIT INDEX

Exhibit Number	Exhibit
99(a)	News Release dated December 1, 2009
99(b)	Financial Information Release dated December 1, 2009

Investor & Media Contact: Kenneth R. Bowling
Chief Financial Officer
336-881-5630

CULP ANNOUNCES RESULTS FOR SECOND QUARTER FISCAL 2010

HIGH POINT, N.C. (December 1, 2009) ─ Culp, Inc. (NYSE: CFI) today reported financial and operating results for the second quarter ended November 1, 2009.

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

- Net sales were $49.7 million, down five percent from the second quarter last year, with mattress fabrics segment sales up one percent from a year ago and upholstery fabric segment sales down eleven percent. The five percent change is the smallest year over year decline since the third quarter of fiscal 2008.

- Net income was $2.9 million, or $0.22 per diluted share, compared with a net loss of $40.9 million, or $3.23 per share in the prior year period. The net loss for last year's second quarter included $31.2 million in charges for the establishment of a valuation allowance against substantially all of the company's net deferred tax assets and $11.8 million in restructuring and related charges.

- The mattress fabrics business achieved higher profitability on comparable sales from the prior year, in spite of continued weak consumer demand in the bedding industry.

- The upholstery fabrics business showed a significant profit turnaround for the second quarter, reversing an operating loss in the second quarter of the prior year. This performance was in the face of continued challenging furniture industry conditions.

- Cash flow from operations was $6.1 million for the second quarter and $10.7 million for the first six months of fiscal 2010. This performance is due to consistent profitability in mattress fabrics, the profit turnaround in upholstery fabrics and continued outstanding working capital management in both segments.

- The company's financial position continued to strengthen significantly during the second quarter, with an ending cash balance of $19.6 million and total debt, which includes current maturities of long-term debt plus long-term debt, of $16.4 million. Cash and cash equivalents have grown by almost $8 million since the end of fiscal 2009, while debt has remained the same. This is the first time in over 30 years where the company's cash position exceeded total debt.

- The projection for third quarter fiscal 2010 is for overall sales to increase approximately five percent over the prior year period, with both business segments expecting similar sales gains. This would be the company's first overall sales gain in two years, and the first sales gain in upholstery fabrics in three years. Pre-tax income for the third quarter of fiscal 2010 is expected to be in the range of $2.1 to $2.9 million.

Overview

For the period ended November 1, 2009, net sales were $49.7 million, compared with $52.3 million a year ago, a five percent decrease. The five percent is the smallest year over year decline since the third quarter of fiscal 2008. The company reported net income of $2.9 million, or $0.22 per diluted share, and 5.8 percent of sales, for the second quarter of fiscal 2010, compared with a net loss of $40.9 million, or $3.23 per share, for the second quarter of fiscal 2009. Included in the net loss for the second quarter of fiscal 2009 were charges in the amount of $31.2 million for the establishment of a valuation allowance against substantially all of the company's net deferred tax assets and $11.8 million in restructuring charges in the upholstery fabrics segment.

Commenting on the results, Frank Saxon, president and chief executive officer of Culp, Inc., said, "Our improved performance for the second quarter of fiscal 2010 reflects the benefits of a leaner and more efficient operating platform and aggressive marketing initiatives. We are especially pleased with the turnaround in profitability for our upholstery fabrics business and continued solid profitability in our mattress fabrics segment, in spite of ongoing industry wide demand challenges facing both businesses. We have further enhanced Culp's competitive position in both businesses with a keen focus on execution for our customers and additional investments in our mattress fabrics business. Our financial position is the strongest in the company's history and is providing us with a sound foundation in these uncertain economic times."

Mattress Fabrics Segment

Mattress fabric sales for the second quarter were $28.2 million, an increase of one percent over the same period a year ago.

"Our improved performance in mattress fabrics reflects the benefits of the ongoing investments we have made to develop an efficient and scalable manufacturing platform," said Saxon. "We have continued to enhance our competitive position with improved reactive capacity and a strong focus on execution for our customers. During the second quarter, we completed the installation of additional equipment to further expand our knit capacity and improve our production capabilities for both knits and wovens. We have also initiated the purchase of state-of-the-art finishing equipment for our growing knit business to be installed during our third fiscal quarter. As a result, Culp will be fully vertically integrated in both product lines. In the second half of this fiscal year we plan to make additional capital investments, including expanding capacity for both knits and wovens, as well as implementing an energy efficiency initiative in our Canadian operation that will have an environmental benefit and reduce our operating costs going forward. We are committed to the growth of our mattress fabrics business, and will continue to make the necessary investments to meet the needs of our customers with outstanding service, reliable delivery performance and consistent quality and value."

Upholstery Fabrics Segment

Sales for this segment, which include both fabric and cut and sewn kits, were $21.5 million, compared with $24.2 million a year ago, an 11 percent decrease. Sales of non-U.S. produced fabrics were $17.9 million in the second quarter of fiscal 2010, down one percent over the prior year period, while sales of U.S. produced fabrics were $3.6 million, down 41 percent from the second quarter of fiscal 2009.

"We are very encouraged by the improved operating performance in the upholstery fabrics business," noted Saxon. "We are realizing the incremental benefits of the profit improvement plan completed last year and a leaner and more agile operating platform. With the completion of these initiatives, we have shifted our focus this fiscal year to product development, sales and marketing initiatives, and delivery performance. In particular, the innovative fabrics produced at our China platform offer exceptional quality and value, and customer response has been very favorable. More importantly, we are well positioned to capitalize on improved demand as the economy stabilizes and consumer spending resumes."

Balance Sheet

"We continue to focus on further strengthening our financial position and generating cash in light of the uncertain business climate," added Saxon. "Cash flow from operations was $6.1 million for the second quarter of fiscal 2010 and $10.7 million for the first six months of this fiscal year. Our balance sheet reflected $19.6 million in cash as of November 1, 2009, compared with $15.5 million at the end of the first quarter of fiscal 2010 and $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 balance at the end of the previous fiscal year. We also continue to make improvements in our working capital management. Day's sales in receivables and inventory turnover have steadily improved, even with declining sales. Despite the continued improvement in working capital management achieved thus far in fiscal 2010, we expect cash flow generated from working capital improvements to be substantially lower than the last two fiscal years."

Outlook

Commenting on the outlook for the third quarter of fiscal 2010, Saxon remarked, "While we expect that the economic uncertainties and issues surrounding the housing market will continue to affect consumer demand for furniture and bedding products, we are encouraged by the gradually increasing order trends in our businesses. Overall, we expect our sales for the third quarter of fiscal 2010 to be up approximately five percent from the third quarter of last year.

"We expect sales in our mattress fabrics segment to show a modest improvement over the same period a year ago, while operating profit is expected to be higher than last year. In our upholstery fabrics segment, we currently expect sales to be up approximately five percent for the third quarter. We also believe the upholstery fabric segment's results will again reflect a significant gain in operating profit as compared to the same period a year ago.

"Considering these factors, the company expects to report pre-tax income for the third fiscal quarter of 2010 in the range of $2.1 to $2.9 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 third 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 economic uncertainties and demand challenges facing the upholstery fabrics and mattress fabrics industries," said Saxon.

In closing, Saxon remarked, "We are pleased with our results to date and are optimistic that we will continue to see favorable results in the second half of fiscal 2010. We are realizing the benefits of all the hard work we have done over the past several years to create a lean and agile manufacturing platform and enhance our competitive position in both operating segments. Our mattress fabrics business continues to perform well and we are excited about the additional opportunities to expand our product offerings and further enhance our value proposition to customers. With the improvements in both our China platform and U.S. facility, our upholstery fabrics business is gaining traction and is well positioned for continued profitability. We have developed a scalable business model for both businesses with the ability to meet increased demand as the economy improves. Finally, we have the financial strength to support our growth strategy and capitalize on the opportunities ahead for fiscal 2010 and beyond."

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	
	November 1, 2009	November 2, 2008
Net sales	$ 49,716,000	$ 52,263,000
Income (loss) before income taxes	$ 3,504,000	$ (10,317,000)
Net income (loss)	$ 2,879,000	$ (40,868,000)
Net income (loss) per share:		
Basic	$ 0.23	$ (3.23)
Diluted	$ 0.22	$ (3.23)
Income before income taxes, excluding restructuring and related charges and impairment charges*	$ 3,363,000	$ 1,532,000
Average shares outstanding:		
Basic	12,671,000	12,650,000
Diluted	12,852,000	12,650,000

*Excludes restructuring and related credits of $141,000 for the second quarter of fiscal 2010.
Excludes restructuring and related charges of $11,849,000 for the second quarter of fiscal 2009.

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

	Three Months Ended	
	November 1, 2009	November 2, 2008
Income (loss) before income taxes, as reported	$ 3,504,000	$ (10,317,000)
Restructuring and related (credits) charges	$ (141,000)	$ 11,849,000
Adjusted income before income taxes	$ 3,363,000	$ 1,532,000

-END-

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS AND SIX MONTHS ENDED NOVEMBER 1, 2009 AND NOVEMBER 2, 2008
(UNAUDITED)
(Amounts in Thousands, Except for Per Share Data)

THREE MONTHS ENDED

	Amounts			Percent of Sales	
	November 1, 2009	November 2, 2008	% Over (Under)	**November 1, 2009**	November 2, 2008
Net sales	**$ 49,716**	52,263	(4.9) %	**100.0 %**	100.0 %
Cost of sales	**40,582**	49,115	(17.4) %	**81.6 %**	94.0 %
Gross profit	**9,134**	3,148	190.2 %	**18.4 %**	6.0 %
Selling, general and administrative expenses	**5,385**	4,439	21.3 %	**10.8 %**	8.5 %
Restructuring (credit) expense	**(184)**	8,634	N.M.	**(0.4) %**	16.5 %
Income (loss) from operations	**3,933**	(9,925)	N.M.	**7.9 %**	(19.0) %
Interest expense	**342**	663	(48.4) %	**0.7 %**	1.3 %
Interest income	**(16)**	(21)	(23.8) %	**(0.0) %**	(0.0) %
Other expense (income)	**103**	(250)	N.M.	**0.2 %**	(0.5) %
Income (loss) before income taxes	**3,504**	(10,317)	N.M.	**7.0 %**	(19.7) %
Income taxes*	**625**	30,551	N.M.	**17.8 %**	N.M.
Net income (loss)	**$ 2,879**	(40,868)	N.M.	**5.8 %**	N.M.
Net income (loss) per share-basic	**$ 0.23**	$ (3.23)	N.M.		
Net income (loss) per share-diluted	**$ 0.22**	$ (3.23)	N.M.		
Average shares outstanding-basic	**12,671**	12,650	0.2 %		
Average shares outstanding-diluted	**12,852**	12,650	1.6 %		

SIX MONTHS ENDED

	Amounts			Percent of Sales	
	November 1, 2009	November 2, 2008	% Over (Under)	**November 1, 2009**	November 2, 2008
Net sales	**$ 95,193**	111,585	(14.7) %	**100.0 %**	100.0 %
Cost of sales	**78,473**	101,035	(22.3) %	**82.4 %**	90.5 %
Gross profit	**16,720**	10,550	58.5 %	**17.6 %**	9.5 %
Selling, general and administrative expenses	**10,280**	9,823	4.7 %	**10.8 %**	8.8 %
Restructuring (credit) expense	**(343)**	9,036	N.M.	**(0.4) %**	8.1 %
Income (loss) from operations	**6,783**	(8,309)	N.M.	**7.1 %**	(7.4) %
Interest expense	**699**	1,095	(36.2) %	**0.7 %**	1.0 %
Interest income	**(28)**	(55)	(49.1) %	**(0.0) %**	(0.0) %
Other expense (income)	**617**	(236)	N.M.	**0.6 %**	(0.2) %
Income (loss) before income taxes	**5,495**	(9,113)	N.M.	**5.8 %**	(8.2) %
Income taxes*	**740**	30,975	N.M.	**13.5 %**	N.M.
Net income (loss)	**$ 4,755**	(40,088)	N.M.	**5.0 %**	N.M.
Net income (loss) per share-basic	**$ 0.38**	$ (3.17)	N.M.		
Net income (loss) per share-diluted	**$ 0.37**	$ (3.17)	N.M.		
Average shares outstanding-basic	**12,662**	12,649	0.1 %		
Average shares outstanding-diluted	**12,804**	12,649	1.2 %		

* 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
NOVEMBER 1, 2009, NOVEMBER 2, 2008 AND MAY 3, 2009
Unaudited
(Amounts in Thousands)

	Amounts		Increase (Decrease)		
	November 1, 2009	November 2, 2008	Dollars	Percent	* May 3, 2009
Current assets					
Cash and cash equivalents	**$ 19,575**	8,522	11,053	129.7%	11,797
Accounts receivable	**16,771**	18,801	(2,030)	(10.8) %	18,116
Inventories	**21,834**	36,307	(14,473)	(39.9) %	23,978
Deferred income taxes	**58**	-	58	100.0%	54
Assets held for sale	**160**	4,827	(4,667)	(96.7) %	1,209
Income taxes receivable	**384**	-	384	100.0%	210
Other current assets	**972**	1,100	(128)	(11.6) %	1,264
Total current assets	**59,754**	69,557	(9,803)	(14.1) %	56,628
Property, plant & equipment, net	**24,795**	26,802	(2,007)	(7.5) %	24,253
Goodwill	**11,462**	11,593	(131)	(1.1) %	11,593
Other assets	**2,769**	2,975	(206)	(6.9) %	2,820
Total assets	**$ 98,780**	110,927	(12,147)	(11.0) %	95,294
Current liabilities					
Current maturities of long-term debt	**$ 4,863**	7,383	(2,520)	(34.1) %	4,764
Current portion of obligation under a capital lease	**280**	692	(412)	(59.5) %	626
Accounts payable - trade	**16,416**	19,192	(2,776)	(14.5) %	17,030
Accounts payable - capital expenditures	**377**	1,020	(643)	(63.0) %	923
Accrued expenses	**6,455**	5,259	1,196	22.7%	6,504
Accrued restructuring	**345**	1,790	(1,445)	(80.7) %	853
Income taxes payable - current	**329**	1,074	(745)	(69.4) %	83
Total current liabilities	**29,065**	36,410	(7,345)	(20.2) %	30,783
Accounts payable - capital expenditures	**188**	1,000	(812)	(81.2) %	638
Income taxes payable - long-term	**3,603**	742	2,861	385.6%	3,264
Deferred income taxes	**1,078**	1,185	(107)	(9.0) %	974
Obligation under capital lease	**-**	280	(280)	(100.0) %	-
Long-term debt , less current maturities	**11,568**	24,803	(13,235)	(53.4) %	11,604
Total liabilities	**45,502**	64,420	(18,918)	(29.4) %	47,263
Shareholders' equity	**53,278**	46,507	6,771	14.6%	48,031
Total liabilities and shareholders' equity	**$ 98,780**	110,927	(12,147)	(11.0) %	95,294
Shares outstanding	**12,888**	12,653	235	1.9%	12,768

* Derived from audited financial statements.

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED NOVEMBER 1, 2009 AND NOVEMBER 2, 2008
Unaudited
(Amounts in Thousands)

	SIX MONTHS ENDED	
	Amounts	
	November 1, 2009	November 2, 2008 (2)
Cash flows from operating activities:		
Net income (loss)	$ **4,755**	(40,088)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	**2,052**	4,723
Amortization of other assets	**286**	208
Stock-based compensation	**440**	219
Deferred income taxes	**8**	33,761
Restructuring expenses, net of gain on sale of related assets	**(113)**	7,812
Loss on impairment of equipment	**60**	-
Foreign currency exchange losses (gains)	**554**	(289)
Changes in assets and liabilities, net of effects of acquisition of business:		
Accounts receivable	**1,356**	8,237
Inventories	**2,147**	522
Other current assets	**286**	196
Other assets	**(31)**	88
Accounts payable	**(671)**	(3,112)
Accrued expenses	**(126)**	(2,981)
Accrued restructuring	**(508)**	358
Income taxes	**181**	(2,702)
Net cash provided by operating activities	**10,676**	6,952
Cash flows from investing activities:		
Capital expenditures	**(1,976)**	(1,333)
Net cash paid for acquisition of business	-	(11,365)
Proceeds from the sale of equipment	**285**	-
Net cash used in investing activities	**(1,691)**	(12,698)
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	-	11,000
Payments on vendor-financed capital expenditures	**(797)**	(874)
Payments on capital lease obligation	**(346)**	(412)
Payments on long-term debt	-	(237)
Debt issuance costs	**(15)**	(106)
Proceeds from common stock issued	**45**	21
Net cash (used in) provided by financing activities	**(1,113)**	9,392
Effect of exchange rate changes on cash and cash equivalents	**(94)**	(38)
Increase in cash and cash equivalents	**7,778**	3,608
Cash and cash equivalents at beginning of period	**11,797**	4,914
Cash and cash equivalents at end of period	$ **19,575**	8,522
Free Cash Flow (1)	$ **7,748**	4,295

(1) Free Cash Flow reconciliation is as follows:	**2nd Qtr FY 2010**	2nd Qtr FY 2009
A) Net cash provided by operating activities	$ **10,676**	6,952
B) Minus: Capital Expenditures	**(1,976)**	(1,333)
C) Add: Proceeds from the sale of buildings and equipment	**285**	-
D) Minus: Payments on vendor-financed capital expenditures	**(797)**	(874)
E) Minus: Payments on capital lease obligation	**(346)**	(412)
F) Effects of exchange rate changes on cash and cash equivalents	**(94)**	(38)
	$ **7,748**	4,295

(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 November 1, 2009 and November 2, 2008. Reclassifications are not material to total net cash provided by operating activities, total net cash used in investing activities, and total total net cash (used in) provided by financing activities.

CULP, INC. FINANCIAL INFORMATION RELEASE
STATEMENTS OF OPERATIONS BY SEGMENT
FOR THE THREE MONTHS ENDED NOVEMBER 1, 2009 AND NOVEMBER 2, 2008
(Amounts in thousands)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Net Sales by Segment	**November 1, 2009**	November 2, 2008	% Over (Under)	**November 1, 2009**	November 2, 2008
Mattress Fabrics	**$ 28,202**	28,048	0.5 %	**56.7 %**	53.7 %
Upholstery Fabrics	**21,514**	24,215	(11.2) %	**43.3 %**	46.3 %
Net Sales	**$ 49,716**	52,263	(4.9) %	**100.0 %**	100.0 %
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	**$ 5,896**	5,084	16.0 %	**20.9 %**	18.1 %
Upholstery Fabrics	**3,281**	1,277	156.9 %	**15.3 %**	5.3 %
Subtotal	**9,177**	6,361	44.3 %	**18.5 %**	12.2 %
Restructuring related charges	**(43)** (1)	(3,213) (1)	N.M.	**(0.1) %**	(6.1) %
Gross Profit	**$ 9,134**	3,148	190.2 %	**18.4 %**	6.0 %
Selling, General and Administrative expenses by Segment				Percent of Sales	
Mattress Fabrics	**$ 1,856**	1,833	1.3 %	**6.6 %**	6.5 %
Upholstery Fabrics	**2,183**	2,081	4.9 %	**10.1 %**	8.6 %
Unallocated Corporate expenses	**1,346**	523	157.4 %	**2.7 %**	1.0 %
Subtotal	**5,385**	4,437	21.4 %	**10.8 %**	8.5 %
Restructuring related charges	**-** (1)	2 (1)	(100.0) %	**0.0 %**	0.0 %
Selling, General and Administrative expenses	**$ 5,385**	4,439	21.3 %	**10.8 %**	8.5 %
Operating Income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	**$ 4,041**	3,251	24.3 %	**14.3 %**	11.6 %
Upholstery Fabrics	**1,097**	(804)	N.M.	**5.1 %**	(3.3) %
Unallocated corporate expenses	**(1,346)**	(523)	(157.4) %	**(2.7) %**	(1.0) %
Subtotal	**3,792**	1,924	97.1 %	**7.6 %**	3.7 %
Restructuring credit (expense) and restructuring related charges	**141** (1)	(11,849) (1)	N.M.	**0.3 %**	(22.7) %
Operating income (loss)	**$ 3,933**	(9,925)	N.M.	**7.9 %**	(19.0) %
Depreciation by Segment					
Mattress Fabrics	**$ 880**	935	(5.9) %		
Upholstery Fabrics	**240**	439	(45.3) %		
Subtotal	**1,120**	1,374	(18.5) %		
Accelerated depreciation - Upholstery Fabrics	**-**	2,090	(100.0) %		
Total Depreciation	**1,120**	3,464	(67.7) %		

Notes:

(1) See page 6 for detailed explanations of restructuring and related (credits) charges.

CULP, INC. FINANCIAL INFORMATION RELEASE
STATEMENTS OF OPERATIONS BY SEGMENT
FOR THE SIX MONTHS ENDED NOVEMBER 1, 2009 AND NOVEMBER 2, 2008
(Amounts in thousands)

	SIX MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Net Sales by Segment	**November 1, 2009**	November 2, 2008	% Over (Under)	**November 1, 2009**	November 2, 2008
Mattress Fabrics	**$ 54,476**	63,610	(14.4) %	**57.2 %**	57.0 %
Upholstery Fabrics	**40,717**	47,975	(15.1) %	**42.8 %**	43.0 %
Net Sales	**$ 95,193**	111,585	(14.7) %	**100.0 %**	100.0 %
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	**$ 10,658**	11,428	(6.7) %	**19.6 %**	18.0 %
Upholstery Fabrics	**6,076**	2,347	158.9 %	**14.9 %**	4.9 %
Subtotal	**16,734**	13,775	21.5 %	**17.6 %**	12.3 %
Restructuring related charges	**(14)** (1)	(3,225) (1)	N.M.	**(0.0) %**	(2.9) %
Gross Profit	**$ 16,720**	10,550	58.5 %	**17.6 %**	9.5 %
Selling, General and Administrative expenses by Segment				Percent of Sales	
Mattress Fabrics	**$ 3,665**	3,961	(7.5) %	**6.7 %**	6.2 %
Upholstery Fabrics	**4,216**	4,565	(7.6) %	**10.4 %**	9.5 %
Unallocated Corporate expenses	**2,399**	1,293	85.5 %	**2.5 %**	1.2 %
Subtotal	**10,280**	9,819	4.7 %	**10.8 %**	8.8 %
Restructuring related charges	**-** (1)	4 (1)	(100.0) %	**0.0 %**	0.0 %
Selling, General and Administrative expenses	**$ 10,280**	9,823	4.7 %	**10.8 %**	8.8 %
Operating Income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	**$ 6,993**	7,467	(6.3) %	**12.8 %**	11.7 %
Upholstery Fabrics	**1,860**	(2,218)	N.M.	**4.6 %**	(4.6) %
Unallocated corporate expenses	**(2,399)**	(1,293)	(85.5) %	**(2.5) %**	(1.2) %
Subtotal	**6,454**	3,956	63.1 %	**6.8 %**	3.5 %
Restructuring credit (expense) and restructuring related charges	**329** (1)	(12,265) (1)	N.M.	**0.3 %**	(11.0) %
Operating income (loss)	**$ 6,783**	(8,309)	N.M.	**7.1 %**	(7.4) %
Depreciation by Segment					
Mattress Fabrics	**$ 1,779**	1,693	5.1 %		
Upholstery Fabrics	**273**	940	(71.0) %		
Subtotal	**2,052**	2,633	(22.1) %		
Accelerated depreciation	**-**	2,090	(100.0) %		
Total depreciation	**2,052**	**4,723**	(56.6) %		

Notes:

(1) See page 7 for detailed explanations of restructuring and related (credits) charges.

CULP, INC.
ADJUSTED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED NOVEMBER 1, 2009 AND NOVEMBER 2, 2008
(Amounts in Thousands)

	THREE MONTHS ENDED (UNAUDITED)												
	As Reported November 1, 2009	% of Sales	Adjustments	% of Sales	November 1, 2009 Adjusted Results	% of Sales	**As Reported November 2, 2008**	% of Sales	Adjustments	% of Sales	November 2, 2008 Adjusted Results	% of Sales	Adjusted % Over (Under)
Net sales	**$ 49,716**	100.0%	-		49,716	100.0%	**52,263**	100.0%	-		52,263	100.0%	-4.9%
Cost of sales	**40,582**	81.6%	(43)	-0.1%(1)	40,539	81.5%	**49,115**	94.0%	(3,213)	-6.1%(3)	45,902	87.8%	-11.7%
Gross Profit	**9,134**	18.4%	(43)	-0.1%	9,177	18.5%	**3,148**	6.0%	(3,213)	-6.1%	6,361	12.2%	44.3%
Selling, general and administrative expenses	**5,385**	10.8%	-	0.0%	5,385	10.8%	**4,439**	8.5%	(2)	0.0%(3)	4,437	8.5%	21.4%
Restructuring (credit) expense	**(184)**	-0.4%	184	0.4%(2)	-	0.0%	**8,634**	16.5%	(8,634)	-16.5%(4)	-	0.0%	0.0%
Income (loss) from operations	**3,933**	7.9%	141	0.3%	3,792	7.6%	**(9,925)**	-19.0%	(11,849)	-22.7%	1,924	3.7%	97.1%
Interest expense	**342**	0.7%	-	0.0%	342	0.7%	**663**	1.3%	-	0.0%	663	1.3%	-48.4%
Interest income	**(16)**	0.0%	-	0.0%	(16)	0.0%	**(21)**	0.0%	-	0.0%	(21)	0.0%	-23.8%
Other expense (income)	**103**	0.2%	-	0.0%	103	0.2%	**(250)**	-0.5%	-	0.0%	(250)	-0.5%	141.2%
Income (loss) before income taxes	**$ 3,504**	7.0%	141	0.3%(5)	3,363	6.8%	**(10,317)**	-19.7%	(11,849)	-22.7%(6)	1,532	2.9%	119.5%

Notes:

(1) The $43 restructuring related charge represents other operating costs associated with a closed plant facility.

(2) The $184 restructuring credit represents a credit for employee termination benefits of $200 offset by a charge for lease termination and other exit costs of $16.

(3) The $3.2 million restructuring related charge represents $2.1 million for accelerated depreciation, $1.1 million for inventory markdowns, and $15 for other operating costs associated with closed plant facilities. The $2 restructuring related charge represents other operating costs associated with closed plant facilities.

(4) The $8.6 million represents $7.8 million for write-downs of a building and equipment, $460 for lease termination and other exit costs, and $362 for employee termination benefits.

(5) This $141 represents a cash credit.

(6) Of this total charge, $839 and $11.0 million represent cash and non-cash charges, respectively.

CULP, INC.
ADJUSTED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED NOVEMBER 1, 2009 AND NOVEMBER 2, 2008
(Amounts in Thousands)

	SIX MONTHS ENDED (UNAUDITED)													
	As Reported November 1, 2009	% of Sales	Adjustments	% of Sales		November 1, 2009 Adjusted Results	% of Sales	**As Reported November 2, 2008**	% of Sales	Adjustments	% of Sales		November 2, 2008 Adjusted Results	% of Sales	Adjusted % Over (Under)
Net sales	**$ 95,193**	100.0%	-			95,193	100.0%	**111,585**	100.0%	-			111,585	100.0%	-14.7%
Cost of sales	**78,473**	82.4%	(14)	0.0%	(1)	78,459	82.4%	**101,035**	90.5%	(3,225)	-2.9%	(3)	97,810	87.7%	-19.8%
Gross Profit	**16,720**	17.6%	(14)	0.0%		16,734	17.6%	**10,550**	9.5%	(3,225)	-2.9%		13,775	12.3%	21.5%
Selling, general and administrative expenses	**10,280**	10.8%	-	0.0%		10,280	10.8%	**9,823**	8.8%	(4)	0.0%	(3)	9,819	8.8%	4.7%
Restructuring (credit) expense	**(343)**	-0.4%	343	0.4%	(2)	-	0.0%	**9,036**	8.1%	(9,036)	-8.1%	(4)	-	0.0%	0.0%
Income (loss) from operations	**6,783**	7.1%	329	0.3%		6,454	6.8%	**(8,309)**	-7.4%	(12,265)	-11.0%		3,956	3.5%	63.1%
Interest expense	**699**	0.7%	-	0.0%		699	0.7%	**1,095**	1.0%	-	0.0%		1,095	1.0%	-36.2%
Interest income	**(28)**	0.0%	-	0.0%		(28)	0.0%	**(55)**	0.0%	-	0.0%		(55)	0.0%	-49.1%
Other expense (income)	**617**	0.6%	-	0.0%		617	0.6%	**(236)**	-0.2%	-	0.0%		(236)	-0.2%	361.4%
Income (loss) before income taxes	**$ 5,495**	5.8%	329	0.3%	(5)	5,166	5.4%	**(9,113)**	-8.2%	(12,265)	-11.0%	(6)	3,152	2.8%	63.9%

Notes:

(1) The $14 restructuring related charge represents a charge of $64 for other operating costs associated with closed plant facilities offset by a credit of $50 for inventory markdowns.

(2) The $343 restructuring credit represents a credit of $169 for employee termination benefits, a credit of $113 for sales proceeds received on equipment with no carrying value, and a credit of $61 for lease termination and other exit costs.

(3) The $3.2 million represents restructuring related charges of $2.1 million for accelerated depreciation, $1.1 million for inventory markdowns, and $27 for other operating costs associated with closed plant facilities. The $4 represents restructuring related charges for other operating costs associated with closed plant facilities.

(4) The $9.0 million represents $7.8 million for write-downs of a building and equipment, $776 for employee termination benefits, and $447 for lease termination and other exit costs.

(5) Of this total credit, $279 and $50 represent cash and non-cash credits, respectively.

(6) Of this total charge, $1.3 million and $11.0 million represent cash and non-cash charges, respectively.

CULP, INC. FINANCIAL INFORMATION RELEASE
RETURN ON CAPITAL EMPLOYED BY SEGMENT
FOR THE SIX MONTHS ENDED NOVEMBER 1, 2009
(UNAUDITED)

	Operating Income Six Months Ended November 1, 2009 (1)	**Average Capital Employed (3)**	**Return on Avg. Capital Employed (2)**
Mattress Fabrics	$ 6,993	$ 46,983	29.8%
Upholstery Fabrics	1,860	9,558	38.9%
(less: Unallocated Corporate)	(2,399)	(5,252)	N/A
Total	$ 6,454	$ 51,289	25.2%

	As of the three Months Ended November 1, 2009				**As of the three Months Ended August 2, 2009**				**As of the three Months Ended May 3, 2009**			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	56,686	19,598	22,496	98,780	57,772	16,128	18,511	92,411	58,626	22,078	14,590	95,294
Total liabilities	(10,625)	(10,461)	(24,416)	(45,502)	(10,138)	(7,670)	(24,427)	(42,235)	(11,372)	(10,999)	(24,892)	(47,263)
Subtotal	$ 46,061	$ 9,137	$ (1,920)	$ 53,278	$ 47,634	$ 8,458	$ (5,916)	$ 50,176	$ 47,254	$ 11,079	$ (10,302)	$ 48,031
Less:												
Cash and cash equivalents	-		(19,575)	$ (19,575)	-		(15,481)	$ (15,481)	-		(11,797)	$ (11,797)
Current maturities of long-term debt	-		4,863	4,863	-		4,817	4,817	-		4,764	4,764
Long-term debt, less current maturities			11,568	11,568			11,618	11,618			11,604	11,604
Total Capital Employed	$ 46,061	$ 9,137	$ (5,064)	$ 50,134	$ 47,634	$ 8,458	$ (4,962)	$ 51,130	$ 47,254	$ 11,079	$ (5,731)	$ 52,602

	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Average Capital Employed (3)	$ 46,983	$ 9,558	$ (5,252)	$ 51,289

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 6 month period ending November 1, 2009 multiplied by 2 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 three periods ending May 3, August 2, and November 1, 2009.