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) June 20, 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.)

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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Item 2.02 -- Results of Operations and Financial Condition

On June 20, 2005, the company issued a news release to announce its financial results for the fourth quarter and fiscal year ended May 1, 2005. The news release is attached hereto as Exhibit 99(a).

Also on June 20, 2005, the Registrant released a Financial Information Release containing additional financial information and disclosures about the Registrant's fourth quarter and fiscal year ended May 1, 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, early extinguishment of debt 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, early extinguishment of debt 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. In addition, this information is used by management to make operational decisions about the company's business, and is used by the company as a financial goal for purposes of determining management incentive bonuses.

Forward-Looking Information. This report 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.

Item 9.01 (c) -- Exhibits

99(a) News Release dated June 20, 2005.

99(b) Financial Information Release dated June 20, 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: /s/ Franklin N. Saxon

Franklin N. Saxon
President and Chief Operating Officer

By: /s/ Kenneth R. Bowling

Kenneth R. Bowling
Vice President-Finance, Treasurer

Dated: June 20, 2005
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Exhibit 99(a)

Culp Announces Fiscal 2005 Results

HIGH POINT, N.C.--(BUSINESS WIRE)--June 20, 2005--Culp, Inc. (NYSE: CFI) today reported financial and operating results for the fourth quarter and fiscal year ended May 1, 2005.

Overview

For the three months ended May 1, 2005, net sales were $74.2 million, compared with net sales of $85.1 million a year ago. The company reported a net loss of $7.7 million, or $0.67 per diluted share, for the fourth quarter of fiscal 2005, compared with net income of $3.7 million, or $0.32 per diluted share, for the fourth quarter of fiscal 2004. The financial results for the fourth quarter of fiscal 2005 include after-tax restructuring and related charges of $6.4 million, or $0.55 per diluted share. Excluding these charges, net loss for the fourth fiscal quarter was $1.4 million, or $0.12 per diluted share. The results for the fourth quarter of fiscal 2004 include an after-tax credit of $0.7 million, or $0.06 per diluted share, related to the company's restructuring reserves. (A reconciliation of the net income (loss) and net income (loss) per share calculations has been set forth on Page 5.)

For the fiscal year ended May 1, 2005, the company reported net sales of $286.5 million compared with $318.1 million for the same period a year ago. Net loss for fiscal 2005 was $17.9 million, or $1.55 per diluted share, compared with net income of $7.2 million, or $0.61 per diluted share, for fiscal 2004. Excluding restructuring and related charges and goodwill impairment, net loss for fiscal 2005 was $3.4 million, or $0.30 per diluted share. Fiscal 2005 included 52 weeks versus 53 weeks for the same period of fiscal 2004.

Commenting on the company's results for the fourth quarter and fiscal 2005, Robert G. Culp, III, chief executive officer of Culp, Inc., said, "Throughout fiscal 2005, we have worked hard to address both the challenges and opportunities facing our industry and Culp's business. Many of the strategic changes we now have underway are affecting our bottom line in the short term as we position Culp for improved profitability in fiscal 2006. We believe we are taking the necessary steps to enhance our competitive position in today's global marketplace."

Mattress Fabrics Segment

Mattress fabric (known as mattress ticking) sales were $27.0 million in the fourth quarter of fiscal 2005 compared with $27.2 million for the fourth quarter of fiscal 2004. Operating income for this segment improved to $2.2 million, or 8.2 percent of sales, compared with $1.6 million, or 6.2 percent of sales, in the third quarter of fiscal 2005. Operating income was $3.6 million, or 13.1 percent of sales, for the prior-year period. Compared with the fourth quarter of fiscal 2004, operating margins in this segment were affected by close-out sales and manufacturing variances related to the relocation of mattress ticking looms. Additionally, the mattress fabrics segment has been affected throughout fiscal 2005 by industry-wide pricing pressures as well as higher raw material costs.

"We continue to be optimistic about our mattress ticking business in spite of industry-wide pricing pressures," said Culp. "While sales for the quarter were slightly behind the same period last year in absolute dollars, we sold over three percent more yards of ticking than we did a year ago. We are on schedule with our capital project designed to enhance efficiencies and further reduce our operating costs going forward. The relocation of ticking looms from an upholstery fabric plant to existing mattress ticking facilities in the U.S. and Canada is underway and is expected to be completed on schedule by August 2005. In addition, we are in the process of installing new weaving machines that are faster and more efficient than the equipment they will replace. We believe these changes in our manufacturing operations will significantly enhance our globally competitive cost structure, and we look forward to the opportunity to extend our leadership position in the mattress ticking business."

Upholstery Fabrics Segment

Sales for this segment were $47.2 million in the fourth quarter of fiscal 2005, an 18.6 percent decline compared with $58.0 million in the fourth quarter of fiscal 2004. Overall, sales for the quarter continued to reflect the lower demand industry-wide for U.S. produced upholstery fabrics that Culp has experienced throughout fiscal 2005. The current consumer preference for leather and suede furniture and customer selection of other imported fabrics, including cut and sewn kits, are driving this trend. These results also reflect operating constraints related to ongoing restructuring activities in the decorative weaving operations. Operating loss for this segment was $2.0 million, compared with operating income of $2.8 million for the same period a year ago. For the fourth quarter, margins were affected by significant manufacturing variances related to restructuring activities, continued underutilization of domestic capacity and higher raw material costs.

Culp noted, "As we announced in early May, we have taken very decisive steps to bring our U.S. manufacturing capacity in line with current demand trends. By further consolidating our manufacturing operations and merging the key functions for the two divisions within the upholstery fabrics segment, we are significantly reducing our operating costs and improving our domestic capacity utilization. We expect these restructuring actions to be substantially complete by August 2005. Going forward, annual cost savings are anticipated to be approximately $11 million, of which approximately $6 million will be in selling, general and administrative costs and approximately $5 million will be in fixed manufacturing costs. We are committed to taking whatever additional steps are necessary to keep our U.S. manufacturing capacity in line with demand and achieve profitable domestic operations.

"We continue to gain momentum with respect to our offshore produced business," added Culp. "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 75 percent during the fourth quarter compared with the same quarter last year, and were up 100 percent for the year. These fabrics accounted for almost 25 percent of Culp's overall upholstery fabric sales during the fourth quarter of fiscal 2005. Customer response has been favorable and we are excited about the innovative products that we are now able to offer. Our customers are receiving the same exceptional design and quality that always have been a trademark of Culp, but at better values. We believe Culp has an effective global sales and sourcing strategy in place to meet the changing demands of our customers, and we will continue to aggressively pursue additional opportunities to expand our market reach."

Outlook

Commenting on the outlook for the first quarter of fiscal 2006, Culp continued, "We are encouraged by the early indications for the first quarter of fiscal 2006 as we begin to see signs that the strategic moves we have made are starting to show positive results. Reduced operating costs and greater efficiencies make us optimistic about the future.

"We expect sales for the mattress ticking segment will show a modest decrease over first quarter sales last year, reflecting continued industry-wide pricing pressure. However, operating income margin in this segment is expected to improve from the fourth quarter of fiscal 2005. With respect to upholstery fabrics, we note that the summer months are typically slow for this segment. While we expect continued significant growth in sales of fabrics produced outside the U.S., we believe demand for domestically produced upholstery fabrics will continue to decline. For the first quarter of fiscal 2006, we expect overall upholstery fabrics segment sales to decrease, but to a much lesser extent than the fourth quarter decline because of the strong growth trends in the sales of fabrics produced offshore. We believe the decrease in sales of domestically produced upholstery fabrics, combined with manufacturing costs related to ongoing restructuring activities, will result in an operating loss for this segment. Considering these factors, we expect the company to report a net loss of $0.02 to $0.08 per diluted share in the first fiscal quarter, excluding previously announced restructuring and related charges. This is management's best estimate at present, recognizing that future financial results are difficult to predict because the upholstery fabrics industry is undergoing a dramatic transition and many internal changes are underway within the company. The actual results will depend primarily upon the level of demand throughout the quarter, the company's progress with respect to restructuring activities for our domestic upholstery fabrics operations, and the implementation of our capital project in mattress ticking."

The company estimates that restructuring and related charges of approximately $3.2 million, net of taxes, or $0.28 per diluted share, will be incurred during the first fiscal quarter. Including the restructuring and related charges, the company expects to report a net loss for the first fiscal quarter of $0.30 to $0.36 per diluted share. (A reconciliation of the projected net loss per share calculation has been set forth on Page 5.)

In closing, Culp remarked, "We have many reasons to be optimistic about the company's prospects for the next fiscal year. The actions we have taken over the past year to right-size our domestic upholstery fabric capacity and streamline our operations will significantly reduce our costs and allow us to operate more efficiently. We have a strong competitive position in mattress ticking and look forward to realizing the benefits of the capital project now underway in this segment. Our offshore produced business is now thriving and will be an important driver of our success in fiscal 2006. An integral part of this business is Culp's China facility, and we are pleased with the profitability and growth opportunities for this platform. We believe we are moving Culp in the right direction. Above all, our primary focus for the next year is to restore Culp to profitability and to deliver results that will reward our shareholders."

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		Fiscal Year Ended	
	May 1, 2005	May 2, 2004	May 1, 2005	May 2, 2004
Net sales	$74,183,000	$85,148,000	$286,498,000	$318,116,000
Net income (loss)	$(7,730,000)	$3,733,000	$(17,852,000)	$7,220,000
Net income (loss) per share:				
Basic	$(0.67)	$0.32	$(1.55)	$0.63
Diluted	$(0.67)	$0.32	$(1.55)	$0.61
Net income (loss) per share, diluted, excluding restructuring and related charges (credit), goodwill impairment and early extinguishment of debt(1)	$(0.12)	$0.26	$(0.30)	$0.65
Average shares outstanding:				
Basic	11,550,000	11,531,000	11,549,000	11,525,000

Diluted	11,550,000	11,815,000	11,549,000	11,777,000

(1) Excludes restructuring and related charges of $10.3 million ($6.4 million or $0.55 per diluted share, after taxes) for the fourth quarter of fiscal 2005. Excludes restructuring and related charges and goodwill impairment of $23.2 million ($14.4 million or $1.25 per diluted share, after taxes) for fiscal 2005. For the fourth quarter and fiscal year ended May 2, 2004, excludes credit for restructuring reserves of $1.0 million ($701,000, or $0.06 per diluted share, after taxes). For fiscal 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 (Loss) (Unaudited)

	Three Months Ended		Fiscal Year Ended	
	May 1, 2005	May 2, 2004	May 1, 2005	May 2, 2004
Net income (loss), as reported	$(7,730,000)	$3,733,000	$(17,852,000)	$7,220,000
Early extinguishment of debt, net of income taxes				1,120,000
Restructuring and related charges (credit) and goodwill impairment, net of income taxes	6,380,000	(701,000)	14,423,000	(701,000)
Pro forma net income (loss)	$(1,350,000)	$3,032,000	$(3,429,000)	$7,639,000

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

	Three Months Ended		Fiscal Year Ended	
	May 1, 2005	May 2, 2004	May 1, 2005	May 2, 2004
Diluted net income (loss) per share	$(0.67)	$0.32	$(1.55)	$0.61
Early extinguishment of debt, net of income taxes				0.10
Restructuring and related charges (credit) and goodwill impairment, net of income taxes	0.55	(0.06)	1.25	(0.06)
Diluted net income per share, adjusted	$(0.12)	$0.26	$(0.30)	$0.65

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

Three Months Ending

	July 31, 2005
Projected range of net loss per diluted share	$(0.30)-(0.36)
Projected restructuring and related charges, net of income taxes	0.28
Projected range of pro forma net loss per diluted share	$(0.02)-(0.08)

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or
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CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE THREE MONTHS AND TWELVE MONTHS ENDED MAY 1, 2005 AND MAY 2, 2004
(UNAUDITED)
(Amounts in Thousands, Except for Per Share Data)

THREE MONTHS ENDED (UNAUDITED)

	Amounts			Percent of Sales	
	May 1, 2005	May 2, 2004	% Over (Under)	May 1, 2005	May 2, 2004
Net sales	$ 74,183	85,148	(12.9)%	100.0 %	100.0 %
Cost of sales	68,835	69,510	(1.0)%	92.8 %	81.6 %
Gross profit	5,348	15,638	(65.8)%	7.2 %	18.4 %
Selling, general and administrative expenses	9,048	9,925	(8.8)%	12.2 %	11.7 %
Restructuring expense (credit)	8,083	(1,047)	(872.0)%	10.9 %	(1.2)%
Income (loss) from operations	(11,783)	6,760	(274.3)%	(15.9)%	7.9 %
Interest expense	924	988	(6.5)%	1.2 %	1.2 %
Interest income	(36)	(20)	80.0 %	(0.0)%	(0.0)%
Other expense	81	220	(63.2)%	0.1 %	0.3 %
Income (loss) before income taxes	(12,752)	5,572	(328.9)%	(17.2)%	6.5 %
Income taxes*	(5,022)	1,839	(373.1)%	39.4 %	33.0 %
Net income (loss)	$ (7,730)	3,733	(307.1)%	(10.4)%	4.4 %
Net income (loss) per share-basic	($0.67)	$0.32	(309.4)%		
Net income (loss) per share-diluted	($0.67)	$0.32	(309.4)%		
Net income (loss) per share, diluted, excluding restructuring and related charges and credits	($0.12)	$0.26	(146.2)%		
Average shares outstanding-basic	11,550	11,531	0.2 %		
Average shares outstanding-diluted	11,550	11,815	(2.2)%		

TWELVE MONTHS ENDED (UNAUDITED)

	Amounts			Percent of Sales	
	May 1, 2005	May 2, 2004	% Over (Under)	May 1, 2005	May 2, 2004
Net sales	$ 286,498	318,116	(9.9)%	100.0 %	100.0 %
Cost of sales	260,341	259,794	0.2 %	90.9 %	81.7 %
Gross profit	26,157	58,322	(55.2)%	9.1 %	18.3 %
Selling, general and administrative expenses	35,357	41,019	(13.8)%	12.3 %	12.9 %
Goodwill impairment	5,126	0	100.0 %	1.8 %	0.0 %
Restructuring expense (credit)	10,372	(1,047)	(1,090.6)%	3.6 %	(0.3)%
Income (loss) from operations	(24,698)	18,350	(234.6)%	(8.6)%	5.8 %

Interest expense	3,713	5,528	(32.8)%	1.3 %	1.7 %
Interest income	(134)	(376)	(64.4)%	(0.0)%	(0.1)%
Early extinguishment of debt	0	1,672	(100.0)%	0.0 %	0.5 %
Other expense	517	750	(31.1)%	0.2 %	0.2 %
Income (loss) before income taxes	(28,794)	10,776	(367.2)%	(10.1)%	3.4 %
Income taxes*	(10,942)	3,556	(407.7)%	38.0 %	33.0 %
Net income (loss)	$ (17,852)	7,220	(347.3)%	(6.2)%	2.3 %

Net income (loss) per share-basic	($1.55)	$0.63	(346.0)%
Net income (loss) per share-diluted	($1.55)	$0.61	(354.1)%
Net income (loss) per share, diluted, excluding restructuring and related charges and credits, goodwill impairment, and early extinguishment of debt	($0.30)	$0.65	(146.2)%
Average shares outstanding-basic	11,549	11,525	0.2 %
Average shares outstanding-diluted	11,549	11,777	(1.9)%

* 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
MAY 1, 2005 AND MAY 2, 2004
Unaudited
(Amounts in Thousands)

	Amounts		Increase (Decrease)	
	May 1, 2005	May 2, 2004	Dollars	Percent
Current assets				
Cash and cash equivalents	$ 5,107	14,568	(9,461)	(64.9)%
Accounts receivable	28,824	30,719	(1,895)	(6.2)%
Inventories	50,499	49,045	1,454	3.0 %
Deferred income taxes	7,054	9,256	(2,202)	(23.8)%
Other current assets	2,691	1,722	969	56.3 %
Total current assets	94,175	105,310	(11,135)	(10.6)%
Property, plant & equipment, net	66,032	77,770	(11,738)	(15.1)%
Goodwill	4,114	9,240	(5,126)	(55.5)%
Deferred income taxes	10,086	0	10,086	100.0 %
Other assets	1,716	1,496	220	14.7 %
Total assets	$ 176,123	193,816	(17,693)	(9.1)%
Current liabilities				
Current maturities of long-term debt	$ 8,110	528	7,582	1,436.0 %
Accounts payable	22,852	15,323	7,529	49.1 %
Accrued expenses	9,556	13,116	(3,560)	(27.1)%
Accrued restructuring	5,850	4,968	882	17.8 %
Income taxes payable	1,544	1,850	(306)	(16.5)%
Total current				

liabilities	47,912	35,785	12,127	33.9 %
Long-term debt, less current maturities	42,440	50,502	(8,062)	(16.0)%
Deferred income taxes	0	4,138	(4,138)	(100.0)%
Total liabilities	90,352	90,425	(73)	(0.1)%
Shareholders' equity	85,771	103,391	(17,620)	(17.0)%
Total liabilities and shareholders' equity	$ 176,123	193,816	(17,693)	(9.1)%
Shares outstanding	11,551	11,547	4	0.0 %

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED MAY 1, 2005 AND MAY 2, 2004
Unaudited
(Amounts in Thousands)

	TWELVE MONTHS ENDED	
	Amounts	
	May 1, 2005	May 2, 2004
Cash flows from operating activities:		
Net income (loss)	$ (17,852)	7,220
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	18,884	13,642
Amortization of other assets	130	173
Stock-based compensation	210	210
Goodwill impairment	5,126	0
Deferred income taxes	(12,022)	3,334
Restructuring expense (credit)	10,372	(1,047)
Changes in assets and liabilities:		
Accounts receivable	1,895	1,540
Inventories	(1,454)	507
Other current assets	(969)	1,482
Other assets	67	607
Accounts payable	6,251	(951)
Accrued expenses	(3,560)	(955)
Accrued restructuring	(2,800)	(1,911)
Income taxes payable	(306)	1,501
Net cash provided by operating activities	3,972	25,352
Cash flows from investing activities:		
Capital expenditures	(11,448)	(5,976)
Purchases of short-term investments	0	(17,282)
Proceeds from the sale of short-term investments	0	27,325
Net cash (used in) provided by investing activities	(11,448)	4,067
Cash flows from financing activities:		
Payments on vendor-financed capital expenditures	(1,527)	(3,932)
Payments on long-term debt	(480)	(25,470)
Proceeds from common stock issued	22	196
Net cash used in financing activities	(1,985)	(29,206)
(Decrease) increase in cash and cash equivalents	(9,461)	213
Cash and cash equivalents at beginning of period	14,568	14,355
Cash and cash equivalents at end of period	$ 5,107	14,568
Free Cash Flow (1)	$ (9,003)	15,444

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(1) Free Cash Flow reconciliation is as follows:

	FY 2005	FY 2004
A) Net cash provided by operating activities	3,972	25,352
B) Minus: Capital Expenditures	(11,448)	(5,976)
C) Minus: Payments on vendor-financed capital expenditures	(1,527)	(3,932)
	(9,003)	15,444

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CULP, INC. FINANCIAL INFORMATION RELEASE
SALES, GROSS PROFIT AND OPERATING INCOME (LOSS) BY SEGMENT/DIVISION
FOR THE THREE MONTHS ENDED MAY 1, 2005 AND MAY 2, 2004

(Amounts in thousands)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Net Sales by Segment	May 1, 2005	May 2, 2004	% Over (Under)	May 1, 2005	May 2, 2004
Mattress Fabrics					
Culp Home Fashions	$ 27,018	27,200	(0.7)%	36.4 %	31.9 %
Upholstery Fabrics					
Culp Decorative Fabrics	25,936	32,519	(20.2)%	35.0 %	38.2 %
Culp Velvets/Prints	21,229	25,429	(16.5)%	28.6 %	29.9 %
	47,165	57,948	(18.6)%	63.6 %	68.1 %
Net Sales	$ 74,183	85,148	(12.9)%	100.0 %	100.0 %
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	$ 4,092	5,883	(30.4)%	15.1 %	21.6 %
Upholstery Fabrics	3,316	9,755	(66.0)%	7.0 %	16.8 %
Restructuring related charges (1)	(2,060)	0	(100.0)%	(4.4)%	0.0 %
Gross Profit	$ 5,348	15,638	(65.8)%	7.2 %	18.4 %
Operating Income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	$ 2,223	3,555	(37.5)%	8.2 %	13.1 %
Upholstery Fabrics	(2,018)	2,844	(171.0)%	(4.3)%	4.9 %
Unallocated corporate expenses	(1,732)	(686)	152.5 %	(2.3)%	(0.8)%
Restructuring and related charges and credits (1)	(10,256)	1,047	(1,079.6)%	(21.7)%	1.8 %
Operating income (loss)	$ (11,783)	6,760	(274.3)%	(15.9)%	7.9 %

Depreciation by Segment			
Mattress Fabrics	$ 892 (2)	931	(4.2)%
Upholstery Fabrics	2,043 (2)	2,417	(15.5)%
Total Depreciation	$ 2,935	3,348	(12.3)%

(1) The $2.0 million represents restructuring related charges of $1.3 million for accelerated depreciation and $734,000 for inventory markdowns. The $10.3 million represents $5.3 million for write-downs of buildings and equipment, $1.6 million related to asset movement costs, $1.5 million for

accelerated depreciation, $1.2 for termination benefits, and $734,000 for inventory markdowns.

(2) Excludes accelerated depreciation of approximately $1.3 million associated with plant and equipment.

CULP, INC. FINANCIAL INFORMATION RELEASE
SALES, GROSS PROFIT AND OPERATING INCOME (LOSS) BY SEGMENT/DIVISION
FOR THE TWELVE MONTHS ENDED MAY 1, 2005 AND MAY 2, 2004

(Amounts in thousands)

	TWELVE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Net Sales by Segment	May 1, 2005	May 2, 2004	% Over (Under)	May 1, 2005	May 2, 2004
Mattress Fabrics					
Culp Home Fashions	$ 105,432	106,322	(0.8)%	36.8 %	33.4 %
Upholstery Fabrics					
Culp Decorative Fabrics	102,185	124,272	(17.8)%	35.7 %	39.1 %
Culp Velvets/Prints	78,881	87,522	(9.9)%	27.5 %	27.5 %
	181,066	211,794	(14.5)%	63.2 %	66.6 %
Net Sales	$ 286,498	318,116	(9.9)%	100.0 %	100.0 %
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	$ 16,819	23,376	(28.1)%	16.0 %	22.0 %
Upholstery Fabrics	16,899	34,946	(51.6)%	9.3 %	16.5 %
Restructuring related charges (1)	(7,561)	0	(100.0)%	(4.2)%	0.0 %
Gross Profit	$ 26,157	58,322	(55.2)%	9.1 %	18.3 %
Operating Income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	$ 9,389	14,986	(37.3)%	8.9 %	14.1 %
Upholstery Fabrics	(6,435)	6,836	(194.1)%	(3.6)%	3.2 %
Unallocated corporate expenses	(4,480)	(4,519)	(0.9)%	(1.6)%	(1.4)%
Goodwill impairment	(5,126)	0	(100.0)%	(1.8)%	0.0 %
Restructuring and related charges and credits (1)	(18,046)	1,047	(1,823.6)%	(10.0)%	0.5 %
Operating income (loss)	$ (24,698)	18,350	(234.6)%	(8.6)%	5.8 %
Depreciation by Segment					
Mattress Fabrics	$ 3,635 (2)	3,753	(3.1)%		
Upholstery Fabrics	9,227 (2)	9,889	(6.7)%		
Total Depreciation	$ 12,862	13,642	(5.7)%		

(1) The $7.6 million represents restructuring related charges of $6.0 million for accelerated depreciation and $1.6 million for inventory write-downs. The $18.0 million represents $7.7 million in related charges for

accelerated depreciation and inventory markdowns, \$5.6 million related to write-downs of buildings and equipment, \$2.5 million related to asset movement costs, and \$2.2 million related to employee termination costs.

(2) Excludes accelerated depreciation of approximately \$6.0 million associated with plant and equipment.

CULP, INC.
PROFORMA CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE THREE MONTHS ENDED MAY 1, 2005 AND MAY 2, 2004
(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED					
	As Reported May 1, 2005	% of Sales	Adjustments	% of Sales	May 1, 2005 Proforma Net of Adjustments	% of Sales
Net sales	$ 74,183	100.0%	0		74,183	100.0%
Cost of sales	68,835	92.8%	(2,060)	-2.8%(1)	66,775	90.0%
Gross profit	5,348	7.2%	(2,060)	-2.8%	7,408	10.0%
Selling, general and administrative expenses	9,048	12.2%	(113)	0.0%(2)	8,935	12.0%
Restructuring expense (credit)	8,083	10.9%	(8,083)	-10.9%(2)	0	0.0%
Income (loss) from operations	(11,783)	-15.9%	(10,256)	-13.8%	(1,527)	-2.1%
Interest expense	924	1.2%	0	0.0%	924	1.2%
Interest income	(36)	0.0%	0	0.0%	(36)	0.0%
Other expense	81	0.1%	0	0.0%	81	0.1%
Income (loss) before income taxes	(12,752)	-17.2%	(10,256)	-13.8%	(2,496)	-3.4%
Income taxes (3)	(5,022)	39.4%	(3,876)	37.8%	(1,146)	45.9%
Net income (loss)	$ (7,730)	-10.4%	(6,380)	-8.6%	(1,350)	-1.8%
Net income (loss) per share-basic	($0.67)		($0.55)		($0.12)	
Net income (loss) per share-diluted	($0.67)		($0.55)		($0.12)	
Average shares outstanding-basic	11,550		11,550		11,550	
Average shares outstanding-diluted	11,550		11,550		11,550	

	THREE MONTHS ENDED						
	As Reported May 2, 2004	% of Sales	Adjustments	% of Sales	May 2, 2004 Proforma Net of Adjustments	% of Sales	Proforma % Over (Under)
Net sales	85,148	100.0%	0		85,148	100.0%	-12.9%
Cost of sales	69,510	81.6%	0	0.0%	69,510	81.6%	-3.9%
Gross profit	15,638	18.4%	0	0.0%	15,638	18.4%	-52.6%
Selling, general and administrative expenses	9,925	11.7%	0	0.0%	9,925	11.7%	-10.0%
Restructuring expense (credit)	(1,047)	-1.2%	1,047	1.2%(4)	0	0.0%	0.0%
Income (loss) from operations	6,760	7.9%	1,047	1.2%	5,713	6.7%	-126.7%
Interest expense	988	1.2%	0	0.0%	988	1.2%	-6.5%
Interest income	(20)	0.0%	0	0.0%	(20)	0.0%	80.0%
Other expense	220	0.3%	0	0.0%	220	0.3%	-63.2%
Income (loss) before income taxes	5,572	6.5%	1,047	1.2%	4,525	5.3%	-155.2%
Income taxes (3)	1,839	33.0%	346	33.0%	1,493	33.0%	-176.8%
Net income (loss)	3,733	4.4%	701	0.8%	3,032	3.6%	-144.5%
Net income (loss) per share-basic	$0.32		$0.06		$0.26		
Net income (loss) per share-diluted	$0.32		$0.06		$0.26		
Average shares outstanding-basic	11,531		11,531		11,531		

Average shares outstanding-diluted	11,815	11,815	11,815

Notes:

(1) The $2.0 million represents restructuring related charges of $1.3 million for accelerated depreciation and $734,000 for inventory markdowns.

(2) The $8.2 million represents $5.3 million for write-downs of building and equipment, $1.6 million related to asset movement costs, $1.2 million for termination benefits, and $113,000 in accelerated depreciation.

(3) The percent of net sales column for income taxes is calculated as a % of income (loss) before income taxes.

(4) The $1.0 million restructuring credit represents adjustment of accrued employee benefit and other plant closing costs related to the shutdown of the Chatanooga and Lumberton operations.

CULP, INC.
PROFORMA CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE TWELVE MONTHS ENDED MAY 1, 2005 AND MAY 2, 2004
(Amounts in Thousands, Except for Per Share Data)

	TWELVE MONTHS ENDED						
	As Reported May 1, 2005	% of Sales	Adjustments	% of Sales		May 1, 2005 Proforma Net of Adjustments	% of Sales
Net sales	$ 286,498	100.0%	0			286,498	100.0%
Cost of sales	260,341	90.9%	(7,561)	-2.6%	(1)	252,780	88.2%
Gross profit	26,157	9.1%	(7,561)	-2.6%		33,718	11.8%
Selling, general and administrative expenses	35,357	12.3%	(113)	0.0%	(3)	35,244	12.3%
Goodwill impairment	5,126	1.8%	(5,126)	0.0%	(2)	0	0.0%
Restructuring expense (credit)	10,372	3.6%	(10,372)	-3.6%	(3)	0	0.0%
Income (loss) from operations	(24,698)	-8.6%	(23,172)	-8.1%		(1,526)	-0.5%
Interest expense	3,713	1.3%	0	0.0%		3,713	1.3%
Interest income	(134)	0.0%	0	0.0%		(134)	0.0%
Early extinguishment of debt	0	0.0%	0	0.0%		0	0.0%
Other expense	517	0.2%	0	0.0%		517	0.2%
Income (loss) before income taxes	(28,794)	-10.1%	(23,172)	-8.1%		(5,622)	-2.0%
Income taxes (4)	(10,942)	38.0%	(8,749)	37.8%	(4)	(2,193)	39.0%
Net income (loss)	$ (17,852)	-6.2%	(14,423)	-5.0%		(3,429)	-1.2%
Net income (loss) per share-basic	($1.55)		($1.25)			($0.30)	
Net income (loss) per share-diluted	($1.55)		($1.25)			($0.30)	
Average shares outstanding-basic	11,549		11,549			11,549	
Average shares outstanding-diluted	11,549		11,549			11,549	

	TWELVE MONTHS ENDED							
	As Reported May 2, 2004	% of Sales	Adjustments	% of Sales		May 2, 2004 Proforma Net of Adjustments	% of Sales	Proforma % Over (Under)
Net sales	318,116	100.0%	0			318,116	100.0%	-9.9%
Cost of sales	259,794	81.7%	0	0.0%		259,794	81.7%	-2.7%
Gross profit	58,322	18.3%	0	0.0%		58,322	18.3%	-42.2%
Selling, general and administrative expenses	41,019	12.9%	0	0.0%		41,019	12.9%	-14.1%
Goodwill impairment	0	0.0%	0	0.0%		0	0.0%	0.0%
Restructuring expense (credit)	(1,047)	-0.3%	1,047	0.3%	(5)	0	0.0%	0.0%
Income (loss) from operations	18,350	5.8%	1,047	0.3%		17,303	5.4%	-108.8%
Interest expense	5,528	1.7%	0	0.0%		5,528	1.7%	-32.8%
Interest income	(376)	-0.1%	0	0.0%		(376)	-0.1%	-64.4%
Early extinguishment of debt	1,672	0.6%	(1,672)	0.0%	(6)	0	0.0%	0.0%
Other expense	750	0.2%	0	0.0%		750	0.2%	-31.1%
Income (loss) before income taxes	10,776	3.4%	(625)	-0.2%		11,401	3.6%	-149.3%
Income taxes (4)	3,556	33.0%	(206)	33.0%		3,762	33.0%	-158.3%
Net income (loss)	7,220	2.3%	(419)	-0.1%		7,639	2.4%	-144.9%

Net income (loss) per share-basic	$0.63	($0.04)	$0.66
Net income (loss) per share-diluted	$0.61	($0.04)	$0.65
Average shares outstanding-basic	11,525	11,525	11,525
Average shares outstanding-diluted	11,777	11,525	11,777

Notes:

(1) The $7.6 million represents restructuring related charges of $6.0 million for accelerated depreciation and $1.6 million for inventory write-downs.

(2) The $5.1 million represents a goodwill impairment charge related to the Culp Decorative Fabrics division.

(3) The $10.4 million restructuring charge represents $5.6 million for write-downs of buildings and equipment, $2.5 million related to asset movement costs, $2.2 million for termination benefits, and $113,000 in accelerated depreciation.

(4) The percent of net sales column for income taxes is calculated as a % of income (loss) before income taxes.

(5) $1.0 million restructuring credit represents adjustment of accrued employee benefit and other plant closing costs related to the shutdown of the Chattanooga and Lumberton operations.

(6) The $1.7 million charge represents premium and fees paid to reduce the private placement loan balance.