

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) November 15, 2000

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 No.)	(IRS Employer Identification No.)

101 South Main Street
High Point, North Carolina 27260
(Address of principal executive offices)
(336) 889-5161
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Item 5. Other Events

See attached Press Release (3 pages) and Financial Information Release (9 pages), both dated November 15, 2000, related to the fiscal 2001 second quarter ended October 29, 2000.

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. Such statements are inherently subject to risks and uncertainties. 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 characterized by qualifying words such as "expect," "believe," "estimate," "plan" and "project" and their derivatives. 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. Because of the significant percentage of the Company's sales derived from international shipments, 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. Additionally, economic and political instability in international areas could affect the demand for the Company's products.

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: Phillip W. Wilson

Vice President and
Chief Financial Officer

Dated: November 15, 2000

FOR IMMEDIATE RELEASE

CULP REPORTS SECOND QUARTER EARNINGS

HIGH POINT, N. C. (Nov. 15, 2000) - Culp, Inc. (NYSE: CFI) today reported results for the second quarter of its 2001 fiscal year.

For the three months ended October 29, 2000, Culp reported net sales of \$111.0 million compared with \$129.5 million a year ago. The company reported net income for the quarter of \$342,000, or \$0.03 per share diluted, compared with net income of \$3.2 million, or \$0.27 per share diluted, in the year-earlier period.

The results for the second quarter brought net sales for the first half of fiscal 2001 to \$212.9 million compared with \$245.5 million a year ago. The company reported a net loss for the first half of \$1.4 million, or \$0.13 per share diluted, compared with net income of \$4.8 million, or \$0.39 per share diluted, in the year-earlier period.

Robert G. Culp, III, chief executive officer, commented, "We had expected a profit recovery for the second fiscal quarter, and our results represent a definite improvement from the first three months. We are encouraged by the overall placements that we had at the most recent industry trade show, but the benefit to Culp will depend importantly on the strength of retail sales during the important holiday marketing period for the furniture and bedding offered with Culp-manufactured fabrics and ticking. The relatively high consumer confidence and employment levels are positive measures; but retail demand remains sluggish, especially in the promotional categories of the home furnishings market, and the strength of the dollar against other currencies is having an adverse impact on our international sales.

"Our sales of fabrics to customers outside the United States during the second quarter were down 26% from a year ago. The wide geographic breadth of our international business makes it difficult to generalize about any economic trends that may be affecting our business. Customer feedback endorses the appeal of our designs, and we believe that the long-term dynamics driving demand in these markets remain favorable. The current strength in the U.S. dollar, however, is a significant factor that is likely to cause a further drop in our international sales in both the third and fourth quarters. We have taken steps to reduce expenses related to this portion of our business. These actions involved severance costs in the second period, but the resulting savings will benefit subsequent periods."

Culp added, "The current weakness in international sales makes us especially cautious about the outlook for our results over the remainder of this fiscal year. The combination of that trend and the seasonal decline in net sales normally experienced in the third fiscal quarter may cause us to report a modest net loss for the third period. We expect to close the year on a profitable note in the final quarter, but are uncertain at this time whether the expected improvement in the fourth period will leave us in the black for the year as a whole. Through the first half, we generated \$21.2 million in cash from operations and used \$16.8 million to reduce debt and payables related to capital expenditures. Although a strategic objective is to reduce our debt further, we are committing the funds necessary to maintain modern, efficient manufacturing capacity and effective information systems. We remain confident about Culp's fundamental competitive position and believe that our capacity and breadth of lines are especially important attributes within an industry that is continuing to consolidate at all levels."

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

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. Such statements are inherently subject to risks and uncertainties. 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 characterized by qualifying words such as "expect," "believe," "estimate," "plan" and "project" and their derivatives. 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. Because of the significant percentage of the company's sales derived from international shipments, 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. Additionally, economic and political instability in international areas could affect the demand for the company's products.

CULP, INC.
Condensed Financial Highlights
(Unaudited)

	Three Months Ended	
	October 29, 2000	October 31, 1999
Net sales	\$ 110,981,000	\$ 129,542,000
Net income	\$ 342,000	\$ 3,160,000
Net income per share:		
Basic	\$ 0.03	\$ 0.27
Diluted	\$ 0.03	\$ 0.27
Average shares outstanding:		
Basic	11,209,000	11,749,000
Diluted	11,270,000	11,868,000

	Six Months Ended	
	October 29, 2000	October 31, 1999
Net sales	\$ 212,859,000	\$ 245,479,000
Net income (loss)	\$ (1,414,000)	\$ 4,757,000
Net income (loss) per share:		
Basic	\$ (0.13)	\$ 0.40
Diluted	\$ (0.13)	\$ 0.39
Average shares outstanding:		
Basic	11,209,000	11,906,000
Diluted	11,282,000	12,044,000

- END -

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE THREE MONTHS AND SIX MONTHS ENDED OCTOBER 29, 2000 AND OCTOBER 31, 1999

(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Sales	
	October 29, 2000	October 31, 1999	% Over (Under)	2001	2000
Net sales	\$ 110,981	129,542	(14.3) %	100.0 %	100.0 %
Cost of sales	94,094	105,835	(11.1) %	84.8 %	81.7 %
Gross profit	16,887	23,707	(28.8) %	15.2 %	18.3 %
Selling, general and administrative expenses	13,491	16,035	(15.9) %	12.2 %	12.4 %
Income from operations	3,396	7,672	(55.7) %	3.1 %	5.9 %
Interest expense	2,285	2,484	(8.0) %	2.1 %	1.9 %
Interest income	(15)	(16)	(6.3) %	(0.0) %	(0.0) %
Other expense (income), net	575	416	38.2 %	0.5 %	0.3 %
Income before income taxes	551	4,788	(88.5) %	0.5 %	3.7 %
Income taxes *	209	1,628	(87.2) %	37.9 %	34.0 %
Net income	\$ 342	3,160	(89.2) %	0.3 %	2.4 %
Net income per share	\$0.03	\$0.27	(88.9) %		
Net income per share, assuming dilution	\$0.03	\$0.27	(88.9) %		
Dividends per share	\$0.035	\$0.035	0.0 %		
Average shares outstanding	11,209	11,749	(4.6) %		
Average shares outstanding, assuming dilution	11,270	11,868	(5.0) %		

	SIX MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Sales	
	October 29, 2000	October 31, 1999	% Over (Under)	2001	2000
Net sales	\$ 212,859	245,479	(13.3) %	100.0 %	100.0 %
Cost of sales	181,798	201,360	(9.7) %	85.4 %	82.0 %
Gross profit	31,061	44,119	(29.6) %	14.6 %	18.0 %
Selling, general and administrative expenses	27,269	31,073	(12.2) %	12.8 %	12.7 %
Income from operations	3,792	13,046	(70.9) %	1.8 %	5.3 %
Interest expense	4,608	4,900	(6.0) %	2.2 %	2.0 %
Interest income	(22)	(33)	(33.3) %	(0.0) %	(0.0) %
Other expense (income), net	1,316	971	35.5 %	0.6 %	0.4 %
Income (loss) before income taxes	(2,110)	7,208	(129.3) %	(1.0) %	2.9 %
Income taxes *	(696)	2,451	(128.4) %	33.0 %	34.0 %
Net income (loss)	\$ (1,414)	4,757	(129.7) %	(0.7) %	1.9 %
Net income (loss) per share	(\$0.13)	\$0.40	(132.5) %		
Net income (loss) per share, assuming dilution	(\$0.13)	\$0.39	(133.3) %		
Dividends per share	\$0.07	\$0.07	0.0 %		
Average shares outstanding	11,209	11,906	(5.9) %		
Average shares outstanding, assuming dilution	11,282	12,044	(6.3) %		

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

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED BALANCE SHEETS
OCTOBER 29, 2000, OCTOBER 31, 1999 AND APRIL 30, 2000
Unaudited

(Amounts in Thousands)

	Amounts		Increase (Decrease)		* April 30, 2000
	October 29, 2000	October 31, 1999	Dollars	Percent	
Current assets					
Cash and cash investments	\$ 744	790	(46)	(5.8) %	1,007
Accounts receivable	63,991	69,749	(5,758)	(8.3) %	75,223
Inventories	72,967	78,234	(5,267)	(6.7) %	74,471
Other current assets	11,003	8,865	2,138	24.1 %	10,349
Total current assets	148,705	157,638	(8,933)	(5.7) %	161,050
Restricted investments	0	1,085	(1,085)	(100.0) %	0
Property, plant & equipment, net	120,023	124,318	(4,295)	(3.5) %	126,407
Goodwill	49,176	50,571	(1,395)	(2.8) %	49,873
Other assets	5,406	5,064	342	6.8 %	5,548
Total assets	\$ 323,310	338,676	(15,366)	(4.5) %	342,878
Current liabilities					
Current maturities of long-term debt	\$ 1,678	1,678	0	0.0 %	1,678
Accounts payable	30,351	38,427	(8,076)	(21.0) %	37,287
Accrued expenses	22,404	22,947	(543)	(2.4) %	22,108
Income taxes payable	0	1,786	(1,786)	(100.0) %	0
Total current liabilities	54,433	64,838	(10,405)	(16.0) %	61,073
Long-term debt	125,079	133,875	(8,796)	(6.6) %	135,808
Deferred income taxes	17,459	14,583	2,876	19.7 %	17,459
Total liabilities	196,971	213,296	(16,325)	(7.7) %	214,340
Shareholders' equity	126,339	125,380	959	0.8 %	128,538
Total liabilities and shareholders' equity	\$ 323,310	338,676	(15,366)	(4.5) %	342,878
Shares outstanding	11,209	11,320	(111)	(1.0) %	11,209

* Derived from audited financial statements.

CULP, INC.
 FINANCIAL INFORMATION RELEASE
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE SIX MONTHS ENDED OCTOBER 29, 2000 AND OCTOBER 31, 1999
 Unaudited
 (Amounts in Thousands)

	SIX MONTHS ENDED	
	Amounts	
	October 29, 2000	October 31, 1999
Cash flows from operating activities:		
Net income (loss)	\$ (1,414)	4,757
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	10,043	9,516
Amortization of intangible assets	798	798
Changes in assets and liabilities:		
Accounts receivable	11,232	754
Inventories	1,504	(11,164)
Other current assets	(654)	768
Other assets	241	(186)
Accounts payable	(859)	7,937
Accrued expenses	296	1,921
Income taxes payable	0	1,786
Net cash provided by operating activities	21,187	16,887
Cash flows from investing activities:		
Capital expenditures	(3,659)	(10,524)
Purchases of restricted investments	0	(27)
Purchase of investments to fund deferred compensation liability	(200)	0
Sale of restricted investments	0	2,282
Net cash used in investing activities	(3,859)	(8,269)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	0	5,333
Principal payments on long-term debt	(10,729)	(11,770)
Change in accounts payable-capital expenditures	(6,077)	4,803
Dividends paid	(785)	(822)
Payments to acquire common stock	0	(5,901)
Proceeds from common stock issued	0	20
Net cash used in financing activities	(17,591)	(8,337)
Increase (decrease) in cash and cash investments	(263)	281
Cash and cash investments at beginning of period	1,007	509
Cash and cash investments at end of period	\$ 744	790

CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL ANALYSIS
OCTOBER 29, 2000

	FISCAL 00	FISCAL 01				LTM (5)
	Q2	Q1	Q2	Q3	Q4	
INVENTORIES						
Inventory turns	5.5	4.7	5.1			
RECEIVABLES						
Days sales in receivables	49	49	52			
Percent current & less than 30 days past due	96.7%	91.5%	94.7%			
WORKING CAPITAL						
Current ratio	2.4	3.2	2.7			
Working capital turnover (4)	4.4	4.3	4.2			
Operating working capital (4)	\$109,556	\$108,509	\$106,607			
PROPERTY, PLANT & EQUIPMENT						
Depreciation rate	7.8%	8.0%	7.9%			
Percent property, plant & equipment are depreciated	49.1%	51.1%	52.6%			
Capital expenditures	\$22,559 (1)	\$2,289	\$1,370			
PROFITABILITY						
Return on average total capital	7.3%	(0.3%)	2.7%			3.6%
Return on average equity	10.0%	(5.5%)	1.1%			2.5%
Net income (loss) per share	\$0.27	(\$0.16)	\$0.03			\$0.28
Net income (loss) per share (diluted)	\$0.27	(\$0.16)	\$0.03			\$0.28
LEVERAGE (3)						
Total liabilities/equity	170.1%	157.4%	155.9%			
Funded debt/equity	107.2%	108.3%	100.3%			
Funded debt/capital employed	51.7%	52.0%	50.1%			
Funded debt	\$134,468	\$136,828	\$126,757			
Funded debt/EBITDA (LTM) (6)	3.08	3.46	3.59			
EBITDA/Interest expense, net (LTM)	4.6	4.2	3.8			
OTHER						
Book value per share	\$11.08	\$11.28	\$11.27			
Employees at quarter end	3,962	3,722	3,623			
Sales per employee (annualized)	\$129,000	\$108,000	\$121,000			
Capital employed (3)	\$259,848	\$263,218	\$253,096			
Effective income tax rate	34.0%	34.0%	37.9%			
EBITDA (2)	\$12,412	\$5,114	\$8,203			\$35,150
EBITDA/net sales	9.6%	5.0%	7.4%			7.7%

(1) Expenditures for entire year.

(2) Earnings before interest, income taxes, and depreciation & amortization.

(3) Long-term debt, funded debt and capital employed are all net of restricted investments.

(4) Working capital for this calculation is accounts receivable, inventories and accounts payable.

(5) LTM represents "Latest Twelve Months"

(6) EBITDA includes capitalized interest and pro forma amounts for acquisitions.

CULP, INC. FINANCIAL INFORMATION RELEASE
SALES BY SEGMENT/DIVISION

FOR THE THREE MONTHS AND SIX MONTHS ENDED OCTOBER 29, 2000 AND OCTOBER 31, 1999

(Amounts in thousands)

Segment/Division	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
	October 29, 2000	October 31, 1999	% Over (Under)	2001	2000
Upholstery Fabrics					
Culp Decorative Fabrics	\$ 46,792	56,897	(17.8) %	42.2 %	43.9 %
Culp Velvets/Prints	32,073	41,783	(23.2) %	28.9 %	32.3 %
Culp Yarn	4,134	4,358	(5.1) %	3.7 %	3.4 %
	82,999	103,038	(19.4) %	74.8 %	79.5 %
Mattress Ticking					
Culp Home Fashions	27,982	26,504	5.6 %	25.2 %	20.5 %
	* \$ 110,981	129,542	(14.3) %	100.0 %	100.0 %

Segment/Division	SIX MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
	October 29, 2000	October 31, 1999	% Over (Under)	2001	2000
Upholstery Fabrics					
Culp Decorative Fabrics	\$ 88,325	107,413	(17.8) %	41.5 %	43.8 %
Culp Velvets/Prints	62,147	77,992	(20.3) %	29.2 %	31.8 %
Culp Yarn	7,453	8,487	(12.2) %	3.5 %	3.5 %
	157,925	193,892	(18.6) %	74.2 %	79.0 %
Mattress Ticking					
Culp Home Fashions	54,934	51,587	6.5 %	25.8 %	21.0 %
	* \$ 212,859	245,479	(13.3) %	100.0 %	100.0 %

* U.S. sales were \$87,022 and \$97,216 for the second quarter of fiscal 2001 and fiscal 2000, respectively; and \$169,312 and \$189,340 for the six months of fiscal 2001 and fiscal 2000, respectively. The percentage decrease in U.S. sales was 10.5% for the second quarter and a decrease of 10.6% for the six months.

CULP, INC. FINANCIAL INFORMATION RELEASE
INTERNATIONAL SALES BY GEOGRAPHIC AREA
FOR THE THREE MONTHS AND SIX MONTHS ENDED OCTOBER 29, 2000 AND OCTOBER 31, 1999

(Amounts in thousands)

THREE MONTHS ENDED (UNAUDITED)					
Geographic Area	Amounts			Percent of Total Sales	
	October 29, 2000	October 31, 1999	% Over (Under)	2001	2000

North America (Excluding USA) \$	9,556	9,912	(3.6) %	39.9 %	30.7 %
Europe	1,807	6,069	(70.2) %	7.5 %	18.8 %
Middle East	5,489	8,960	(38.7) %	22.9 %	27.7 %
Far East & Asia	5,590	5,357	4.3 %	23.3 %	16.6 %
South America	279	630	(55.7) %	1.2 %	1.9 %
All other areas	1,238	1,398	(11.4) %	5.2 %	4.3 %

\$	23,959	32,326	(25.9) %	100.0 %	100.0 %
	=====				

SIX MONTHS ENDED (UNAUDITED)					
Geographic Area	Amounts			Percent of Total Sales	
	October 29, 2000	October 31, 1999	% Over (Under)	2001	2000

North America (Excluding USA) \$	17,951	17,588	2.1 %	41.2 %	31.3 %
Europe	3,259	8,998	(63.8) %	7.5 %	16.0 %
Middle East	10,532	15,952	(34.0) %	24.2 %	28.4 %
Far East & Asia	8,826	9,666	(8.7) %	20.3 %	17.2 %
South America	585	1,250	(53.2) %	1.3 %	2.2 %
All other areas	2,394	2,685	(10.8) %	5.5 %	4.8 %

\$	43,547	56,139	(22.4) %	100.0 %	100.0 %
	=====				

International sales, and the percentage of total sales, for each of the last five fiscal years follows: fiscal 1996-\$77,397 (22%); fiscal 1997-\$101,571 (25%); fiscal 1998-\$137,223 (29%); fiscal 1999-\$113,354 (23%); and fiscal 2000-\$111,104 (23%). International sales for the second quarter represented 21.6% and 25.0% for 2001 and 2000, respectively. Year-to-date international sales represented 20.5% and 22.9% of total sales for 2001 and 2000, respectively.

Culp, Inc.
SALES BY SEGMENT/DIVISION - TREND ANALYSIS
1999 vs 2000 vs 2001

(Amounts in thousands)

Segment/Division	Fiscal 1999					Fiscal 2000				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
Upholstery Fabrics										
Culp Decorative Fabrics	51,445	59,573	50,520	60,520	222,058	50,516	56,897	49,654	56,130	213,197
Culp Velvets/Prints	29,994	38,728	34,949	40,402	144,073	36,209	41,783	34,050	39,501	151,543
Culp Yarn	6,596	6,367	4,088	4,462	21,513	4,129	4,358	4,274	4,809	17,570
	88,035	104,668	89,557	105,384	387,644	90,854	103,038	87,978	100,440	382,310
Mattress Ticking										
Culp Home Fashions	22,632	23,491	22,536	26,781	95,440	25,083	26,504	25,203	28,979	105,769
	110,667	128,159	112,093	132,165	483,084	115,937	129,542	113,181	129,419	488,079

Percent increase(decrease) from prior year:

Segment/Division	Fiscal 1999					Fiscal 2000				
Upholstery Fabrics										
Culp Decorative Fabrics	29.2	4.9	(5.4)	0.6	5.7	(1.8)	(4.5)	(1.7)	(7.3)	(4.0)
Culp Velvets/Prints	(21.9)	(11.8)	(20.6)	(10.3)	(15.9)	20.7	7.9	(2.6)	(2.2)	5.2
Culp Yarn	100.0	100.0	437.2	(37.3)	173.1	(37.4)	(31.6)	4.5	7.8	(18.3)
	12.6	3.9	(8.8)	(6.2)	(0.5)	3.2	(1.6)	(1.8)	(4.7)	(1.4)
Mattress Ticking										
Culp Home Fashions	6.3	5.7	11.2	13.9	9.3	10.8	12.8	11.8	8.2	10.8
	11.2	4.3	(5.4)	(2.7)	1.3	4.8	1.1	1.0	(2.1)	1.0
Overall Growth Rate										
Internal (without acquisitions)	(4.6)	(0.9)	(8.5)	(2.7)	(4.1)	4.8	1.1	1.0	(2.1)	1.0
External	15.8	5.2	3.1	-	5.4	-	-	-	-	-
	11.2	4.3	(5.4)	(2.7)	1.3	4.8	1.1	1.0	(2.1)	1.0

Culp, Inc.
 SALES BY SEGMENT/DIVISION - TREND ANALYSIS
 1999 vs 2000 vs 2001

(Amounts in thousands)

Segment/Division	Fiscal 2001				
	Q1	Q2	Q3	Q4	TOTAL
<hr/>					
Upholstery Fabrics					
Culp Decorative Fabrics	41,533	46,792			88,325
Culp Velvets/Prints	30,074	32,073			62,147
Culp Yarn	3,319	4,134			7,453
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	74,926	82,999			157,925
<hr/>					
Mattress Ticking					
Culp Home Fashions	26,952	27,982			54,934
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	101,878	110,981			212,859
<hr/>					
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Segment/Division					
<hr/>					
Upholstery Fabrics					
Culp Decorative Fabrics	(17.8)	(17.8)			(17.8)
Culp Velvets/Prints	(16.9)	(23.2)			(20.3)
Culp Yarn	(19.6)	(5.1)			(12.2)
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	(17.5)	(19.4)			(18.6)
<hr/>					
Mattress Ticking					
Culp Home Fashions	7.5	5.6			6.5
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(12.1)	(14.3)			(13.3)
<hr/>					
<hr/>					
Overall Growth Rate					
Internal (without acquisitions)	(12.1)	(14.3)			(13.3)
External	-	-			-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(12.1)	(14.3)			(13.3)
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CULP, INC. FINANCIAL INFORMATION RELEASE
FINANCIAL NARRATIVE

for the three and six month periods ended October 29, 2000 and October 31, 1999

INCOME STATEMENT COMMENTS

GENERAL - For the second quarter, net sales decreased 14.3% to \$111.0 million compared to the same quarter of fiscal 2000; and the company reported net income of \$342,000, or \$0.03 per share diluted (based on 11,270,000 average shares outstanding) versus \$0.27 per share diluted (based on 11,868,000 average shares outstanding). For the first six months of fiscal 2001, net sales decreased 13.3% to \$212.9 million, and the company reported a net loss of \$1.4 million, or \$0.13 per share diluted (based on 11,282,000 average shares outstanding), versus net income of \$4.8 million, or \$0.39 per share diluted (based on 12,044,000 average shares outstanding during the period), a year ago.

The company's strategic plan encompasses several competitive initiatives:

Broad Product Offering - continuing to market one of the broadest product lines in upholstery fabrics and mattress ticking. Through its extensive manufacturing capabilities, the company competes in every major category except leather;

Diverse Global Customer Base - maintaining a diverse, global customer base. The company has long-standing relationships with most major upholstery furniture manufacturers. One customer accounted for approximately 10% of net sales during the second quarter of fiscal 2001. Ownership of the resources in the home furnishings industry is becoming increasingly concentrated, and the company is seeking to increase its business further with existing customers. Culp is also pursuing opportunities in other end-use markets in addition to U.S. residential furniture, such as bedding, international, commercial furniture and juvenile furniture;

Design Innovation - continuing to invest in personnel and other resources for the design of upholstery fabrics and ticking with appealing patterns and textures. An integral component of the value Culp provides to customers is supplying fabrics that are fashionable and match current consumer preferences. The company's principal design resources are consolidated in a single facility that has advanced CAD systems and promotes a sharing of innovative designs among the divisions;

Vertical Integration - operating as a vertically integrated manufacturer and taking advantage of economies that can be gained by producing the raw material components that are used in the manufacture of its products; and

Additional Acquisitions - investing in selective acquisitions complementary to existing segments.

NET SALES - Compared with the second quarter of fiscal 2000, upholstery fabric sales decreased 19.4% to \$83.0 million and mattress ticking sales increased 5.6% to \$28.0 million (See Sales by Segment/Division schedule on Page 5 and Sales by Segment/Division - Trend Analysis on Page 7). International sales were down 25.9% for the quarter and 22.4% for the first six months.

The company had expected that results for the second quarter would be down from the year-earlier period but would represent an improvement compared with the first quarter. Key factors influencing the year-to-year comparisons were further increases in the relative strength of the dollar, which affects Culp's sales to customers outside the United States, and a continued weakness in consumer spending on home furnishings, especially in the promotional price category. Also affecting the promotional price category was the bankruptcy of a major furniture retailer which impacted the domestic demand for upholstered furniture. The decline in sales of upholstery fabrics was offset in part by increased sales from Culp Home Fashions (primarily mattress ticking). Culp's growth in mattress ticking continues to be driven by the introduction of new designs and fabric constructions as well as the advantages of the company's vertical integration.

Sales in the company's third fiscal quarter are typically lower than in the second period due to holidays and scheduled, seasonal plant shutdowns. Based on that historical pattern and current trends, the company believes that it may report a loss in the third quarter. The trend in results over the remainder of this fiscal year will be determined by a number of factors including the overall trend in consumer spending on home furnishings and the fluctuation of the dollar relative to other currencies.

GROSS PROFIT - Gross profit declined 28.8% for the second quarter versus a year ago and decreased as a percentage of net sales from 18.3% to 15.2%. The decline was due principally to lower sales volume for the period which led to unfavorable cost variances in the company's upholstery fabrics operation. The company has taken steps to lower expenses by consolidating certain operations and reducing personnel, but these actions were not sufficient to offset the impact of the significantly lower sales.

SG&A EXPENSES - SG&A expenses for the second quarter decreased as a percentage of sales from 12.4% to 12.2%. The dollar amount of these expenses declined 15.9% from a year ago, reflecting the company's actions to reduce expenses and the fact that a portion of these expenses is variable based on the level of sales. Partially offsetting these reductions are higher severance costs.

INTEREST EXPENSE - Interest expense of \$2.3 million for the second quarter was down slightly from \$2.5 million in the prior year due to slightly lower average borrowings.

OTHER EXPENSE (INCOME), NET - Other expense (income) for the second quarter totaled \$575,000 compared with \$416,000 in the prior year. The increase is

principally due to lower investment income on assets related to the company's nonqualified deferred compensation plan.

INCOME TAXES - The effective tax rate for the six months was 33.0% versus 34.0% in the year-earlier period.

EBITDA - Due principally to the lower earnings for the period, EBITDA for the second quarter decreased 34% to \$8.2 million from \$12.4 million in the prior year.

BALANCE SHEET COMMENTS

WORKING CAPITAL - Accounts receivable as of October 29, 2000 decreased 8.3% from the year-earlier level, due principally to the lower sales for the period. Days sales outstanding increased to 52 days at October 29, 2000 compared with 49 a year ago. The aging of accounts receivable was 94.7% current and less than 30 days past due versus 96.7% a year ago. Inventories at the close of the second quarter decreased 6.7% from a year ago. Inventory turns for the second quarter were 5.1 versus 5.5 for the year-earlier period. Operating working capital (comprised of accounts receivable, inventory and accounts payable) was \$106.6 million at October 29, 2000, down from \$109.6 million a year ago.

PROPERTY, PLANT AND EQUIPMENT - During fiscal 2000 the company's capital spending increased to \$22.6 million compared with \$10.7 million in the prior year. The level of capital spending in fiscal 2001 is budgeted to be approximately \$16 million. Spending through the first half totaled \$3.7 million. Depreciation for fiscal 2001 is estimated to be \$20.5 million.

LONG-TERM DEBT - The company's funded debt-to-capital ratio was 50.1% at October 29, 2000 compared with 51.7% a year ago. Funded debt was \$126.8 million at October 29, 2000 compared with \$134.5 million a year ago. Funded debt equals long-term debt, including current maturities, less restricted investments, which represent unspent IRB funds.

STOCK REPURCHASE

In separate authorizations in June 1998, March 1999, September 1999 and December 1999, the Board of Directors authorized the use of a total of \$20.0 million to repurchase the company's common stock. Over the past two fiscal years, the company has invested \$12.2 million to repurchase a total of 1.8 million shares. No purchases were made during the first six months of fiscal 2001.