

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) June 16, 2011

Culp, Inc.

(Exact Name of Registrant as Specified in its Charter)

North Carolina

(State or Other Jurisdiction
of Incorporation)

1-12597

(Commission File Number)

56-1001967

(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 “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. 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 15, 2010 for the fiscal year ended May 2, 2010.

Item 2.02 – Results of Operations and Financial Condition

On June 16, 2011, we issued a news release to announce our financial results for the fourth quarter ended May 1, 2011. The news release is attached hereto as Exhibit 99(a).

Also on June 16, 2011, we released a Financial Information Release containing additional financial information and disclosures about our fourth quarter ended May 1, 2011. 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. Details of these calculations and a reconciliation to information from our GAAP financial statements is set forth in the Financial Information Release. 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.

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.

Item 9.01 (d) -- Exhibits

99(a) News Release dated June 16, 2011

99(b) Financial Information Release dated June 16, 2011

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: June 16, 2011

EXHIBIT INDEX

Exhibit Number

Exhibit

99(a)	News Release dated June 16, 2011
99(b)	Financial Information Release dated June 16, 2011



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

Media Contact: Teresa A. Huffman
Vice President, Human Resources
336-889-5161

CULP ANNOUNCES RESULTS FOR FOURTH QUARTER AND FISCAL 2011

Board of Directors Approves Stock Repurchase

HIGH POINT, N.C. (June 16, 2011) — Culp, Inc. (NYSE: CFI) today reported financial and operating results for the fourth quarter and fiscal year ended May 1, 2011.

Fiscal 2011 fourth quarter highlights:

- Net sales were \$60.4 million, up 5.5 percent from the fourth quarter of fiscal 2010, with mattress fabric segment sales up 5.3 percent and upholstery fabrics segment sales up 5.7 percent. This is the highest quarterly sales level in three years.
- Pre-tax income was \$4.7 million, or 7.7 percent of sales, compared with \$5.0 million, or 8.7 percent, of sales, in the prior year period.
- Net income was \$6.0 million, or \$0.45 per diluted share, compared with net income of \$5.4 million, or \$0.41 per diluted share, in the prior year. Net income for the fourth quarter of fiscal 2011 included a \$1.3 million income tax benefit, while net income for the previous year period included an income tax benefit of \$436,000.
- The company began initial upholstery fabric sales through Culp Europe, its new subsidiary established in Poland to sell and distribute fabrics.
- The company announced today a \$5.0 million share repurchase program.

Fiscal 2011 full year highlights:

- Net sales were \$216.8 million, up five percent over the prior year. Mattress fabric segment sales were up 6.6 percent over the prior year while upholstery fabric sales were up 3.1 percent. These results mark the second consecutive annual sales increase since the recession began in 2008.
- Pre-tax income was \$15.1 million compared with a pre-tax income of \$14.3 million in fiscal 2010, 6.9 percent of sales for both periods.
- Net income was \$16.2 million, or \$1.22 per diluted share, compared with \$13.2 million, or \$1.01 per diluted share, in the prior year period. Net income for fiscal 2011 included a \$1.1 million income tax benefit, while net income for fiscal 2010 included income tax expense of \$1.1 million.
- The company's financial position strengthened considerably during fiscal 2011 with cash and cash equivalents and short-term investments totaling \$30.9 million at year end, exceeding total debt of \$11.5 million. The company increased its total cash and short term investment position by \$9.6 million during the year, while investing significantly in capital expenditures of \$6.4 million and building working capital of \$3.6 million to support higher sales.

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Stock Repurchase Program

The company also announced that its Board of Directors has authorized the expenditure of up to \$5.0 million for the repurchase of shares of the company's common stock. Based on the current market value of the common stock, this will allow the company to repurchase approximately five percent of the 13.3 million shares outstanding. Under the stock repurchase program, shares may be purchased from time to time in open market transactions, block trades, through plans established under Securities Exchange Act Rule 10b5-1, or otherwise. The amount of shares purchased and the timing of the purchases will be based on working capital requirements, market and general business conditions and other factors, including alternative investment opportunities.

Frank Saxon, chief executive officer of Culp, Inc., stated, "This share repurchase program reflects the company's strong financial position and confidence in our long-term prospects. Our healthy balance sheet and ample liquidity provide us the opportunity to continue to invest in growing our businesses, while also creating value for our shareholders through share repurchases."

Overview

For the three months ended May 1, 2011, net sales were \$60.4 million, a 5.5 percent increase compared with \$57.2 million a year ago. The company reported net income of \$6.0 million, or \$0.45 per diluted share, for the fourth quarter of fiscal 2011, compared with a net income of \$5.4 million, or \$0.41 per diluted share, for the fourth quarter of fiscal 2010. Net income for the fourth quarter of fiscal 2011 includes a \$1.3 million income tax benefit, while net income for the previous year period included an income tax benefit of \$436,000. The income tax benefit for the fourth quarter of fiscal 2011 includes a non-cash reversal of a portion of a valuation allowance against net deferred tax assets in the amount of \$2.3 million. On a pre-tax basis, the company reported income of \$4.7 million compared with pre-tax income of \$5.0 million for the fourth quarter of fiscal 2010.

Net sales for fiscal 2011 were \$216.8 million, up five percent compared with net sales of \$206.4 million in fiscal 2010. Net income for fiscal 2011 was \$16.2 million, or \$1.22 per diluted share, compared with \$13.2 million, or \$1.01 per diluted share, in fiscal 2010. Net income for fiscal 2011 included a \$1.1 million income tax benefit, while net income for fiscal 2010 included income tax expense of \$1.1 million. The income tax benefit for fiscal 2011 includes a non-cash reversal of a valuation allowance against net deferred tax assets relating to future earnings in the amount of \$3.6 million. On a pre-tax basis, the company reported income of \$15.1 million compared with pre-tax income of \$14.3 million in fiscal 2010.

Commenting on the results for the fourth quarter of fiscal 2011, Saxon said, "We are pleased with our fourth quarter performance, concluding a year of sound growth and progress for Culp. These results are especially noteworthy in light of the economic headwinds and significant raw material cost and selling price pressures we faced during the year. Although our operating margins are slightly down for the fiscal year due to these factors, we are encouraged that both our mattress fabrics and upholstery fabrics divisions increased sales and we reported higher pre-tax income as compared with the previous year. Overall, our solid performance reflects the benefits of a lean and agile global operating platform and a strong competitive position in both businesses. Our financial position continues to be the strongest in the company's history. This represents an important competitive advantage in these highly uncertain times, and provides us not only with greater flexibility to pursue our growth initiatives, but also an opportunity to enhance shareholder value through the share repurchase program announced today. Above all, Culp represents a stable and trusted supplier for our customers with a proven ability to execute."

Mattress Fabrics Segment

Mattress fabric sales for the fourth quarter were \$35.2 million, up 5.3 percent compared with \$33.4 million for the fourth quarter of fiscal 2010. For the year, mattress fabric sales were \$122.4 million, up 6.6 percent compared with fiscal 2010.

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“Our mattress fabrics business had a solid fourth quarter performance, with the highest quarterly sales of fiscal 2011,” said Saxon. “Notably, sales were higher compared with a strong fourth quarter period in fiscal 2010. We are continuing to benefit from our capital investments and recent operating initiatives to further build upon our efficient and scalable manufacturing platform, especially in our knitted fabrics area. Capital expenditures for the year, including vendor financed payments, were \$6.1 million. Our operating margins for the year were slightly lower due to significantly higher raw material costs and selling price pressures. Although we are beginning to see some stabilization in raw material prices, these costs remain significantly higher than this time last year. In response to these raw material cost increases, management has taken steps to re-engineer products and yarns where possible without sacrificing quality, enhance production efficiencies, and implement small price increases to offset a portion of the most significant cost surges.

“We are pleased with our operating performance in mattress fabrics and look forward to additional opportunities to leverage our success in the year ahead. As a result of our multi-year \$45 million capital investment initiatives which were completed during fiscal 2011, Culp has a strong competitive position with a large and modern, vertically integrated manufacturing platform in the major decorative product categories of woven and knitted fabrics. We have also substantially improved upon our supply logistics from pattern inception to fabric delivery. Looking ahead to fiscal 2012, we expect to have lower capital expenditures in mattress fabrics with a core strategic focus on product development, along with sales and marketing initiatives. Most importantly, we remain committed to providing our customers with outstanding service, reliable delivery performance and consistent quality and value,” added Saxon.

Upholstery Fabrics Segment

Sales for this segment were \$25.2 million, a 5.7 percent improvement compared with sales of \$23.8 million in the fourth quarter of fiscal 2010. Sales of China-produced fabrics were \$21.2 million in the fourth quarter of fiscal 2011, up seven percent, while sales of U.S. produced fabrics were \$4.0 million, down two percent. For the year, upholstery fabric sales totaled \$94.4 million, a 3.1 percent increase compared with \$91.6 million in fiscal 2010. Sales of China-produced fabrics were \$81.2 million, up five percent, and sales of U.S. produced fabrics were \$13.2 million, down eight percent, in fiscal 2011.

“We were pleased with the sales trends in upholstery fabrics for the fourth quarter, with our highest quarterly sales in this segment for fiscal 2011,” noted Saxon. “However, our profitability for the quarter and the year was primarily affected by significantly higher raw material costs, which began to increase in the second quarter. We implemented price increases with effective dates in the fourth quarter to help offset as much of these costs as possible. In addition, we are consistently introducing new fabrics that take into account the higher material costs, and we have re-engineered certain products where possible without affecting quality. With respect to our one remaining U.S. upholstery fabrics facility, higher raw material costs, along with lower sales, resulted in a weaker performance as compared with the previous year. Also, we are announcing a price increase for certain U. S. produced fabrics this quarter.

“China produced products accounted for 86 percent of sales in upholstery fabrics for the year. Our China platform has played a significant role in the ongoing development of our upholstery fabrics business in today’s global marketplace. Customer response to our China produced products continues to be very favorable as we have further enhanced Culp’s reputation for product innovation, quality and value. We have continued to look for additional sales opportunities to leverage our success with our U.S. customers and we are expanding sales of China produced products to both the local China market and other international customers.

“As previously announced in the third quarter of fiscal 2011, we established a wholly-owned subsidiary in Poland, called Culp Europe, to sell and distribute fabrics and to make and sell cut and sewn kits,” added Saxon. “We began sales activities from this location late in the fourth quarter. The Poland location offers a number of advantages for Culp, including the highest concentration of furniture suppliers to the European market, low operating costs, an experienced work force, and close proximity for shipping to customers in most European countries. Europe as a whole represents the second largest furniture market in the world behind North America. This operation is still in the early stages, and we expect sales to develop gradually over the next year. We are encouraged by the initial level of interest from our customers.”

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Saxon continued, "Along with our efforts in Poland, we also previously announced our plans to establish a joint venture in the United Kingdom to sell and distribute upholstery fabrics throughout the U.K. With the significant opportunities for our Culp Europe operation in Poland and the internal resources required to build this business, we have decided to pursue the U.K. market through a more traditional customer/supplier approach rather than a joint venture. While we are optimistic about the market opportunities in the U.K., our primary focus for the next year will be on our sales and marketing efforts for Culp Europe.

"Looking ahead to fiscal 2012, our priorities are to improve the results of our U.S. facility, make meaningful progress in Culp Europe, and continue the excellent performance of our China-produced fabrics business."

Balance Sheet

"During fiscal 2011, we have strengthened our balance sheet considerably and generated significant cash flow in this tough economic environment", added Saxon. "As of May 1, 2011, we reported \$30.9 million in cash and cash equivalents and short-term investments, compared with \$21.3 million at the end of fiscal 2010. Total debt was \$11.5 million, which includes long-term debt plus current maturities of long-term debt. Our next major scheduled principal payment of \$2.2 million is due August 2011. Capital expenditures for the year were \$6.4 million. After several years of high levels of capital expenditures, almost all of which were related to the mattress fabrics multi-year investment program, we are expecting significantly lower levels of capital spending for the foreseeable future. We are currently planning for fiscal 2012 capital expenditures of approximately \$4.0 million. Notably, our shareholders equity has grown to \$80.3 million at the end of fiscal 2011, up 67 percent from \$48.0 million just two years ago. Our strong financial position provides us with a competitive advantage, especially in this uncertain economy, as well as sufficient capital and flexibility to support our growth strategy in fiscal 2012."

Outlook

Commenting on the outlook for the first quarter of fiscal 2012, Saxon remarked, "In spite of the macro-economic trends, including persistently high unemployment, consumer credit and leverage concerns, as well as a weak housing market, we are encouraged by the sales trends we are seeing in both of our segments, especially our bedding business. Overall, we expect our sales for the first quarter of fiscal 2012 to be one to five percent higher than the first quarter of last year.

"We expect sales in our mattress fabrics segment to be two to five percent higher than the same period a year ago. Operating income in this segment is expected to be somewhat lower than the same period a year ago, due primarily to higher raw materials costs on a year over year basis.

"In our upholstery fabrics segment, we expect sales to be flat to slightly higher as compared to the previous year's first quarter results. We believe the upholstery fabric segment's operating income will be somewhat lower than the same quarter of last year due primarily to higher raw material costs on a year over year basis, and lower profitability in our U.S. operation.

"Considering these factors, the company expects to report pre-tax income for the first fiscal quarter of 2012 in the range of \$3.5 to \$4.0 million. Given the volatility in the income tax area, the income tax expense or benefit and related tax rate for the first quarter of fiscal 2012 are too uncertain to project. This is management's best estimate at present, recognizing that future financial results are difficult to predict because of overall economic uncertainties," said Saxon.

In closing, Saxon remarked, "Our results for fiscal 2011 demonstrate that we are successfully navigating through this challenging period of economic weakness and uncertainty. We have worked hard to create scalable and sustainable manufacturing platforms in both businesses. This strategy is allowing us to serve our customers very well and achieve increasing profitability in a difficult business environment. At the same time, Culp is well positioned for further profitable growth as the home furnishings industry eventually recovers and our international sales opportunities develop. As we begin fiscal 2012, we have a focused strategy and the financial strength to not only fund our growth initiatives, but also to begin to return funds to shareholders through share repurchases as market conditions allow. Above all, we are committed to outstanding performance for our customers as a financially stable and trusted source for innovative fabrics."

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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 "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. 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 15, 2010, for fiscal year ended May 2, 2010.

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CULP, INC.
Condensed Financial Highlights
(Unaudited)

	Three Months Ended		Fiscal Year Ended	
	May 1, 2011	May 2, 2010	May 1, 2011	May 2, 2010
Net sales	\$ 60,363,000	\$ 57,243,000	\$ 216,806,000	\$ 206,416,000
Income before income taxes	\$ 4,675,000	\$ 4,996,000	\$ 15,062,000	\$ 14,316,000
Net income	\$ 5,990,000	\$ 5,432,000	\$ 16,164,000	\$ 13,188,000
Net income per share:				
Basic	\$ 0.46	\$ 0.42	\$ 1.25	\$ 1.04
Diluted	\$ 0.45	\$ 0.41	\$ 1.22	\$ 1.01
Average shares outstanding:				
Basic	13,030,000	12,801,000	12,959,000	12,709,000
Diluted	13,217,000	13,200,000	13,218,000	13,057,000

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CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF NET INCOME
FOR THE THREE MONTHS AND TWELVE MONTHS ENDED May 1, 2011 AND May 2, 2010
(UNAUDITED)
(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED				
	Amounts			Percent of Sales	
	May 1, 2011	May 2, 2010	% Over (Under)	May 1, 2011	May 2, 2010
Net sales	\$ 60,363	57,243	5.5 %	100.0 %	100.0 %
Cost of sales	49,080	45,843	7.1 %	81.3 %	80.1 %
Gross profit	11,283	11,400	(1.0) %	18.7 %	19.9 %
Selling, general and administrative expenses	6,525	6,090	7.1 %	10.8 %	10.6 %
Restructuring expense (credit)	28	(52)	N.M.	0.0 %	(0.1) %
Income from operations	4,730	5,362	(11.8) %	7.8 %	9.4 %
Interest expense	222	288	(22.9) %	0.4 %	0.5 %
Interest income	(96)	(36)	166.7 %	(0.2) %	(0.1) %
Other (income) expense	(71)	114	N.M.	(0.1) %	0.2 %
Income before income taxes	4,675	4,996	(6.4) %	7.7 %	8.7 %
Income taxes*	(1,315)	(436)	201.6 %	(28.1) %	(8.7) %
Net income	\$ 5,990	5,432	10.3 %	9.9 %	9.5 %
Net income per share-basic	\$ 0.46	\$ 0.42	9.5 %		
Net income per share-diluted	\$ 0.45	\$ 0.41	9.8 %		
Average shares outstanding-basic	13,030	12,801	1.8 %		
Average shares outstanding-diluted	13,217	13,200	0.1 %		
	TWELVE MONTHS ENDED				
	Amounts			Percent of Sales	
	May 1, 2011	May 2, 2010	% Over (Under)	May 1, 2011	May 2, 2010
Net sales	\$ 216,806	206,416	5.0 %	100.0 %	100.0 %
Cost of sales	179,966	167,639	7.4 %	83.0 %	81.2 %
Gross profit	36,840	38,777	(5.0) %	17.0 %	18.8 %
Selling, general and administrative expenses	21,069	22,805	(7.6) %	9.7 %	11.0 %
Restructuring expense (credit)	28	(370)	N.M.	0.0 %	(0.2) %
Income from operations	15,743	16,342	(3.7) %	7.3 %	7.9 %
Interest expense	881	1,314	(33.0) %	0.4 %	0.6 %
Interest income	(240)	(116)	106.9 %	(0.1) %	(0.1) %
Other expense	40	828	(95.2) %	0.0 %	0.4 %
Income before income taxes	15,062	14,316	5.2 %	6.9 %	6.9 %
Income taxes*	(1,102)	1,128	N.M.	(7.3) %	7.9 %
Net income	\$ 16,164	13,188	22.6 %	7.5 %	6.4 %
Net income per share-basic	\$ 1.25	\$ 1.04	20.2 %		
Net income per share-diluted	\$ 1.22	\$ 1.01	20.8 %		
Average shares outstanding-basic	12,959	12,709	2.0 %		
Average shares outstanding-diluted	13,218	13,057	1.2 %		

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

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED BALANCE SHEETS
MAY 1, 2011 AND MAY 2, 2010
Unaudited
(Amounts in Thousands)

	Amounts		Increase (Decrease)	
	May 1, 2011	* May 2, 2010	Dollars	Percent
Current assets				
Cash and cash equivalents	\$ 23,181	\$ 18,295	4,886	26.7 %
Short-term investments	7,699	3,023	4,676	154.7 %
Accounts receivable	20,209	19,822	387	2.0 %
Inventories	28,723	26,002	2,721	10.5 %
Deferred income taxes	293	150	143	95.3 %
Assets held for sale	75	123	(48)	(39.0) %
Income taxes receivable	79	728	(649)	(89.1) %
Other current assets	2,376	1,698	678	39.9 %
Total current assets	<u>82,635</u>	<u>69,841</u>	<u>12,794</u>	<u>18.3 %</u>
Property, plant and equipment, net	30,296	28,403	1,893	6.7 %
Goodwill	11,462	11,462	-	0.0 %
Deferred income taxes	3,606	324	3,282	1,013.0 %
Other assets	2,052	2,568	(516)	(20.1) %
Total assets	<u>\$ 130,051</u>	<u>\$ 112,598</u>	<u>17,453</u>	<u>15.5 %</u>
Current liabilities				
Current maturities of long-term debt	\$ 2,412	\$ 196	2,216	1,130.6 %
Accounts payable - trade	24,871	22,278	2,593	11.6 %
Accounts payable - capital expenditures	140	567	(427)	(75.3) %
Accrued expenses	7,617	9,613	(1,996)	(20.8) %
Accrued restructuring	44	324	(280)	(86.4) %
Deferred income taxes	82	-	82	100.0 %
Income taxes payable - current	646	224	422	188.4 %
Total current liabilities	<u>35,812</u>	<u>33,202</u>	<u>2,610</u>	<u>7.9 %</u>
Income taxes payable - long-term	4,167	3,876	291	7.5 %
Deferred income taxes	596	982	(386)	(39.3) %
Long-term debt, less current maturities	9,135	11,491	(2,356)	(20.5) %
Total liabilities	<u>49,710</u>	<u>49,551</u>	<u>159</u>	<u>0.3 %</u>
Shareholders' equity	<u>80,341</u>	<u>63,047</u>	<u>17,294</u>	<u>27.4 %</u>
Total liabilities and shareholders' equity	<u>\$ 130,051</u>	<u>\$ 112,598</u>	<u>17,453</u>	<u>15.5 %</u>
Shares outstanding	<u>13,264</u>	<u>13,052</u>	<u>212</u>	<u>1.6 %</u>

* Derived from audited financial statements

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED MAY 1, 2011 AND MAY 2, 2010

Unaudited
(Amounts in Thousands)

	TWELVE MONTHS ENDED	
	Amounts	
	May 1, 2011	May 2, 2010
Cash flows from operating activities:		
Net income	\$ 16,164	13,188
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,372	4,010
Amortization of other assets	442	548
Stock-based compensation	360	834
Deferred income taxes	(3,390)	(148)
Restructuring expenses, net of gain on sale of related assets	28	(170)
Gain on sale of equipment	(22)	(65)
Excess tax benefits related to stock-based compensation	(339)	(429)
Foreign currency exchange (gains) losses	(115)	688
Changes in assets and liabilities:		
Accounts receivable	(199)	(1,684)
Inventories	(2,579)	(2,020)
Other current assets	(621)	(418)
Other assets	(3)	(67)
Accounts payable	2,110	5,157
Accrued expenses	(2,286)	2,853
Accrued restructuring	(280)	(529)
Income taxes	1,179	(171)
Net cash provided by operating activities	<u>14,821</u>	<u>21,577</u>
Cash flows from investing activities:		
Capital expenditures	(6,352)	(7,431)
Purchase of short-term investments	(6,713)	(3,023)
Proceeds from the sale of short-term investments	2,037	-
Proceeds from the sale of equipment	79	583
Net cash used in investing activities	<u>(10,949)</u>	<u>(9,871)</u>
Cash flows from financing activities:		
Payments on vendor-financed capital expenditures	(377)	(985)
Payments on capital lease obligation	-	(626)
Payments on long-term debt	(179)	(4,789)
Debt issuance costs	(27)	(15)
Excess tax benefits related to stock-based compensation	339	429
Proceeds from common stock issued	769	673
Net cash provided by (used in) financing activities	<u>525</u>	<u>(5,313)</u>
Effect of exchange rate changes on cash and cash equivalents	489	105
Increase in cash and cash equivalents	4,886	6,498
Cash and cash equivalents at beginning of period	<u>18,295</u>	<u>11,797</u>
Cash and cash equivalents at end of period	<u>\$ 23,181</u>	<u>18,295</u>
Free Cash Flow (1)	<u>\$ 8,999</u>	<u>13,652</u>

(1) Free Cash Flow reconciliation is as follows:

	FY 2011	FY 2010
A) Net cash provided by operating activities	\$ 14,821	21,577
B) Minus: Capital Expenditures	(6,352)	(7,431)
C) Add: Proceeds from the sale of equipment	79	583
D) Minus: Payments on vendor-financed capital expenditures	(377)	(985)
E) Minus: Payments on capital lease obligation	-	(626)
F) Add: Excess tax benefits related to stock-based compensation	339	429
G) Effects of exchange rate changes on cash and cash equivalents	489	105
	<u>\$ 8,999</u>	<u>13,652</u>



CULP, INC. FINANCIAL INFORMATION RELEASE
STATEMENTS OF OPERATIONS BY SEGMENT
FOR THE THREE MONTHS ENDED MAY 1, 2011 AND MAY 2, 2010
(Unaudited)
(Amounts in thousands)

	THREE MONTHS ENDED				
	Amounts		% Over (Under)	Percent of Total Sales	
	May 1, 2011	May 2, 2010		May 1, 2011	May 2, 2010
Net Sales by Segment					
Mattress Fabrics	\$ 35,187	33,418	5.3 %	58.3 %	58.4 %
Upholstery Fabrics	25,176	23,825	5.7 %	41.7 %	41.6 %
Net Sales	<u>\$ 60,363</u>	<u>57,243</u>	<u>5.5 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
Gross Profit by Segment					
Mattress Fabrics	\$ 7,632	7,407	3.0 %	21.7 %	22.2 %
Upholstery Fabrics	3,651	4,008	(8.9) %	14.5 %	16.8 %
Subtotal	<u>11,283</u>	<u>11,415</u>	<u>(1.2) %</u>	<u>18.7 %</u>	<u>19.9 %</u>
Restructuring related charges	-	(15) (2)	(100.0) %	0.0 %	(0.0) %
Gross Profit	<u>\$ 11,283</u>	<u>11,400</u>	<u>(1.0) %</u>	<u>18.7 %</u>	<u>19.9 %</u>
Selling, General and Administrative expenses by Segment					
Mattress Fabrics	\$ 2,395	2,482	(3.5) %	6.8 %	7.4 %
Upholstery Fabrics	2,839	2,385	19.0 %	11.3 %	10.0 %
Unallocated Corporate expenses	1,291	1,223	5.6 %	2.1 %	2.1 %
Selling, General and Administrative expenses	<u>6,525</u>	<u>6,090</u>	<u>7.1 %</u>	<u>10.8 %</u>	<u>10.6 %</u>
Operating Income (loss) by Segment					
Mattress Fabrics	\$ 5,236	4,925	6.3 %	14.9 %	14.7 %
Upholstery Fabrics	813	1,623	(49.9) %	3.2 %	6.8 %
Unallocated corporate expenses	(1,291)	(1,223)	5.6 %	(2.1) %	(2.1) %
Subtotal	<u>4,758</u>	<u>5,325</u>	<u>(10.6) %</u>	<u>7.9 %</u>	<u>9.3 %</u>
Restructuring and related (charges) credit	<u>(28) (1)</u>	<u>37 (2)</u>	<u>N.M.</u>	<u>(0.0) %</u>	<u>0.1 %</u>
Operating income	<u>\$ 4,730</u>	<u>5,362</u>	<u>(11.8) %</u>	<u>7.8 %</u>	<u>9.4 %</u>
Depreciation by Segment					
Mattress Fabrics	\$ 1,024	838	22.2 %		
Upholstery Fabrics	143	130	10.0 %		
Subtotal	<u>1,167</u>	<u>968</u>	<u>20.6 %</u>		

Notes:

- (1) The \$28 represents an impairment charge related to equipment associated with the upholstery fabrics segment that are classified as held for sale.
- (2) The \$15 restructuring related charge represents other operating costs associated with closed plant facilities. The \$37 restructuring and related credit represents a credit of \$43 for sales proceeds received on equipment with no carrying value, a credit of \$16 for employee termination benefits, offset by a charge of \$15 for other operating costs associated with closed plant facilities and a charge of \$7 for lease termination and other exit costs.

CULP, INC. FINANCIAL INFORMATION RELEASE
STATEMENTS OF OPERATIONS BY SEGMENT
FOR THE TWELVE MONTHS ENDED MAY 1, 2011 AND MAY 2, 2010
(Unaudited)
(Amounts in thousands)

	TWELVE MONTHS ENDED				
	Amounts		% Over (Under)	Percent of Total Sales	
	May 1, 2011	May 2, 2010		May 1, 2011	May 2, 2010
Net Sales by Segment					
Mattress Fabrics	\$ 122,431	114,848	6.6 %	56.5 %	55.6 %
Upholstery Fabrics	94,375	91,568	3.1 %	43.5 %	44.4 %
Net Sales	<u>\$ 216,806</u>	<u>206,416</u>	<u>5.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
Gross Profit by Segment					
Mattress Fabrics	\$ 23,248	23,652	(1.7) %	19.0 %	20.6 %
Upholstery Fabrics	13,592	15,183	(10.5) %	14.4 %	16.6 %
Subtotal	<u>36,840</u>	<u>38,835</u>	<u>(5.1) %</u>	<u>17.0 %</u>	<u>18.8 %</u>
Restructuring related charges	-	(58) (2)	(100.0) %	0.0 %	(0.0) %
Gross Profit	<u>\$ 36,840</u>	<u>38,777</u>	<u>(5.0) %</u>	<u>17.0 %</u>	<u>18.8 %</u>
Selling, General and Administrative expenses by Segment					
Mattress Fabrics	\$ 7,875	8,178	(3.7) %	6.4 %	7.1 %
Upholstery Fabrics	9,233	9,227	0.1 %	9.8 %	10.1 %
Unallocated Corporate expenses	3,961	5,400	(26.6) %	1.8 %	2.6 %
Subtotal	<u>21,069</u>	<u>22,805</u>	<u>(7.6) %</u>	<u>9.7 %</u>	<u>11.0 %</u>
Operating Income (loss) by Segment					
Mattress Fabrics	\$ 15,373	15,474	(0.7) %	12.6 %	13.5 %
Upholstery Fabrics	4,359	5,956	(26.8) %	4.6 %	6.5 %
Unallocated corporate expenses	(3,961)	(5,400)	(26.6) %	(1.8) %	(2.6) %
Subtotal	<u>15,771</u>	<u>16,030</u>	<u>(1.6) %</u>	<u>7.3 %</u>	<u>7.8 %</u>
Restructuring and related (charges) credit	<u>(28) (1)</u>	<u>312 (2)</u>	<u>N.A</u>	<u>(0.0) %</u>	<u>0.2 %</u>
Operating income	<u>\$ 15,743</u>	<u>16,342</u>	<u>(3.7) %</u>	<u>7.3 %</u>	<u>7.9 %</u>
Return on Capital (3)					
Mattress Fabrics	29.5%	32.7%			
Upholstery Fabrics	36.3%	56.3%			
Unallocated Corporate	N/A	N/A			
Consolidated	<u>24.9%</u>	<u>28.3%</u>			
Capital Employed (3)					
Mattress Fabrics	52,632	47,202	11.5 %		
Upholstery Fabrics	10,317	11,861	(13.0) %		
Unallocated Corporate	(428)	(1,767)	N/A		
Consolidated	<u>62,521</u>	<u>57,296</u>	<u>9.1 %</u>		
Depreciation by Segment					
Mattress Fabrics	\$ 3,820	3,458	10.5 %		
Upholstery Fabrics	552	552	0.0 %		
Subtotal	<u>4,372</u>	<u>4,010</u>	<u>9.0 %</u>		

Notes:

(1) This \$28 represents an impairment charge of \$28 related to equipment associated with the upholstery fabrics segment that are classified as held for sale, a charge of

\$10 for lease termination and other exit costs, offset by a credit of \$10 for sales proceeds received on equipment with no carrying value.

- (2) The \$58 restructuring related charge represents a charge of \$108 for other operating costs associated with closed plant facilities, offset by a credit of \$50 for the sale of inventory previously reserved for. The \$312 restructuring and related credit represents a credit of \$186 for employee termination benefits, a credit of \$170 for sales proceeds received on equipment with no carrying value, a credit of \$50 for the sale of inventory previously reserved for, a credit of \$14 for lease termination and other exit costs, offset by a charge of \$108 for other operating costs associated with closed plant facilities.
 - (3) The capital employed balances are as of May 1, 2011 and May 2, 2010. See pages 6 and 7 of this financial information release for calculations.
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CULP, INC. FINANCIAL INFORMATION RELEASE
RETURN ON CAPITAL EMPLOYED BY SEGMENT
FOR THE TWELVE MONTHS ENDED MAY 1, 2011
(Amounts in Thousands)
(Unaudited)

	Operating Income Twelve Months Ended May 1, 2011 (1)	Average Capital Employed (3)	Return on Avg. Capital Employed (2)
Mattress Fabrics	\$ 15,373	\$ 52,131	29.5%
Upholstery Fabrics	4,359	11,995	36.3%
(less: Unallocated Corporate)	(3,961)	(848)	N/A
Total	\$ 15,771	\$ 63,278	24.9%

Average Capital Employed

	As of the three Months Ended May 1, 2011				As of the three Months Ended January 30, 2011				As of the three Months Ended October 31, 2010			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	66,637	25,929	37,485	130,051	63,830	22,623	27,424	113,877	65,485	22,277	24,146	111,908
Total liabilities	(14,005)	(15,612)	(20,093)	(49,710)	(9,876)	(10,117)	(19,784)	(39,777)	(10,634)	(10,275)	(19,495)	(40,404)
Subtotal	\$ 52,632	\$ 10,317	\$ 17,392	\$ 80,341	\$ 53,954	\$ 12,506	\$ 7,640	\$ 74,100	\$ 54,851	\$ 12,002	\$ 4,651	\$ 71,504
Less:												
Cash and cash equivalents	-	-	(23,181)	(23,181)	-	-	(17,259)	(17,259)	-	-	(15,262)	(15,262)
Short-term investments	-	-	(7,699)	(7,699)	-	-	(5,518)	(5,518)	-	-	(4,035)	(4,035)
Deferred income taxes - current	-	-	(293)	(293)	-	-	(296)	(296)	-	-	(176)	(176)
Income taxes receivable	-	-	(79)	(79)	-	-	(407)	(407)	-	-	(477)	(477)
Deferred income taxes - non-current	-	-	(3,606)	(3,606)	-	-	(1,322)	(1,322)	-	-	(1,391)	(1,391)
Current maturities of long-term debt	-	-	2,412	2,412	-	-	2,400	2,400	-	-	2,396	2,396
Deferred income taxes - current	-	-	82	82	-	-	-	-	-	-	-	-
Income taxes payable - current	-	-	646	646	-	-	289	289	-	-	90	90
Income taxes payable - long-term	-	-	4,167	4,167	-	-	3,934	3,934	-	-	3,890	3,890
Deferred income taxes - non-current	-	-	596	596	-	-	622	622	-	-	622	622
Long-term debt, less current maturities	-	-	9,135	9,135	-	-	9,166	9,166	-	-	9,209	9,209
Total Capital Employed	\$ 52,632	\$ 10,317	\$ (428)	\$ 62,521	\$ 53,954	\$ 12,506	\$ (751)	\$ 65,709	\$ 54,851	\$ 12,002	\$ (483)	\$ 66,370

	As of the three Months Ended August 1, 2010				As of the three Months Ended May 2, 2010			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	66,919	24,415	21,763	113,097	61,922	25,420	25,256	112,598
Total liabilities	(14,902)	(11,126)	(19,943)	(45,971)	(14,720)	(13,559)	(21,272)	(49,551)
Subtotal	\$ 52,017	\$ 13,289	\$ 1,820	\$ 67,126	\$ 47,202	\$ 11,861	\$ 3,984	\$ 63,047
Less:								
Cash and cash equivalents	-	-	(14,045)	(14,045)	-	-	(18,295)	(18,295)
Short-term investments	-	-	(4,009)	(4,009)	-	-	(3,023)	(3,023)
Deferred income taxes - current	-	-	(138)	(138)	-	-	(150)	(150)
Income taxes receivable	-	-	(568)	(568)	-	-	(728)	(728)
Deferred income taxes - non-current	-	-	(245)	(245)	-	-	(324)	(324)
Current maturities of long-term debt	-	-	194	194	-	-	196	196
Deferred income taxes - current	-	-	-	-	-	-	-	-
Income taxes payable - current	-	-	182	182	-	-	224	224
Income taxes payable - long-term	-	-	3,877	3,877	-	-	3,876	3,876
Deferred income taxes - non-current	-	-	666	666	-	-	982	982
Long-term debt, less current maturities	-	-	11,453	11,453	-	-	11,491	11,491
Total Capital Employed	\$ 52,017	\$ 13,289	\$ (813)	\$ 64,493	\$ 47,202	\$ 11,861	\$ (1,767)	\$ 57,296

Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
\$ 52,131	\$ 11,995	\$ (848)	\$ 63,278

Average Capital Employed (3)**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 fiscal 2011 divided by average capital employed. Average capital employed does not include cash and cash equivalents, short-term investments, long-term debt, including current maturities, current and noncurrent deferred tax assets and liabilities, income taxes payable, and income taxes receivable.
- (3) Average capital employed computed using the five periods ending May 2,2010, August 1,2010, October 31, 2010, January 30, 2011, and May 1, 2011.

CULP, INC. FINANCIAL INFORMATION RELEASE
RETURN ON CAPITAL EMPLOYED BY SEGMENT
FOR THE TWELVE MONTHS ENDED MAY 2, 2010
(Amounts in Thousands)
(Unaudited)

	Operating Income Twelve Months Ended May 2, 2010 (1)	Average Capital Employed (3)	Return on Avg. Capital Employed (2)
Mattress Fabrics	\$ 15,474	\$ 47,339	32.7%
Upholstery Fabrics	5,956	10,587	56.3%
(less: Unallocated Corporate)	(5,400)	(1,349)	N/A
Total	\$ 16,030	\$ 56,577	28.3%

Average Capital Employed

	As of the three Months Ended May 2, 2010				As of the three Months Ended January 31, 2010				As of the three Months Ended November 1, 2009			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	61,922	25,420	25,256	112,598	58,609	25,928	21,971	106,508	56,686	19,598	22,496	98,780
Total liabilities	(14,720)	(13,559)	(21,272)	(49,551)	(10,066)	(13,527)	(25,991)	(49,584)	(10,625)	(10,461)	(24,416)	(45,502)
Subtotal	\$ 47,202	\$ 11,861	\$ 3,984	\$ 63,047	\$ 48,543	\$ 12,401	\$ (4,020)	\$ 56,924	\$ 46,061	\$ 9,137	\$ (1,920)	\$ 53,278
Less:												
Cash and cash equivalents	-	-	(18,295)	(18,295)	-	-	(15,994)	(15,994)	-	-	(19,575)	(19,575)
Short-term investments	-	-	(3,023)	(3,023)	-	-	(3,021)	(3,021)	-	-	-	-
Deferred income taxes - current	-	-	(150)	(150)	-	-	(57)	(57)	-	-	(58)	(58)
Income taxes receivable	-	-	(728)	(728)	-	-	(331)	(331)	-	-	(384)	(384)
Deferred income taxes - non-current	-	-	(324)	(324)	-	-	-	-	-	-	-	-
Current maturities of long-term debt	-	-	196	196	-	-	4,880	4,880	-	-	4,863	4,863
Income taxes payable - current	-	-	224	224	-	-	153	153	-	-	329	329
Income taxes payable - long-term	-	-	3,876	3,876	-	-	3,690	3,690	-	-	3,603	3,603
Deferred income taxes - non-current	-	-	982	982	-	-	1,092	1,092	-	-	1,078	1,078
Long-term debt, less current maturities	-	-	11,491	11,491	-	-	11,529	11,529	-	-	11,568	11,568
Total Capital Employed	\$ 47,202	\$ 11,861	\$ (1,767)	\$ 57,296	\$ 48,543	\$ 12,401	\$ (2,079)	\$ 58,865	\$ 46,061	\$ 9,137	\$ (496)	\$ 54,702

	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
Total assets	57,772	16,128	18,511	92,411	58,626	22,078	14,590	95,294
Total liabilities	(10,138)	(7,670)	(24,427)	(42,235)	(11,372)	(10,999)	(24,892)	(47,263)
Subtotal	\$ 47,634	\$ 8,458	\$ (5,916)	\$ 50,176	\$ 47,254	\$ 11,079	\$ (10,302)	\$ 48,031
Less:								
Cash and cash equivalents	-	-	(15,481)	(15,481)	-	-	(11,797)	(11,797)
Short-term investments	-	-	-	-	-	-	-	-
Deferred income taxes - current	-	-	(52)	(52)	-	-	(54)	(54)
Income taxes receivable	-	-	(396)	(396)	-	-	(210)	(210)
Deferred income taxes - non-current	-	-	-	-	-	-	-	-
Current maturities of long-term debt	-	-	4,817	4,817	-	-	4,764	4,764
Income taxes payable - current	-	-	72	72	-	-	83	83
Income taxes payable - long-term	-	-	3,538	3,538	-	-	3,264	3,264
Deferred income taxes - non-current	-	-	1,072	1,072	-	-	974	974
Long-term debt, less current maturities	-	-	11,618	11,618	-	-	11,604	11,604
Total Capital Employed	\$ 47,634	\$ 8,458	\$ (728)	\$ 55,364	\$ 47,254	\$ 11,079	\$ (1,674)	\$ 56,659

Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Average Capital Employed (3)	\$ 47,339	\$ 10,587	\$ (1,349)
	\$ 56,577		

Notes:

- (1) Operating income excludes restructuring and related charges and credits--see reconciliation per page 5 of this financial information release.
- (2) Return on average capital employed represents operating income for fiscal 2010 then divided by average capital employed. Average capital employed does not include cash and cash equivalents, short-term investments, long-term debt, including current maturities, current and noncurrent deferred tax assets and liabilities, current and long-term income taxes payable, and income taxes receivable.
- (3) Average capital employed computed using the five periods ending May 3,2009, August 2,2009, November 1, 2009, January 31, 2010, and May 2, 2010.