

**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 13, 2012

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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This report and the exhibits attached 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, and we disclaim any duty to update such statements. 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 expectations for our future operations, production levels, sales, gross profit margins, operating income, SG&A, or other expenses, earnings, and other performance measures, as well as any statements regarding future economic or industry trends or future developments. 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 our 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 us adversely. Changes in consumer tastes or preferences toward products not produced by us could erode demand for our products. Changes in the value of the U.S. dollar versus other currencies could affect our financial results because a significant portion of our operations are located outside the United States. Strengthening of the U.S. dollar against other currencies could make our 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 our sales of products produced in those places. Also, economic and political instability in international areas could affect our operations or sources of goods in those areas, as well as demand for our products in international markets. Further information about these factors, as well as other factors that could affect our future operations or financial results and the matters discussed in forward-looking statements, are included in Item 1A “Risk Factors” section in our Form 10-K filed with the Securities and Exchange Commission on July 15, 2011 for the fiscal year ended May 1, 2011.

Item 2.02 – Results of Operations and Financial Condition

On June 13, 2012, we issued a news release to announce our financial results for the fourth quarter and fiscal year ended April 29, 2012. The news release is attached hereto as Exhibit 99(a).

Also on June 13, 2012, we released a Financial Information Release containing additional financial information and disclosures about our fourth quarter and fiscal year ended April 29, 2012. 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 we define as net cash provided by operating activities, less cash capital 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 certain non-recurring 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 and expenses are allocated to our operating segments, and there are assets and expenses at the corporate (unallocated) level that may provide support to a segment’s operations and yet are not included in the assets and expenses used to calculate that segment’s return on capital. Thus, the average return on capital for the company’s segments will generally be different from 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.

The news release and Financial Information Release contain disclosures about our consolidated adjusted effective income tax rate, which is a non-GAAP liquidity measure that represents our estimated cash expenditures for income taxes. The consolidated adjusted effective income tax rate is calculated by eliminating the non-cash items that affect our GAAP income tax expense, including adjustments to valuation allowances for deferred tax assets, reductions in income taxes due to net operating loss (NOL) carry forwards, and non-cash foreign income tax expenses. Currently we do not pay income taxes in the U.S. due to NOL carryforward amounts, and thus the consolidated adjusted effective income tax rate represents income tax expense for our subsidiaries located in China and Canada. A reconciliation of our consolidated adjusted effective income tax rate to our consolidated effective GAAP income tax rate is set forth in the Financial Information Release. We believe this information is useful to investors because it demonstrates the amount of cash, as a percentage of income before income taxes, expected to be required to fund our income tax liabilities incurred for the periods reported. Our consolidated income tax expense on a GAAP basis can vary widely over different reporting periods due to the effects of non-cash items, and we believe the calculation of our consolidated adjusted effective tax rate is helpful in comparing financial reporting periods and the amount of income tax liability that we are or will be required to pay to taxing authorities in cash. We also note that, because the consolidated adjusted effective income tax rate used to calculate adjusted net income is based on annualized amounts and estimates, adjusted net income for any quarter or year-to-date period does not necessarily indicate results that could be expected for the full fiscal year. In addition, non-cash reductions in our U.S. NOL carryforwards are based on pre-tax losses in prior periods and will not be available to reduce taxes on current earnings once the NOL carryforward amounts are utilized. Management uses the consolidated adjusted effective income rate to analyze the effect that income tax expenditures are likely to have on cash balances and overall liquidity.

The news release and Financial Information Release contains disclosures about our adjusted net income, which is a non-GAAP performance measure that incorporates the consolidated adjusted effective income tax rate discussed in the preceding paragraph. Adjusted net income is calculated by multiplying the consolidated adjusted effective income tax rate by the amount of income before income taxes shown on our income statement. Because the consolidated adjusted effective income tax rate eliminates non-cash items that affect our GAAP income tax expense, adjusted net income is intended to demonstrate the amount of net income that would be generated by our operations if only the cash portions of our income tax expense are deducted from income before income taxes. As noted above, our consolidated income tax expense on a GAAP basis can vary widely over different reporting periods due to the effect of non-cash items, and we believe the calculation of adjusted net income is useful to investors because it eliminates these items and aids in the analysis of comparable financial periods by reflecting the amount of earnings available after the deduction of tax liabilities that are paid in cash. Adjusted net income should not be viewed in isolation by investors and should not be used as a substitute for net income calculated in accordance with GAAP. We also note that, because the consolidated adjusted effective income tax rate used to calculate adjusted net income is based on annualized amounts and estimates, adjusted net income for any quarter or year-to-date period does not necessarily indicate results that could be expected for the full fiscal year. In addition, the limitations on the usefulness of consolidated adjusted effective income tax rates described in the preceding paragraph also apply to the usefulness of adjusted net income, since consolidated adjusted effective income tax rates are used to calculate adjusted net income. Management uses adjusted net income to help it analyze the company's earnings and performance after taking certain tax matters into account when comparing comparable quarterly and year-to-date periods.

Item 9.01 (d) -- Exhibits

99(a) News Release dated June 13, 2012

99(b) Financial Information Release dated June 13, 2012

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 13, 2012

EXHIBIT INDEX

Exhibit Number

Exhibit

99(a)

News Release dated June 13, 2012

99(b)

Financial Information Release dated June 13,
2012



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 2012

***Board of Directors Initiates a Quarterly Dividend and
Authorizes Additional Share Repurchases***

HIGH POINT, N.C. (June 13, 2012) — Culp, Inc. (NYSE: CFI) today reported financial and operating results for the fourth quarter and fiscal year ended April 29, 2012.

Fiscal 2012 fourth quarter highlights:

- § Net sales were \$75.7 million, up 25.4 percent, with mattress fabric sales up 23.3 percent and upholstery fabric sales up 28.4 percent. This is the company's highest quarterly sales level in eight years.
- § Pre-tax income increased 17 percent to \$5.5 million.
- § Adjusted net income (non-GAAP) was \$4.5 million, or \$0.35 per diluted share, for the current quarter, compared with \$3.9 million, or \$0.30 per diluted share, for the prior year period. (Adjusted net income is calculated using estimated income tax expense for Culp's foreign subsidiaries. See the reconciliation to net income on page 7). Net income (GAAP) was \$3.4 million, or \$0.27 per diluted share, compared with net income of \$6.0 million, or \$0.45 per diluted share, in the prior year.
- § The company announced today the initiation of a quarterly cash dividend of \$0.03 per share, commencing in the first quarter of fiscal 2013, implying an annual cash dividend of \$0.12 per share.
- § The company also announced today the authorization of additional share repurchases, increasing authorized repurchases up to \$5.0 million.

Fiscal 2012 full year highlights:

- § Net sales were \$254.4 million, up 17.4 percent, with mattress fabric sales up 18.9 percent and upholstery fabric sales up 15.4 percent.
- § Pre-tax income decreased 6.0 percent to \$14.2 million.
- § Adjusted net income (non-GAAP) was \$11.6 million, or \$0.90 per diluted share, in fiscal 2012 compared with \$12.6 million, or \$0.96 per diluted share, in fiscal 2011. (See reconciliation to net income on page 7). Net income (GAAP) was \$13.3 million, or \$1.03 per diluted share, compared with \$16.2 million, or \$1.22 per diluted share, in the prior year period.
- § The company's financial position remained strong during fiscal 2012 with a total cash position of \$31.0 million at year end and total debt of \$10.0 million.
- § The company repurchased 624,459, or 4.7 percent of its outstanding shares, for \$5.4 million.
- § The projection for the first quarter of fiscal 2013 is for overall sales to increase approximately 6 to 11 percent. Pre-tax income is expected to be in the range of \$3.6 million to \$4.4 million. Pre-tax income for the first quarter of fiscal 2012 was \$3.0 million.

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Quarterly Dividend and Share Repurchase Program

The company announced that its Board of Directors has approved the payment of a quarterly cash dividend of \$.03 per share, to be paid on or about July 16, 2012, to shareholders of record as of the close of business on July 2, 2012. The company anticipates paying a cash dividend each quarter, with expected payment dates in October, January, April and July. The announcement today implies an annual cash dividend of \$0.12 per share. Future dividend payments are subject to Board approval and may be adjusted at the Board's discretion as business needs or market conditions change.

In addition, the company announced that its Board of Directors has approved a new authorization for the company to acquire up to \$5.0 million of its common stock. This action replaces a similar authorization to acquire up to \$7.0 million of common stock, of which \$5.4 million was used during fiscal 2012 to repurchase 624,459 shares. These purchases represented 4.7 percent of shares outstanding when the program began in June 2011.

Commenting on this announcement, Frank Saxon, president and chief executive officer of Culp, Inc., said, "The opportunity to initiate a quarterly dividend and to increase the share repurchase program reflects our solid and consistent financial performance and strong balance sheet, along with the leadership position we have achieved in each of our businesses. These actions reinforce our confidence in the company's future and our commitment to generating value for our shareholders."

Overview

For the three months ended April 29, 2012, net sales were \$75.7 million, a 25.4 percent increase compared with \$60.4 million a year ago. The company reported net income (GAAP) of \$3.4 million, or \$0.27 per diluted share, for the fourth quarter of fiscal 2012, compared with net income (GAAP) of \$6.0 million, or \$0.45 per diluted share, for the fourth quarter of fiscal 2011. Net income for the fourth quarter of fiscal 2012 includes a \$2.1 million income tax expense, while net income for the previous year period included an income tax benefit of \$1.3 million.

Given the volatility in the income tax area during fiscal 2012 and previous years, the company is reporting adjusted net income (non-GAAP), which is calculated using estimated income tax expense for its foreign subsidiaries. (A presentation of adjusted net income and reconciliation to net income is set forth on page 7). The company currently does not incur cash income tax expense in the U.S., nor does it expect to in the foreseeable future, due to its \$60 million in U.S. net operating loss carryforwards. Therefore, for the fourth quarter of fiscal 2012, adjusted net income was \$4.5 million, or \$0.35 per diluted share, compared with \$3.9 million, or \$0.30 per diluted share, for fiscal 2011. On a pre-tax basis, the company reported income of \$5.5 million compared with pre-tax income of \$4.7 million for the fourth quarter of fiscal 2011.

Net sales for fiscal 2012 were \$254.4 million, up 17.4 percent compared with net sales of \$216.8 million in fiscal 2011. Net income for fiscal 2012 was \$13.3 million, or \$1.03 per diluted share, compared with \$16.2 million, or \$1.22 per diluted share, in fiscal 2011. Net income for fiscal 2012 included a \$902,000 income tax expense, while net income for fiscal 2011 included an income tax benefit of \$1.1 million. Adjusted net income for fiscal 2012 was \$11.6 million, or \$0.90 per diluted share, compared with \$12.6 million, or \$0.96 per diluted share, in fiscal 2011. On a pre-tax basis, the company reported income of \$14.2 million for fiscal 2012, compared with pre-tax income of \$15.1 million in fiscal 2011.

Saxon continued, "We are pleased with our fourth quarter performance, highlighted by continued strong sales momentum with the highest overall quarterly sales in eight years. These results reflect improved industry demand and the benefits of our outstanding design capabilities and lean global manufacturing platform. Culp has a strong competitive position in both mattress fabrics and upholstery fabrics as we have continued to offer a wide range of innovative products that meet the changing style demands of our customers.

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“Notably, our financial position is the strongest in the company’s history,” Saxon added. “This represents an important competitive advantage in today’s economic climate, and provides us with excellent flexibility to pursue our growth initiatives and an opportunity to enhance shareholder value through our expanded share repurchase program and new dividend announced today.”

Mattress Fabrics Segment

Mattress fabric sales for the fourth quarter were \$43.4 million, up 23.3 percent compared with \$35.2 million for the fourth quarter of fiscal 2011. For the year, mattress fabric sales were \$145.5 million, up 18.9 percent compared with fiscal 2011.

“Our mattress fabrics business had a strong fourth quarter performance, ending fiscal 2012 with the highest annual sales in our history,” said Iv Culp, president of Culp’s mattress fabrics division. “We had solid gains across all major product categories, highlighted by a recent resurgence in sales of our woven damask product line. The overall sales trend reflects a growing consumer demand for better bedding and a higher quality mattress fabric as some segments of the mattress industry are demanding more decorative products. Culp is well positioned to meet this demand as a leading provider of an innovative and diverse line of products in every major category, supported by exceptional customer service. We also have the ability to leverage our flexible manufacturing platform and outstanding design capabilities for developing new products that meet the demands of leading customers in the bedding industry.

“While we are pleased with the increased sales, our operating margins for the quarter and fiscal year were affected by higher raw material costs and continued pricing pressures compared with market conditions a year ago. We are encouraged that raw material prices have come down from their peak levels and appear to have stabilized in the fourth quarter. We expect subsequent quarters will show gradual improvement in our raw material costs.

New Joint Marketing Venture in Mattress Covers - Culp-Lava Applied Sewn Solutions

“We continue to look for opportunities to expand our current custom, value-added business platform and keep pace with changing industry demand trends, added Culp. “As such, we have entered into a joint marketing agreement with A. Lava & Son Co., a leading provider of mattress covers based in Chicago, to design, produce and market mattress covers. A. Lava & Son Co. brings a solid reputation built on superior workmanship and expertise to this synergistic relationship. We are excited about the opportunities to leverage our outstanding design capabilities, from mattress fabrics to finished covers, with a proven market leader in this growing product category. This new venture, known as Culp-Lava Applied Sewn Solutions, represents a natural progression of Culp’s mattress fabrics business as we continue to capitalize on growth opportunities in more innovative product offerings. We will establish a new manufacturing facility with production expected to begin the second quarter of fiscal 2013. As a result, Culp-Lava Applied Sewn Solutions will have two mirrored manufacturing facilities to better serve our growing customer base and meet current and expected demand trends in the bedding industry. We believe this new venture highlights our commitment to enhance Culp’s leadership position in the bedding industry with an expanded and flexible manufacturing platform, supported by exceptional design, superior customer service, reliable delivery performance and consistent quality and value.”

Upholstery Fabrics Segment

Sales for this segment were \$32.3 million for the fourth quarter, a 28.4 percent improvement compared with sales of \$25.2 million in the fourth quarter of fiscal 2011. For the year, upholstery fabric sales totaled \$108.9 million, a 15.4 percent increase compared with \$94.4 million in fiscal 2011.

“We are encouraged by the continued growth in sales in our upholstery fabrics business with our highest quarterly sales in five years,” noted Saxon. “These results reflect improved industry demand and outstanding response to our innovative designs and new product introductions from key customers. Sales of our China produced fabrics were the main driver of our growth for the fourth quarter and fiscal year as we have focused on offering high quality products at excellent values. China produced fabrics now account for over 85 percent of all Culp’s upholstery fabrics sales. This platform has played a significant role in our global development in fiscal 2012 with increased placements with key U.S. customers, local China market customers and a growing list of international customers. .

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“We were especially pleased with the sales and profit improvement during the fourth quarter from our U.S. operation with increased demand for both velvets and woven texture fabrics,” added Saxon. “Our actions in the second quarter to align U.S. capacity with expected demand and increase prices had a favorable impact on profitability. We are also encouraged by new placements with our U.S. produced fabrics and are expecting further growth in sales and profitability from this operation during the first quarter of fiscal 2013.”

Saxon continued, “We continue to make progress in the development of our Culp Europe operation, located in Poland. We are encouraged by the initial response from several of the largest furniture manufacturers and retailers in Europe. For fiscal 2012, Culp Europe sales accounted for approximately three percent of our total upholstery fabrics sales and we expect this percentage to increase further over the next fiscal year. While we experienced a small operating loss for fiscal 2012 due to start-up costs, we expect Culp Europe to make a more meaningful contribution in the next fiscal year.

Balance Sheet

“Throughout fiscal 2012, we have remained diligent in maintaining a strong financial position,” added Saxon. “As of April 29, 2012, we reported \$31.0 million in cash and cash equivalents and short-term investments, unchanged from the balance at the end of fiscal 2011. Total debt was \$10.0 million, which includes long-term debt plus current maturities of long-term debt and line of credit, compared with \$11.5 million at the end of last fiscal year. We are pleased with our ability to maintain the same cash balance compared with the end of fiscal 2011, even after spending \$5.4 million for share repurchases, \$5.9 million in capital expenditures and increasing working capital by \$6.9 million to meet increasing business demands.”

Outlook

Commenting on the outlook for the first quarter of fiscal 2013, Saxon remarked, “We expect overall sales to be 6 to 11 percent higher than the first quarter of last year.

“We expect sales in our mattress fabrics segment to be 8 to 13 percent higher than the same period a year ago. Operating income and margins in this segment are expected to be significantly higher than the same period a year ago.

“In our upholstery fabrics segment, we expect sales to be 2 to 7 percent higher as compared with the previous year’s first quarter results, although recent trends in incoming orders reflect a softening of demand momentum. We believe the upholstery fabric segment’s operating income and margin will be significantly higher than the same quarter of last year.

“Considering these factors, the company expects to report pre-tax income for the first fiscal quarter of 2013 in the range of \$3.6 million to \$4.4 million. Pretax income for last year’s first quarter was \$3.0 million.

In closing, Saxon remarked, “Our results for fiscal 2012 demonstrate Culp’s ability to succeed in spite of a challenging period of economic uncertainty. Throughout the year, we continued to build upon our strong competitive position in both business segments. Our commitment to product innovation and creativity, along with our scalable and global manufacturing platforms, are key advantages, allowing us to meet the changing demands of our customers. At the same time, Culp is well positioned for further profitable growth as the housing market gradually recovers. As we begin fiscal 2013, we have the financial strength to pursue our strategic initiatives and continue to generate added value for our shareholders through dividends and share repurchases. Above all, we are committed to outstanding performance for our customers as a financially stable and trusted source for innovative fabrics. We are very excited about the opportunities before us to enhance our leadership position in the year ahead.”

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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, 2011, for fiscal year ended May 1, 2011.

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CULP, INC.
Condensed Financial Highlights
(Unaudited)

	Three Months Ended		Fiscal Year Ended	
	April 29, 2012	May 1, 2011	April 29, 2012	May 1, 2011
Net sales	\$ 75,711,000	\$ 60,363,000	\$ 254,443,000	\$ 216,806,000
Income before income taxes	\$ 5,494,000	\$ 4,675,000	\$ 14,198,000	\$ 15,062,000
Net income	\$ 3,423,000	\$ 5,990,000	\$ 13,296,000	\$ 16,164,000
Net income per share:				
Basic	\$ 0.27	\$ 0.46	\$ 1.05	\$ 1.25
Diluted	\$ 0.27	\$ 0.45	\$ 1.03	\$ 1.22
Adjusted net income	\$ 4,478,000	\$ 3,922,000	\$ 11,571,000	\$ 12,637,000
Adjusted net income per share:				
Basic	\$ 0.36	\$ 0.30	\$ 0.91	\$ 0.98
Diluted	\$ 0.35	\$ 0.30	\$ 0.90	\$ 0.96
Average shares outstanding:				
Basic	12,513,000	13,030,000	12,711,000	12,959,000
Diluted	12,695,000	13,217,000	12,866,000	13,218,000

Presentation of Adjusted Net Income and Adjusted Income Taxes (1)

	Three Months Ended		Fiscal Year Ended	
	April 29, 2012	May 1, 2011	April 29, 2012	May 1, 2011
Income before income taxes	\$ 5,494,000	\$ 4,675,000	\$ 14,198,000	\$ 15,062,000
Adjusted income taxes (2)	\$ 1,016,000	\$ 753,000	\$ 2,627,000	\$ 2,425,000
Adjusted net income	\$ 4,478,000	\$ 3,922,000	\$ 11,571,000	\$ 12,637,000

- (1) Culp, Inc. currently does not incur cash income tax expense in the U.S. due to its \$59.9 million in net operating loss carryforwards. Adjusted net income is calculated using only income tax expense for the company's subsidiaries in Canada and China.
- (2) Represents estimated income tax expense for the company's subsidiaries in Canada and China, calculated with a consolidated adjusted effective income tax rate of 18.5% for fiscal 2012 and 16.1% for fiscal 2011.

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**CONSOLIDATED ADJUSTED EFFECTIVE INCOME TAX RATE, NET INCOME AND EARNINGS PER SHARE
FOR THE TWELVE MONTHS ENDED APRIL 29, 2012 AND MAY 1, 2011**

**Unaudited
(Amounts in Thousands)**

	TWELVE MONTHS ENDED	
	Amounts	
	April 29, 2012	May 1, 2011
Consolidated Effective GAAP Income Tax Rate (1)	6.4%	(7.3)%
Reduction of U.S. Valuation Allowance	26.1%	33.7%
Reduction of China Valuation Allowance	-	8.4%
Non-Cash U.S. Income Tax Expense	(13.8)%	(20.6)%
Non-Cash Foreign Income Tax Expense	(0.2)%	1.9%
Consolidated Adjusted Effective Income Tax Rate (2)	18.5%	16.1%

	THREE MONTHS ENDED					
	As reported April 29, 2012	Adjustments	April 29, 2012 Proforma Net of Adjustments	As reported May 1, 2011	Adjustments	May 1, 2011 Proforma Net of Adjustments
	Income before income taxes	\$ 5,494		\$ 5,494	\$ 4,675	
Income taxes (3)	2,071	\$ (1,055)	1,016	(1,315)	\$ 2,068	753
Net income	\$ 3,423	\$ 1,055	\$ 4,478	\$ 5,990	\$ (2,068)	\$ 3,922
Net income per share-basic	\$ 0.27	\$ (0.08)	\$ 0.36	\$ 0.46	\$ 0.16	\$ 0.30
Net income per share-diluted	\$ 0.27	\$ (0.08)	\$ 0.35	\$ 0.45	\$ 0.16	\$ 0.30
Average shares outstanding-basic	12,513	12,513	12,513	13,030	13,030	13,030
Average shares outstanding-diluted	12,695	12,695	12,695	13,217	13,217	13,217

	TWELVE MONTHS ENDED					
	As reported April 29, 2012	Adjustments	April 29, 2012 Proforma Net of Adjustments	As reported May 1, 2011	Adjustments	May 1, 2011 Proforma Net of Adjustments
	Income before income taxes	\$ 14,198		\$ 14,198	\$ 15,062	
Income taxes (3)	902	\$ 1,725	2,627	(1,102)	\$ 3,527	2,425
Net income	\$ 13,296	\$ (1,725)	\$ 11,571	\$ 16,164	\$ (3,527)	\$ 12,637
Net income per share-basic	\$ 1.05	\$ 0.14	\$ 0.91	\$ 1.25	\$ 0.27	\$ 0.98
Net income per share-diluted	\$ 1.03	\$ 0.13	\$ 0.90	\$ 1.22	\$ 0.27	\$ 0.96
Average shares outstanding-basic	12,711	12,711	12,711	12,959	12,959	12,959
Average shares outstanding-diluted	12,866	12,866	12,866	13,218	13,218	13,218

(1) Calculated by dividing consolidated income tax (benefit) expense by consolidated income before income taxes.

(2) Represents estimated cash income tax expense for our subsidiaries located in Canada and China divided by consolidated income before income taxes.

(3) Proforma taxes calculated using the Consolidated Adjusted Effective Income Tax Rate as reflected above.

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CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF NET INCOME
FOR THE THREE MONTHS ENDED APRIL 29, 2012 AND MAY 1, 2011
(UNAUDITED)
(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED				
	Amounts		% Over (Under)	Percent of Sales	
	April 29, 2012	May 1, 2011		April 29, 2012	May 1, 2011
Net sales	\$ 75,711	60,363	25.4 %	100.0 %	100.0 %
Cost of sales	62,013	49,080	26.4 %	81.9 %	81.3 %
Gross profit	13,698	11,283	21.4 %	18.1 %	18.7 %
Selling, general and administrative expenses	8,031	6,525	23.1 %	10.6 %	10.8 %
Restructuring expense	-	28	(100.0) %	0.0 %	0.0 %
Income from operations	5,667	4,730	19.8 %	7.5 %	7.8 %
Interest expense	190	222	(14.4) %	0.3 %	0.4 %
Interest income	(121)	(96)	26.0 %	(0.2) %	(0.2) %
Other expense (income)	104	(71)	N.M.	0.1 %	(0.1) %
Income before income taxes	5,494	4,675	17.5 %	7.3 %	7.7 %
Income taxes*	2,071	(1,315)	N.M.	37.7 %	(28.1) %
Net income	\$ 3,423	5,990	(42.9) %	4.5 %	9.9 %
Net income per share-basic	\$ 0.27	\$ 0.46	(41.3) %		
Net income per share-diluted	\$ 0.27	\$ 0.45	(40.0) %		
Average shares outstanding-basic	12,513	13,030	(4.0) %		
Average shares outstanding-diluted	12,695	13,217	(3.9) %		

PRESENTATION OF ADJUSTED NET INCOME, ADJUSTED INCOME TAXES AND EARNINGS PER SHARE (1)

	THREE MONTHS ENDED				
	Amounts		% Over (Under)	Percent of Sales	
	April 29, 2012	May 1, 2011		April 29, 2012	May 1, 2011
Income before income taxes (see above)	\$ 5,494	4,675	17.5 %	7.3 %	7.7 %
Adjusted Income taxes (2)*	1,016	753	34.9 %	18.5 %	16.1 %
Adjusted net income	4,478	3,922	14.2 %	5.9 %	6.5 %
Adjusted net income per share-basic	\$ 0.36	\$ 0.30	20.0 %		
Adjusted net income per share-diluted	\$ 0.35	\$ 0.30	16.7 %		
Average shares outstanding-basic	12,513	13,030	(4.0) %		
Average shares outstanding-diluted	12,695	13,217	(3.9) %		

(1) Culp, Inc. currently does not incur cash income tax expense in the US due to its \$59.9 million in net operating loss carryforwards. Therefore, adjusted net income is calculated using only income tax expense for our subsidiaries located in Canada and China. See reconciliation on page 9 of 9.

(2) Represents estimated income tax expense for our subsidiaries located in Canada and China. See reconciliation on page 9 of 9.

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

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF NET INCOME
FOR THE TWELVE MONTHS ENDED APRIL 29, 2012 AND MAY 1, 2011
(UNAUDITED)
(Amounts in Thousands, Except for Per Share Data)

	TWELVE MONTHS ENDED				
	Amounts			Percent of Sales	
	April 29, 2012	May 1, 2011	% Over (Under)	April 29, 2012	May 1, 2011
Net sales	\$ 254,443	216,806	17.4 %	100.0 %	100.0 %
Cost of sales	214,711	179,966	19.3 %	84.4 %	83.0 %
Gross profit	39,732	36,840	7.9 %	15.6 %	17.0 %
Selling, general and administrative expenses	25,026	21,069	18.8 %	9.8 %	9.7 %
Restructuring expense	-	28	N.M.	0.0 %	0.0 %
Income from operations	14,706	15,743	(6.6) %	5.8 %	7.3 %
Interest expense	780	881	(11.5) %	0.3 %	0.4 %
Interest income	(508)	(240)	111.7 %	(0.2) %	(0.1) %
Other expense	236	40	490.0 %	0.1 %	0.0 %
Income before income taxes	14,198	15,062	(5.7) %	5.6 %	6.9 %
Income taxes*	902	(1,102)	N.M.	6.4 %	(7.3) %
Net income	\$ 13,296	16,164	(17.7) %	5.2 %	7.5 %
Net income per share-basic	\$ 1.05	\$ 1.25	(16.0) %		
Net income per share-diluted	\$ 1.03	\$ 1.22	(15.6) %		
Average shares outstanding-basic	12,711	12,959	(1.9) %		
Average shares outstanding-diluted	12,866	13,218	(2.7) %		

PRESENTATION OF ADJUSTED NET INCOME, ADJUSTED INCOME TAXES AND EARNINGS PER SHARE (1)

	TWELVE MONTHS ENDED				
	Amounts			Percent of Sales	
	April 29, 2012	May 1, 2011	% Over (Under)	April 29, 2012	May 1, 2011
Income before income taxes (see above)	\$ 14,198	15,062	(5.7) %	5.6 %	6.9 %
Adjusted Income taxes (2)*	2,627	2,425	8.3 %	18.5 %	16.1 %
Adjusted net income	11,571	12,637	(8.4) %	4.5 %	5.8 %
Adjusted net income per share-basic	\$ 0.91	\$ 0.98	(7.1) %		
Adjusted net income per share-diluted	\$ 0.90	\$ 0.96	(6.2) %		
Average shares outstanding-basic	12,711	12,959	(1.9) %		
Average shares outstanding-diluted	12,866	13,218	(2.7) %		

(1) Culp, Inc. currently does not incur cash income tax expense in the US due to its \$59.9 million in net operating loss carryforwards. Therefore, adjusted net income is calculated using only income tax expense for our subsidiaries located in Canada and China. See reconciliation on page 9 of 9.

(2) Represents estimated income tax expense for our subsidiaries located in Canada and China. See reconciliation on page 9 of 9.

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

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED BALANCE SHEETS
APRIL 29, 2012 AND MAY 1, 2011
Unaudited
(Amounts in Thousands)

	<u>Amounts</u>		<u>Increase (Decrease)</u>	
	<u>April 29, 2012</u>	<u>* May 1, 2011</u>	<u>Dollars</u>	<u>Percent</u>
Current assets				
Cash and cash equivalents	\$ 25,023	\$ 23,181	1,842	7.9 %
Short-term investments	5,941	7,699	(1,758)	(22.8) %
Accounts receivable	25,055	20,209	4,846	24.0 %
Inventories	36,373	28,723	7,650	26.6 %
Deferred income taxes	2,467	293	2,174	742.0 %
Assets held for sale	15	75	(60)	(80.0) %
Income taxes receivable	-	79	(79)	(100.0) %
Other current assets	1,989	2,376	(387)	(16.3) %
Total current assets	<u>96,863</u>	<u>82,635</u>	<u>14,228</u>	<u>17.2 %</u>
Property, plant and equipment, net	31,279	30,296	983	3.2 %
Goodwill	11,462	11,462	-	0.0 %
Deferred income taxes	3,205	3,606	(401)	(11.1) %
Other assets	1,907	2,052	(145)	(7.1) %
Total assets	<u>\$ 144,716</u>	<u>\$ 130,051</u>	<u>14,665</u>	<u>11.3 %</u>
Current liabilities				
Current maturities of long-term debt	\$ 2,404	\$ 2,412	(8)	(0.3) %
Line of credit	889	-	889	100.0 %
Accounts payable - trade	30,663	24,871	5,792	23.3 %
Accounts payable - capital expenditures	169	140	29	20.7 %
Accrued expenses	9,321	7,617	1,704	22.4 %
Accrued restructuring	40	44	(4)	(9.1) %
Deferred income taxes	-	82	(82)	(100.0) %
Income taxes payable - current	642	646	(4)	(0.6) %
Total current liabilities	<u>44,128</u>	<u>35,812</u>	<u>8,316</u>	<u>23.2 %</u>
Income taxes payable - long-term	4,164	4,167	(3)	(0.1) %
Deferred income taxes	705	596	109	18.3 %
Long-term debt , less current maturities	6,719	9,135	(2,416)	(26.4) %
Total liabilities	<u>55,716</u>	<u>49,710</u>	<u>6,006</u>	<u>12.1 %</u>
Shareholders' equity	<u>89,000</u>	<u>80,341</u>	<u>8,659</u>	<u>10.8 %</u>
Total liabilities and shareholders' equity	<u>\$ 144,716</u>	<u>\$ 130,051</u>	<u>14,665</u>	<u>11.3 %</u>
Shares outstanding	<u>12,703</u>	<u>13,264</u>	<u>(561)</u>	<u>(4.2) %</u>

* Derived from audited financial statements

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED APRIL 29, 2012 AND MAY 1, 2011
Unaudited
(Amounts in Thousands)

	TWELVE MONTHS ENDED	
	Amounts	
	April 29, 2012	May 1, 2011
Cash flows from operating activities:		
Net income	\$ 13,296	16,164
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,865	4,372
Amortization of other assets	243	442
Stock-based compensation	349	360
Deferred income taxes	(1,682)	(3,390)
Restructuring expenses, net of gain on sale of related assets	-	28
Gain on sale of equipment	(168)	(22)
Excess tax benefits related to stock-based compensation	(64)	(339)
Foreign currency exchange gains	(215)	(115)
Changes in assets and liabilities:		
Accounts receivable	(4,792)	(199)
Inventories	(7,497)	(2,579)
Other current assets	395	(621)
Other assets	(61)	(3)
Accounts payable	5,426	2,110
Accrued expenses	1,710	(2,286)
Accrued restructuring	(4)	(280)
Income taxes	202	1,179
Net cash provided by operating activities	<u>12,003</u>	<u>14,821</u>
Cash flows from investing activities:		
Capital expenditures	(5,890)	(6,352)
Purchase of short-term investments	(4,797)	(6,713)
Proceeds from the sale of short-term investments	6,707	2,037
Proceeds from the sale of equipment	299	79
Net cash used in investing activities	<u>(3,681)</u>	<u>(10,949)</u>
Cash flows from financing activities:		
Proceeds from lines of credit	6,323	-
Payments on lines of credit	(5,500)	-
Payments on vendor-financed capital expenditures	-	(377)
Payments on long-term debt	(2,404)	(179)
Debt issuance costs	(37)	(27)
Excess tax benefits related to stock-based compensation	64	339
Repurchase of common stock	(5,384)	-
Proceeds from common stock issued	318	769
Net cash (used in) provided by financing activities	<u>(6,620)</u>	<u>525</u>
Effect of exchange rate changes on cash and cash equivalents	140	489
Increase in cash and cash equivalents	1,842	4,886
Cash and cash equivalents at beginning of period	<u>23,181</u>	<u>18,295</u>
Cash and cash equivalents at end of period	<u>\$ 25,023</u>	<u>23,181</u>
Free Cash Flow (1)	<u>\$ 6,616</u>	<u>8,999</u>

(1) Free Cash Flow reconciliation is as follows:

	FY 2012	FY 2011
A) Net cash provided by operating activities	\$ 12,003	14,821
B) Minus: Capital Expenditures	(5,890)	(6,352)
C) Add: Proceeds from the sale of equipment	299	79
D) Minus: Payments on vendor-financed capital expenditures	-	(377)
E) Add: Excess tax benefits related to stock-based compensation	64	339

F) Effects of exchange rate changes on cash and cash equivalents

	<u>140</u>	<u>489</u>
	<u>\$ 6,616</u>	<u>8,999</u>

CULP, INC. FINANCIAL INFORMATION RELEASE
STATEMENTS OF OPERATIONS BY SEGMENT
FOR THE THREE MONTHS ENDED APRIL 29, 2012 AND MAY 1, 2011
(Unaudited)
(Amounts in thousands)

	THREE MONTHS ENDED				
	Amounts		% Over (Under)	Percent of Total Sales	
	April 29, 2012	May 1, 2011		April 29, 2012	May 1, 2011
Net Sales by Segment					
Mattress Fabrics	\$ 43,389	35,187	23.3 %	57.3 %	58.3 %
Upholstery Fabrics	32,322	25,176	28.4 %	42.7 %	41.7 %
Net Sales	<u>\$ 75,711</u>	<u>60,363</u>	<u>25.4 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
Gross Profit by Segment					
Mattress Fabrics	\$ 8,645	7,632	13.3 %	19.9 %	21.7 %
Upholstery Fabrics	5,053	3,651	38.4 %	15.6 %	14.5 %
Gross Profit	<u>\$ 13,698</u>	<u>11,283</u>	<u>21.4 %</u>	<u>18.1 %</u>	<u>18.7 %</u>
Selling, General and Administrative expenses by Segment					
Mattress Fabrics	\$ 2,967	2,395	23.9 %	6.8 %	6.8 %
Upholstery Fabrics	3,267	2,839	15.1 %	10.1 %	11.3 %
Unallocated Corporate expenses	1,797	1,291	39.2 %	2.4 %	2.1 %
Selling, General and Administrative expenses	<u>8,031</u>	<u>6,525</u>	<u>23.1 %</u>	<u>10.6 %</u>	<u>10.8 %</u>
Operating Income (loss) by Segment					
Mattress Fabrics	\$ 5,678	5,236	8.4 %	13.1 %	14.9 %
Upholstery Fabrics	1,786	813	119.7 %	5.5 %	3.2 %
Unallocated corporate expenses	(1,797)	(1,291)	39.2 %	(2.4) %	(2.1) %
Subtotal	5,667	4,758	19.1 %	7.5 %	7.9 %
Restructuring expense	-	(28) (1)	(100.0) %	0.0 %	(0.0) %
Operating income	<u>\$ 5,667</u>	<u>4,730</u>	<u>19.8 %</u>	<u>7.5 %</u>	<u>7.8 %</u>
Depreciation by Segment					
Mattress Fabrics	\$ 1,112	1,024	8.6 %		
Upholstery Fabrics	152	143	6.3 %		
Subtotal	<u>1,264</u>	<u>1,167</u>	<u>8.3 %</u>		

Notes:

(1) The \$28 represents an impairment charge related to equipment associated with the upholstery fabrics segment that is classified as held for sale.

CULP, INC. FINANCIAL INFORMATION RELEASE
STATEMENTS OF OPERATIONS BY SEGMENT
FOR THE TWELVE MONTHS ENDED APRIL 29, 2012 AND MAY 1, 2011
(Unaudited)
(Amounts in thousands)

	TWELVE MONTHS ENDED				
	Amounts		% Over (Under)	Percent of Total Sales	
	April 29, 2012	May 1, 2011		April 29, 2012	May 1, 2011
Net Sales by Segment					
Mattress Fabrics	\$ 145,519	122,431	18.9 %	57.2 %	56.5 %
Upholstery Fabrics	108,924	94,375	15.4 %	42.8 %	43.5 %
Net Sales	<u>\$ 254,443</u>	<u>216,806</u>	<u>17.4 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	\$ 24,825	23,248	6.8 %	17.1 %	19.0 %
Upholstery Fabrics	14,984	13,592	10.2 %	13.8 %	14.4 %
Subtotal	<u>39,809</u>	<u>36,840</u>	<u>8.1 %</u>	<u>15.6 %</u>	<u>17.0 %</u>
Other non-recurring charges	(77) (1)	-	100.0 %	(0.0) %	0.0 %
Gross Profit	<u>39,732</u>	<u>36,840</u>	<u>7.9 %</u>	<u>15.6 %</u>	<u>17.0 %</u>
Selling, General and Administrative expenses by Segment				Percent of Sales	
Mattress Fabrics	\$ 9,061	7,875	15.1 %	6.2 %	6.4 %
Upholstery Fabrics	11,453	9,233	24.0 %	10.5 %	9.8 %
Unallocated Corporate expenses	4,512	3,961	13.9 %	1.8 %	1.8 %
Subtotal	<u>25,026</u>	<u>21,069</u>	<u>18.8 %</u>	<u>9.8 %</u>	<u>9.7 %</u>
Operating Income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	\$ 15,764	15,373	2.5 %	10.8 %	12.6 %
Upholstery Fabrics	3,531	4,359	(19.0) %	3.2 %	4.6 %
Unallocated corporate expenses	(4,512)	(3,961)	13.9 %	(1.8) %	(1.8) %
Subtotal	<u>14,783</u>	<u>15,771</u>	<u>(6.3) %</u>	<u>5.8 %</u>	<u>7.3 %</u>
Other non-recurring charges	(77) (1)	(28) (2)	175.0 %	(0.0) %	(0.0) %
Operating income	<u>\$ 14,706</u>	<u>15,743</u>	<u>(6.6) %</u>	<u>5.8 %</u>	<u>7.3 %</u>
Return on Capital (3)					
Mattress Fabrics	29.4%	29.5%			
Upholstery Fabrics	25.7%	36.3%			
Unallocated Corporate	N/A	N/A			
Consolidated	<u>21.9%</u>	<u>24.9%</u>			
Capital Employed (4)					
Mattress Fabrics	53,910	52,632	2.4 %		
Upholstery Fabrics	14,518	10,317	40.7 %		
Unallocated Corporate	(541)	(428)	N/A		
Consolidated	<u>67,887</u>	<u>62,521</u>	<u>8.6 %</u>		
Depreciation by Segment					
Mattress Fabrics	\$ 4,275	3,820	11.9 %		
Upholstery Fabrics	590	552	6.9 %		
Subtotal	<u>4,865</u>	<u>4,372</u>	<u>11.3 %</u>		

Notes:

- (1) The \$77 represents employee termination benefits associated with our Anderson, SC plant facility.
 - (2) This \$28 represents an impairment charge of \$28 related to equipment associated with the upholstery fabrics segment that is classified as held for sale, a charge of \$24 for lease termination and other exit costs, offset by a credit of \$14 for employee termination benefits, and credit of \$10 for sales proceeds received on equipment with no carrying value.
 - (3) See pages 7 and 8 of this financial information release for calculations.
 - (4) The capital employed balances are as of April 29, 2012 and May 1, 2011.
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CULP, INC. FINANCIAL INFORMATION RELEASE
RETURN ON CAPITAL EMPLOYED BY SEGMENT
FOR THE TWELVE MONTHS ENDED APRIL 29, 2012
(Amounts in Thousands)
(Unaudited)

	Operating Income Twelve Months Ended April 29, 2012 (1)	Average Capital Employed (3)	Return on Avg. Capital Employed (2)
Mattress Fabrics	\$ 15,764	\$ 53,669	29.4%
Upholstery Fabrics	3,531	13,758	25.7%
(less: Unallocated Corporate)	(4,512)	(56)	N/A
Total	\$ 14,783	\$ 67,372	21.9%

Average Capital Employed

	As of the three Months Ended April 29, 2012				As of the three Months Ended January 29, 2012				As of the three Months Ended October 30, 2011			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	71,563	33,641	39,512	144,716	69,063	29,501	32,893	131,457	68,568	24,462	34,094	127,124
Total liabilities	(17,653)	(19,123)	(18,940)	(55,716)	(16,468)	(11,929)	(17,689)	(46,086)	(15,353)	(11,253)	(16,421)	(43,027)
Subtotal	\$ 53,910	\$ 14,518	\$ 20,572	\$ 89,000	\$ 52,595	\$ 17,572	\$ 15,204	\$ 85,371	\$ 53,215	\$ 13,209	\$ 17,673	\$ 84,097
Less:												
Cash and cash equivalents	-	-	(25,023)	(25,023)	-	-	(15,096)	(15,096)	-	-	(13,795)	(13,795)
Short-term investments	-	-	(5,941)	(5,941)	-	-	(8,511)	(8,511)	-	-	(10,482)	(10,482)
Deferred income taxes - current	-	-	(2,467)	(2,467)	-	-	(2,767)	(2,767)	-	-	(2,659)	(2,659)
Income taxes receivable	-	-	-	-	-	-	-	-	-	-	(79)	(79)
Deferred income taxes - non-current	-	-	(3,205)	(3,205)	-	-	(3,903)	(3,903)	-	-	(4,540)	(4,540)
Current maturities of long-term debt	-	-	2,404	2,404	-	-	2,400	2,400	-	-	2,401	2,401
Line of credit	-	-	889	889	-	-	875	875	-	-	-	-
Deferred income taxes - current	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes payable - current	-	-	642	642	-	-	208	208	-	-	-	373
Income taxes payable - long-term	-	-	4,164	4,164	-	-	4,040	4,040	-	-	4,096	4,096
Deferred income taxes - non-current	-	-	705	705	-	-	659	659	-	-	659	659
Long-term debt, less current maturities	-	-	6,719	6,719	-	-	6,766	6,766	-	-	6,818	6,818
Total Capital Employed	\$ 53,910	\$ 14,518	\$ (541)	\$ 67,887	\$ 52,595	\$ 17,572	\$ (125)	\$ 70,042	\$ 53,215	\$ 13,209	\$ 465	\$ 66,889

	As of the three Months Ended July 31, 2011				As of the three Months Ended May 1, 2011			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets	71,325	26,683	31,299	129,307	66,637	25,929	37,485	130,051
Total liabilities	(15,331)	(13,507)	(19,118)	(47,956)	(14,005)	(15,612)	(20,093)	(49,710)
Subtotal	\$ 55,994	\$ 13,176	\$ 12,181	\$ 81,351	\$ 52,632	\$ 10,317	\$ 17,392	\$ 80,341
Less:								
Cash and cash equivalents	-	-	(14,570)	(14,570)	-	-	(23,181)	(23,181)
Short-term investments	-	-	(10,443)	(10,443)	-	-	(7,699)	(7,699)
Deferred income taxes - current	-	-	(1,237)	(1,237)	-	-	(293)	(293)
Income taxes receivable	-	-	(79)	(79)	-	-	(79)	(79)
Deferred income taxes - non-current	-	-	(2,191)	(2,191)	-	-	(3,606)	(3,606)
Current maturities of long-term debt	-	-	2,409	2,409	-	-	2,412	2,412
Line of credit	-	-	-	-	-	-	-	-
Deferred income taxes - current	-	-	82	82	-	-	82	82
Income taxes payable - current	-	-	345	345	-	-	646	646
Income taxes payable - long-term	-	-	4,178	4,178	-	-	4,167	4,167
Deferred income taxes - non-current	-	-	596	596	-	-	596	596
Long-term debt, less current maturities	-	-	9,079	9,079	-	-	9,135	9,135
Total Capital Employed	\$ 55,994	\$ 13,176	\$ 350	\$ 69,520	\$ 52,632	\$ 10,317	\$ (428)	\$ 62,521

Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
\$ 53,669	\$ 13,758	\$ (56)	\$ 67,372

Average Capital Employed (3)**Notes:**

- (1) Operating income excludes restructuring and related charges--see reconciliation per page 6 of this financial information release.
- (2) Return on average capital employed represents operating income for fiscal 2012 divided by average capital employed. Average capital employed does not include cash and cash equivalents, short-term investments, long-term debt, including current maturities, line of credit, 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 1, 2011, July 31, 2011, October 30, 2011, January 29, 2012, and April 29, 2012.

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 6 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
CONSOLIDATED ADJUSTED EFFECTIVE INCOME TAX RATE, NET INCOME AND EARNINGS PER SHARE
FOR THE TWELVE MONTHS ENDED APRIL 29, 2012 AND MAY 1, 2011
Unaudited
(Amounts in Thousands)

		TWELVE MONTHS ENDED	
		Amounts	
		April 29, 2012	May 1, 2011
Consolidated Effective GAAP Income Tax Rate	(1)	6.4%	(7.3)%
Reduction of U.S. Valuation Allowance		26.1%	33.7%
Reduction of China Valuation Allowance		-	8.4%
Non-Cash U.S. Income Tax Expense		(13.8)%	(20.6)%
Non-Cash Foreign Income Tax Expense		(0.2)%	1.9%
Consolidated Adjusted Effective Income Tax Rate	(2)	18.5%	16.1%

		THREE MONTHS ENDED					
		As reported April 29, 2012	Adjustments	April 29, 2012 Proforma Net of Adjustments	As reported May 1, 2011	Adjustments	May 1, 2011 Proforma Net of Adjustments
Income before income taxes		\$ 5,494		\$ 5,494	\$ 4,675		\$ 4,675
Income taxes (3)		2,071	\$ (1,055)	1,016	(1,315)	\$ 2,068	753
Net income		\$ 3,423	\$ 1,055	\$ 4,478	\$ 5,990	\$ (2,068)	\$ 3,922
Net income per share-basic		\$ 0.27	\$ (0.08)	\$ 0.36	\$ 0.46	\$ 0.16	\$ 0.30
Net income per share-diluted		\$ 0.27	\$ (0.08)	\$ 0.35	\$ 0.45	\$ 0.16	\$ 0.30
Average shares outstanding-basic		12,513	12,513	12,513	13,030	13,030	13,030
Average shares outstanding-diluted		12,695	12,695	12,695	13,217	13,217	13,217

		TWELVE MONTHS ENDED					
		As reported April 29, 2012	Adjustments	April 29, 2012 Proforma Net of Adjustments	As reported May 1, 2011	Adjustments	May 1, 2011 Proforma Net of Adjustments
Income before income taxes		\$ 14,198		\$ 14,198	\$ 15,062		\$ 15,062
Income taxes (3)		902	\$ 1,725	2,627	(1,102)	\$ 3,527	2,425
Net income		\$ 13,296	\$ (1,725)	\$ 11,571	\$ 16,164	\$ (3,527)	\$ 12,637
Net income per share-basic		\$ 1.05	\$ 0.14	\$ 0.91	\$ 1.25	\$ 0.27	\$ 0.98
Net income per share-diluted		\$ 1.03	\$ 0.13	\$ 0.90	\$ 1.22	\$ 0.27	\$ 0.96
Average shares outstanding-basic		12,711	12,711	12,711	12,959	12,959	12,959
Average shares outstanding-diluted		12,866	12,866	12,866	13,218	13,218	13,218

(1) Calculated by dividing consolidated income tax (benefit) expense by consolidated income before income taxes.

(2) Represents estimated cash income tax expense for our subsidiaries located in Canada and China divided by consolidated income before income taxes.

(3) Proforma taxes calculated using the Consolidated Adjusted Effective Income Tax Rate as reflected above.