SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 30, 2000

Commission File No. 0-12781

CULP, INC.

(Exact name of registrant as specified in its charter)

NORTH CAROLINA	56-1001967
(State or other jurisdiction of incorporation or other organization)	(I.R.S. Employer Identification No.)

101 S. Main St., High Point, North Carolina	27261-2686
(Address of principal executive offices)	(zip code)

(336) 889-5161
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to the filing requirements for at least the past 90 days.

YES X NO

Common shares outstanding at July 30, 2000: 11,208,720
Par Value: $.05

INDEX TO FORM 10-Q
For the period ended July 30, 2000

CULP, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE THREE MONTHS ENDED JULY 30, 2000 AND AUGUST 1, 1999

(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Sales	
	July 30, 2000	August 1, 1999	% Over (Under)	2001	2000
Net sales	$ 101,878	115,937	(12.1) %	100.0 %	100.0 %
Cost of sales	87,704	95,525	(8.2) %	86.1 %	82.4 %
Gross profit	14,174	20,412	(30.6) %	13.9 %	17.6 %
Selling, general and administrative expenses	13,778	15,038	(8.4) %	13.5 %	13.0 %
Income from operations	396	5,374	(92.6) %	0.4 %	4.6 %
Interest expense	2,323	2,416	(3.8) %	2.3 %	2.1 %
Interest income	(7)	(17)	(58.8) %	(0.0) %	(0.0)%
Other expense (income), net	741	555	33.5 %	0.7 %	0.5 %
Income (loss) before income taxes	(2,661)	2,420	(210.0) %	(2.6) %	2.1 %
Income taxes *	(905)	823	(210.0) %	34.0 %	34.0 %
Net income (loss)	$ (1,756)	1,597	(210.0) %	(1.7) %	1.4 %
Net income (loss) per share	($0.16)	$0.13	(223.1) %		
Net income (loss) per share, assuming dilution	($0.16)	$0.13	(223.1) %		
Dividends per share	$0.035	$0.035	0.0 %		
Average shares outstanding	11,209	12,063	(7.1) %		
Average shares outstanding, assuming dilution	11,292	12,219	(7.6) %		

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

CULP, INC.
CONSOLIDATED BALANCE SHEETS
JULY 30, 2000, AUGUST 1, 1999 AND APRIL 30, 2000
Unaudited
(Amounts in Thousands)

		Amounts		Increase (Decrease)		
		July 30, 2000	August 1, 1999	Dollars	Percent	* April 30, 2000
Current assets						
Cash and cash investments	$	1,654	1,097	557	50.8 %	1,007
Accounts receivable		58,851	61,984	(3,133)	(5.1) %	75,223
Inventories		74,600	75,337	(737)	(1.0) %	74,471
Other current assets		11,565	10,860	705	6.5 %	10,349
Total current assets		146,670	149,278	(2,608)	(1.7) %	161,050
Restricted investments		0	1,684	(1,684)	(100.0) %	0
Property, plant & equipment, net		123,636	120,971	2,665	2.2 %	126,407
Goodwill		49,525	50,920	(1,395)	(2.7) %	49,873
Other assets		5,550	4,969	581	11.7 %	5,548
Total assets	$	325,381	327,822	(2,441)	(0.7) %	342,878
Current liabilities						
Current maturities of long-term debt	$	1,678	1,678	0	0.0 %	1,678
Accounts payable		24,942	26,099	(1,157)	(4.4) %	37,287
Accrued expenses		19,762	20,309	(547)	(2.7) %	22,108
Income taxes payable		0	798	(798)	(100.0) %	0
Total current liabilities		46,382	48,884	(2,502)	(5.1) %	61,073
Long-term debt		135,150	136,228	(1,078)	(0.8) %	135,808
Deferred income taxes		17,459	14,583	2,876	19.7 %	17,459
Total liabilities		198,991	199,695	(704)	(0.4) %	214,340
Shareholders' equity		126,390	128,127	(1,737)	(1.4) %	128,538
Total liabilities and shareholders' equity	$	325,381	327,822	(2,441)	(0.7) %	342,878
Shares outstanding		11,209	12,040	(831)	(6.9) %	11,209

* Derived from audited financial statements.

CULP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JULY 30, 2000 AND AUGUST 1, 1999
Unaudited
(Amounts in Thousands)

	THREE MONTHS ENDED	
	Amounts	
	July 30, 2000	August 1, 1999
Cash flows from operating activities:		
Net income (loss)	$ (1,756)	1,597
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	5,060	4,759
Amortization of intangible assets	399	399
Changes in assets and liabilities:		
Accounts receivable	16,372	8,519
Inventories	(129)	(8,267)
Other current assets	(1,216)	(1,227)
Other assets	147	(41)
Accounts payable	(6,886)	270
Accrued expenses	(2,346)	(717)
Income taxes payable	0	798
Net cash provided by operating activities	9,645	6,090
Cash flows from investing activities:		
Capital expenditures	(2,289)	(2,420)
Purchases of restricted investments	0	(15)
Purchase of investments to fund deferred compensation liability	(200)	0
Sale of restricted investments	0	1,671
Net cash used in investing activities	(2,489)	(764)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	0	3,333
Principal payments on long-term debt	(658)	(7,417)
Change in accounts payable-capital expenditures	(5,459)	142
Dividends paid	(392)	(423)
Payments to acquire common stock	0	(393)
Proceeds from common stock issued	0	20
Net cash used in financing activities	(6,509)	(4,738)
Increase in cash and cash investments	647	588
Cash and cash investments at beginning of period	1,007	509
Cash and cash investments at end of period	$ 1,654	1,097

CULP, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

(Dollars in thousands, except per share data)

	Common Stock Shares	Common Stock Amount	Capital Contributed in Excess of Par Value	Retained Earnings	Total Shareholders' Equity
Balance, May 2, 1999	12,079,171	$ 604	$ 37,966	$ 88,756	$ 127,326
Cash dividends ($0.14 per share)				(1,611)	(1,611)
Net income				9,380	9,380
Common stock issued in connection with stock option plans	13,813	1	78		79
Common stock purchased	(884,264)	(45)	(2,778)	(3,813)	(6,636)
Balance, April 30, 2000	11,208,720	560	35,266	92,712	128,538
Cash dividends ($0.035 per share)				(392)	(392)
Net loss				(1,756)	(1,756)
Balance, July 30, 2000	11,208,720	$ 560	$ 35,266	$ 90,564	$ 126,390

Culp, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements of Culp, Inc. and subsidiary include all adjustments, consisting only of normal, recurring adjustments and accruals, which are, in the opinion of management, necessary for fair presentation of the results of operations and financial position. Results of operations for interim periods may not be indicative of future results. The unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements, which are included in the company's annual report on Form 10-K filed with the Securities and Exchange Commission on July 28, 2000 for the fiscal year ended April 30, 2000.

2. Accounts Receivable

A summary of accounts receivable follows (dollars in thousands):

	July 30, 2000	April 30 2000
Customers	$ 61,219	$ 77,981
Allowance for doubtful accounts	(1,428)	(1,477)
Reserve for returns and allowances	(940)	(1,281)
	$ 58,851	$ 75,223

3. Inventories

Inventories are carried at the lower of cost or market. Cost is determined for substantially all inventories using the LIFO (last-in, first-out) method.

A summary of inventories follows (dollars in thousands):

	July 30, 2000	April 30, 2000
Raw materials	$ 46,190	$ 46,946
Work-in-process	6,090	6,379
Finished goods	28,709	26,998
Total inventories valued at FIFO cost	80,989	80,323
Adjustments of certain inventories to the LIFO cost method	(893)	(893)
Adjustments of certain inventories to market	(5,496)	(4,959)
	$ 74,600	$ 74,471

4. Restricted Investments

Restricted investments were purchased with proceeds from industrial revenue bond issues and are invested pending application of such proceeds to project costs or repayment of the bonds. The investments are stated at cost which approximates market value.

5. Accounts Payable

A summary of accounts payable follows (dollars in thousands):

	July 30, 2000	April 30, 2000
Accounts payable-trade	$ 19,593	$ 26,479
Accounts payable-capital expenditures	5,349	10,808
	$ 24,942	$ 37,287

6. Accrued Expenses

A summary of accrued expenses follows (dollars in thousands):

	July 30, 2000	April 30, 2000
Compensation and benefits	$ 11,587	$ 14,748
Other	8,175	7,360
	$ 19,762	$ 22,108

7. Long-Term Debt

A summary of long-term debt follows (dollars in thousands):

	July 30, 2000	April 30, 2000
Senior unsecured notes	$ 75,000	$ 75,000
Industrial revenue bonds and other obligations	32,452	32,452
Revolving credit facility	25,000	25,000
Obligations to sellers	4,376	5,034
	136,828	137,486
Less current maturities	(1,678)	(1,678)
	$ 135,150	$ 135,808

7. Long-Term Debt (continued)

The senior unsecured notes have a fixed coupon rate of 6.76% and an average remaining term of 8 years. The principal payments become due from March 2006 to March 2010 with interest payable semi-annually.

The company's revolving credit agreement (the "Credit Agreement") provides an unsecured multi-currency revolving credit facility, which expires in April 2002, with a syndicate of banks in the United States. The Credit Agreement provides for a revolving loan commitment of $88,000,000. The agreement requires payment of a quarterly facility fee in advance. In July 2000, the company amended the Credit Agreement to amend certain covenants. Additionally, the amendment increased the interest rate from LIBOR plus 0.80% to 0.90% to LIBOR plus 1.10% to 1.60%. The specified pricing matrix will be in effect for the remainder of fiscal 2001 and is based on the company's debt to EBITDA ratio, as defined by the agreement. On borrowings outstanding at July 30, 2000, the interest rate was 7.52% (LIBOR plus 0.90%).

The company's $6,000,000 revolving line of credit expires on August 31, 2001. However, the line of credit will automatically be extended for an additional three-month period on each November 30, February 28, May 31 and August 31 unless the bank notifies the company that the line of credit will not be extended. At July 30, 2000, no borrowings were outstanding under the revolving line of credit.

The industrial revenue bonds (IRBs) are generally due in balloon maturities which occur at various dates from 2006 to 2013. The IRBs are collateralized by letters of credit for the outstanding balance of the IRBs and certain interest payments due thereunder.

The company's loan agreements require, among other things, that the company maintain compliance with certain financial ratios. At July 30, 2000, the company was in compliance with these financial covenants.

At July 30, 2000, the company had two interest rate swap agreements with a bank in order to reduce its exposure to floating interest rates on a portion of its variable rate borrowings. The following table summarizes certain data regarding the interest rate swaps:

notional amount	interest rate	expiration date
$ 5,000,000	6.9%	June 2002
$ 5,000,000	6.6%	July 2002

The company could terminate these agreements as of July 30, 2000 and receive approximately $113,000. Net amounts received/paid under interest rate swap agreements decreased interest expense by approximately $3,000 for the three months of fiscal 2001 and increased interest expense by approximately $92,000 for the three months of fiscal 2000. Management believes the risk of incurring losses resulting from the inability of the bank to fulfill its obligation under the interest rate swap agreements to be remote and that any losses incurred would be immaterial.

8. Cash Flow Information

Payments for interest and income taxes during the period were (dollars in thousands):

	2001	2000
Interest	$ 1,053	$ 1,340
Income taxes	0	1,186

9. Foreign Exchange Forward Contracts

The company generally enters into foreign exchange forward and option contracts as a hedge against its exposure to currency fluctuations on firm commitments to purchase certain machinery and equipment and raw materials. The company had approximately $1,978,000 of outstanding foreign exchange forward contracts as of July 30, 2000.

10. Net Income (Loss) Per Share

The following table reconciles the numerators and denominators of net income (loss) per share and net income (loss) per share, assuming dilution for the three months ended July 30, 2000 and August 1, 1999:

	THREE MONTHS ENDED					
	July 30, 2000			August 1, 1999		
(Amounts in thousands, except per share data)	(Loss) (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net income (loss) per share	($1,756)	11,209	($0.16)	$1,597	12,063	$0.13
Effect of dilutive securities:						
Options	-	83		-	156	
Net income(loss) per share,assuming dilution	($1,756)	11,292	($0.16)	$1,597	12,219	$0.13

11. Segment Information

The company's operations are classified into two business segments: upholstery fabrics and mattress ticking. The upholstery fabrics segment principally manufactures and sells woven jacquards and dobbies, wet and heat-transfer prints, and woven and tufted velvets primarily to residential and commercial (contract) furniture manufacturers. The mattress ticking segment principally manufactures and sells woven jacquards, heat-transfer prints and pigment prints to bedding manufacturers.

The company internally manages and reports selling, general and administrative expenses, interest expense, interest income, other expense and income taxes on a total company basis. Thus, profit by business segment represents gross profit. In addition, the company internally manages and reports cash and cash investments, accounts receivable, other current assets, restricted investments, property, plant and equipment, goodwill and other assets on a total company basis. Thus, identifiable assets by business segment represent inventories.

Sales, gross profit and inventories for the company's operating segments are as follows:

(dollars in thousands):

	2001	2000
Net sales		

Upholstery Fabrics	$ 74,926	$ 90,854
Mattress Ticking	26,952	25,083
	$ 101,878	$ 115,937
Gross Profit		
Upholstery Fabrics	$ 7,913	$ 14,442
Mattress Ticking	6,261	5,970
	$ 14,174	$ 20,412
Inventories		
Upholstery Fabrics	$ 61,213	$ 63,304
Mattress Ticking	13,387	12,033
	$ 74,600	$ 75,337

CULP, INC.
SALES BY SEGMENT/DIVISION
FOR THE THREE MONTHS ENDED JULY 30, 2000 AND AUGUST 1, 1999

(Amounts in thousands)

		THREE MONTHS ENDED (UNAUDITED)				
		Amounts			Percent of Total Sales	
Segment/Division		July 30, 2000	August 1, 1999	% Over (Under)	2001	2000
Upholstery Fabrics						
Culp Decorative Fabrics	$	41,533	50,516	(17.8) %	40.8 %	43.6 %
Culp Velvets/Prints		30,074	36,209	(16.9) %	29.5 %	31.2 %
Culp Yarn		3,319	4,129	(19.6) %	3.3 %	3.6 %
		74,926	90,854	(17.5) %	73.5 %	78.4 %
Mattress Ticking						
Culp Home Fashions		26,952	25,083	7.5 %	26.5 %	21.6 %
	* $	101,878	115,937	(12.1) %	100.0 %	100.0 %

* U.S. sales were $82,290 and $92,124 for the first quarter of fiscal 2001 and fiscal 2000, respectively. The percentage decrease in U.S. sales was 10.7% for the first quarter.

CULP, INC.
INTERNATIONAL SALES BY GEOGRAPHIC AREA
FOR THE THREE MONTHS ENDED JULY 30, 2000 AND AUGUST 1, 1999

(Amounts in thousands)

		THREE MONTHS ENDED (UNAUDITED)				
		Amounts			Percent of Total Sales	
Geographic Area		July 30, 2000	August 1, 1999	% Over (Under)	2001	2000
North America (Excluding USA)	$	8,395	7,676	9.4 %	42.9 %	32.2 %
Europe		1,452	2,929	(50.4) %	7.4 %	12.3 %
Middle East		5,043	6,992	(27.9) %	25.7 %	29.4 %
Far East & Asia		3,236	4,309	(24.9) %	16.5 %	18.1 %
South America		306	620	(50.6) %	1.6 %	2.6 %
All other areas		1,156	1,287	(10.2) %	5.9 %	5.4 %
	$	19,588	23,813	(17.7) %	100.0 %	100.0 %

International sales, and the percentage of total sales, for each of the last five fiscal years follows: fiscal 1996-$77,397 (22%); fiscal 1997-$101,571 (25%); fiscal 1998-$137,223 (29%); fiscal 1999-$113,354 (23%); and fiscal 2000-$111,104 (23%). International sales for the first quarter represented 19.2% and 20.5% for 2001 and 2000, respectively.

Item 2.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following analysis of the financial condition and results of operations should be read in conjunction with the Financial Statements and Notes and other exhibits included elsewhere in this report.

Overview

Culp is one of the largest integrated marketers in the world for upholstery fabrics for furniture and is one of the leading global producers of mattress fabrics (or ticking). The company's fabrics are used primarily in the production of residential and commercial upholstered furniture and bedding products, including sofas, recliners, chairs, love seats, sectionals, sofa-beds, office seating and mattress sets. Although Culp markets fabrics at most price levels, the company emphasizes fabrics that have broad appeal in the promotional and popular-priced categories of furniture and bedding.

Culp's worldwide leadership as a marketer of upholstery fabrics and mattress ticking has been achieved through internal expansion and the integration of strategic acquisitions.

The company's operating segments are upholstery fabrics and mattress ticking, with related divisions organized within those segments. In upholstery fabrics, Culp Decorative Fabrics markets jacquard and dobby woven fabrics for residential and commercial furniture. Culp Velvets/Prints markets a broad range of printed and velvet fabrics used primarily for residential and juvenile furniture. Culp Yarn manufactures specialty filling yarn that is used by Culp and also marketed to outside customers. In mattress ticking, Culp Home Fashions markets a broad array of fabrics used by bedding manufacturers.

Three Months ended July 30, 2000 compared with Three Months ended August 1, 1999

Net Sales. Net sales for the first quarter of fiscal 2001 decreased by 12.1% to $101.9 million. Sales of upholstery fabrics decreased 17.5% to $74.9 million, and sales of mattress ticking increased 7.5% to $27.0 million. International sales were down 17.7% for the quarter. The first fiscal quarter is historically not the strongest period of the year for Culp due to planned vacations and seasonal industry-wide plant closings. The company had anticipated that the first quarter would be a difficult year-to-year comparison, but sales proved to be considerably less than expected. Key factors which influenced the company's shipments were a slowdown in consumer spending on home furnishings, especially in the promotional price category, and the relative strength of the dollar which is affecting Culp's sales to customers outside the United States. The decline in sales of upholstery fabrics was offset in part by increased sales by Culp Home Fashions (primarily mattress ticking). Culp's growth in mattress ticking continues to be driven by the introduction of new designs and fabric constructions as well as the advantages of the company's vertical integration. In particular, the ability to manufacture the jacquard greige (or unfinished) goods that are then printed to produce mattress ticking has aided Culp in meeting faster delivery schedules and providing improved overall customer service.

Based on current trends, the company expects to report a profit for the second fiscal quarter, but believes that earnings will be down from the year-earlier level. The trend in results over the remainder of this year will be determined by a number of factors including the overall trend in consumer spending on home furnishings and the fluctuation of the dollar relative to other currencies.

Gross Profit and Cost of Sales. Gross profit declined 30.6% for the first quarter versus a year ago and decreased as a percentage of net sales from 17.6% to 13.9%. The decline was due principally to lower sales volume for the period which led to underabsorption of fixed costs in the company's upholstery fabrics operation. The company also experienced some higher costs related to the consolidation of the Phillips weaving plant in Monroe, NC into the Pageland, SC facility. This move has been completed, and the company expects to benefit in subsequent periods from reduced operating expenses.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the first quarter increased as a percentage of sales from 13.0% to 13.5%. The dollar amount of these expenses declined 8.4% from a year ago, aided by the fact that a portion of these expenses is variable based on the level of sales.

Interest Expense. Interest expense of $2.3 million for the first quarter was down slightly from $2.4 million in the prior year due to slightly lower average borrowings.

Other Expense. Other expense for the first quarter totaled $741,000 compared with $555,000 in the prior year. The increase is principally due to lower investment income on assets related to the nonqualified deferred compensation plan.

Income Taxes. The effective tax rate for the first quarter was 34.0%, unchanged from the prior year.

Net Income (Loss) Per Share. Net loss per share for the first quarter of fiscal 2001 totaled ($0.16) per share diluted (based on 11,292,000 average shares outstanding during the period) compared with net income of $0.13 per share diluted (based on 12,219,000 average shares outstanding during the period) a year ago.

Liquidity and Capital Resources

Liquidity. Cash and cash investments were $1.7 million as of July 30, 2000, compared with $1.1 million at August 1, 1999, and $1.0 million at the end of fiscal 2000. Funded debt (long-term debt, including current maturities, less restricted investments) was $136.8 million at July 30, 2000, compared with $136.2 million at August 1, 1999 and $137.5 million at April 30, 2000. As a percentage of total capital (funded debt plus total stockholders' equity), the company's borrowings amounted to 52.0% at July 30, 2000, compared with 51.5% at August 1, 1999, and 51.7% at April 30, 2000. The company's working capital as of July 30, 2000 was $100.3 million, compared with $100.4 million as of August 1, 1999, and $100.0 million at the close of fiscal 2000.

The company's cash flow from operations was $9.6 million for the first three months of fiscal 2001, consisting of $3.7 million from earnings (net loss plus depreciation and amortization) plus $5.9 million from the decrease in working capital. The decrease in working capital was primarily due to a $16.4 million decrease in accounts receivable offset by a $6.9 million decrease in accounts payable, a $2.3 million decrease in accrued expenses and a $1.2 million increase in other current assets.

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

Financing Arrangements. Culp has outstanding $75 million of senior unsecured notes with a fixed coupon rate of 6.76% and an average remaining term of eight years.

Culp has an $88 million syndicated, unsecured, multi-currency revolving credit facility. The facility, which expires in April 2002, requires quarterly payments of interest on all outstanding borrowings and a quarterly facility fee paid in advance. In July 2000, the company amended the credit facility to amend certain covenants. The amendment also increased the interest rate from LIBOR plus 0.80% to 0.90% to LIBOR plus 1.10% to 1.60%. The specified pricing matrix will be in effect for the remainder of fiscal 2001 and is based on the company's debt to EBITDA ratio, as defined by the facility. As of July 30, 2000, the company had outstanding balances of $25 million under the credit facility.

The company also has a total of $32.5 million in currently outstanding industrial revenue bonds ("IRBs") which have been used to finance capital expenditures. The IRBs are collateralized by letters of credit for the outstanding balance of the IRBs and certain interest payments due thereunder.

The company's loan agreements require, among other things, that the company maintain compliance with certain financial ratios. As of July 30, 2000, the company was in compliance with these financial covenants.

As of July 30, 2000, the company had two interest rate swap agreements to reduce its exposure to floating interest rates on a $10 million notional amount. The effect of these contracts is to "fix" the interest rate payable on $10 million of the company's variable rate borrowings at a weighted average rate of 6.8%. The company also enters into foreign exchange forward and option contracts to hedge against currency fluctuations with respect to firm commitments to purchase certain machinery, equipment and raw materials. The company had approximately $2.0 million of outstanding foreign exchange forward contracts as of July 30, 2000.

Capital Expenditures. The company maintains an ongoing program of capital expenditures designed to increase capacity as needed, enhance manufacturing efficiencies through modernization and increase the company's vertical integration. Capital expenditures for the first quarter of fiscal 2001 totaled $2.3 million compared with $2.4 million in the year-earlier period. The company plans for total capital spending for fiscal 2001 to be approximately $16 million.

The company believes that cash flows from operations and funds available under existing credit facilities will be sufficient to fund capital expenditures and working capital requirements for the foreseeable future.

Inflation

The cost of the company's raw materials is remaining generally stable although, the company is experiencing some price increases in petroleum related raw materials. Factors that reasonably can be expected to influence margins in the future include changes in raw material prices, trends in other operating costs and overall competitive conditions.

Seasonality

The company's business is slightly seasonal, with relatively stronger sales during the second and fourth fiscal quarters. This seasonality results from one-week closings of the company's manufacturing facilities, and the facilities of most of its customers in the United States, during the first and third quarters for the holiday weeks including July 4th and Christmas.

Forward-Looking Information

The company's quarterly report on Form 10-Q contains statements that may be deemed "forward-looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Such statements are inherently subject to risks and uncertainties. Forward-looking statements are statements that include projections, expectations or beliefs about future events or results or otherwise are not statements of historical fact. Such statements are often characterized by qualifying words such as "expect," "believe," "estimate," "plan," and "project" and their derivatives. Factors that could influence the matters discussed in such statements include the level of housing starts and sales of existing homes, consumer confidence, trends in disposable income and general economic conditions. Decreases in these economic indicators could have a negative effect on the company's business and prospects. Likewise, increases in interest rates, particularly home mortgage rates, and increases in consumer debt or the general rate of inflation, could affect the company adversely. Because of the significant percentage of the company's sales derived from international shipments, strengthening of the U.S. dollar against other currencies could make the company's products less competitive on the basis of price in markets outside the United States. Additionally, economic and political instability in international areas could affect the demand for the company's products.

New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." As amended, this new standard is effective for fiscal years beginning after June 15, 2000, which will be effective for the company's fiscal year 2002. This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. The company has not determined the financial impact of adopting this SFAS and has not determined if it will adopt its provisions prior to its effective date.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The company is exposed to market risk from changes in interest rates on debt and foreign currency exchange rates. The company's market risk sensitive instruments are not entered into for trading purposes. The company has not experienced any significant changes in market risk since July 30, 2000.

The company's exposure to interest rate risk consists of floating rate debt based on the London Interbank Offered Rate plus an adjustable margin under the company's revolving credit agreement and variable rate debt in connection with the industrial revenue bonds. To lower or limit overall borrowing costs, the company enters into interest rate swap agreements to modify the interest characteristics of portions of its outstanding debt. The agreements entitle the company to receive or pay to the counterparty (a major bank), on a quarterly basis, the amounts, if any, by which the company's interest payments covered by swap agreements differ from those of the counterparty. These amounts are recorded as adjustments to interest expense. The fair value of the swap agreements and changes in fair value resulting from changes in market interest rates are not recognized in the consolidated financial statements. The annual impact on the company's results of operations of a 100 basis point interest rate change on the July 30, 2000 outstanding balance of the variable rate debt would be approximately $560,000 irrespective of any swaps associated with this debt.

The company's exposure to fluctuations in foreign currency exchange rates is due primarily to a foreign subsidiary domiciled in Canada and purchases of certain machinery, equipment and raw materials in foreign currencies. The company's Canadian subsidiary uses the United States dollar as its functional currency. The company generally does not use financial derivative instruments to hedge foreign currency exchange rate risks associated with the Canadian subsidiary. However, the company generally enters into foreign exchange forward and option contracts as a hedge against its exposure to currency fluctuations on firm commitments to purchase certain machinery, equipment and raw materials. The Canadian subsidiary is not material to the company's consolidated results of operations; therefore, the impact of a 10% change in the exchange rate at July 30, 2000 would not have a significant impact on the company's results of operations or financial position. In addition, the company had approximately $2.0 million of outstanding foreign exchange forward contracts as of July 30, 2000. As a result, any change in exchange rates would not have a significant impact on the company's results of operations or financial position as the foreign exchange forward contracts have "fixed" the exchange rate with respect to these purchase commitments.

Part II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

The following exhibits are filed as part of this report or incorporated by reference. Management contracts, compensatory plans, and arrangements are marked with an asterisk (*).

3(i) Articles of Incorporation of the Company, as amended, were filed as Exhibit 3(i) to the Company's Form 10-Q for the quarter ended January 29, 1995, filed March 15, 1995, and are incorporated herein by reference.

3(ii) Restated and Amended Bylaws of the Company, as amended, were filed as Exhibit 3(b) to the Company's Form 10-K for the year ended April 28, 1991, filed July 25, 1991, and are incorporated herein by reference.

3(iii) Articles of Amendment of Culp, Inc. dated October 5, 1999 for the purpose of amending its Restated Charter to fix the designation, preferences, limitations and relative rights of a series of its Preferred Stock. The Articles of Amendment of Culp, Inc. were filed as Exhibit 3(iii) to the Company's Form 10-Q for the quarter ended October 31, 1999, filed December 15, 1999, and are incorporated herein by reference.

10(a) Loan Agreement dated December 1, 1988 with Chesterfield County, South Carolina relating to Series 1988 Industrial Revenue Bonds in the principal amount of $3,377,000 was filed as Exhibit 10(n) to the Company's Form 10-K for the year ended April 29, 1989, and is incorporated herein by reference.

10(b) Loan Agreement dated November 1, 1988 with the Alamance County Industrial Facilities and Pollution Control Financing Authority relating to Series A and B Industrial Revenue Refunding Bonds in the principal amount of $7,900,000, was filed as exhibit 10(o) to the Company's Form 10-K for the year ended April 29, 1990, and is incorporated herein by reference.

10(c) Loan Agreement dated January 5, 1990 with the Guilford County Industrial Facilities and Pollution Control Financing Authority, North Carolina, relating to Series 1989 Industrial Revenue Bonds in the principal amount of $4,500,000, was filed as Exhibit 10(d) to the Company's Form 10-K for the year ended April 29, 1990, filed on July 25, 1990, and is incorporated herein by reference.

10(d) Loan Agreement dated as of December 1, 1993 between Anderson County, South Carolina and the Company relating to $6,580,000 Anderson County, South Carolina Industrial Revenue Bonds (Culp, Inc. Project) Series 1993, was filed as Exhibit 10(o) to the Company's Form 10-Q for the quarter ended January 30, 1994, filed March 16, 1994, and is incorporated herein by reference.

10(e) Form of Severance Protection Agreement, dated September 21, 1989, was filed as Exhibit 10(f) to the Company's Form 10-K for the year ended April 29, 1990, filed on July 25, 1990, and is incorporated herein by reference. (*)

10(f) Lease Agreement, dated January 19, 1990, with Phillips Interests, Inc. was filed as Exhibit 10(g) to the Company's Form 10-K for the year ended April 29, 1990, filed on July 25, 1990, and is incorporated herein by reference.

10(g) Management Incentive Plan of the Company, dated August 1986 and amended July 1989, filed as Exhibit 10(o) to the Company's Form 10-K for the year ended May 3, 1992, filed on August 4, 1992, and is incorporated herein by reference. (*)

10(h) Lease Agreement, dated September 6, 1988, with Partnership 74 was filed as Exhibit 10(h) to the Company's Form 10-K for the year ended April 28, 1991, filed on July 25, 1990, and is incorporated herein by reference.

10(i) Amendment and Restatement of the Employee's Retirement Builder Plan of the Company dated May 1, 1981 with amendments dated January 1, 1990 and January 8, 1990 were filed as Exhibit 10(p) to the Company's Form 10-K for the year ended May 3, 1992, filed on August 4, 1992, and is incorporated herein by reference. (*)

10(j) First Amendment of Lease Agreement dated July 27, 1992 with Partnership 74 Associates was filed as Exhibit 10(n) to the Company's Form 10-K for the year ended May 2, 1993, filed on July 29, 1993, and is incorporated herein by reference.

10(k) Second Amendment of Lease Agreement dated April 16, 1993, with Partnership 52 Associates was filed as Exhibit 10(l) to the Company's Form 10-K for the year ended May 2, 1993, filed on July 29, 1993, and is incorporated herein by reference.

10(l) 1993 Stock Option Plan was filed as Exhibit 10(o) to the Company's Form 10-K for the year ended May 2, 1993, filed on July 29, 1993, and is incorporated herein by reference. (*)

10(m) First Amendment to Loan Agreement dated as of December 1, 1993 by and between The Guilford County Industrial Facilities and Pollution Control Financing Authority and the Company was filed as Exhibit 10(p) to the Company's Form 10-Q, filed on March 15, 1994, and is incorporated herein by reference.

10(n) First Amendment to Loan Agreement dated as of December 16, 1993 by and between The Alamance County Industrial Facilities and Pollution Control Financing Authority and the Company was filed as Exhibit 10(q) to the Company's Form 10-Q, filed on March 15, 1994, and is incorporated herein by reference.

10(o) First Amendment to Loan Agreement dated as of December 16, 1993 by and between Chesterfield County, South Carolina and the Company was filed as Exhibit 10(r) to the Company's Form 10-Q, filed on March 15, 1994, and is incorporated herein by reference.

10(p) Amendment to Lease dated as of November 4, 1994, by and between the Company and RDC, Inc. was filed as Exhibit 10(w) to the Company's Form 10-Q, for the quarter ended January 29, 1995, filed on March 15, 1995, and is incorporated herein by reference.

10(q) Amendment to Lease Agreement dated as of December 14, 1994, by and between the Company and Rossville Investments, Inc. (formerly known as A & E Leasing, Inc.), was filed as Exhibit 10(y) to the Company's Form 10-Q, for the quarter ended January 29, 1995, filed on March 15, 1995, and is incorporated herein by reference.

10(r) Interest Rate Swap Agreement between Company and First Union National Bank of North Carolina dated April 17, 1995, was filed as Exhibit 10(aa) to the Company's Form 10-K for the year ended April 30, 1995, filed on July 26, 1995, and is incorporated herein by reference.

10(s) Performance-Based Stock Option Plan, dated June 21, 1994, was filed as Exhibit 10(bb) to the Company's Form 10-K for the year ended April 30, 1995, filed on July 26, 1995, and is incorporated herein by reference. (*)

10(t) Interest Rate Swap Agreement between Company and First Union National Bank of North Carolina, dated May 31, 1995 was filed as exhibit 10(w) to the Company's Form 10-Q for the quarter ended July 30, 1995, filed on September 12, 1995, and is incorporated herein by reference.

10(u) Interest Rate Swap Agreement between Company and First Union National Bank of North Carolina, dated July 7, 1995 was filed as exhibit 10(x) to the Company's Form 10-Q for the quarter ended July 30, 1995, filed on September 12, 1995, and is incorporated herein by reference.

10(v) Second Amendment of Lease Agreement dated June 15, 1994 with Partnership 74 Associates was filed as Exhibit 10(v) to the Company's Form 10-Q for the quarter ended October 29, 1995, filed on December 12, 1995, and is incorporated herein by reference.

10(w) Lease Agreement dated November 1, 1993 by and between the Company and Chromatex, Inc. was filed as Exhibit 10(w) to the Company's Form 10-Q for the quarter ended October 29, 1995, filed on December 12, 1995, and is incorporated herein by reference.

10(x) Lease Agreement dated November 1, 1993 by and between the Company and Chromatex Properties, Inc. was filed as Exhibit 10(x) to the Company's Form 10-Q for the quarter ended October 29, 1995, filed on December 12, 1995, and is incorporated herein by reference.

10(y) Amendment to Lease Agreement dated May 1, 1994 by and between the Company and Chromatex Properties, Inc. was filed as Exhibit 10(y) to the Company's Form 10-Q for the quarter ended October 29, 1995, filed on December 12, 1995, and is incorporated herein by reference.

10(z) Canada-Quebec Subsidiary Agreement on Industrial Development (1991), dated January 4, 1995, was filed as Exhibit 10(z) to the Company's Form 10-Q for the quarter ended October 29, 1995, filed on December 12, 1995, and is incorporated herein by reference.

10(aa) Loan Agreement between Chesterfield County, South Carolina and the Company dated as of April 1, 1996 relating to Tax

Exempt Adjustable Mode Industrial Development Bonds (Culp, Inc. Project) Series 1996 in the aggregate principal amount of $6,000,000 was filed as Exhibit 10(aa) to the Company's Form 10-K for the year ended April 28, 1996, and is incorporated herein by reference.

10(bb) Loan Agreement between the Alamance County Industrial Facilities and Pollution Control Financing Authority, North Carolina and the Company, dated December 1, 1996, relating to Tax Exempt Adjustable Mode Industrial Development Revenue Bonds, (Culp, Inc. Project Series 1996) in the aggregate amount of $6,000,000 was filed as Exhibit 10(cc) to the Company's Form 10-Q for the quarter ended January 26, 1997, and is incorporated herein by reference.

10(cc) Loan Agreement between Luzerne County, Pennsylvania and the Company, dated as of December 1, 1996, relating to Tax-Exempt Adjustable Mode Industrial Development Revenue Bonds (Culp, Inc. Project) Series 1996 in the aggregate principal amount of $3,500,000 was filed as Exhibit 10(dd) to the Company's Form 10-Q for the quarter ended January 26, 1997, and is incorporated herein by reference.

10(dd) Second Amendment to Lease Agreement between Chromatex Properties, Inc. and the Company, dated April 17, 1997 was filed as Exhibit 10(dd) to the Company's Form 10-K for the year ended April 27, 1997, and is incorporated herein by reference.

10(ee) Lease Agreement between Joseph E. Proctor (doing business as JEPCO) and the Company, dated April 21, 1997 was filed as Exhibit 10(ee) to the Company's Form 10-K for the year ended April 27, 1997, and is incorporated herein by reference.

10(ff) $125,000,000 Revolving Loan Facility dated April 23, 1997 by and among the Company and Wachovia Bank of Georgia, N.A., as agent, and First Union National Bank of North Carolina, as documentation agent was filed as Exhibit 10(ff) to the Company's Form 10-K for the year ended April 27, 1997, and is incorporated herein by reference.

10(gg) Revolving Line of Credit for $4,000,000 dated April 23, 1997 by and between the Company and Wachovia Bank of North Carolina, N.A. was filed as Exhibit 10(gg) to the Company's Form 10-K for the year ended April 27, 1997, and is incorporated herein by reference.

10(hh) Reimbursement and Security Agreement between Culp, Inc. and Wachovia Bank of North Carolina, N.A., dated as of April 1, 1997, relating to $3,337,000 Principal Amount, Chesterfield County, South Carolina Industrial Revenue Bonds (Culp, Inc. Project) Series 1988 was filed as Exhibit 10(hh) to the Company's Form 10-K for the year ended April 27, 1997, and is incorporated herein by reference.

Additionally, there are Reimbursement and Security Agreements between Culp, Inc. and Wachovia Bank of North Carolina, N.A., dated as of April 1, 1997 in the following amounts and with the following facilities:

$7,900,000 Principal Amount, Alamance County Industrial Facilities and Pollution Control Financing Authority Industrial Revenue Refunding Bonds (Culp, Inc. Project) Series A and B.

$4,500,000 Principal Amount, Guilford County Industrial Facilities and Pollution Control Financing Authority Industrial Development Revenue Bonds (Culp, Inc. Project) Series 1989.

$6,580,000 Principal Amount, Anderson County South Carolina Industrial Revenue Bonds (Culp, Inc. Project) Series 1993.

$6,000,000 Principal Amount, Chesterfield County, South Carolina Tax-Exempt Adjustable Mode Industrial Development Revenue Bonds (Culp, Inc. Project) Series 1996.

$6,000,000 Principal Amount, The Alamance County Industrial Facilities and Pollution Control Financing Authority Tax-exempt Adjustable Mode Industrial Development Revenue Bonds (Culp, Inc. Project) Series 1996.

$3,500,000 Principal Amount, Luzerne County Industrial Development Authority Tax-Exempt Adjustable Mode Industrial Development Revenue Bonds (Culp, Inc. Project) Series 1996.

10(ii) Loan Agreement and Reimbursement and Security Agreement dated July 1, 1997 with the Robeson County Industrial Facilities and Pollution Control Financing Authority relating to the issuance of Tax-Exempt Adjustable Mode Industrial Development Revenue Bonds (Culp, Inc. Project), Series 1997 in the aggregate principal amount of $8,500,000 was filed as Exhibit 10(ii) to the Company's Form 10-Q for the quarter ended August 3, 1997, and is incorporated herein by reference.

10(jj) Asset Purchase Agreement dated as of August 4, 1997 by and between Culp, Inc., Phillips Weaving Mills, Inc., Phillips Printing Mills, Inc., Phillips Velvet Mills, Inc., Phillips Mills, Inc., Phillips Property Company, LLC, Phillips Industries, Inc. and S. Davis Phillips was filed as Exhibit (10jj) to the Company's Form 10-Q for the quarter ended November 2, 1997, and is incorporated herein by reference.

10(kk) Asset Purchase Agreement dated as of October 14, 1997 among Culp, Inc., Artee Industries, Incorporated, Robert T. Davis, Robert L. Davis, Trustee u/a dated 8/25/94, Robert L. Davis, Louis W. Davis, Kelly D. England, J. Marshall Bradley, Frankie S. Bradley and Mickey R. Bradley was filed as Exhibit 10(kk) to the Company's Form 10-Q for the quarter ended November 2, 1997, and is incorporated herein by reference.

10(ll) Form of Note Purchase Agreement (providing for the issuance by Culp, Inc. of its $20 million 6.76% Series A Senior Notes due 3/15/08 and its $55 million 6.76% Series B Senior Notes due 3/15/10), each dated March 4, 1998, between Culp, Inc. and each of the following:

1. Connecticut General Life Insurance Company;
2. The Mutual Life Insurance Company of New York;
3. United of Omaha Life Insurance Company;
4. Mutual of Omaha Insurance Company;
5. The Prudential Insurance Company of America;
6. Allstate Life Insurance Company;
7. Life Insurance Company of North America; and
8. CIGNA Property and Casualty Insurance Company

This agreement was filed as Exhibit 10(ll) to the Company's Form 10-K for the year ended May 3, 1998, and is incorporated herein by reference.

10(mm) First Amendment to Credit Agreement dated July 22, 1998 among Culp, Inc., Wachovia Bank, N.A., as agent, First Union National Bank, as documentation agent, and Wachovia Bank, N.A., First Union National Bank, SunTrust Bank, Atlanta, and Cooperatieve Centrale Raiffeisen-Boerenleeenbank B.A., Rabobank Nederland, New York Branch, as lenders. This amendment was filed as Exhibit 10(mm) to the Company's Form 10-Q for the quarter ended August 2, 1998, and is incorporated herein by reference.

10(nn) Second Amendment to Credit Agreement dated October 26, 1998, among Culp, Inc., Wachovia Bank, N.A., as agent, First Union National Bank, as documentation agent, and Wachovia Bank, N.A., First Union National Bank, and SunTrust Bank, Atlanta, as lenders. This amendment was filed as Exhibit 10(nn) to the Company's Form 10-Q for the quarter ended November 1, 1998, and is incorporated herein by reference.

10(oo) Rights Agreement, dated as of October 8, 1999, between Culp, Inc. and EquiServe Trust Company, N.A., as Rights Agent, including the form of Articles of Amendment with respect to the Series A Participating Preferred Stock included as Exhibit A to the Rights Agreement, the forms of Rights Certificate included as Exhibit B to the Rights Agreement, and the form of Summary of Rights included as Exhibit C to the Rights Agreement. The Rights Agreement was filed as Exhibit 99.1 to the Company's Form 8-K dated October 12, 1999, and is incorporated herein by reference.

10(pp) Third Amendment to Credit Agreement dated April 28, 2000, among Culp, Inc., Wachovia Bank, N.A., as agent, First Union National Bank, as documentation agent, and Wachovia Bank, N.A., First Union National Bank, and Suntrust Bank, as lenders. This amendment was filed as Exhibit 10(pp) to the Company's Form 10-K for the year ended April 30, 2000, and is incorporated herein by reference.

10(qq) Fourth Amendment to Credit Agreement dated July 30, 2000, among Culp, Inc., Wachovia Bank, N.A., as agent, First Union National Bank, as documentation agent, and Wachovia Bank, N.A., First Union National Bank, and Suntrust Bank, as lenders.

27 Financial Data Schedule

(b) Reports on Form 8-K:

The following reports on Form 8-K were filed during the period covered by this report:

(1) Form 8-K dated May 31, 2000, included under Item 5, Other Events, the Company's press release for quarterly earnings and the Financial Information Release relating to certain financial information for the quarter and year ended April 30, 2000.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CULP, INC.
(Registrant)

Date: September 13, 2000 By: s/s Phillip W. Wilson
Phillip W. Wilson
Vice President and Chief Financial
and Accounting Officer

(Authorized to sign on behalf
of the registrant and also sign-
ing as principal financial officer)

FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT (this "Fourth Amendment") is dated as of the 30th day of July, 2000 among CULP, INC. (the "Borrower"), WACHOVIA BANK, N.A. (successor by merger to Wachovia Bank of Georgia, N.A.), as Agent (the "Agent"), FIRST UNION NATIONAL BANK (successor by merger to First Union National Bank of North Carolina), as Documentation Agent (the "Documentation Agent"), and WACHOVIA BANK, N.A. (successor by merger to Wachovia Bank of North Carolina, N.A.), FIRST UNION NATIONAL BANK, and SUNTRUST BANK (formerly known as SunTrust Bank, Atlanta)(collectively, the "Banks");

W I T N E S S E T H :

WHEREAS, the Borrower, the Agent, the Documentation Agent and the Banks executed and delivered that certain Credit Agreement, dated as of April 23, 1997, as amended by First Amendment to Credit Agreement dated as of July 22, 1998, Second Amendment to Credit Agreement dated as of October 26, 1998, and Third Amendment to Credit Agreement dated as of April 28, 2000 (as so amended, the "Credit Agreement"); and

WHEREAS, the Borrower has requested, and the Agent, the Documentation Agent and the Banks have agreed to certain amendments to the Credit Agreement, subject to the terms and conditions hereof;

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged by the parties hereto, the Borrower, the Agent, the Documentation Agent and the Banks hereby covenant and agree as follows:

1. Definitions. Unless otherwise specifically defined herein, each term used herein which is defined in the Credit Agreement shall have the meaning assigned to such term in the Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby.

2. Amendment to Section 1.01. Section 1.01 of the Credit Agreement hereby is amended by adding the following definition in the proper alphabetical order: "Fourth Amendment Effective Date" means July 30, 2000.

3. Amendment to Section-2.06(a). Section-2.06(a) of the Credit Agreement hereby is amended by deleting it in its entirety and substituting the following therefor:

(a) "Applicable Margin" means:

(i) for the period commencing on the Fourth Amendment Effective Date to the first Performance Pricing Determination Date after the Fourth Amendment Effective Date, (x) for any Base Rate Loan, 0.00%, and (y) for any Euro-Dollar Loan or Foreign Currency Loan, 0.275%; and

(ii) from and after the first Performance Pricing Determination Date after the Fourth Amendment Effective Date, (x) for any Base Rate Loan, 0.00% and (y) for each Euro-Dollar Loan or Foreign Currency Loan, the percentage determined on each Performance Pricing Determination Date by reference to the table set forth below as to such type of Loan and the Debt/EBITDA Ratio for the quarterly or annual period ending immediately prior to such Performance Pricing Determination Date.

Debt/EBITDA Ratio	Applicable Margin
<= 3.0 to 1.0	1.10%
> 3.0 to 1.0 but <= 3.25 to 1.0	1.30%
> 3.25 to 1.0 but <= 3.50 to 1.0	1.50%
> 3.50 to 1.0	1.60%

In determining interest for purposes of this Section 2.06 and fees for purposes of Section 2.07, the Borrower and the Banks shall refer to the Borrower's most recent consolidated quarterly and annual (as the case may be) financial statements delivered pursuant to Section 5.01(a) or (b), as the case may be. If such financial statements require a change in interest pursuant to this Section 2.06 or fees pursuant to Section 2.07, the Borrower shall deliver to the Agent, along with such financial statements, a notice to that effect, which notice shall set forth in reasonable detail the calculations supporting the required change. The "Performance Pricing Determination Date" is the date which is the last date on which such financial statements are permitted to be delivered pursuant to Section 5.01(a) or (b), as applicable. Any such required change in interest and fees shall become effective on such Performance Pricing Determination Date, and shall be in effect until the next Performance Pricing Determination Date, provided that: (x) for Fixed Rate Loans, changes in interest shall only be effective for Interest Periods commencing on or after the

Performance Pricing Determination Date; and (y) no fees or interest shall be decreased pursuant to this Section 2.06 or Section 2.07 if a Default is in existence on the Performance Pricing Determination Date.

4. Amendment to Section 2.07(a). Section 2.07(a) of the Credit Agreement hereby is amended by deleting it in its entirety and substituting the following therefor:

(a) The Borrower shall pay to the Agent, for the ratable account of each Bank, a facility fee, on the aggregate amount of such Bank's Commitment (without taking into account the amount of the outstanding Loans made by such Bank), at a rate per annum equal to 0.30%. Such facility fees shall accrue from and including the Closing Date to (but excluding the Termination Date) and shall be payable on each March 31, June 30, September 30 and December 31 and on the Termination Date.

5. Amendment to Section 5.19. Section 5.19 of the Credit Agreement hereby is amended by deleting it in its entirety and substituting the following therefor:

SECTION 5.19. Interest and Leases Coverage. At the end of each Fiscal Quarter, the Interest and Leases Coverage Ratio shall not have been less than: (i) for the period from and including the first Fiscal Quarter of Fiscal Year 2001 through and including the fourth Fiscal Quarter of Fiscal Year 2001, 2.25 to 1.0; and (ii) at all times thereafter, 3.0 to 1.0.

6. Amendment to Section 5.21. Section 5.21 of the Credit Agreement hereby is amended by deleting it in its entirety and substituting the following therefor:

SECTION 5.21. Debt/EBITDA Ratio. At the end of each Fiscal Month, the Debt/EBITDA Ratio will be (i) for each Fiscal Month of Fiscal Year 2001, less than 3.75 to 1.0, and (ii) for each Fiscal Month thereafter, less than 3.50 to 1.0.

7. Amendment to Exhibit F. Exhibit F hereby is amended by deleting paragraphs 5 and 7 thereof and substituting therefor paragraphs 5 and 7 set forth in Exhibit F attached hereto.

8. Restatement of Representations and Warranties. The Borrower hereby restates and renews each and every representation and warranty heretofore made by it in the Credit Agreement and the other Loan Documents as fully as if made on the date hereof, except to the extent that any representation or warranty related to an earlier specified date, and with specific reference to this Fourth Amendment and all other loan documents executed and/or delivered in connection herewith.

9. Effect of Amendment. Except as set forth expressly hereinabove, all terms of the Credit Agreement and the other Loan Documents shall be and remain in full force and effect, and shall constitute the legal, valid, binding and enforceable obligations of the Borrower. The amendments contained herein shall be deemed to have prospective application only, unless otherwise specifically stated herein.

10. Ratification. The Borrower hereby restates, ratifies and reaffirms each and every term, covenant and condition set forth in the Credit Agreement and the other Loan Documents effective as of the date hereof.

11. Counterparts. This Fourth Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

12. Section References. Section titles and references used in this Fourth Amendment shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto evidenced hereby.

13. No Default. To induce the Agent, the Documentation Agent and the Banks to enter into this Fourth Amendment and to continue to make advances pursuant to the Credit Agreement, the Borrower hereby acknowledges and agrees that, as of the date hereof, and after giving effect to the terms hereof, there exists (i)-no Default or Event of Default and (ii)-no right of offset, defense, counterclaim, claim or objection in favor of the Borrower arising out of or with respect to any of the Loans or other obligations of the Borrower owed to the Banks under the Credit Agreement.

14. Further Assurances. The Borrower agrees to take such further actions as the Agent shall reasonably request in connection herewith to evidence the amendments herein contained to the Borrower.

15. Governing Law. This Fourth Amendment shall be governed by and construed and interpreted in accordance with, the laws of the State of Georgia.

16. Conditions Precedent. This Fourth Amendment shall become effective only upon (i) execution and delivery of this Fourth Amendment by each of the parties hereto, and (ii) payment to the Agent, for the ratable account of each Bank, of a fully-earned and non-refundable fee in an amount equal to 0.05% of each Bank's Commitment.

IN WITNESS WHEREOF, the Borrower, the Agent, the Documentation Agent and each of the Banks has caused this Fourth Amendment to be duly executed, under seal, by its duly authorized officer as of the day and year first above written.

CULP, INC.,
(SEAL)
as Borrower

By: ______________________________
Title:

WACHOVIA BANK, N.A. (successor by merger to Wachovia Bank of Georgia, N.A. and Wachovia Bank of North Carolina, N.A.), as Agent and as a Bank
(SEAL)

By: ______________________________
Title:

FIRST UNION NATIONAL BANK (successor by merger to First Union National Bank of North Carolina),
as Documentation Agent and as a Bank
(SEAL)

By: ______________________________
Title:

SUNTRUST BANK (formerly known as SunTrust Bank, Atlanta),
as a Bank
(SEAL)

By: ______________________________
Title:

EXHIBIT F

5. Interest and Leases Coverage (Section 5.19)

At the end of each Fiscal Quarter, the Interest and Leases Coverage Ratio shall not have been less than: (i) for the period from and including the fourth Fiscal Quarter of Fiscal Year 2000 through and including the fourth Fiscal Quarter of Fiscal Year 2001, 2.25 to 1.0; and (ii) at all times thereafter, 3.0 to 1.0.

(a) EBILTDA - Schedule 1	$______________
(b) Consolidated Net Interest Expense - Schedule 1	$______________
(c) Consolidated Lease Expense - Schedule 1	$______________
(d) Sum of (b) and (c)	$______________
(e) Actual ratio of (a) to (d)	_____ to 1.0
Minimum Ratio	[2.25 to 1.0] [3.0 to 1.0]

6. Debt/EBITDA Ratio (Section 5.21)

At the end of each Fiscal Month, the Debt/EBITDA Ratio will be (i) for each Fiscal Month of Fiscal Year 2001, less than 3.75 to 1.0, and (ii) for each Fiscal Month thereafter, less than 3.50 to 1.0.

(a) Total Debt	$ _____________
(b) EBITDA - Schedule 1	$ _____________
(c) Actual ratio of (a) to (b)	_____ to 1.0
Maximum ratio	[3.75 to 1.0] [3.50 to 1.0]

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Culp, Inc.
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3-MOS
APR-29-2001
MAY-01-2000
JUL-30-2000
1,654
0
61,219
(2,368)
74,600
146,670
253,043
(129,407)
325,381
46,382
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0
560
125,830
325,381
101,878
101,878
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87,704
13,778
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2,323
(2,661)
(905)
(1,756)
0
0
0
(1,756)
(0.16)
(0.16)