UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported) August 30, 2005

Culp, Inc.
(Exact Name of Registrant as Specified in its Charter)

North Carolina	0-12781	56-1001967
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1823 Eastchester Drive
High Point, North Carolina 27265
(Address of Principal Executive Offices)
(Zip Code)

(336) 889-5161
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former name or address, if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

|_| Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

|_| Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

|_| Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

|_| Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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1.01. Entry into a Material Definitive Agreement.

On August 30, 2005, Culp, Inc. (the "Company") and Wachovia Bank, National Association (formerly, Wachovia Bank, N.A.) (referred to herein as "Wachovia") entered into a Sixth Amendment to Amended and Restated Credit Agreement (the "Agreement") to amend and renew the Company's working capital line of credit with Wachovia. The Agreement provides for an unsecured line of credit in the amount of $8,000,000, to be used for working capital and to support letters of credit, which in total are not to exceed $5,500,000, required by the Company for various aspects of its operations. The line of credit has a term expiring August 31, 2006 and bears interest at LIBOR plus an adjustable margin based on the company's debt/EBITDA ratio, as defined in the agreement. The fees for this amendment were $5,000. The financial covenants applicable to the Company under the Agreement include the following:

- quarterly EBITDA targets (based upon the latest four quarters), with EBITDA being calculated excluding restructuring and related charges and other non-cash charges (with a limit on the amount of cash restructuring charges).

- an interest and lease coverage test.

- funded debt to tangible capital ratio not to exceed 60%.

- $5,000,000 annual limit on capital expenditures.

- dividend restrictions (unchanged from prior agreement).

- a liquidity requirement providing that from October 31, 2005 until March 15, 2006, the Company must maintain collected deposit balances with Wachovia of at least $7,500,000. This $7,500,000 million deposit requirement is contingent upon the company's successful completion of a real estate loan, as described below.

A copy of the Sixth Amendment to Amended and Restated Credit Agreement is filed herewith as Exhibit 99(c), and the description provided above is qualified by reference to the complete terms of the Agreement as set forth in Exhibit 99(c).

In addition, on August 30, 2005, the Company executed a Real Estate Loan Commitment Letter (the "Letter") with Wachovia, providing that Wachovia would commit until October 31, 2005 to make a five year term loan to the Company in an amount expected to be approximately $4,060,000, to finance and to be secured by a lien on the Company's headquarters building in High Point, North Carolina. The loan will bear interest at LIBOR plus an adjustable margin based on the company's debt/EBITDA ratio, as defined in the agreement, and will be payable monthly on a 15-year amortization schedule, with a final balloon payment due five years from closing. The commitment contains other terms and is subject to certain conditions and contingencies, as set forth in the Letter. The fees for this amendment were $1,500.

A copy of the Letter is filed herewith as Exhibit 99(d), and the description provided above is qualified by reference to the complete terms of the Letter as set forth in Exhibit 99(d).

The Company anticipates that the real estate term loan described above will be closed during October 2005.

Item 2.02 - Results of Operations and Financial Condition

On August 31, 2005, the Company issued a news release to announce its financial results for the first quarter ended July 31, 2005. The news release is attached hereto as Exhibit 99(a).

Also on August 31, 2005, the Company released a Financial Information Release containing additional financial information and disclosures about the Company's first quarter ended July 31, 2005. The Financial Information Release is attached hereto as Exhibit 99(b).

The news release and Financial Information Release contain disclosures about free cash flow, a non-GAAP performance measure, that management believes provides useful information to investors because it measures the Company's available cash flow for potential debt repayment, stock repurchases and additions to cash and cash equivalents. In addition, the news release and Financial Information Release contain proforma income statement information, which reconciles the reported and projected income statement information with proforma results, which exclude restructuring and related charges and credits. The Company has included this proforma information in order to show operational performance excluding the effects of restructuring and related charges and credits that are not expected to occur on a regular basis. Management believes this presentation aids in the comparison of financial results among comparable financial periods. In addition, this information is used by management to make operational decisions about the Company's business, is used in certain financial covenants in the Company's loan agreement, and is used by the Company as a financial goal for purposes of determining management incentive bonuses.

Forward Looking Information. This report and the exhibits hereto contain statements that may be deemed "forward-looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995 (Section 27A of the Securities Act of 1933 and Section 27A of the Securities and Exchange Act of 1934). Such statements are inherently subject to risks and uncertainties. Further, forward-looking statements are intended to speak only as of the date on which they are made. Forward-looking statements are statements that include projections, expectations or beliefs about future events or results or otherwise are not statements of historical fact. Such statements are often but not always characterized by qualifying words such as "expect," "believe," "estimate," "plan" and "project" and their derivatives, and include but are not limited to statements about the company's future operations, production levels, sales, SG&A or other expenses, margins, gross profit, operating income, earnings or other performance measures. Factors that could influence the matters discussed in such statements include the level of housing starts and sales of existing homes, consumer confidence, trends in disposable income, and general economic conditions. Decreases in these economic indicators could have a negative effect on the company's business and prospects. Likewise, increases in interest rates, particularly home mortgage rates, and increases in consumer debt or the general rate of inflation, could affect the Company adversely. Changes in consumer tastes or preferences toward products not produced by the Company could erode demand for the Company's products. In addition, strengthening of the U.S. dollar against other currencies could make the Company's products less competitive on the basis of price in markets outside the United States. Also, economic and political instability in international areas could affect the company's operations or sources of goods in those areas, as well as demand for the company's products in international markets. Finally, unanticipated delays or costs in executing restructuring actions could cause the cumulative effect of restructuring actions to fail to meet the objectives set forth by management. Other factors that could affect the matters discussed in forward-looking statements are included in the company's periodic reports filed with the Securities and Exchange Commission.

Item 9.01 (c) -- Exhibits

99(a) News Release dated August 31, 2005

99(b) Financial Information Release dated August 31, 2005

99(c) Sixth Amendment to Amended and Restated Credit Agreement dated August 30, 2005

99(d) Real Estate Loan Commitment Letter dated August 30, 2005

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/ Franklin N. Saxon

Franklin N. Saxon
President and Chief Operating Officer

By: /s/ Kenneth R. Bowling

Kenneth R. Bowling
Vice President-Finance, Treasurer

Dated: August 31, 2005
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Exhibit 99(a)

Culp Announces First Quarter Results for Fiscal 2006

HIGH POINT, N.C.--(BUSINESS WIRE)--Aug. 31, 2005--Culp, Inc. (NYSE: CFI) today reported financial and operating results for the first quarter ended July 31, 2005.

Overview

For the three months ended July 31, 2005, net sales were $62.3 million, compared with net sales of $67.8 million a year ago. The company reported a net loss of $3.9 million, or $0.34 per diluted share, for the first quarter of fiscal 2006, compared with a net loss of $1.1 million, or $0.09 per diluted share, for the first quarter of fiscal 2005. The financial results for the first quarter of fiscal 2006 include after-tax restructuring and related charges of $3.3 million, or $0.29 per diluted share. Excluding these charges, the net loss for the first fiscal quarter was $628,000, or $0.05 per diluted share. Excluding after-tax restructuring and related charges and credits of approximately $42,000, the net loss for the first quarter of fiscal 2005 was unchanged at $1.1 million, or $0.09 per diluted share. (A reconciliation of the net loss and net loss per share calculations has been set forth on Page 5.)

Commenting on the company's results for the first quarter of fiscal 2006, Robert G. Culp, III, chief executive officer of Culp, Inc., said, "At the beginning of the quarter, we had ambitious strategic plans in place, as previously announced, for our operating segments - mattress ticking and upholstery fabrics, which includes both U.S. and offshore operations. We are pleased with how much we accomplished during the quarter with respect to these operational initiatives as we continue to adapt to the rapidly changing furniture and bedding markets. While we are not yet profitable in the upholstery fabrics segment, it is gratifying to see the improvement in operating results for the first quarter on a year-over-year basis. Although the transition to a leaner and more agile business model is affecting our financial performance, we believe we are taking the right steps to be competitive and position the company for growth over the long term in today's global marketplace."

Mattress Fabrics Segment

Mattress fabric (known as mattress ticking) sales were $22.9 million in the first quarter of fiscal 2006, an 11.7 percent decline compared with $26.0 million for the first quarter of fiscal 2005, reflecting soft demand industry-wide. Operating income for this segment was $1.4 million, or 5.9 percent of sales, compared with $2.9 million, or 11.2 percent of sales, in the first quarter of fiscal 2005. Operating margins in this segment were affected by lower unit sales, costs related to the start-up of the company's capital project announced last October, and lower average selling prices principally related to the damask product line. This pricing trend reflects the ongoing shift mattress manufacturers are making to less expensive common border ticking, which is the fabric that goes on the side of mattresses and box springs. The average selling price for mattress ticking declined by 4.2 percent for the first quarter of fiscal 2006 compared with the prior year's quarter. On a unit volume basis, total yards sold declined by 7.5 percent over the same time. However, excluding the less popular printed ticking category, total yards sold were only down about one percent compared with the prior year's quarter.

"Mattress ticking continues to be a very solid part of Culp's business and we are taking aggressive steps to improve our competitive position," added Culp. "We are in the final stages of our $7.0 million capital project for this segment designed to improve our globally competitive cost structure. During the first quarter, we completed the building expansion and weaving machine installation at our Stokesdale, North Carolina, plant as well as the installation and full operation of the new weaving machines at our Quebec, Canada, facility. We are ramping up production at the Stokesdale plant during the second quarter. By the end of October 2005, we expect to have completed the transition of a significant portion of our production from a higher cost upholstery fabric weaving plant to our two mattress ticking facilities. While these changes have affected our results during the last three quarters, we believe that once this project is fully implemented, Culp will be well positioned to substantially improve operating margins in our mattress ticking business."

Upholstery Fabrics Segment

Sales for this segment were $39.4 million in the first quarter of fiscal 2006, a 5.9 percent decline compared with $41.9 million in the first quarter of fiscal 2005. Total yards sold were down 7.0 percent, while average selling prices were about 1.0 percent higher than the same period a year ago. Sales for the quarter continued to reflect significantly lower demand industry-wide for U.S. produced upholstery fabrics. The current consumer preference for leather and suede furniture and customer selection of other imported fabrics, including cut and sewn kits, are driving this trend. The lower sales of U.S. produced fabrics were offset to a large degree by higher sales of offshore produced fabrics. Operating loss for this segment was $380,000, compared with an operating loss of $2.6 million for the same period a year ago, reflecting higher gross profit in the offshore produced business and substantially lower selling, general and administrative expenses.

"With respect to our U.S. operations, we continued to take very aggressive actions to bring our U.S. manufacturing costs and capacity in line with current demand trends," Culp noted. "During the first quarter we initiated and completed the consolidation of our two velvet production facilities into our Anderson, South Carolina, plant. Additionally, we consolidated a finished goods distribution center and our design center into other Culp facilities, resulting in lower operating costs and the sale of these two buildings for approximately $3.0 million. Further, we combined our sales, design and customer service activities for Culp Decorative Fabrics and Culp Velvets/Prints, the two divisions within the upholstery fabrics segment, resulting in a more unified approach for our customers. With these actions and others, we reduced our selling, general and administrative expenses in this segment by 34.1 percent when compared with the first quarter last year.

"Earlier this month, we announced a plan to reduce the company's U.S. yarn manufacturing operations in order to lower costs and facilitate more yarn innovation by strategically aligning with key suppliers. As a result of these consolidations and earlier restructuring actions, the book value of our U.S. based upholstery fabric fixed assets is projected to be $17 million by the end of the second quarter of fiscal 2006, compared with approximately $52 million at the end of fiscal 2004, just 18 months ago. While we believe it is important to produce some level of upholstery fabrics in the U.S. to support our customers' domestic fabric requirements, we remain committed to taking whatever additional steps are necessary to achieve profitable U.S. upholstery fabric operations.

"With respect to our non-U.S. operations in this segment, we are pleased with the positive trends during the quarter," added Culp. "Sales of upholstery fabrics produced outside of our U.S. manufacturing plants, which include the popular micro-denier suedes as well as fabrics produced at our China facility, were more than twice the amount for the same quarter last year. These fabrics accounted for 30 percent of Culp's overall upholstery fabric sales during the first quarter of fiscal 2006, up from five percent two years ago during the first quarter of fiscal 2004. Customer response has been favorable and we are excited about the innovative products at excellent values that we are now able to offer. Our introduction of new offshore-produced fabrics at the Showtime fabric market in July was well received, and we anticipate strong placements with manufacturers at the fall furniture market. Overall, our offshore-produced business is profitable and represents a significant growth opportunity for Culp."

New Financing

The company also announced changes to its current bank financing agreement due to expire on August 31, 2005. Under the agreement, the term of the company's credit facility has been extended by one year. This amended credit facility in the amount of $8.0 million remains unsecured. The company has also received a commitment to provide a long term mortgage on its corporate headquarters for approximately $4.0 million with an expected closing by the end of October 2005.

Outlook

Commenting on the outlook for the second quarter of fiscal 2006, Culp continued, "We are pleased with our progress to date in executing the strategic changes underway in our operations. However, we do anticipate a continued decline in our overall sales. While mattress ticking sales have picked up somewhat in the early part of the second quarter, we expect this segment will show lower sales than a year ago. Operating income margin in this segment is expected to improve from the first quarter of fiscal 2006 due to a higher absolute sales level and the benefits from our capital project. In the upholstery fabrics segment, we expect continued significant growth in sales of fabrics produced outside the U.S. However, we believe demand for domestically produced upholstery fabrics will show a sharp decline, resulting in a year-over-year decline in overall upholstery fabrics segment sales as the industry faces weak consumer demand. Even with lower sales, we believe this segment's operating results will approximate breakeven for the second quarter due to the profitability in our offshore produced business and the substantial cost reductions in our U.S. operations.

"Considering these factors, we expect the company to report earnings in the range of a net loss of $0.03 to net income of $0.03 per diluted share in the second fiscal quarter, excluding previously announced restructuring and related charges. This is management's best estimate at present, recognizing that future financial results are difficult to predict because the upholstery fabrics industry is undergoing a dramatic transition and many internal changes are underway within the company. The actual results will depend primarily upon the level of demand throughout the quarter, the company's progress with respect to restructuring activities for our domestic upholstery fabrics operations, and the continuing implementation of our capital project in mattress ticking."

The company estimates pre-tax restructuring and related charges of approximately $6.6 million will be incurred during the second fiscal quarter. These charges are primarily related to the company's previously announced plan for the reduction of its yarn manufacturing operations. Including these charges, the company expects to report a net loss for the first fiscal quarter of $0.38 to $0.32 per diluted share. (A reconciliation of the projected net loss per share calculation has been set forth on Page 5.)

In closing, Culp remarked, "Our primary focus for fiscal 2006 is to restore Culp to profitability. While we are still in a period of transition, the strategic moves we have made in our U.S. upholstery fabric operations are already making a positive difference. Our offshore produced upholstery fabric business, including our China platform, is showing strong and profitable growth trends and we are excited about the opportunities for extending our market reach and capabilities. We have strengthened our competitive position in mattress ticking and look forward to realizing the benefits of the capital project in this segment. We believe we have the right strategy in place that is being implemented aggressively."

About the Company

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

This release contains statements that may be deemed "forward-looking statements" within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995 (Section 27A of the Securities Act of 1933 and Section 27A of the Securities and Exchange Act of 1934). Such statements are inherently subject to risks and uncertainties. Further, forward-looking statements are intended to speak only as of the date on which they are made. Forward-looking statements are statements that include projections, expectations or beliefs about future events or results or otherwise are not statements of historical fact. Such statements are often but not always characterized by qualifying words such as "expect," "believe," "estimate," "plan" and "project" and their derivatives, and include but are not limited to statements about the company's future operations, production levels, sales, SG&A or other expenses, margins, gross profit, operating income, earnings or other performance measures. Factors that could influence the matters discussed in such statements include the level of housing starts and sales of existing homes, consumer confidence, trends in disposable income, and general economic conditions. Decreases in these economic indicators could have a negative effect on the company's business and prospects. Likewise, increases in interest rates, particularly home mortgage rates, and increases in consumer debt or the general rate of inflation, could affect the company adversely. Changes in consumer tastes or preferences toward products not produced by the company could erode demand for the company's products. In addition, strengthening of the U.S. dollar against other currencies could make the company's products less competitive on the basis of price in markets outside the United States. Also, economic and political instability in international areas could affect the company's operations or sources of goods in those areas, as well as demand for the company's products in international markets. Finally, unanticipated delays or costs in executing restructuring actions could cause the cumulative effect of restructuring actions to fail to meet the objectives set forth by management. Other factors that could affect the matters discussed in forward-looking statements are included in the company's periodic reports filed with the Securities and Exchange Commission.

CULP, INC.
Condensed Financial Highlights
(Unaudited)

	Three Months Ended	
	July 31, 2005	August 1, 2004
Net sales	$62,340,000	$67,849,000
Net loss	$(3,941,000)	$(1,052,000)
Net loss per share:		
Basic	$ (0.34)	$ (0.09)
Diluted	$ (0.34)	$ (0.09)
Net loss per share, diluted, excluding restructuring and related charges (credits)(a)	$ (0.05)	$ (0.09)
Average shares outstanding:		
Basic	11,551,000	11,547,000
Diluted	11,551,000	11,547,000

(a) Excludes restructuring and related charges of $5.3 million ($3.3 million or $0.29 per diluted share, after taxes) for the first quarter of fiscal 2006. Excludes restructuring credit of $63,000 ($42,000 or $0.00 per diluted share, after taxes) for the first quarter of fiscal 2005.

CULP, INC.
Reconciliation of Net Loss as Reported to Pro Forma Net Loss
(Unaudited)

	Three Months Ended	
	July 31, 2005	August 1, 2004
Net loss, as reported	$(3,941,000)	$(1,052,000)
Restructuring and related charges (credits), net of income taxes	3,313,000	(42,000)
Pro forma net loss	$ (628,000)	$(1,094,000)

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

	Three Months Ended	
	July 31, 2005	August 1, 2004
Diluted net loss per share	$ (0.34)	$ (0.09)
Restructuring and related charges (credits), net of income taxes	0.29	--
Diluted net loss per share, adjusted	$ (0.05)	$ (0.09)

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

	Three Months Ending October 30, 2005
Projected range of net loss per diluted share	$(0.38)-(0.32)
Projected restructuring and related charges, net of income taxes	0.35
Projected range of pro forma net loss per diluted share	$(0.03)- 0.03

CONTACT: Culp Inc., High Point
Investor:
Kathy J. Hardy, 336-888-6209
or
Media:
Kenneth M. Ludwig, 336-889-5161

Exhibit 99(b)

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF NET LOSS
FOR THE THREE MONTHS ENDED July 31, 2005 AND August 1, 2004

(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Sales	
	July 31, 2005	August 1, 2004	% Over (Under)	July 31, 2005	August 1, 2004
Net sales	$ 62,340	67,849	(8.1)%	100.0%	100.0%
Cost of sales	55,785(1)	59,174(2)	(5.7)%	89.5%	87.2%
Gross profit	6,555	8,675	(24.4)%	10.5%	12.8%
Selling, general and administrative expenses	9,856(3)	9,280	6.2%	15.8%	13.7%
Restructuring expense (credit)	1,826(4)	(138)(4)	1,423.2%	2.9%	(0.2)%
Loss from operations	(5,127)	(467)	997.9%	(8.2)%	(0.7)%
Interest expense	948	940	0.9%	1.5%	1.4%
Interest income	(16)	(27)	(40.7)%	(0.0)%	(0.0)%
Other expense	133	214	(37.9)%	0.2%	0.3%
Loss before income taxes	(6,192)	(1,594)	(288.5)%	(9.9)%	(2.3)%
Income taxes*	(2,251)	(542)	315.3%	36.4%	34.0%
Net loss	$ (3,941)	(1,052)	(274.6)%	(6.3)%	(1.6)%
Net loss per share-basic	$ (0.34)	(0.09)	(277.8)%		
Net loss per share-diluted	$ (0.34)	(0.09)	(277.8)%		
Net loss per share, diluted, excluding restructuring and related charges and credits (see pro-forma statement on page 7)	$ (0.05)	(0.09)	44.4%		
Average shares outstanding-basic	11,551	11,547	0.0%		
Average shares outstanding-diluted	11,551	11,547	0.0%		

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

(1) Includes $495,000 of restructuring related charges--see Proforma income statement per page 5 of 5.

(2) Includes $75,000 of restructuring related charges--see Proforma income statement per page 5 of 5.

(3) Includes $3.0 million of restructuring related charges--see Proforma income statement per page 5 of 5.

(4) See Proforma income statement per page 5 of 5 for breakdown of restructuring expenses.

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED BALANCE SHEETS
JULY 31, 2005, AUGUST 1, 2004 AND MAY 1, 2005
Unaudited
(Amounts in Thousands)

	Amounts		Increase (Decrease)		*
	July 31, 2005	August 1, 2004	Dollars	Percent	May 1, 2005
Current assets					
Cash and cash equivalents	$ 5,238	11,946	(6,708)	(56.2)%	5,107
Accounts receivable	23,019	24,242	(1,223)	(5.0)%	28,824
Inventories	52,125	52,083	42	0.1 %	50,499
Deferred income taxes	7,054	9,256	(2,202)	(23.8)%	7,054
Other current assets	1,660	1,645	15	0.9 %	2,691
Total current assets	89,096	99,172	(10,076)	(10.2)%	94,175
Property, plant & equipment, net	60,190	78,880	(18,690)	(23.7)%	66,032
Goodwill	4,114	9,240	(5,126)	(55.5)%	4,114
Deferred income taxes	12,268	0	12,268	100.0 %	10,086
Other assets	1,519	1,307	212	16.2 %	1,716
Total assets	$ 167,187	188,599	(21,412)	(11.4)%	176,123

Current liabilities					
Current maturities of long-term debt	$ 8,126	545	7,581	1,391.0 %	8,110
Accounts payable	18,524	14,857	3,667	24.7 %	22,852
Accrued expenses	10,178	10,880	(702)	(6.5)%	9,556
Accrued restructuring	4,855	4,656	199	4.3 %	5,850
Income taxes payable	1,179	606	573	94.6 %	1,544
Total current liabilities	42,862	31,544	11,318	35.9 %	47,912
Long-term debt, less current maturities	42,440	50,519	(8,079)	(16.0)%	42,440
Deferred income taxes	0	4,138	(4,138)	(100.0)%	0
Total liabilities	85,302	86,201	(899)	(1.0)%	90,352
Shareholders' equity	81,885	102,398	(20,513)	(20.0)%	85,771
Total liabilities and shareholders' equity	$ 167,187	188,599	(21,412)	(11.4)%	176,123
Shares outstanding	11,552	11,548	4	0.0 %	11,551

* Derived from audited financial statements.

CULP, INC. FINANCIAL INFORMATION RELEASE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JULY 31, 2005 AND AUGUST 1, 2004
Unaudited
(Amounts in Thousands)

	THREE MONTHS ENDED	
	Amounts	
	July 31, 2005	August 1, 2004
Cash flows from operating activities:		
Net loss	$ (3,941)	(1,052)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	6,172	3,362
Amortization of other assets	31	37
Stock-based compensation	53	52
Deferred income taxes	(2,182)	0
Restructuring expense (credit)	1,826	(138)
Changes in assets and liabilities:		
Accounts receivable	5,805	6,477
Inventories	(1,626)	(3,038)
Other current assets	1,031	(11)
Other assets	166	206
Accounts payable	(4,413)	112
Accrued expenses	622	(2,148)
Accrued restructuring	(1,968)	(228)
Income taxes payable	(365)	(1,244)
Net cash provided by operating activities	1,211	2,387
Cash flows from investing activities:		
Capital expenditures	(3,840)	(4,375)
Proceeds from the sale of buildings	2,850	0
Net cash used in investing activities	(990)	(4,375)
Cash flows from financing activities:		
Payments on vendor-financed capital expenditures	(108)	(675)
Proceeds from issuance of long-term debt	16	34
Proceeds from common stock issued	2	7
Net cash used in financing activities	(90)	(634)
Increase (decrease) in cash and cash equivalents	131	(2,622)
Cash and cash equivalents at beginning of period	5,107	14,568
Cash and cash equivalents at end of period	$ 5,238	11,946
Free Cash Flow (1)	$ 113	(2,663)

(1) Free Cash Flow reconciliation is as follows:

	FY 2006	FY 2005
A) Net cash provided by operating activities	$ 1,211	2,387
B) Minus: Capital Expenditures	(3,840)	(4,375)
C) Add: Proceeds from the sale of buildings	2,850	0
C) Minus: Payments on vendor-financed capital expenditures	(108)	(675)
	$ 113	(2,663)

CULP, INC. FINANCIAL INFORMATION RELEASE
SALES, GROSS PROFIT AND OPERATING INCOME (LOSS) BY SEGMENT
FOR THE THREE MONTHS ENDED JULY 31, 2005 AND AUGUST 1, 2004

(Amounts in thousands)

	THREE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Total Sales	
Net Sales by Segment	July 31, 2005	August 1, 2004	% Over (Under)	July 31, 2005	August 1, 2004
Mattress Fabrics	$ 22,915	25,953	(11.7)%	36.8 %	38.3 %
Upholstery Fabrics	39,425	41,896	(5.9)%	63.2 %	61.7 %
Net Sales	$ 62,340	67,849	(8.1)%	100.0 %	100.0 %
Gross Profit by Segment				Gross Profit Margin	
Mattress Fabrics	$ 3,095	4,794	(35.4)%	13.5 %	18.5 %
Upholstery Fabrics	3,955	3,956	(0.0)%	10.0 %	9.4 %
Subtotal	7,050	8,750	(19.4)%	11.3 %	12.9 %
Restructuring related charges	(495)(1)	(75)(2)	560.0 %	-0.8 %	(0.0)%
Gross Profit	$ 6,555	8,675	(24.4)%	10.5	12.8 %
Sales, General and Administrative expenses by Segment				Percent of Sales	
Mattress Fabrics	$ 1,737	1,895	(8.3)%	7.6 %	7.3 %
Upholstery Fabrics	4,335	6,575	(34.1)%	11.0 %	15.7 %
Unallocated Corporate expenses	762	810	(5.9)%	1.2 %	1.2 %
Subtotal	6,834	9,280	(26.4)	11.0 %	13.7 %
Restructuring related charges	3,022(3)	0	100.0 %	4.8 %	0.0 %
Selling, General and Administrative expenses	$ 9,856	9,280	6.2 %	15.8 %	13.7 %
Operating income (loss) by Segment				Operating Income (Loss) Margin	
Mattress Fabrics	$ 1,358	2,899	(53.2)%	5.9 %	11.2 %
Upholstery Fabrics	(380)	(2,619)	85.5 %	(1.0)%	(6.3)%
Unallocated corporate expenses	(762)	(810)	5.9 %	(1.2)%	(1.2)%
Subtotal	216	(530)	140.8 %	0.3 %	(0.8)%
Restructuring (expense) and credits	(1,826)(4)	138 (2)	N/A %	(2.9)%	0.2 %
Restructuring related charges	(3,517)(5)	(75)(2)	N/A %	(5.6)%	(0.1)%
Operating loss	$ (5,127)	(467)	(997.9)%	(8.2)%	(0.7)%
Depreciation by Segment					
Mattress Fabrics	$ 857	916	(6.4)%		
Upholstery Fabrics	1,798	2,446	(26.5)%		
Subtotal	2,655	3,362	(21.0)%		
Accelerated depreciation (Restructuring related)	3,517(5)	0	100.0 %		
Total Depreciation	$ 6,172	3,362	83.6 %		

(1) The $495,000 represents restructuring related charges for accelerated depreciation on equipment associated with the consolidation of the the Burlington, NC and Anderson, SC manufacturing facilities.
(2) The $75,000 represents equipment dismantling charges related to the closing of the Lumberton, NC manufacturing facility. The $138,000 restructuring

credit represents the reversal of certain accrued expenses associated with termination benefits.

(3) The $3.0 million represents restructuring related charges for accelerated depreciation associated with the design and distribution centers sold in June 2005.

(4) The $1.8 million restructuring expense includes $1.2 million in asset movement costs; $754,000 in write-downs of equipment; $47,000 in lease termination expense; and $142,000 in a restructuring credit for the reversal of accrued termination benefit expenses.

(5) See note (1) and (3).

CULP, INC.
PROFORMA CONSOLIDATED STATEMENTS OF NET INCOME (LOSS)
FOR THE THREE MONTHS ENDED JULY 31, 2005 AND AUGUST 1, 2004
(Amounts in Thousands, Except for Per Share Data)

	THREE MONTHS ENDED (UNAUDITED)												
	As Reported July 31, 2005	% of Sales	Adjust-ments	% of Sales	July 31, 2005 Proforma Net of Adjust-ments	% of Sales	As Reported August 1, 2004	% of Sales	Adjust-ments	% of Sales	August 1, 2004 Proforma Net of Adjust-ments	% of Sales	Proforma % Over (Under)
Net sales	$ 62,340	100.0%	0	0.0%	62,340	100.0%	67,849	100.0%	0	0.0%	67,849	100.0%	-8.1%
Cost of sales	55,785	89.5%	(495)	-0.8%(1)	55,290	88.7%	59,174	87.2%	(75)	-0.1%(5)	59,099	87.1%	-6.4%
Gross profit	6,555	10.5%	(495)	-0.8%	7,050	11.3%	8,675	12.8%	(75)	-0.1%	8,750	12.9%	-19.4%
Selling, general and administrative expenses	9,856	15.8%	(3,022)	-4.8%(2)	6,834	11.0%	9,280	13.7%	0	0.0%	9,280	13.7%	-26.4%
Restructuring expense (credit)	1,826	2.9%	(1,826)	-2.9%(3)	0	0.0%	(138)	-0.2%	138	0.2%(5)	0	0.0%	0.0%
Income (loss) from operations	(5,127)	-8.2%	(5,343)	-8.6%	216	0.3%	(467)	-0.7%	63	0.1%	(530)	-0.8%	-140.8%
Interest expense	948	1.5%	0	0.0%	948	1.5%	940	1.4%	0	0.0%	940	1.4%	0.9%
Interest income	(16)	0.0%	0	0.0%	(16)	0.0%	(27)	0.0%	0	0.0%	(27)	0.0%	-40.7%
Other expense	133	0.2%	0	0.0%	133	0.2%	214	0.3%	0	0.0%	214	0.3%	-37.9%
Income (loss) before income taxes	(6,192)	-9.9%	(5,343)	-8.6%	(849)	-1.4%	(1,594)	-2.3%	63	0.1%	(1,657)	-2.4%	48.8%
Income taxes (4)	(2,251)	36.4%	(2,030)	38.0%	(221)	26.0%	(542)	34.0%	21	33.3%	(563)	34.0%	60.7%
Net income (loss)	$ (3,941)	-6.3%	(3,313)	-5.3%	(628)	-1.0%	(1,052)	-1.6%	42	0.1%	(1,094)	-1.6%	42.6%
Net income (loss) per share-basic	($0.34)		($0.29)		($0.05)		($0.09)		$0.00		($0.09)		
Net income (loss) per share-diluted	($0.34)		($0.29)		($0.05)		($0.09)		$0.00		($0.09)		
Average shares outstanding-basic	11,551		11,551		11,551		11,547		11,547		11,547		
Average shares outstanding-diluted	11,551		11,551		11,551		11,547		11,727		11,547		

Notes:

(1) The $495,000 represents restructuring related charges for accelerated depreciation on equipment associated with the consolidation of the Burlington, NC and Anderson, SC manufacturing facilities.

(2) The $3.0 million represents accelerated depreciation on the distribution and design centers sold in June of 2005.

(3) The $1.8 million in restructuring expense represents $1.2 million in asset movement costs; $754,000 in write-downs of equipment; $47,000 in lease termination costs; and $142,000 in restructuring credits for the reversal of accrued termination and benefit expenses.

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

(5) The $75,000 represents equipment dismantling charges related to the closing of the Lumberton manufacturing facility. The $138,000 restructuring credit represents the reversal of certain accrued expenses.

Exhibit 99(c)

SIXTH AMENDMENT TO AMENDED AND
RESTATED CREDIT AGREEMENT

THIS SIXTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT ("Sixth Amendment") is made as of the 30th day of August, 2005, by and between CULP, INC., a North Carolina corporation (together with its successors and permitted assigns, the "Borrower") and WACHOVIA BANK, NATIONAL ASSOCIATION (formerly, Wachovia Bank, N.A.), a national banking association, as Agent and as a Bank (together with its endorsees, successors and assigns, the "Bank").

BACKGROUND

The Borrower and the Bank entered into an Amended and Restated Credit Agreement, dated as of August 23, 2002, as amended by Second Amendment to Amended and Restated Credit Agreement (the "Second Amendment"), dated as of June 3, 2003, by Third Amendment to Amended and Restated Credit Agreement (the "Third Amendment"), dated as of August 23, 2004, by Fourth Amendment to Amended and Restated Credit Agreement ("Fourth Amendment"), dated as of December 7, 2004 and by Fifth Amendment to Amended and Restated Credit Agreement ("Fifth Amendment") dated as of February 18, 2005 (it being acknowledged by the parties hereto that the proposed First Amendment to Amended and Restated Credit Agreement, which had been under discussion in March 2003, was never executed by the parties and is of no force or effect; otherwise, such agreement, as amended by the Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment and as it may be further amended, restated, supplemented and/or modified, shall be referred to herein as the "Credit Agreement"). Terms used herein and not herein defined shall have the meanings given to them in the Credit Agreement.

The Borrower has now requested additional amendments to the provisions of the Credit Agreement, which the Bank is willing to accommodate subject to the terms, provisions and conditions set forth in this Sixth Amendment.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Bank hereby agree as follows:

1. Amendment to Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) The following definition in Section 1.01 is hereby amended and restated in its entirety to read as follows:

> "Termination Date" means whichever is applicable of (i) August 31, 2006, (ii) the date the Commitments are terminated pursuant to Section 6.01 following the occurrence of an Event of Default, or (iii) the date the Borrower terminates the Commitments entirely pursuant to Section 2.08.

(b) The definition of "EBITDA" set forth in Section 1.01 is hereby amended and restated in its entirety to read as follows:

> "EBITDA" means at any time the sum of the following, determined on a consolidated basis for the Borrower and its Consolidated Subsidiaries, at the end of each Fiscal Quarter, for the Fiscal Quarter just ended and the 3 immediately preceding Fiscal Quarters: (i) Consolidated Net Income (exclusive of (a) non-cash charges and (b) restructuring and related cash charges; plus (ii) Consolidated Net Interest Expense; plus (iii) taxes on income; plus (iv) depreciation; plus (v) amortization; provided, however, that for purposes of calculation of EBITDA, cash charges for any Fiscal Year, beginning Fiscal Year 2006, shall not exceed $3,000,000.00

(c) The definition of "Existing Letters of Credit" set forth in Section 1.01 is hereby amended by adding at the end thereof a new clause (iv), which clause (iv) shall read as follows:

> "(iv) those additional letters of credit which have been issued by the Bank for the account of the Borrower prior to the date of this Sixth Amendment and which remain outstanding on the date of this Sixth Amendment."

(d) The aggregate amount of the Commitment of the Bank and the aggregate amount of the Total Commitments, each as set forth on page 62 of the Credit Agreement, are hereby reduced to $8,000,000.00.

(e) The requirement, as set forth in Section 2.02A(a)(i), that the maximum amount of New Letter of Credit Obligations not exceed $2,500,000 is hereby replaced by a requirement that the maximum amount of New Letter of Credit Obligations, when added to the then outstanding aggregate amount of Existing Letters of Credit, shall not exceed $5,500,000.

(f) Section 5.06 is hereby amended and restated in its entirety to read as follows:

> "Section 5.06. Use of Proceeds. The proceeds of the Loans may be used for working capital purposes. No portion of the proceeds of the Loans will be used by the Borrower or any Subsidiary (i) in connection with, whether directly or indirectly, any tender offer for, or other acquisition of, stock of any corporation with a view towards obtaining control of such other corporation, unless such tender offer or other acquisition is to be made on a negotiated basis with the approval of the Board of Directors of the Person to be acquired, and the provisions of Section 5.16 would not be violated, (ii) directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any Margin Stock, (iii)

to repay Debt owed by Borrower to any Person except to Bank; or (iv) for any purpose in violation of any applicable law or regulation."

(g) The definition of "Applicable Margin" in Section 2.06(a) is hereby changed to 3.00%; provided that if, on any Performance Pricing Determination Date beginning October 31, 2005, the Debt/EBITDA Ratio for the quarterly or annual fiscal period immediately preceding such Performance Pricing Determination Date is less than 3.00 to 1.00, the Applicable Margin shall be 2.50% from such Performance Pricing Determination Date until the next Performance Pricing Determination Date.

(h) Section 5.20 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"Section 5.20. Ratio of Funded Debt to Total Tangible Capitalization. The ratio of Funded Debt to Total Tangible Capitalization will at no time exceed 0.60 to 1.00."

(i) Section 5.24 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"5.24. Capital Expenditures. Aggregate Capital Expenditures for any Fiscal Year will not exceed $5,000,000.00."

(j) Section 5.26 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"Section 5.26 Liquidity Requirement. The Borrower will maintain with the Bank, beginning October 31, 2005 and continuing until the Principal Payment Date, collected deposit balances of not less than $7,500,000 (none of which has been borrowed hereunder); provided, however, that this covenant shall apply only if the Bank and the Borrower close the $4,060,000 mortgage loan pursuant to the Bank's commitment letter, dated August 30, 2005, to Borrower. As used herein, "Principal Payment Date" means that date when annual principal payments first become due under or with respect to the Borrower's Series A Senior Note and/or Series B Senior Note issued pursuant to those certain Note Purchase Agreements, dated March 4, 1998, executed by Borrower."

(k) Section 6.01 of the Credit Agreement is hereby amended by adding a new Event of Default thereunder, which new Event of Default (m) shall read as follows:

(m) A default under the documents evidencing any other Debt of Borrower to the Bank, which default is not cured within any grace or cure period applicable thereto.

A new Section 5.27 is hereby added to the Credit Agreement, which new section shall read as follows:

"Section 5.27. Minimum EBITDA. EBITDA, for the following Fiscal Quarters of Fiscal Year 2006 shall equal or exceed the following amounts:

Second Fiscal Quarter	$ 7,760,000
Third Fiscal Quarter	$ 9,760,000
Fourth Fiscal Quarter	$ 12,960,000"

2. Further Assurances. The Borrower will execute such confirmatory instruments, if any, with respect to the Credit Agreement and this Sixth Amendment as the Bank may reasonably request.

3. Ratification by Borrower. The Borrower ratifies and confirms all of its representations, warranties, covenants, liabilities and obligations under the Credit Agreement (except as expressly modified by this Sixth Amendment) and agrees that: (i) except as expressly modified by this Sixth Amendment, the Credit Agreement continues in full force and effect as if set forth specifically herein; and (ii) the Borrower has no right of setoff, counterclaim or defense to payment of its obligations under the Credit Agreement. The Borrower and the Bank agree that this Sixth Amendment shall not be construed as an agreement to extinguish the Borrower's obligations under the Credit Agreement or the Notes and shall not constitute a novation as to the obligations of the Borrower under the Credit Agreement or the Notes. The Bank hereby expressly reserves all rights and remedies it may have against all parties who may be or may hereafter become secondarily liable for the repayment of the obligations under the Credit Agreement or the Notes.

4. Amendments. This Sixth Amendment may not itself be amended, changed, modified, altered, or terminated without in each instance the prior written consent of the Bank. This Sixth Amendment shall be construed in accordance with and governed by the laws of the State of North Carolina.

5. Counterparts. This Sixth Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same agreement.

6. Modification and Extension Fee. The Borrower shall pay to the Bank on the date this Sixth Amendment is executed, an amendment and extension fee equal to $5,000.00, which fee, once paid, shall be fully earned and non-refundable.

7. Bank's Expenses. In accordance with Section 9.03 of the Credit Agreement, Borrower hereby acknowledges and agrees to pay all reasonable out-of-pocket expenses incurred by the Bank in connection with the preparation of this Sixth Amendment, including without limitation reasonable attorneys' fees.

[Signature Page Follows]

IN WITNESS WHEREOF, this Sixth Amendment has been duly executed under seal by Borrower and Bank as of the day and year first above written.

BORROWER:

CULP, INC. (SEAL)

By: /S/ Franklin N. Saxon
Name: Franklin N. Saxon
Title: President

BANK:

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Agent and as Bank (SEAL)

By: /S/ Matthew M. Rankin
Name: Matthew M. Rankin
Title: Vice President

Exhibit 99(d)

Real Estate Loan Commitment Letter

August 30, 2005

Culp, Inc.
101 South Main Street
High Point, North Carolina 27261-2686
Attention: Mr. Robert G. Culp

Re: Loan Commitment to Culp, Inc.

Dear Mr. Culp:

Wachovia Bank, National Association (hereafter "Wachovia" or "Bank") is pleased to offer you a commitment to lend on the following terms and conditions:

BORROWER:
Culp, Inc., a North Carolina corporation (the "Borrower")

AMOUNT:
The amount of this facility shall be $4,060,000 in the form of a commercial mortgage loan (the "Loan"), provided, however, that in no event shall the maximum principal amount of the Loan exceed 70% of the current fair market value of the Property (hereinafter defined) as determined by the Wachovia ordered appraisal described below.

PURPOSE:
This facility shall be used to finance certain real property known as 1823 Eastchester Drive, High Point, Guilford County, North Carolina (the "Property").

TERM:
This facility shall have a term of 5 years.

INTEREST RATE:
The interest rate will be 1-month LIBOR plus 3.00% (the "Applicable Margin"); provided, however, that for any fiscal period during which the Borrower's Debt/EBITDA Ratio is less than 3.00 to 1.00, the Applicable Margin shall be 2.50%. As used herein, "Debt/EBITDA Ratio" shall have the meaning given such term in the Amended and Restated Credit Agreement, dated as of August 23, 2002, by and among the Borrower, the Bank, as Agent, and the Bank, as such Amended and Restated Credit Agreement has itself been amended (as amended, the "Credit Agreement'). "LIBOR" is the rate for U.S. dollar deposits of that many months maturity as reported Telerate page 3750 as of 11:00 a.m., London time, on the second London business day before the relevant interest period begins (or if not so reported, then as determined by the Bank from another recognized Bank or interbank quotation).

REQUIRED HEDGE:
Borrower will be required to hedge at least 50% of the Loan's floating interest expense by entering into an interest rate swap (the "Swap") with Wachovia (or other counterparty acceptable to Wachovia) contemporaneously with the closing of the Loan, pursuant to which Borrower shall receive the amount necessary to pay at least 50% of the interest expense due under the Loan (exclusive of default interest or other adjustments provided for in the loan documents) and shall pay the amount that would be equal to at least 50% of the interest that would accrue on the Loan at a fixed rate. Borrower shall maintain the Swap for the full term of the Loan.

Wachovia is willing to provide this Swap to Borrower upon mutually agreeable terms. Assuming a Swap were executed with Wachovia at today's rate, the Swap's fixed rate would be 7.71%. This is indicative only. The actual rate is subject to market conditions at the time the Swap is consummated. The Swap will be governed by an ISDA Master Agreement and shall be secured by the Collateral described herein.

REPAYMENT:
This facility shall be repayable in monthly installments equal to the sum of (i) all accrued and unpaid interest at the loan interest rate, plus (ii) a principal payment equal to the principal portion of the fixed payment that would be required to repay the loan in full amortized over a hypothetical 15-year term, at the fixed interest rate payable under the Swap, in substantially equal payments. All remaining principal and interest shall be due on the maturity date.

PREPAYMENT:
Borrower may prepay the loan in whole or in part only if Borrower pays such additional amounts deemed necessary by Wachovia to compensate Wachovia for any losses, costs or expenses which Wachovia incurs as a result of such prepayments pursuant to the compensation provisions which shall be more fully set out in the loan documents.

Any prepayment in whole or in part shall include accrued interest and all other sums then due under any of the Loan Documents. No partial prepayment shall affect the obligation of Borrower to make any payment of principal or interest due under this Note on the due dates specified.

No prepayment shall affect Borrower's obligation to continue making payments under the Swap, which shall remain in full force and effect notwithstanding such prepayment, subject to the terms of such Swap.

FEES:

Commitment Fee. The Borrower shall pay a non-refundable commitment fee of $1,500.00 ("Commitment Fee"), payable at loan closing.

The Commitment Fee shall be considered earned upon Borrower's acceptance of this Commitment. Borrower acknowledges that the Commitment Fee is a liquidated damages amount and is reasonable compensation to Wachovia for expenses, work and services arising from the negotiation and preparation of this Commitment and preparing the Loan for closing.

COLLATERAL:
The Borrower shall grant Wachovia a lien and security interest in the following collateral and provide any documents required for perfection of the lien and security interests:

A first priority deed of trust lien on the Property, including all improvements presently located or subsequently constructed thereon, together with a security interest in all fixtures located at and used in connection with the Property.

FINANCIAL STATEMENTS:
Borrower shall furnish to Wachovia the following financial information, in each instance prepared in accordance with generally accepted accounting principles consistently applied and otherwise in form (with original signatures) and substance satisfactory to Bank, which is required to be delivered by Borrower to Bank in accordance with the provisions of the Credit Agreement (whether or not the Credit Agreement has terminated).

COVENANTS.
In addition to the covenants customarily required by Wachovia for similar loans and/or similar borrowers, the following covenants shall be applicable to this facility:

Required Hedge. Borrower shall hedge 50% of the Loan's floating interest expense for the full term of the Loan by maintaining an interest rate swap, cap or collar with Bank or other counterparty acceptable to Bank in a notional amount equal to at least 50% of the then principal balance of the Loan, providing for a fixed rate, and containing such other terms and conditions as shall be reasonably acceptable to Bank.

Debt/EBITDA Ratio. By April 30, 2007, the Borrower's Debt/EBITDA Ratio shall be equal to or less than 3.00 to 1.00.

Credit Agreement Covenants. Borrower shall observe, perform and fulfill, for the benefit of the Bank, all those financial covenants and agreements, as the same are in effect on the date hereof or may hereafter be amended in writing executed by Bank, contained in the Credit Agreement, the provisions of which are incorporated herein by reference, which covenants and agreements Borrower shall continue to observe, perform and fulfill notwithstanding any termination of the Credit Agreement and notwithstanding that the indebtedness under the Credit Agreement has been or may hereafter be partially or fully repaid.

CONDITIONS PRECEDENT:
The provisions of this Commitment are subject to and conditioned upon receipt by Wachovia of the following, all in form and substance satisfactory to Wachovia:

Wachovia ordered appraisal, at Borrower's expense, showing a current fair market value of the Property satisfactory to Wachovia.

Phase I Environmental Report, at Borrower's expense, relating to the Property and the surrounding area. If there is any evidence or possibility of any environmental problem on, at or adjacent to the Property, either prior to or after the loan closing, Bank may, at its option, require evidence of the nature of the problem and evidence that the problem has been remediated, all at Borrower's expense.

A commitment to issue a standard ALTA mortgagee title insurance policy in form, content and from a title insurer satisfactory to Wachovia, insuring the deed of trust as a first lien on the Property for the full amount of the loan, with such endorsements as Wachovia may require. Title shall be fee simple and marketable, free and clear of all defects, liens and encumbrances, including mechanics' liens, and subject only to such exclusions from coverage and exceptions to title as Wachovia shall approve. The title commitment shall include judgment and bankruptcy court searches, tax and assessment searches, and county and state financing statement searches.

A recorded plat or current survey of the Property, certified to Wachovia and the title insurer, showing the boundaries of the Property by courses and distances, together with a corresponding metes and bounds description, the actual or proposed location of all improvements, encroachments and restrictions, the location and width of all easements, utility lines, rights-of-way and building set-back lines, and notes referencing book and page numbers for the instruments granting the same.

Original or duplicate policies, or evidence of insurance on an ACORD 27 form of certificate, of: "all-risk" fire and extended coverage hazard insurance, which must include fire, vandalism and malicious mischief coverage (non-reporting Commercial Property Policy with Special Cause of Loss form), in an amount not less than 100% of the agreed upon full insurable replacement value of the Property, including coverage for loss of rents or business interruption; comprehensive general public liability insurance in an amount satisfactory to Wachovia; and, if the Property is located in a special flood hazard area, flood insurance is required in the amount equal to the lesser of the loan amount or maximum available under the National Flood Insurance Program, but in no event should the amount of coverage be less than the value of the improved structure; in each case in form and with companies acceptable to Wachovia and naming Wachovia as first mortgagee, loss payee or certificate holder, as applicable, and endorsed to provide that occupancy by any person shall not void such coverage on such policies. Each insurance policy must state that it will not be canceled or changed without at least thirty (30) days' prior written notice to Wachovia.

DOCUMENTS:
The Loan will be evidenced by documents prepared by and acceptable to Wachovia, containing such representations, warranties, affirmative and negative covenants, indemnities, closing conditions, defaults and remedies as are typically required by Wachovia and/or are customary in this type of transaction. The Loan shall be cross defaulted to the Credit Agreement. The failure of Borrower and Wachovia to reach agreement on the loan documents shall not be deemed a breach by Wachovia of this commitment. Unless Wachovia agrees otherwise in writing, completion of all documents is a condition of closing.

COSTS:
On or before the closing Borrower shall pay all costs, expenses and fees (including, without limitation, any appraisal, survey, insurance, environmental assessment, engineering, inspections, searches, recording and attorneys' fees) associated with this transaction. Bank is not providing legal advice or services to Borrower.

Wachovia's attorneys' fees will generally be based on the time and labor required, the novelty and difficulty of the questions raised by the transaction contemplated hereunder, the skill required to perform the services, the customary fee charged for a similar services, and the time limitations imposed for performance.

OTHER:

Opinion of Counsel. On or prior to the date of the initial borrowing, Borrower will provide Wachovia with an opinion letter, in form and substance satisfactory to Wachovia, from an attorney acceptable to Wachovia. The opinion will provide, to Wachovia's satisfaction, that the Borrower is validly existing under the laws of the jurisdiction where Borrower is organized and qualified, is qualified to transact business and is in good standing under the laws of the state in which the Property is located, and has full power and authority to undertake the activities contemplated by the Loan; that all Loan Documents (as will be defined in the Note) have been duly authorized, executed and delivered by Borrower; and that the Loan and its terms do not violate any laws including, without limitation, any usury laws or similar laws of the jurisdiction where Borrower and any Collateral are located, and such other matters and opinions as Wachovia reasonably requests.

Operating Documents. On or prior to the date of any borrowing hereunder, Wachovia shall have received from Borrower a copy of such Borrower's by-laws, certified as to completeness and accuracy by an appropriate officer of Borrower.

Charter Documents. Wachovia shall have received from Borrower a copy of its Articles of Incorporation and all other charter documents of Borrower, all certified by the Secretary of State of the state of Borrower's incorporation.

Certificate of Good Standing. Wachovia shall have received from Borrower, a certificate of the Secretary of State of the state of such Borrower's incorporation as to the good standing of such Borrower.

Certificate of Incumbency. Wachovia shall have received from Borrower a certificate of an appropriate officer of Borrower as to the incumbency and signatures of the officers of Borrower executing the Loan Documents.

Borrowing Authorization. Bank shall have received from Borrower a borrowing resolution or other proof of authority to enter into the transactions contemplated herein.

Permanent Financing. When and if Borrower elects to arrange permanent financing on the Property securing the Loan, Borrower hereby grants Wachovia Securities and Wachovia Corporation or its affiliates, including Wachovia Bank, National Association ("Wachovia"), the right of first opportunity to register lenders and to provide permanent financing on the Property on terms satisfactory to Borrower. Borrower will provide first notification to Wachovia of its intent to obtain permanent financing and will in a timely manner use its best efforts to provide Wachovia with the information necessary to enable it to obtain such financing.

Minimum Standards. In addition to the requirements set forth in the Loan Documents, all surveys, insurance, title policies, construction documents, environmental reports, payment and performance bonds, and any other due diligence or additional documents required in connection with this Loan, shall comply with Bank's minimum standards in place from time to time for such documents, which shall be provided in writing by Bank to Borrower upon request.

Wachovia's obligations under this commitment are conditioned on the fulfillment to Wachovia's sole satisfaction of each term and condition referenced by this commitment. These terms and conditions are not exhaustive, and this commitment is subject to certain other terms and closing conditions customarily required by Wachovia for similar transactions and may be supplemented prior to closing based upon Wachovia's investigation and/or as disclosure of Borrower's circumstances so dictate. This commitment will expire unless the Loan is closed on or before October 31, 2005. This commitment letter shall not survive closing.

Wachovia has made this commitment based upon the information supplied by Borrower. Wachovia shall have the right to cancel this commitment, whereupon Wachovia shall have no obligations hereunder, in the event of: (i) a material adverse change in the business or prospects of Borrower, financial or otherwise; (ii) a material change in the accuracy of the information, representations, exhibits or other materials submitted by Borrower in connection with its request for financing; (iii) loss of, damage to, a taking of, or the presence of any hazardous substances or asbestos at or on any collateral for the Loan. Borrower must immediately notify Wachovia of any such event; (iv) Borrower or any principal thereof shall file or make or have filed or made against such person a petition in bankruptcy, an assignment for the benefit of creditors or an action for the appointment of a receiver, or shall become insolvent, however evidenced; or (v) there is a change in the structure or ownership of Borrower.

This commitment supersedes all prior commitments and proposals with respect to this transaction, whether written or oral, including any previous loan proposals made by Wachovia or anyone acting with its authorization. No modification shall be valid unless made in writing and signed by an authorized officer of Wachovia. This commitment is not assignable, and no party other than Borrower shall be entitled to rely on this commitment.

Please indicate your acceptance of this offer and the terms and conditions contained herein by signing below and returning one executed copy of this commitment letter to the undersigned. This offer of commitment shall expire unless the acceptance is received by the undersigned on or before September 2, 2005.

Thank you for allowing Wachovia to be of service. Please do not hesitate to give me a call at (336) 378-4136 if I can be of further assistance.

Sincerely,

WACHOVIA BANK, NATIONAL ASSOCIATION

By: /S/ Matthew M. Rankin
Name: Matthew M. Rankin
Title: Vice President

The above commitment is agreed to and accepted on the terms and conditions provided in this letter.

CULP, INC.

By: /S/ Franklin N. Saxon
Name: Franklin N. Saxon
Title: President

Date August 30, 2005

In the event Wachovia's document preparation staff needs to obtain additional information for the closing of this transaction, please provide in the space below the name and telephone number of the appropriate contact at your company:

Name Kenneth R. Bowling

Since the Loan is secured by real estate, Wachovia may need to contact your attorney regarding title insurance and other matters. Please provide below the name and telephone number of the attorney you plan to use.

Attorney's name:	Julie Chiu
Telephone Number:	(704) 377-8348
E-Mail Address:	Jchiu@rbh.com
Fax Number:	(704) 373-3948