

CULP INC  
Form 10-Q  
March 13, 2009

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UNITED STATES  
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 February 1, 2009

Commission File No. 0-12781

CULP, INC.

(Exact name of registrant as specified in its charter)

NORTH CAROLINA  
(State or other jurisdiction of  
incorporation or other organization)

56-1001967  
(I.R.S. Employer Identification No.)

1823 Eastchester Drive  
High Point, North Carolina  
(Address of principal executive offices)

27265-1402  
(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 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to the filing requirements for at least the past 90 days.     YES     NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "accelerated filer, large accelerated filer, and smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one);

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).     YES     NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

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Common shares outstanding at February 1, 2009: 12,767,527

Par Value: \$0.05 per share

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## Item 1. Financial Statements

CULP, INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 1, 2009 AND JANUARY 27, 2008  
(UNAUDITED)

(Amounts in Thousands, Except for Per Share Data)

## THREE MONTHS ENDED

	Amounts			Percent of Sales	
	February 1, 2009	January 27, 2008	% Over (Under)	February 1, 2009	January 27, 2008
Net sales	\$ 44,592	\$ 60,482	(26.3)%	100.0%	100.0%
Cost of sales	38,843	53,706	(27.7)%	87.1%	88.8%
Gross profit	5,749	6,776	(15.2)%	12.9%	11.2%
Selling, general and administrative expenses	4,676	5,117	(8.6)%	10.5%	8.5%
Restructuring expense	402	412	(2.4)%	0.9%	0.7%
Income from operations	671	1,247	(46.2)%	1.5%	2.1%
Interest expense	646	753	(14.2)%	1.4%	1.2%
Interest income	(20)	(77)	(74.0)%	(0.0)%	(0.1)%
Other expense (income)	28	(72)	138.9%	0.1%	(0.1)%
Income before income taxes	17	643	(97.4)%	0.0%	1.1%
Income taxes *	467	(260)	N.M.	N.M.	(40.4)%
Net (loss) income	\$ (450)	\$ 903	N.M.	(1.0)%	1.5%
Net (loss) income per share, basic	\$ (0.04)	\$ 0.07	N.M.		
Net (loss) income per share, diluted	(0.04)	0.07	N.M.		
Average shares outstanding, basic	12,653	12,635	0.1%		
Average shares outstanding, diluted	12,653	12,738	(0.7)%		

## NINE MONTHS ENDED

	Amounts			Percent of Sales	
	February 1, 2009	January 27, 2008	% Over (Under)	February 1, 2009	January 27, 2008
Net sales	\$ 156,176	\$ 190,048	(17.8)%	100.0%	100.0%
Cost of sales	139,879	165,794	(15.6)%	89.6%	87.2%
Gross profit	16,297	24,254	(32.8)%	10.4%	12.8%

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Selling, general and administrative expenses	14,498	17,275	(16.1)%	9.3%	9.1%
Restructuring expense	9,438	759	N.M.	6.0%	0.4%
(Loss) income from operations	(7,639)	6,220	N.M.	(4.9)%	3.3%
Interest expense	1,739	2,380	(26.9)%	1.1%	1.3%
Interest income	(75)	(197)	(61.9)%	(0.0)%	(0.1)%
Other (income) expense	(207)	625	N.M.	(0.1)%	0.3%
(Loss) income before income taxes	(9,096)	3,412	N.M.	(5.8)%	1.8%
Income taxes *	31,442	105	N.M.	N.M.	3.1%
Net (loss) income	\$ (40,538)	\$ 3,307	N.M.	(26.0)%	1.7%
Net (loss) income per share, basic	\$ (3.20)	\$ 0.26	N.M.		
Net (loss) income per share, diluted	(3.20)	0.26	N.M.		
Average shares outstanding, basic	12,650	12,617	0.3%		
Average shares outstanding, diluted	12,650	12,770	(0.9)%		

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

See accompanying notes to consolidated financial statements.

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CULP, INC.  
CONSOLIDATED BALANCE SHEETS  
FEBRUARY 1, 2009, JANUARY 27, 2008 AND APRIL 27, 2008  
(UNAUDITED)  
(Amounts in Thousands)