

CULP INC  
Form 10-Q  
September 10, 2010

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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 August 1, 2010  
Commission File No. 1-12597

CULP, INC.  
(Exact name of registrant as specified in its charter)

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

1823 Eastchester Drive  
High Point, North Carolina 27265-1402  
(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 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period after the registrant was required to submit and post such files). 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);

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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:

Common shares outstanding at August 1, 2010: 13,084,137  
Par Value: \$0.05 per share

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INDEX TO FORM 10-Q  
For the period ended August 1, 2010

	Page
<u>Part I - Financial Statements</u>	
<u>Item 1. Financial Statements:</u>	
<u>Consolidated Statements of Net Income — Three Months Ended August 1, 2010 and August 2, 2009</u>	I-3
<u>Consolidated Balance Sheets — August 1, 2010, August 2, 2009 and May 2, 2010</u>	I-4
<u>Consolidated Statements of Cash Flows — Three Months Ended August 1, 2010 and August 2, 2009</u>	I-5
<u>Consolidated Statements of Shareholders' Equity</u>	I-4
<u>Notes to Consolidated Financial Statements</u>	I-5
<u>Cautionary Statement Concerning Forward-Looking Information</u>	I-22
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	I-23
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	I-34
<u>Item 4. Controls and Procedures</u>	I-34
<u>Part II - Other Information</u>	
<u>Item 1. Legal Proceedings</u>	II-1
<u>Item 1A. Risk Factors</u>	II-1
<u>Item 6. Exhibits</u>	II-1
<u>Signatures</u>	II-2

## Item 1: Financial Statements

CULP, INC.  
CONSOLIDATED STATEMENTS OF NET INCOME  
FOR THE THREE MONTHS ENDED AUGUST 1, 2010 AND AUGUST 2, 2009  
UNAUDITED  
(Amounts in Thousands, Except for Per Share Data)

## THREE MONTHS ENDED

	Amounts			Percent of Sales			
	August 1, 2010	August 2, 2009	% Over (Under)	August 1, 2010	August 2, 2009		
Net sales	\$ 55,912	45,478	22.9 %	100.0 %	100.0 %		
Cost of sales	46,203	37,891	21.9 %	82.6 %	83.3 %		
Gross profit	9,709	7,587	28.0 %	17.4 %	16.7 %		
Selling, general and administrative expenses	5,212	4,895	6.5 %	9.3 %	10.8 %		
Restructuring credit	(6 )	(158 )	(96.2 ) %	(0.0 ) %	(0.3 ) %		
Income from operations	4,503	2,850	58.0 %	8.1 %	6.3 %		
Interest expense	210	357	(41.2 ) %	0.4 %	0.8 %		
Interest income	(38 )	(12 )	216.7 %	(0.1 ) %	(0.0 ) %		
Other expense	53	514	89.7 %	0.1 %	1.1 %		
Income before income taxes	4,278	1,991	114.9 %	7.7 %	4.4 %		
Income taxes *	531	115	361.7 %	12.4 %	5.8 %		
Net income	\$ 3,747	1,876	99.7 %	6.7 %	4.1 %		
Net income per share, basic	\$ 0.29	0.15	93.3 %				
Net income per share, diluted	0.28	0.15	86.7 %				
Average shares outstanding, basic	12,870	12,653					