

2015 | EMPLOYEE ANNUAL REPORT



INNOVATION & TRUST

CULP

“ Your story
is OUR story. ”

A STORY OF SIGNIFICANCE: HOW CULP TOUCHES OUR LIVES

Dear Fellow Associates,

We were very pleased to report an outstanding Fiscal Year 2015 to our shareholders, when measured by our growth in sales and market leadership. Each year, our Annual Report to Shareholders tells the story of our company's performance. This is a story told in measures such as percentage growth in sales, market share and return on investment.

While these measures are critical for the success of the company, we believe there are other vital measures that convey an even richer story. This story is about the many ways that Culp touches lives.

This story includes:

- The opportunity to make contributions on the job that matter.
- A supportive environment that encourages us to grow as people and in our careers.
- Helping to create beautiful mattresses and furniture that bring comfort to people in their homes.
- The opportunity to feel part of a trusting, caring company family.

Welcome to our Culp Employee Annual Report. This report is our effort to expand beyond our company's story of success to our story of significance. In the following pages, we hope you'll enjoy profiles of some of your fellow associates, as well as other highlights about our important endeavors this year. This is your story. And your story is our story.

Rob Culp
Chairman

Frank Saxon
President & CEO

Teresa Huffman
VP Human Resources

COVER PHOTOGRAPH:

Standing (L-R): Blair Barwick, Courtney Tsun
Seated (L-R): Jeffery Thomas, Wendy Thompson, Billy Garcia



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THE CULP STORY

INNOVATION & TRUST

Founded in 1972 by Robert G. Culp Jr., Culp Inc. (NYSE: CFI) supplies a wide range of mattress and upholstery fabrics across the globe. Culp is known as an innovative, trusted and reliable supplier of stylish and fashion-forward fabrics to the largest home furnishings manufacturers and retailers. From its headquarters in High Point, N.C., the furniture capital of the world, Culp skillfully manages a fully-integrated network of both manufacturing and distribution facilities in the U.S., Canada and China. When measured by total sales, Culp is one of the largest producers of mattress fabrics and one of the largest marketers of upholstery fabrics for furniture in North America.

Competing in a fashion-driven business, we differentiate ourselves by placing sustained focus on creative designs, product innovation and new product introductions. Culp places great emphasis on providing excellent and dependable service to our customers. The company's focus on continuous improvement in its manufacturing operations and a trend-savvy design team helps customers drive sales and grow market share on a global basis. At Culp, everything we do, from logistics to quality control, reflects a clear understanding of our customer's business objectives.

CULP HAS TWO OPERATING SEGMENTS:



MATTRESS FABRICS

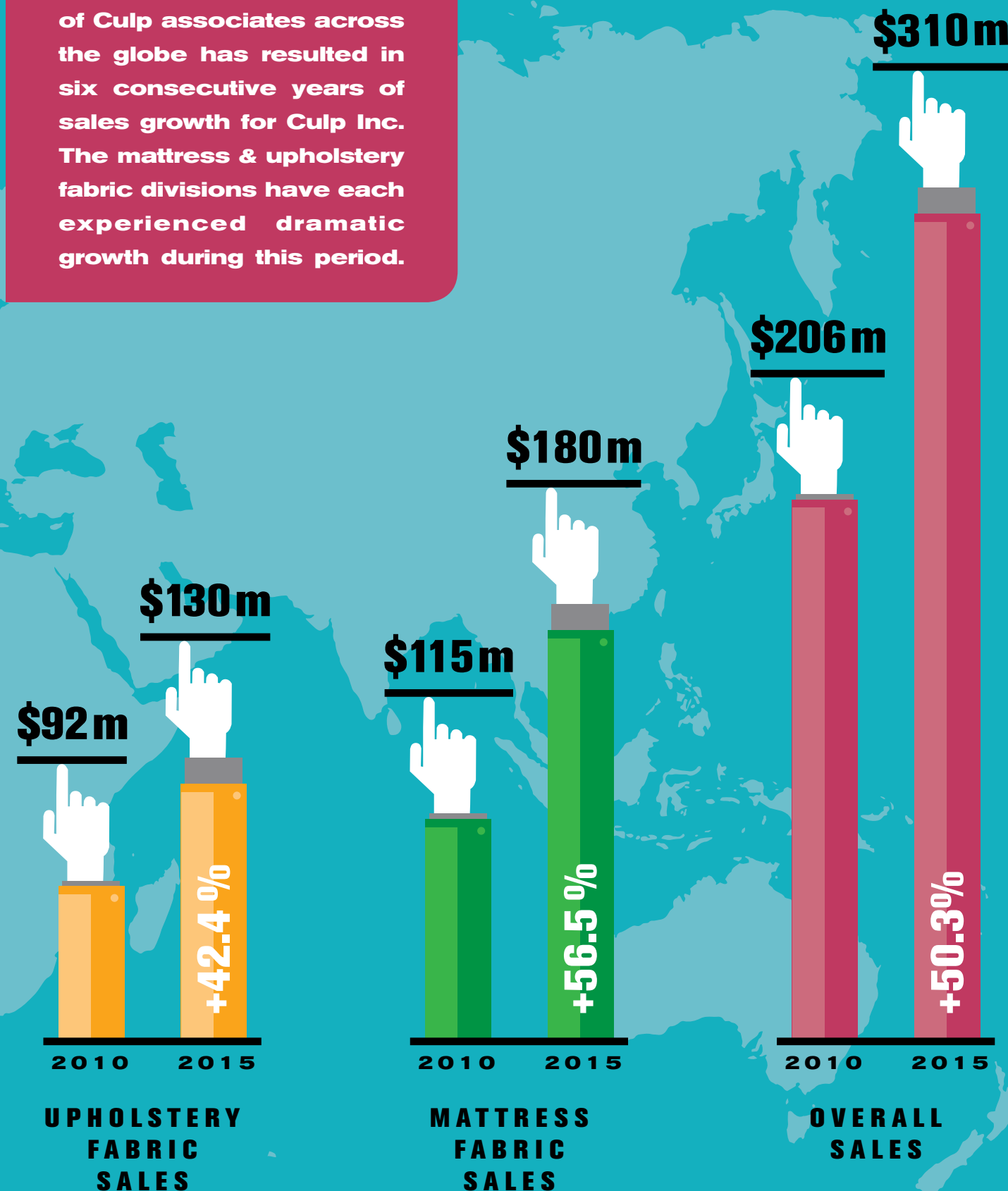
The mattress fabrics business markets woven and knitted fabrics, and sewn covers made from those fabrics, which are used primarily in the production of bedding products, including mattresses, box springs, and mattress sets.

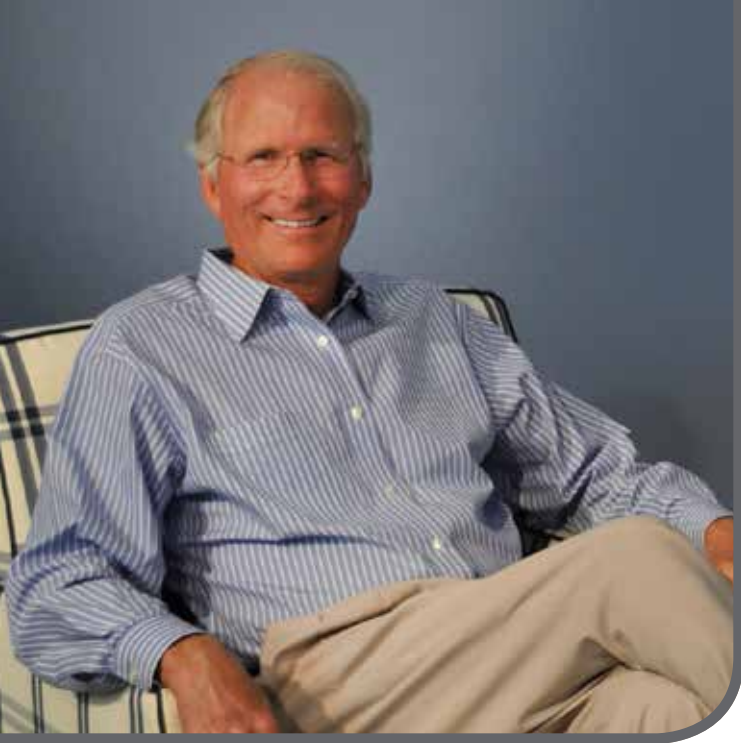


UPHOLSTERY FABRICS

The upholstery fabrics business markets a variety of fabric products that are used in the production of residential and commercial upholstered furniture, sofas, recliners, chairs, loveseats, sectionals, sofa-beds and office seating.

The dedication, creativity, innovation and teamwork of Culp associates across the globe has resulted in six consecutive years of sales growth for Culp Inc. The mattress & upholstery fabric divisions have each experienced dramatic growth during this period.





Rob Culp

Chairman

"It all goes back to the values my father (Robert G. Culp Jr.) instilled when he started Culp in 1972. These values are demonstrated daily in our associates: honesty, kindness, hard work, dedication, respect. We decide things together as a team, and cultivate a work environment with no hidden agenda or politics. We try to maintain this culture at every level of our company, in every division and in every country in which we operate."

Frank Saxon

President & CEO

"We have an incredible team of associates in our various operations in the U.S., Canada and China. As I visit our facilities around the world, I am always amazed and inspired by the dedication, the skill level, and the talent of our people. Culp is achieving the best success in our 43 year history because of the outstanding performance of our associates. I am so proud of everyone and the super job we are doing for our customers around the world. I look forward enthusiastically to a very bright future together with you."



Iv Culp

President / Culp Home Fashions

"The passion that I see in our associates every day is amazing. Everyone is focused to do their very best to make the company better internally and for our customers. At Culp, we strive for teamwork, and it's a thrill to see us accomplish our goals in this respectful, cooperative setting. We appreciate you more than you know."

Boyd Chumbley

Executive VP / Culp Upholstery Fabrics

"We are fortunate to have many associates who have been employed with the company for a number of years and who have an accumulated wealth of knowledge, experience and expertise that is unrivaled in our industry. Common descriptors for our associates are: dedicated (do whatever it takes to get the job done), dependable, creative, can-do attitude, passionate. Our company's success is directly tied to the contributions of all our associates."





STEADFAST, FIRM AND UNWAVERING

Juan Villegas / Lead Technician
Culp Woven Velvets / Anderson, S.C.

In the highly-specialized field of velvet weaving, Juan Villegas of the Culp Woven Velvets operation in Anderson, S.C. may be “the most knowledgeable person in the world when it comes to machinery and equipment used for woven velvets,” believes Andy Hagen, SVP CUF manufacturing.

“He has a skill set and technical knowledge that is second to none.” When Culp purchased the velvet production facility in the mid-1980s, Juan was vital in helping get the operation up and running, since he had been working for the previous owner for several years.

As valued as Juan is for his technical expertise, he is even more appreciated for his attitude and work ethic. “If I had to describe Juan in one word, it would be ‘steadfast.’ Juan is dutiful, firm and unwavering. He is loyal, faithful and constant,” said Hagen.

What means the most to Juan in doing his job as Lead Technician at Culp? “It means a lot to me to earn the trust of my supervisor,” Juan said. “It means the world to me to earn the trust of others.”

“It means the world to me to earn the trust of others.”

I COME HOME HAPPY FROM CULP

Cindy Love / Senior Designer
Culp Upholstery Fabrics / High Point, N.C.

What’s the favorite part of her job as a senior designer for Culp? “Everything!” said Cindy Love. “Whatever I am doing at the moment is what I enjoy the most,” she said. Cindy’s job is to guide the development process from “artwork to finished upholstery fabric.” That includes creating colorways and developing patterns for production that are saleable and address today’s home fashion trends.

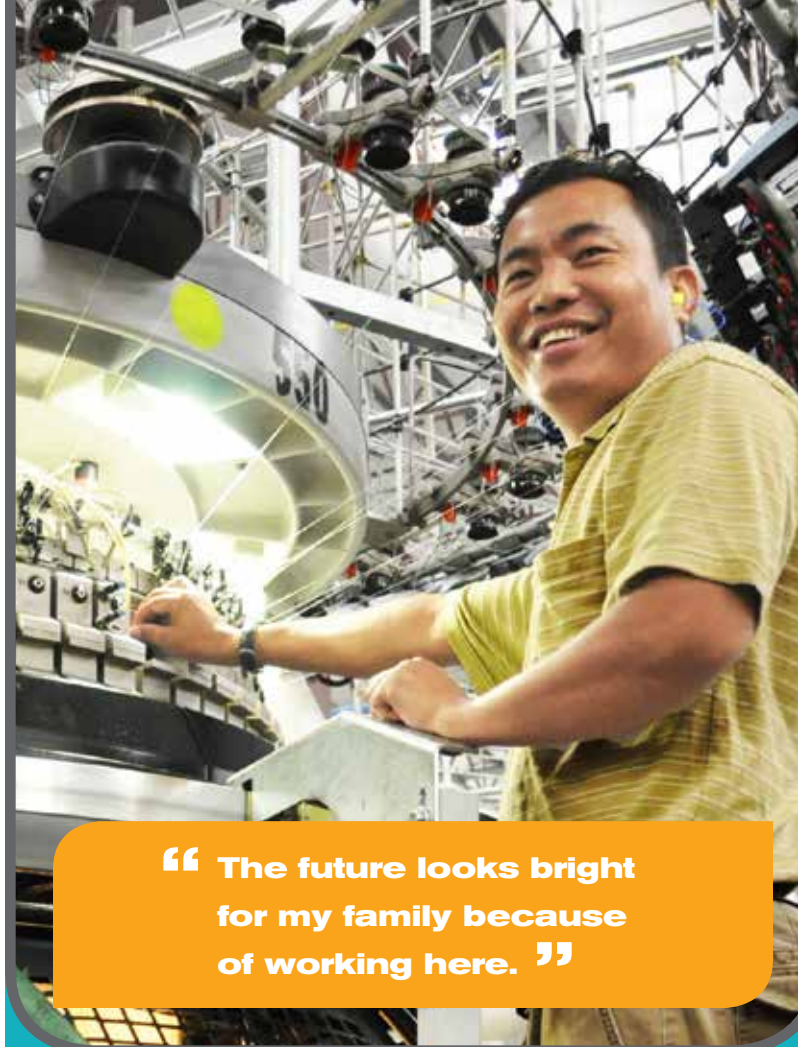
Just as much as she enjoys the creative aspect of her job, she also enjoys the atmosphere. “When I walk in the door in the morning, my biggest concern is how to get the job done that day. I don’t have to worry about (office politics). We care about each other, and each of us receives incredible support from the company. I feel valued here. People are told, ‘You are an important part of what we do.’”

Because of the supportive atmosphere, Cindy even feels a freedom to take creative risks without fear of being blamed if the result is unsuccessful. “Any criticism we receive is always constructive,” she said.

As a single mother of a 16 and 20-year-old, Cindy says her family life is enriched “because I work in an environment where the individual is supported. I come home happy. My positive attitude carries over to how my children approach their lives.”



“I feel valued here. It really means something when your contributions are appreciated.”



FROM A REFUGEE CAMP TO A BRICK HOME

Sang Awi / Knitter
Culp Home Fashions Knits Division / High Point, N.C.

Sang Awi came to America and was referred to Culp through World Relief, a refugee organization. A Burmese refugee, he had lived in tents in refugee camps before coming to the U.S.

Now, after three years of working at Culp Home Fashions, his wife and three children have been able to purchase “the first house we have ever owned,” he said with a broad smile. “It is a brick house with three bedrooms and two baths. It is a dream, I want to live there forever.”

Sang began as a roll person and was promoted to knitter. “The future looks bright for my family because of working here,” he said.

“Everyone who works here is a good person. We all get along and joke together, sometimes. It is a fun place to work.”

“The future looks bright for my family because of working here.”

FINDING A WAY TO DELIVER OUTSTANDING SERVICE

Greta Russell / Customer Service Manager
Culp / High Point, N.C.

Culp’s customer service philosophy can be summed up simply: “If a customer has a problem, everyone has a problem.” That’s according to Greta Russell, the customer service manager for Culp Upholstery Fabrics.

“When a customer has a problem, everyone gets involved. Everyone jumps in to solve the problem,” she said. “I never feel alone when I am trying to solve a customer service issue. Even the top executives get involved.”

In seeking to take care of customers, “‘No’ is not in our vocabulary,” Greta added. “We find a way to consistently deliver outstanding service.”

A veteran of the customer service industry who has worked at several other furniture or furniture-related companies prior to coming to Culp three years ago, Greta said, “It is so refreshing to work in a place like Culp where there is a passion to serve our customers and where employees are treated so well.”



“Each of us plays a vital part in our mission to take care of the customer.”



BRINGING PEOPLE TOGETHER THROUGH A POSITIVE ATTITUDE

Goma Poudel / Lead Person
Culp-Lava Applied Sewn Solutions / Stokesdale, N.C.

An immigrant and former refugee from Nepal, Goma Poudel came to the U.S. for a new beginning. Since joining Culp's Stokesdale mattress cover plant (CLASS) three years ago, she has found a path of growth and fulfillment.

"I am really, really happy to work at Culp," she said.

Goma has given as much as she's received, according to CLASS Production Manager Marion Blackwell and Human Resources Manager Terri Cummings. Through her excellent leadership, motivational and team-building skills, Goma has helped bridge cultural and language barriers in the multi-national plant where nationalities and ethnicities range from Burmese to Vietnamese to Hispanic to Korean to African American.

While helping to build an atmosphere of collaboration and teamwork through a contagious positive attitude, she has advanced from Sewing Operator to Trainer to her current position of Lead Person. "Here at Culp, there is always an opportunity for continuous learning and training skills to help us grow and be better at our jobs."

Goma is married and has a three-year-old daughter. "My job here has made life better for our family," she said.

“ Here at Culp,
there is always an
opportunity... to grow. ”

I LOVE MY BIG FAMILY AT CULP SHANGHAI!

Meifeng Zhang / Pre-inspector Supervisor
Culp Shanghai / Shanghai, China

As one of the first group of workers to join Culp Shanghai in December 2003, Meifeng Zhang always works diligently and is eager to learn. Because of her excellent performance, Meifeng has been appointed as the first pre-inspector team leader in Culp Shanghai.

Meifeng's crowning achievement was her recent selection for the list of "Top Ten Best Female Staffs" for the Qingpu District from among over 200,000 female employees!

Although Meifeng reached retirement age last February, she still likes to work at Culp Shanghai, which she considers her "big family." As Meifeng stated in her speech marking her tenth anniversary at Culp Shanghai, "I am very proud of our company, a good citizen company, a very responsible company and a company with a bright future in local Qingpu."

Meifeng Zhang lives with her husband, son, daughter-in-law and grandson in a large apartment in downtown Qingpu.

She is not only a good employee; she is also a good wife, mother and grandmother. She said, "I love both my families very much!"



“ I am very proud of (Culp
Shanghai), a good citizen
company...with a bright future. ”



MY SUPERVISOR HELPED ME BECOME A BETTER PERSON.

Anthony Joyce / Knit Finishing Assistant Machine Operator
Culp Home Fashions / Stokesdale, N.C.

Anthony Joyce, an assistant machine operator at Culp Home Fashions, appreciates the good livelihood Culp has made possible for him and his wife. But even more, he appreciates the life lessons he has learned here that have made him a better person.

"When I first started here at Culp, I was immature," Anthony said. "But my (supervisor) took an interest in me and mentored me. He helped me look at the 'big picture' in life and showed me how important a positive attitude is, and the importance of thinking about the future in all of my decision-making. My supervisor helped change who I was for the better."

Taking an interest in employees as people seems to be a common trait among leaders at Culp Home Fashions, Anthony said. "I thought it was just him. But then, my next supervisor was the same way. Everyone here really listens to you. They are there for you."

“ My (supervisor) mentored
me ... and really changed
who I was for the better. ”

INSURING QUALITY PRODUCTS THROUGH CAREFUL INSPECTION

Hortencia Torres-Gomez / Inspector
Culp Home Fashion Knits Division / High Point, N.C.

Hortencia Torres-Gomez likes being an inspector at Culp Home Fashion's Knits Division. "I check the fabric rolls, making sure there are no defects. If I do my job the best I can, our customers will be happy, and our jobs will be more secure," she said.

Hortencia, who came to the U.S. from Mexico and joined Culp in 2009, enjoys all of her co-workers and gets along well with everyone. "My supervisors communicate well with all of us. That makes me very content with my job," she said. "They treat us so well."

Her favorite part of her job is her co-workers. "We communicate well and understand each other and work together as a team," she said.



“ We work
together
as a team. ”



CULP CHANGED MY LIFE FOR THE BETTER

Mamane Boubacar / Tenter Frame Supervisor
Culp Home Fashions / Stokesdale, N.C.

Mamane Boubacar came to work at Culp when he was a single young man just out of high school. "I started out working in inspection. Then, another company tried to hire me."

"I said no. The reason was because I love the people and my job here at Culp. The people here are just like my family. We talk about everything. They help me a lot."

Now, nearly 14 years later, Mamane is married with three children and has been promoted to a supervisor position. "I never thought I would be a supervisor," he said. "This is a dream come true for me. I can never stop thanking Culp. They changed my life for the better."

“ The people at Culp are just like my family. ”



WE GIVE EACH ROLL OF FABRIC A PERSONAL TOUCH

John Towler / Warehouse Manager
Culp Fabric Center / Burlington, N.C.

The “hub” of the Culp Upholstery Fabrics division is a place brimming with energy and overflowing with the enthusiasm of its manager, John Towler. “We like to think that we are the hub of the (upholstery division), since everyone depends on us to get the product in and out on its way to customers,” said John, who has served 15 years as the Warehouse Manager for the Culp Fabric Center in Burlington, N.C.

The Culp Fabric Center is buzzing with many vital activities. It serves as a distribution center for shipping and receiving, and has an inspection department. It is also an upholstery fabric sample preparation center where samples are cut, sorted, swatched and shipped out to customers daily. “On average, we have about 45,000 units of inventory at all times, and we receive and ship out about 6,000 rolls of fabric a week,” he said.

A veteran who has managed distribution centers in four states over the last 43 years, John says that “The people at Culp are the most wonderful people I have ever worked with. The staff we have is the reason Culp is so viable today, despite the challenging economy.”

“ I can’t wait to get to work everyday. ”

THERE’S SOMETHING DIFFERENT IN THE ATMOSPHERE AT CULP

Gilles Piché / Finishing Manager (recently retired)
Rayonese Textile Division of Culp / Quebec, Canada.

Gilles Piché could have retired from his job at Culp’s Rayonese Textile Division in Quebec 10 years ago, but chose to keep working until he turned 71 years old recently, and retired after 51 years of service.

Why? “That’s how much I like the work and the people,” he said. “Every day was a challenge to create and improve. There is something different in the atmosphere that pushes people to do better,” he said, adding that he was always proud of working at Rayonese/Culp.

In fact, Gilles worked at Culp even longer than he has been married. He and his wife just celebrated their Golden Wedding Anniversary in July.

Gilles appreciated the opportunity to grow and develop his leadership to become a finishing manager, he said. He also appreciated the “good balance between work and social activities that Culp provides, helping employees to connect.”



“ Every day is a challenge to create and improve. ”

IT’S BEEN A NICE RIDE TO SEE HOW CULP HAS GROWN

Tammy Vaden / Customer Service Account Executive
Culp Home Fashions / Stokesdale, N.C.

Tammy Vaden and Culp have each grown over the last 28 years.

When Tammy joined the company as an inspector, her son was six years old and the pace of work was slow and steady. Today, she is a Customer Service Account Executive for “a company that has become a mass operation,” she said. “It’s been a nice ride to see how we’ve changed and grown and how Culp has thrived. I, too, have been thankful to be here where I’ve gained experience in a variety of positions that have enabled me to better myself and provide a better life for my son and me.”

Today, her son is a 35-year-old father of two, having blessed Tammy with two granddaughters.

Over the years, Tammy has served in the shipping and receiving department, as a lead person over the sample department, in scheduling and now in customer service.



“ It’s been a blessing to grow with the company as it has grown. ”

“ The people of Culp are our best and most important asset. ”

~ Iv Culp



AN ENTHUSIASTIC INTEREST IN THE LIVES OF OTHERS

- How do you create a working environment that fosters innovation, creativity and safety?
- What does it take to inspire employees to be engaged, empowered and committed?

Those were some of the questions that propelled the Culp Human Resource Services team as they recently developed a new mission statement and operating principles. At the very heart of the Culp HR Services mission is a simple but profound commitment to “have an enthusiastic interest in the lives of others.”

“We celebrate with our employees the special moments of their lives like the birth of a child, marriage or retirement,” said Teresa Huffman, Vice President-Human Resources. “We also help them walk through the difficult times, like bereavement. We want to be there to support and encourage associates in every season of their lives.”

The mission of the Culp HR Services department is to “treat each associate as a valued customer.” That means that, “When a person comes in with a problem or situation to be resolved, we are determined to give them an answer, resolution or status update as quickly as possible,” she said. “We want to treat their request with the same urgency as if they were a customer.” The door of the HR Services department is “always open,” she said. “Don’t struggle alone. The HR team is a group of competent, caring business people who are accessible and here to support you.”

CULP

MISSION STATEMENT

Culp HR Services is committed to providing outstanding employee support in a mutually respectful, safe, diverse and collaborative environment through innovative programming that engages our associates and promotes the success of Culp, Inc.



“ We value employee longevity and want to create an environment where people can stay here at Culp to build their careers. ”

~ Rob Culp



CULP

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