
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): June 29, 2009

Crown Crafts, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other Jurisdiction of
Incorporation)

1-7604

(Commission File Number)

58-0678148

(IRS Employer Identification No.)

916 South Burnside Avenue, Gonzales, LA

(Address of Principal Executive Offices)

70737

(Zip Code)

Registrant's telephone number, including area code: **(225) 647-9100**

(Former name or former address if changed since 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:

- ☐ 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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Item 2.02. Results of Operations and Financial Condition.

The information in this Current Report is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of such section. The information in this Current Report shall not be incorporated by reference into any registration statement or document pursuant to the Securities Act of 1933, as amended.

On June 29, 2009, Crown Crafts, Inc. issued a press release announcing its financial results for the fourth quarter and full fiscal year 2009, which ended March 29, 2009. A copy of that press release is attached hereto as Exhibit 99.1

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release dated June 29, 2009.

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 thereunto duly authorized.

CROWN CRAFTS, INC.

Date: June 29, 2009

/s/ Olivia W. Elliott
Olivia W. Elliott
Vice President and Chief Financial Officer

Exhibit Index

| <u>Exhibit No.</u> | <u>Exhibit Description</u> |
|--------------------|-----------------------------------|
| 99.1 | Press Release dated June 29, 2009 |



For Immediate Release

June 29, 2009

Crown Crafts, Inc. Reports Results for Fourth Quarter and Full Fiscal Year 2009

- *Fourth quarter net income (exclusive of impairment charge) doubles to \$3.3 million*
- *Fiscal year cash flow from operations increases by \$5.7 million to \$8.4 million*
- *\$22.9 million non-cash goodwill impairment charge leads to fiscal year loss of \$17.1 million*

Gonzales, Louisiana — Crown Crafts, Inc. (the “Company”) (NASDAQ-CM: CRWS) today reported a net loss (after recording a substantial goodwill impairment charge) for the fourth quarter and full fiscal year 2009, which ended March 29, 2009.

Results for Fourth Quarter and Full Fiscal Year 2009

The Company’s net loss for the fourth quarter of 2009 was \$10.6 million, or \$1.15 per diluted share, on net sales of \$24.6 million compared to net income for the fourth quarter of 2008 of \$1.6 million, or \$0.16 per diluted share, on net sales of \$24.0 million. The net loss for the fourth quarter of fiscal 2009 included a non-cash pre-tax charge of \$13.9 million for an impairment to goodwill. Excluding the goodwill impairment charge recorded in the fourth quarter, the Company would have reported net income of \$3.3 million, or \$0.35 per diluted share, in the fourth quarter of fiscal year 2009.

The Company’s net loss for fiscal 2009 was \$17.1 million, or \$1.83 per diluted share, on net sales of \$87.4 million compared to net income for fiscal 2008 of \$4.4 million, or \$0.43 per diluted share, on net sales of \$74.9 million. The net loss for fiscal 2009 included a non-cash pre-tax charge of \$22.9 million for an impairment to goodwill. Excluding the goodwill impairment charge, the Company would have reported net income of \$5.8 million, or \$0.61 per diluted share, in fiscal 2009.

The Company performed an impairment test for goodwill as a result of the decline in the market capitalization of the Company. The impairment test resulted in a determination that the goodwill of the reporting units of the Company have no implied value. Accordingly, the Company recorded an impairment charge in fiscal year 2009 of \$22.9 million, which represented the aggregate carrying value of the goodwill of its reporting units. This impairment charge did not result in any cash expenditures, did not have an adverse effect on the Company’s compliance with covenants under the Company’s financing agreement and did not affect the Company’s cash position, cash flows from operating activities or availability under its revolving line of credit.

The Company has increased its cash position from \$7.9 million at March 30, 2008 to \$15.2 million at March 29, 2009 due to management’s decision to build up its cash reserves instead of paying down its revolving line of credit. This decision was made to preserve the Company’s ability to meet its working capital needs in the event that the Company’s primary lender should suffer an adverse liquidity event that would jeopardize the Company’s ability to draw on its revolving line of credit.

“We are very pleased with our fourth quarter 2009 earnings and the benefits we have gained from the acquisition of the baby products line of Springs Global in November 2007, which we are proud to say has proven to be a great strategic addition,” commented E. Randall Chestnut, Chairman, President and Chief Executive Officer of the Company. “We remain convinced that despite the difficult economic environment, our business model and our strong cash flow will keep us in an excellent competitive position to manage through this economic downturn and subsequently benefit from the economy’s recovery. During this time, we have continued to concentrate our efforts on implementing our strategic plan and maintaining our focus on controlling costs. As a result, the Company’s EBITDA (earnings before interest, taxes, depreciation and amortization) for fiscal 2009 was \$10.0 million, a \$1.0 million improvement over fiscal 2008,” Mr. Chestnut continued.

Annual Meeting of Stockholders

The Company also announced that its Annual Meeting of Stockholders will be held on Tuesday, August 11, 2009.

Conference Call

The Company will host a teleconference today at 1:00 p.m. Central Daylight Time to discuss the Company’s results and answer appropriate questions. Interested individuals may join the teleconference by dialing (800) 230-1092. Please refer to confirmation number 103462. The teleconference can also be accessed in listen-only mode by visiting the Company’s website at www.crowncrafts.com. The financial information to be discussed during the teleconference may be accessed prior to the call on the investor relations portion of the Company’s website.

A telephone replay of the teleconference will be available from 2:30 p.m. Central Daylight Time on June 29, 2009 through 11:59 p.m. Central Daylight Time on July 6, 2009. To access the replay, dial (800) 475-6701 in the United States or (320) 365-3844 from international locations. The access code for the replay is 103462.

About Crown Crafts, Inc.

Crown Crafts, Inc. designs, markets and distributes infant and toddler consumer products, including bedding, blankets, bibs, bath items and accessories. Its operating subsidiaries include Hamco, Inc. in Louisiana and Crown Crafts Infant Products, Inc. in California. Crown Crafts is America’s largest distributor of infant bedding, bibs and bath items. The Company’s products include licensed and branded collections as well as exclusive private label programs for certain of its customers.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Securities Act of 1933, the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current expectations, projections, estimates and assumptions. Words such as "expects," "believes," "anticipates" and variations of such words and similar expressions identify such forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause future results to differ materially from those suggested by the forward-looking statements. These risks include, among others, general economic conditions, including changes in interest rates, in the overall level of consumer spending and in the price of oil, cotton and other raw materials used in the Company's products, changing competition, changes in the retail environment, the level and pricing of future orders from the Company's customers, the extent to which the Company's business is concentrated in a small number of customers, the Company's dependence upon third-party suppliers, including some located in foreign countries, customer acceptance of both new designs and newly-introduced product lines, actions of competitors that may impact the Company's business, disruptions to transportation systems or shipping lanes used by the Company or its suppliers, and the Company's dependence upon licenses from third parties. Reference is also made to the Company's periodic filings with the Securities and Exchange Commission for additional factors that may impact the Company's results of operations and financial condition. The Company does not undertake to update the forward-looking statements contained herein to conform to actual results or changes in our expectations, whether as a result of new information, future events or otherwise.

Contact: Investor Relations Department (225) 647-9146
or
Halliburton Investor Relations (972) 458-8000

CROWN CRAFTS, INC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
SELECTED FINANCIAL DATA
In thousands, except per share data

| | Three Months Ended | | Twelve Months Ended | |
|--|---------------------------|-----------------------|----------------------------|-----------------------|
| | March 29, 2009 | March 30, 2008 | March 29, 2009 | March 30, 2008 |
| Net sales | \$ 24,568 | \$ 23,985 | \$ 87,398 | \$ 74,887 |
| Gross profit | 6,020 | 5,759 | 18,910 | 18,606 |
| Gross profit percentage | 24.5% | 24.0% | 21.6% | 24.8% |
| Goodwill impairment charge | 13,884 | — | 22,884 | — |
| (Loss) income from operations | (10,722) | 3,021 | (14,928) | 7,908 |
| (Loss) income from continuing operations before income taxes | (10,890) | 2,693 | (15,909) | 7,259 |
| Income tax expense (benefit) | (399) | 1,123 | 1,133 | 2,828 |
| (Loss) income from continuing operations after income taxes | (10,491) | 1,570 | (17,042) | 4,431 |
| (Loss) income from discontinued operations — net of income taxes | (71) | 32 | (44) | (78) |
| Net (loss) income | (10,562) | 1,602 | (17,086) | 4,353 |
| Basic (loss) income per share | \$ (1.15) | \$ 0.17 | \$ (1.83) | \$ 0.44 |
| Diluted (loss) income per share | \$ (1.15) | \$ 0.16 | \$ (1.83) | \$ 0.43 |
| Weighted Average Shares Outstanding: | | | | |
| Basic | 9,208 | 9,657 | 9,317 | 9,888 |
| Diluted | 9,208 | 9,913 | 9,317 | 10,165 |

CONSOLIDATED BALANCE SHEETS
SELECTED FINANCIAL DATA
In thousands

| | March 29, 2009 | March 30, 2008 |
|--|-----------------------|-----------------------|
| Cash and cash equivalents | 15,249 | 7,930 |
| Accounts receivable, net of allowances | 18,954 | 18,278 |
| Inventories | 11,751 | 13,777 |
| Total current assets | 48,495 | 42,597 |
| Goodwill | — | 22,884 |
| Intangible assets, net | 5,515 | 7,276 |
| Total assets | 56,527 | 73,477 |
| Current maturities of long-term debt | 1,667 | 2,504 |
| Total current liabilities | 10,548 | 11,031 |
| Long-term debt | 23,568 | 22,311 |
| Total non-current liabilities | 23,568 | 22,713 |
| Shareholders' equity | 22,411 | 39,733 |
| Total liabilities and shareholders' equity | 56,527 | 73,477 |

CROWN CRAFTS, INC AND SUBSIDIARIES
NON-GAAP RECONCILIATION TO EBITDA
In thousands, except percentages
(Unaudited)

| | Three Months Ended | | Twelve Months Ended | |
|---|---------------------------|-----------------------|----------------------------|-----------------------|
| | March 29, 2009 | March 30, 2008 | March 29, 2009 | March 30, 2008 |
| Net income (loss) | \$ (10,562) | \$ 1,602 | \$ (17,086) | \$ 4,353 |
| Interest expense | 189 | 300 | 1,089 | 775 |
| Interest income | (16) | (1) | (139) | (12) |
| Income tax expense (benefit) on continuing operations | (399) | 1,123 | 1,133 | 2,828 |
| Income tax benefit on discontinued operations | (46) | (27) | (31) | (82) |
| Depreciation | 60 | 90 | 285 | 349 |
| Amortization | 434 | 444 | 1,745 | 784 |
| Impairment charge — goodwill | 13,884 | — | 22,884 | — |
| Impairment charge — assets held for sale | 94 | — | 94 | — |
| EBITDA | 3,638 | 3,531 | 9,974 | 8,995 |
| Net Sales | | | | |
| Net sales from continuing operations | 24,568 | 23,985 | 87,398 | 74,887 |
| Net sales from discontinued operations | — | — | — | 52 |
| Net sales | 24,568 | 23,985 | 87,398 | 74,939 |
| EBITDA as a percentage of net sales | 14.8% | 14.7% | 11.4% | 12.0% |

In addition to the Company's disclosure of its financial position and results under U.S. generally accepted accounting principles (GAAP), the Company has also disclosed certain measures of its performance which are not determined in accordance with GAAP. These non-GAAP measures include EBITDA and the Company's discussion of diluted earnings per share excluding the goodwill impairment charge. The Company uses EBITDA as an internal measure to monitor the Company's operating and cash flow performance and to evaluate the performance of its businesses. The Company believes that the presentation of EBITDA provides useful information to investors and is an important indicator of the Company's ability to generate cash sufficient to reduce debt, make strategic investments, meet capital expenditures and working capital requirements and otherwise meet its obligations as they become due. EBITDA is not considered a measure of financial performance under GAAP, and the items excluded from EBITDA are significant components in understanding and assessing the Company's financial performance. EBITDA is provided as supplemental information and should be considered in addition to, and not as a substitute for, such GAAP measures as net income (loss), cash flow provided by or used in operating, investing or financing activities, and other measures of financial performance and liquidity reported in accordance with GAAP. Because EBITDA is not a measure determined in accordance with GAAP, companies are free to calculate it in varying ways. Therefore, EBITDA, as presented by the Company, will not necessarily be comparable to similarly titled measures of other companies.