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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)	
[X]	ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
	FOR THE FISCAL YEAR ENDED MARCH 30, 2003
	OR
[ ]	TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 1-7604

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

GEORGIA	58-0678148
(State of Incorporation)	(I.R.S. Employer Identification No.)
916 S. BURNSIDE AVE	
GONZALES, LOUISIANA	70737
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE:
(225) 647-9100

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF CLASS	NAME OF EXCHANGE ON WHICH REGISTERED
Common Stock, $1.00 par value	OTC Bulletin Board
Common Share Purchase Rights	OTC Bulletin Board

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
NONE

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 such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark if the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes [ ]   No [X]

As of September 29, 2002, 9,421,437 shares of Common Stock were outstanding, and the aggregate market value of the Common Stock (based upon the closing price of these shares on that date) held by persons other than Officers, Directors, and 5% shareholders was approximately $3,078,755.

DOCUMENTS INCORPORATED BY REFERENCE:

Crown Crafts, Inc. Proxy Statement in connection with its 2003 Annual Meeting of Shareholders (Parts II and III).

PART I

ITEM 1. BUSINESS

Crown Crafts, Inc., a Georgia corporation founded in 1957, operates indirectly through its subsidiaries in the Infant Products segment within the Consumer Products industry. The Infant Products segment consists of infant bedding, bibs, infant soft goods and accessories. Sales are generally made directly to retailers, primarily mass merchants, large chain stores and gift stores. These products are marketed under a variety of Company-owned trademarks, under trademarks licensed from others, without trademarks as unbranded merchandise and with customers' private labels.

In response to changing business conditions in the consumer products industry, the Company made significant changes in its business operations over the last three years. In addition to a program of cost reductions and rationalization, the Company outsourced virtually all of its manufacturing to domestic and foreign contract manufacturers with the exception of the specialty hand wovens produced by Churchill Weavers and, until recently, screen-printed infant bibs produced by Burgundy in Mexico. The Woven Products division, with manufacturing primarily in north Georgia, was sold on November 14, 2000 and net proceeds of $32.3 million were used to reduce debt. Following the outsourcing of adult bedding and bath, the Roxboro, North Carolina plant was sold on June 14, 2001 and the proceeds of $8.0 million were used to reduce debt. Also, the Company made a decision to exit the Adult Bedding and Bath business, and its net assets related to that business of $12.4 million were sold effective July 23, 2001. Proceeds of the sale were $8.5 million cash plus the assumption of liabilities of $3.4 million as well as the assumption of certain contingent liabilities. Cash from the sale was used to reduce debt. Following the sale of the Adult Bedding and Bath business, the Company is now primarily in the infant and juvenile products business, but in describing the results of operations for fiscal 2002 and 2001, reference is made to all of the product groups. Because of the sale of assets and the refinancing that occurred July 23, 2001, the Company's historical results are not indicative of the Company's future operations.

In December 2002, the Company adopted a formal plan to change its sourcing strategy for certain products and close the Mexican manufacturing facility operated by its majority-owned subsidiary, Burgundy Interamericana. This decision was based on extensive research by management which indicated that, due to lower wages and the elimination of the quota on bibs, outsourcing the supply of products currently manufactured by Burgundy to Asian manufacturers was more cost-effective and competitive than maintaining existing operations in Mexico. Under the plan, Burgundy will continue to operate through the first quarter of fiscal 2004, at which time the Company will begin to liquidate Burgundy's assets. As a result of the decision of the Company to discontinue its Mexican operations, the Company recorded a $1.8 million restructuring charge to operations in the quarter ended December 29, 2002, which consists primarily of a write-down of the property and equipment at the Mexican facility of approximately $800,000, inventory items deemed to be in excess of production requirements of approximately $600,000, an accrual for contractual termination benefits of approximately $300,000 due Burgundy's entire workforce (approximately 130 employees) under the provisions of Mexico's labor regulations and the write-off of goodwill of approximately $60,000. The Company expects to pay approximately 65% of the severance benefits in the first quarter of fiscal 2004 and the remaining 35% in the second quarter of fiscal 2004. The Company will continue to charge the ongoing operating costs associated with Burgundy's production in the period in which the costs are incurred. As of March 30, 2003, the Company estimates the total cost of liquidation, including costs to be incurred to operate until closure, to be approximately $2.2 million.

PRODUCTS

The Company's primary focus is on infant and juvenile products. Historically, the company's products also included two additional groups: 1) bedroom and bath products and 2) throws.

Infant products include crib bedding, diaper stackers, mobiles, bibs, receiving blankets, burp cloths, bathing accessories and other infant soft goods and accessories.

Throws are manufactured and imported in a variety of colors, designs and fabrics, including cotton, acrylic, cotton/acrylic blends, rayon, wool, fleece and chenille.

The Company's bedroom products included comforters, comforter sets, sheets, pillowcases, sheet sets, pillow shams, bed skirts, duvets, decorative pillows, coverlets and jacquard-woven bedspreads.

During the fiscal years ended March 30, 2003, March 31, 2002 and April 1, 2001, bedroom and bath products represented 0%, 17% and 37%, respectively, of consolidated net sales; throws represented 3%, 3% and 22%, respectively, of consolidated net sales; and infant and juvenile products represented 97%, 80% and 41%, respectively, of consolidated net sales.

PRODUCT DESIGN AND STYLING

The Company's research and development expenditures focus primarily on product design and styling. The Company believes styling and design are key components to its success. The Company's designs include traditional, contemporary, textured and whimsical patterns. The Company designs and manufactures products across a broad spectrum of retail price points and is continually developing new designs for all of its product groups.

The Company's designers and stylists work closely with the Company's marketing staff and licensors to develop new designs. The Company develops designs internally and also obtains designs from numerous additional sources, including graphic artists, decorative fabric manufacturers, apparel designers, and its employees. The Company utilizes computer-aided-design systems to increase its design flexibility and reduce costs. In addition, these systems significantly shorten the time for responding to customer demands and changing market trends. The Company also creates designs for exclusive sale by certain of its customers.

SALES AND MARKETING, CUSTOMERS

The Company markets its products through a national sales force consisting of salaried sales executives and employees and independent commissioned sales representatives. Independent representatives are used most significantly in sales to the gift trade and infant markets. Sales outside the United States are made primarily through distributors.

The Company's customers consist principally of mass merchants, chain stores, department stores, specialty home furnishings stores, wholesale clubs, gift stores and catalogue and direct mail houses. The table below indicates customers representing more than 10% of gross sales.

<Table>
<Caption>

	FISCAL YEAR		
	2003	2002	2001
<S>	<C>	<C>	<C>
Toys R Us	31%	26%	13%
Wal-Mart Stores, Inc	30%	22%	16%
Target Corporation	10%	*	*
Federated Department Stores	*	*	14%

</Table>

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* Less than 10%.

The Company's sales offices are located in Huntington Beach, California, Gonzales, Louisiana, Berea, Kentucky, Rogers, Arkansas and Lynne Haven, Florida. The Company sells substantially all of its products to retailers for resale to consumers. The Company's infant product subsidiaries generally introduce new products once each year during the annual Juvenile Products Manufacturers' Association ("JPMA") trade show. Private label products manufactured by the Company are introduced throughout the year. New product introductions for the gift trade are concentrated in January through March and June through August when Churchill Weavers participates in numerous local and regional gift shows.

In fiscal 2003, less than 1% of the Company's gross sales were made through its retail store in Berea, Kentucky. During fiscal 2001, stores in Calhoun, Georgia and Rancho Santa Margarita, California were closed. The Company's Roxboro, North Carolina store was sold on July 17, 2001.

MANUFACTURING

The Company's infant products are produced primarily by domestic and foreign contract manufacturers. These products are then warehoused and shipped from facilities in Compton, California and Gonzales, Louisiana.

RAW MATERIALS

The principal raw materials used in the manufacture of infant comforters, sheets and accessories are printed and solid color cotton and polycotton fabrics, and polyester fibers used as filling material. The principal raw materials used in the manufacture of throws and other products are natural-color and pre-dyed 100% cotton yarns, rayon yarns, and acrylic yarns. The principal raw materials used in the production of infant bibs are knit-terry polycotton, woven polycotton and vinyl fabrics. Although the Company usually maintains supply relationships with only a limited number of suppliers, the Company believes these raw materials presently are available from several sources in quantities sufficient to meet the Company's requirements.

The Company uses significant quantities of cotton, either in the form of cotton fabric or polycotton fabric. Cotton is subject to ongoing price fluctuations. The price fluctuations are a result of cotton being an agricultural product subject to weather patterns, disease and other factors as well as supply and demand considerations, both domestically and internationally. Significant increases in the price of cotton could adversely affect the Company's operations.

SEASONALITY, INVENTORY MANAGEMENT

Historically, the Company has experienced a seasonal sales pattern in which sales are lowest in the first fiscal quarter and peak in the second fiscal quarter.

The Company carries normal inventory levels to meet delivery requirements of customers. Customer returns of merchandise shipped are historically approximately 0.8% of gross sales.

ORDER BACKLOG

The Company's backlog of unfilled customer orders believed by management to be firm were $3.4 million and $3.9 million at March 30, 2003 and March 31, 2002, respectively. The majority of these unfilled orders are shipped within approximately eight weeks, and none are expected to be shipped beyond the completion of the fiscal year ending March 29, 2004. Due to the prevalence of quick-ship programs adopted by its customers, the Company does not believe that its backlogs are a meaningful indicator of future business.

TRADEMARKS, COPYRIGHTS AND PATENTS

The Company's products are marketed in part under well-known trademarks. The Company considers its trademarks to be of material importance to its business. Infant products carry the trademarks Red Calliope(R), Cuddle Me(R), NoJo(R), Hamco(R), Pinky Baby(R), and Churchill Weavers(R). Protection for these trademarks is obtained through domestic registrations.

Certain products are manufactured and sold pursuant to licensing agreements for trademarks that include, among others, Disney(R). The licensing agreements for the Company's designer brands generally are for an initial term of one to five years, and may or may not be subject to renewal or extension. Sales of product under the Company's licenses with Disney Enterprises, Inc. accounted for 30% of the Company's total gross sales volume during fiscal 2003.

Many of the designs used by the Company are copyrighted by other parties, including trademark licensors, and are available to the Company through copyright licenses. Other designs are the subject of copyrights and design patents owned by the Company.

During the fiscal year ended March 28, 1999, the Company entered into licensing agreements with Calvin Klein, Inc. and Disney Enterprises, Inc. The Calvin Klein license granted the Company the right to produce and sell bedroom and bath products under the Calvin Klein brand. The Disney license expands the Company's

right to produce and sell products featuring Disney characters. The current Disney license expires December 31, 2004. In connection with the sale of the Adult Bedding and Bath business effective July 23, 2001, the rights of the Company under the Calvin Klein license were terminated.

The Company's aggregate commitment for minimum guaranteed royalty payments under all of its license agreements is $2.4 million, $0.3 million, $0.2 million, and $0 for fiscal 2004, 2005, 2006 and thereafter, respectively. The Company believes that future sales of royalty products will exceed amounts required to cover the minimum royalty guarantees. The Company's total royalty expense, net of royalty income, was $6.5 million, $7.5 million and $14.4 million for fiscal 2003, 2002 and 2001, respectively.

COMPETITION

The infant consumer products industry is highly competitive. The Company competes with a variety of distributors and manufacturers and believes that it is the largest producer of infant bed coverings and bibs, enjoying approximately one-third of infant bedding market share and one-half of bib and infant bath item market share within these segments. The Company competes on the basis of quality, design, price, service and packaging. The Company is a leader in its respective industry segment. Its leadership results from the integration of extensive proprietary product design with low-cost, high-quality global sourcing to produce and market high-value merchandise to major customers. With a strong commitment to customer service, the Company develops distinctive programs for individual customers and maximizes retail productivity with aggressive pricing, quick replenishment merchandise management and efficient customer order execution.

GOVERNMENT REGULATION; ENVIRONMENTAL CONTROL

The Company is subject to various federal, state and local environmental laws and regulations which regulate, among other things, the discharge, storage, handling and disposal of a variety of substances and wastes. The Company's operations are also governed by laws and regulations relating to employee safety and health, principally the Occupational Safety and Health Administration Act and regulations thereunder.

The Company believes that it currently complies in all material respects with applicable environmental, health and safety laws and regulations. Although the Company believes that future compliance with such existing laws or regulations will not have a material adverse effect on its capital expenditures, earnings or competitive position, there can be no assurances that such requirements will not become more stringent in the future or that the Company will not incur significant costs in the future to comply with such requirements.

EMPLOYEES

At March 30, 2003, the Company had approximately 386 employees. None of the Company's U.S. employees are represented by a labor union, and the Company considers its relationship with its employees to be good. The Company's 127 employees in Mexico are represented by a labor union. The Company attracts and maintains qualified personnel by paying competitive salaries and benefits and offering opportunities for advancement.

INTERNATIONAL SALES

Sales to customers in foreign countries outside the United States are not currently material to the Company's business.

ITEM 2. PROPERTIES

The Company's headquarters are located in Gonzales, Louisiana. The Company rents approximately 17,211 square feet at this location under a lease that expires April 25, 2007.

The following table summarizes certain information regarding the Company's principal properties.

LOCATION	USE	APPROXIMATE SQUARE FEET	OWNED/ LEASED
Gonzales, Louisiana.......	Administrative and sales office	17,211	Leased(1)
Berea, Kentucky...........	Offices, manufacturing, warehouse and distribution facilities and retail store	53,000	Owned
Compton, California.......	Offices, warehouse and distribution center	157,400	Leased(2)
Compton, California.......	Warehouse	100,000	Leased(3)
Gonzales, Louisiana.......	Office, warehouse and distribution center	60,000	Leased(4)
Huntington Beach, California.............	Offices	7,600	Leased(5)
Rogers, Arkansas..........	Sales office	1,625	Leased(6)

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(1) Lease expires April 25, 2007.

(2) Lease expires May 31, 2006.

(3) Lease expires May 31, 2004.

(4) Lease expires March 31, 2005.

(5) Lease expires April 30, 2004.

(6) Lease expires November 30, 2004.

Management believes that its properties are suitable for the purposes for which they are used, are in generally good condition and provide adequate capacity for current and anticipated future operations. The Company's business is somewhat seasonal so that during the late summer and fall months these facilities are fully utilized, while at other times of the year the Company has excess capacity.

ITEM 3. LEGAL PROCEEDINGS

From time to time, the Company is involved in various legal proceedings relating to claims arising in the ordinary course of its business. Neither the Company nor any of its subsidiaries is a party to any such legal proceeding the outcome of which, individually or in the aggregate, is expected to have a material adverse effect on the Company's financial condition or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the year ended March 30, 2003.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The Company is authorized by its Articles of Incorporation to issue up to 50,000,000 shares of capital stock, all of which are designated common stock, par value $1.00 per share.

COMMON STOCK

Effective April 10, 2001, the Company's common stock (the "Common Stock") was removed from the listing of the New York Stock Exchange ("NYSE") as it fell below the minimum standards of market capitalization for continued listing by the NYSE. The Common Stock currently trades on the OTC Bulletin Board with the ticker symbol "CRWS". The following table presents quarterly information on the price range

of the Company's Common Stock for the fiscal years ended March 30, 2003 and March 31, 2002. This information indicates the high and low sale prices as reported on the OTC Bulletin Board.

<Table>
<Caption>

QUARTER	HIGH	LOW
FISCAL 2003		
First Quarter...	$0.80	$0.43
Second Quarter..	1.05	0.55
Third Quarter...	0.60	0.41
Fourth Quarter..	0.55	0.45
FISCAL 2002		
First Quarter...	$0.60	$0.09
Second Quarter..	0.90	0.12
Third Quarter...	0.90	0.25
Fourth Quarter..	0.60	0.40

</Table>

As of June 4, 2003 there were issued and outstanding 9,421,437 shares of the Company's Common Stock held by approximately 744 registered holders. At June 4, 2003, the Company's Common Stock closed at $0.68.

In fiscal 2000, the Company paid a dividend of $0.03 per share on its Common Stock on each of June 27, 1999, September 26, 1999 and December 26, 1999. As part of the conditions under its loan agreements and to conserve liquidity, the Company has not paid a dividend since December 26, 1999 and has no plans to resume payment of dividends.

The information set forth under the caption "Equity Compensation Plans" in the Proxy Statement is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data presented below for the five years ended March 30, 2003 is from the Company's financial statements. The data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included elsewhere in this Annual Report.

<Table>
<Caption>

	FISCAL YEAR				
	2003	2002	2001	2000	1999
	IN THOUSANDS, EXCEPT PER SHARE DATA				
FOR THE YEAR					
Net sales.......................	$94,735	$117,591	$247,515	$319,893	$362,071
Gross profit....................	21,420	25,928	18,542	35,156	51,259

Income (loss) from operations....	6,948	5,022	(59,555)	(19,558)	(7,026)
Net income (loss)................	2,487	27,002	(73,587)	(29,148)	(11,772)
Basic net income (loss) per share.........................	0.26	2.95	(8.55)	(3.39)	(1.37)
Diluted net income (loss) per share.........................	0.12	1.37	(8.55)	(3.39)	(1.37)
Cash dividends per share.........	0.00	0.00	0.00	0.09	0.12
AT YEAR END					
Total assets.....................	$57,926	$ 60,200	$ 90,678	$215,004	$264,851
Long-term debt..................	30,895	36,773	47,650	106,593	72,857
Shareholders' equity (deficit)...	15,265	12,813	(16,773)	56,815	86,779

</Table>

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ACQUISITIONS AND DISPOSITIONS

In response to changing business conditions in the consumer products industry, the Company made significant changes in its business operations over the last three years. In addition to a program of cost reductions and rationalization, the Company outsourced virtually all of its manufacturing to domestic and

foreign contract manufacturers with the exception of the specialty hand wovens produced by Churchill Weavers and, until recently, screen-printed infant bibs produced by Burgundy in Mexico. The Woven Products division, with manufacturing primarily in north Georgia, was sold on November 14, 2000 and net proceeds of $32.3 million were used to reduce debt. Following the outsourcing of adult bedding and bath, the Roxboro, North Carolina plant was sold on June 14, 2001 and the proceeds of $8.0 million were used to reduce debt. Also, the Company made a decision to exit the Adult Bedding and Bath business, and its net assets related to that business of $12.4 million were sold effective July 23, 2001. Proceeds of the sale were $8.5 million cash plus the assumption of liabilities of $3.4 million as well as the assumption of certain contingent liabilities. Cash from the sale was used to reduce debt. Following the sale of the Adult Bedding and Bath business, the Company is now primarily in the infant and juvenile products business, but in describing the results of operations for fiscal 2002 and 2001, reference is made to all of the product groups. Because of the sale of assets and the refinancing that occurred July 23, 2001, the historical results are not indicative of the Company's future operations. The provision for impairment recorded in 2001 includes $12.4 million for a computer system that was abandoned in fiscal 2001.

RESTRUCTURING CHARGE

In December 2002, the Company adopted a formal plan to change its sourcing strategy for certain products and close the Mexican manufacturing facility operated by its majority-owned subsidiary, Burgundy Interamericana. This decision was based on extensive research by management which indicated that, due to lower wages and the elimination of the quota on bibs, outsourcing the supply of products currently manufactured by Burgundy to Asian manufacturers was more cost-effective and competitive than maintaining existing operations in Mexico. Under the plan, Burgundy will continue to operate through the first quarter of fiscal 2004, at which time the Company will begin to liquidate Burgundy's assets. As a result of the decision, the Company recorded a $1.8 million restructuring charge to operations in the quarter ended December 29, 2002, which consists primarily of a write-down of the property and equipment at the Mexican facility of approximately $800,000, inventory items deemed to be in excess of production requirements of approximately $600,000, an accrual for contractual termination benefits of approximately $300,000 due Burgundy's entire workforce (approximately 130 employees) under the provisions of Mexico's labor regulations and the write-off of goodwill of approximately $60,000. The Company expects to pay approximately 65% of the severance benefits in the first quarter of fiscal 2004 and the remaining 35% in the second quarter of fiscal 2004. The Company will continue to charge the ongoing operating costs associated with Burgundy's production in the period in which the costs are incurred. As of March 30, 2003, the Company estimates the total cost of liquidation, including costs to be incurred to operate until closure, to be approximately $2.2 million.

RESULTS OF OPERATIONS: FISCAL 2003 COMPARED TO FISCAL 2002

Total net sales for fiscal 2003 decreased $22.9 million, or 19.4%, to $94.7 million from $117.6 million for fiscal 2002. Net sales of bedroom and bath products decreased $19.9 million, or 100%, net sales of throws decreased $635,000, or 19.9%, to $2.6 million, and net sales of infant and juvenile products decreased $2.2 million, or 2.3%, to $92.2 million.

The decrease in sales of bedroom and bath products was the result of the sale of the Adult Bedding and Bath division on July 23, 2001. The decrease in sales of infant and juvenile products is primarily due to lost sales resulting from the West Coast port slowdown in September 2002 and the subsequent closure in October 2002 and lower reorders in ongoing business due to SKU reduction by certain major customers.

In fiscal 2003, cost of sales decreased to 77.4% of net sales from 78.0% for fiscal 2002. The decrease relates primarily to changes in product mix as a result of the divestment referenced above.

Marketing and administrative expenses decreased by $8.2 million, or 39.3%, in the current fiscal year compared to the prior fiscal year and were 13.4% of net sales for the current fiscal year compared to 17.7% in the prior fiscal year. The decrease is a result of the divestment referenced above as well as the elimination of duplicate positions and locations.

As discussed in Note 4 to the Company's Consolidated Financial Statements, the Company recorded a $1.8 million restructuring charge in the quarter ended December 29, 2002 related to the closure of the Company's Mexican manufacturing facility.

Interest expense for fiscal 2003 decreased by $2.4 million because of a lower average debt balance and reduced interest rates. As discussed in "Financial Position, Liquidity and Capital Resources" below, the Company had $30.9 million in long-term debt at March 30, 2003 compared to $36.8 million at March 31, 2002. This $5.9 million decrease in debt includes payments totaling $3 million on senior notes and a decrease in the revolving credit facility of $3.7 million offset by an increase in debt related to the amortization of the discount discussed below and the issuance of a promissory note in the amount of $274,000 related to the payment of interest on the senior subordinated notes.

Due to accumulated losses, the income tax provision for fiscal 2003 includes a provision for federal alternative minimum tax of $103,000, along with a provision for state income taxes of $161,000, for a total tax provision of $264,000. For fiscal 2002, the Company recorded an income tax benefit of $1.9 million.

RESULTS OF OPERATIONS: FISCAL 2002 COMPARED TO FISCAL 2001

Total net sales for fiscal 2002 decreased $129.9 million, or 52.5%, to $117.6 million. Net sales of bedroom and bath products decreased $70.6 million to $19.9 million, net sales of throws decreased $52.1 million to $3.2 million, and net sales of infant and juvenile products decreased $7.1 million to $94.5 million.

The decrease in sales of throws was due to the sale of the Woven Products division on November 14, 2000. The decrease in sales of bedroom and bath products was the result of the sale of the Adult Bedding and Bath division on July 23, 2001. Lower sales of infant and juvenile products were due to changes in buying patterns by major retailers.

In fiscal 2002, cost of sales decreased to 78.0% of net sales from 92.5% in fiscal 2001. The decrease relates primarily to changes in product mix as a result of the divestments mentioned above. In addition, the Company incurred lower manufacturing costs as a result of outsourcing.

Marketing and administrative expenses decreased $22.4 million, or 51.8%, for fiscal 2002 as the Company continued its restructuring. Marketing and selling expenses decreased by $12.2 million from $19.3 million in fiscal 2001 to $7.1 million in fiscal 2002 as a result of the restructuring and reduced sales. Administrative expenses decreased from $22.9 million to $12.7 million as cost reductions were partially offset by restructuring expenses such as consulting, legal and investment banking fees. Amortization of goodwill was $1.1 million for both fiscal year 2002 and 2001.

For fiscal 2002, loss on disposition of assets was $34,000 compared to a loss on disposition of assets of $6.5 million for fiscal 2001. The loss in fiscal 2002 represented a loss on the sale of leasehold improvements in connection with the move of the Company's subsidiary, Hamco. The loss in fiscal 2001 represented the loss on sale of the Woven Products division. Also in 2001, gains, primarily on the sale of real property in Louisiana and North Carolina, were offset by other losses. The provision for impairment of $28.2 million at April 1, 2001 includes a $4.9 million loss on sale of the Timberlake, North Carolina plant, a $10.9 million impairment for the expected loss on sale of the Adult Bedding and Bath business and a $12.4 million impairment for abandoned computer systems. Losses on sale of inventory of $2.9 million and $13.3 million were also incurred in connection with the sales of the Woven Products division and the Adult Bedding and Bath business, respectively. This expense was included in cost of sales. Because of the sale of assets and the refinancing that occurred July 23, 2001, the historical results are not indicative of the Company's future operations.

Interest expense decreased by $7.8 million as a result of the restructuring of the Company discussed in the "Financial Position, Liquidity and Capital Resources" section below. Other income, net of expenses, increased by $1.3 million due to a reduction in other expenses.

In fiscal 2002, the tax benefit was $1.9 million due to a net operating loss carryback resulting from the change in federal income tax regulations. In fiscal 2001, the benefit of the operating losses was equivalent to an effective tax rate of 0%. Due to the losses incurred, the Company has a net operating loss carryforward of

$16.9 million that is available to offset future taxable income, although a valuation reserve has been established for the benefit of the carryforward due to uncertainty regarding realization.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $6.0 million for the year ended March 30, 2003 compared to net cash provided by operating activities of $5.4 million for the year ended March 31, 2002. Net cash used by investing activities was $0.4 million in 2003 compared to net cash provided by investing activities of $18.0 million in the prior year period. Net cash used for financing activities was $5.9 million compared to net cash used for financing activities of $23.6 million in the prior year period. Total debt outstanding decreased to $33.9 million at March 30, 2003 from $39.8 million at March 31, 2002. As of March 30, 2003, letters of credit of $1.35 million were outstanding against the $3 million sub-limit for letters of credit associated with the Company's $19 million revolving credit facility. As of March 30, 2003, the Company had revolving credit availability of $15.3 million.

The Company's ability to make scheduled payments of principal, to pay the interest on or to refinance its maturing indebtedness, to fund capital expenditures or to comply with its debt covenants will depend upon future performance. The Company's future performance is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory and other factors beyond its control. Based upon the current level of operations, the Company believes that cash flow from operations together with revolving credit availability will be adequate to meet liquidity needs.

At March 30, 2003 and March 31, 2002, long-term debt consisted of:

<Table>
<Caption>

<S>	MARCH 30, 2003 <C>	MARCH 31, 2002 <C>
Promissory notes..	$35,068	$38,000
Floating rate revolving credit facilities..................	1,799	5,542
Non-interest bearing notes.................................	274	--
Original issue discount....................................	(3,232)	(3,769)
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	33,909	39,773
Less current maturities....................................	3,014	3,000
	-------	-------
	$30,895	$36,773
	=======	=======

</Table>

On July 23, 2001 the Company completed a refinancing of its debt. These credit facilities include the following:

Revolving Credit of up to $19 million including a $3 million sub-limit for letters of credit, of which $14.0 million was drawn at closing. The interest rate is prime plus 1.00% (5.25% at March 30, 2003) for base rate borrowings and LIBOR plus 2.75% (4.06% at March 30, 2003) for Euro-dollar borrowings. The maturity date is June 30, 2004. The facility is secured by a first lien on all assets. The balance at March 30, 2003 was $1.8 million. The Company had $15.3 million available at March 30, 2003. As of March 30, 2003, letters of credit of $1.35 million were outstanding against the $3 million sub-limit for letters of credit associated with the $19 million revolving credit facility.

Senior Notes of $14 million with a fixed interest rate of 10% plus additional interest contingent upon cash flow availability of 3%. The maturity date is June 30, 2006 and the notes are secured by a first lien on all assets. Minimum principal payments of $500,000 are due at the end of each calendar quarter. In the event that required debt service exceeds 85% of free cash flow (EBITDA (as hereinafter defined) less capital expenditures and cash taxes paid), the excess of contingent interest and principal amortization over 85% will be deferred until maturity of the Senior Notes in June 2006. Contingent interest plus additional principal payments will be due annually up to 85% of free cash flow. On September 30, 2002, the Company made a payment to the lenders of $1.6 million related to excess cash flow. The Company anticipates that it will make another excess cash flow payment of $1.3 million on September 30, 2003.

Senior Subordinated Notes of $16 million with a fixed interest rate of 10% plus an additional 1.65% payable by delivery of a promissory note due July 23, 2007. The maturity date is July 23, 2007 and the notes are secured by a second lien on all assets. In addition to principal and interest, a payment of $8 million is due on the earliest of (i) maturity of the notes, (ii) prepayment of the notes, or (iii) sale of the Company. The original issue discount of $4.1 million on this non-interest bearing note at a market interest rate of 12% is being amortized over the life of the notes. The remaining balance of $3.2 million is included in the Consolidated Balance Sheet as of March 30, 2003.

These credit facilities contain covenants regarding minimum levels of Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"), maximum total debt to EBITDA, maximum senior debt to EBITDA, minimum EBITDA to cash interest and minimum shareholders' equity. Certain covenants included in the credit facilities were amended in conjunction with the liquidation of Burgundy, as discussed in Note 4 to the Company's Consolidated Financial Statements, in order to account for the recording of the related restructuring charge. The bank facilities also place restrictions on the amounts the Company may expend on acquisitions and purchases of treasury stock and currently prohibit the payment of dividends.

Minimum annual maturities are as follows (in thousands):

<Table>
<Caption>

FISCAL	REVOLVER	SENIOR NOTES	SUB NOTES	PIK NOTES	TOTAL
- ------	--------	------------	---------	---------	-------
<S>	<C>	<C>	<C>	<C>	<C>
2004.............................	$ --	$ 3,000	$ --	$ --	$ 3,000
2005.............................	--	2,000	--	--	2,000
2006.............................	--	2,500	--	--	2,500
2007.............................	1,799	3,500	--	--	5,299
2008.............................	--	--	24,000*	274	24,274
	------	-------	-------	----	-------
Total............................	$1,799	$11,000	$24,000	$274	$37,073

====== ======= ======= ==== =======

</Table>

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* Includes $8 million non-interest bearing note issued at an original issue discount of $4.1 million.

As part of the refinancing, the Company issued to the lenders warrants for non-voting common stock that are convertible into common stock equivalent to 65% of the shares of the Company on a fully diluted basis at a price of 11.3 cents per share. The warrants are non-callable and expire in six years from their date of issuance. The value of the warrants of $2.4 million using the Black-Scholes option pricing model was credited to additional paid-in capital in the second quarter of fiscal 2002. The dilutive effect of these warrants on earnings per share for the fiscal periods ended March 30, 2003 and March 31, 2002 was $0.15 per share and $1.58 per share, respectively. Also, in the second quarter of fiscal 2002, the Company recognized a gain of $25.0 million representing forgiveness of indebtedness income (net of $2.9 million of expenses incurred) in connection with the refinancing.

To reduce its exposure to credit losses and to enhance its cash flow, the Company assigns the majority of its trade accounts receivable to a commercial factor. The Company's factor establishes customer credit lines and accounts for and collects receivable balances. Under the terms of the factoring agreement, which expires in July, 2005, the factor remits payments to the Company on the average due date of each group of invoices assigned. If a customer fails to pay the factor on the due date, the Company is charged interest at the greater of 6% or prime, which was 4.25% at March 30, 2003, until payment is received. The factor bears credit losses with respect to assigned accounts receivable that are within approved credit limits. The Company bears losses resulting from returns, allowances, claims and discounts. The Company's factor at any time may terminate or limit its approval of shipments to a particular customer. If such a termination occurs, the Company may either assume the credit risks for shipments after the date of such termination or cease shipments to such customer.

Management does not believe that inflation has had a material effect on the Company's operations. If inflation increases, the Company will attempt to increase its prices to offset its increased expenses. No assurance can be given, however, that the Company will be able to adequately increase its prices in response to inflation.

During fiscal 2002, the Company incurred approximately $1.5 million in non-recurring charges related to the sale of the Adult Bedding and Bath division in July, 2001, the sale of the Woven Products division in November, 2000, and the relocation of the Company's corporate headquarters. These costs included $850,000 in wages and benefits (including severance) paid to temporary and terminated employees, $795,000 in operating expenses and $206,000 in data collection and transfer costs offset by $356,000 in vendor discounts and allowances.

CRITICAL ACCOUNTING POLICIES

While the listing below is not inclusive of all of the Company's accounting policies, the Company's management believes that the following policies are those which are most critical and embody the most significant management judgments due to the uncertainties affecting their application and the likelihood that materially different amounts would be reported under different conditions or using different assumptions. These critical policies are:

Revenue Recognition: Sales are recorded when goods are shipped to customers, and are reported net of returns and allowances in the consolidated statements of operations and comprehensive income (loss).

Sales Returns and Other Allowances and Allowance for Doubtful Accounts: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Specifically, management must make estimates of potential future product returns related to current period product revenues. The Company's sales arrangements do not generally include acceptance provisions or clauses. Additionally, the Company does not typically grant its distributors or other customers price protection rights or rights to return products bought, other than normal and customary rights of return for defects in materials or workmanship, and is not obligated to accept product returns for any other reason. Actual returns have not historically been significant. Management analyzes historical returns, current economic trends and changes in customer demand when evaluating the adequacy of its sales returns and other allowances.

The Company factors the majority of its receivables. In the event a factored receivable becomes uncollectible due to credit worthiness, the factor bears the risk of loss. The Company's management must make estimates of the uncollectibility of its non-factored accounts receivable. Management specifically analyzes accounts receivable, historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in its customers' payment terms when evaluating the adequacy of its allowance for doubtful accounts. The Company's accounts receivable at March 30, 2003 totaled \$15.8 million, net of the allowances of \$1.9 million.

Inventory Valuation: The preparation of the Company's financial statements requires careful determination of the appropriate dollar amount of the Company's inventory balances. Such amount is presented as a current asset in the Company's balance sheet and is a direct determinant of cost of goods sold in the statement of operations and, therefore, has a significant impact on the amount of net income reported in an accounting period. The basis of accounting for inventories is cost, which is the sum of expenditures and charges, both direct and indirect, incurred to bring the inventory quantities to their existing condition and location. The Company's inventories are stated at the lower of cost or market, with cost determined using the first-in, first-out ("FIFO") method, which assumes that inventory quantities are sold in the order in which they are manufactured or purchased. The Company utilizes standard costs as a management tool. The Company's standard cost valuation of its inventories is adjusted at regular intervals to reflect the approximate cost of the inventory under FIFO. The determination of the indirect charges and their allocation to the Company's work-in-process and finished goods inventories is complex and requires significant management judgment and estimates. Material differences may result in the valuation of the Company's inventories and in the amount and timing of the Company's cost of goods sold and resulting net income for any period if management made different judgments or utilized different estimates.

On a periodic basis, management reviews its inventory quantities on hand for obsolescence, physical deterioration, changes in price levels and the existence of quantities on hand which may not reasonably be

expected to be used or sold within the normal operating cycles of the Company's operations. To the extent that any of these conditions are believed to exist or the utility of the inventory quantities in the ordinary course of business is no longer as great as their carrying value, an allowance against the inventory valuation is established. To the extent that this allowance is established or increased during an accounting period, an expense is recorded in the Company's statement of operations, generally in cost of goods sold. Significant management judgment is required in determining the amount and adequacy of this allowance. In the event that actual results differ from management's estimates or these estimates and judgments are revised in future periods, the Company may need to establish additional allowances which could materially impact the Company's financial position and results of operation.

As of March 30, 2003, the Company's inventories totaled \$15.5 million, net of allowances for discontinued and irregular inventories of \$1.6 million. Management believes that the Company's inventory valuation together with recorded allowances for slow moving and obsolete inventories, results in carrying the inventory at lower of cost or market.

Derivative Instruments and Hedging Activities: The Company accounts for derivative instruments and hedging activities in accordance with Statement of Financial Accounting Standards ("SFAS") 133, Accounting for Derivative Instruments and Hedging Activities, which was adopted by the Company on April 2, 2001. Under SFAS 133, derivative instruments are recognized in the balance sheet at fair value and changes in the fair value of such instruments are recognized currently in earnings unless specific hedge accounting criteria are met. At March 30, 2003 and March 31, 2002 the Company had no derivative instruments.

Provisions for Income Taxes: The provisions for income taxes include all currently payable federal, state and local taxes that are based upon the Company's taxable income and the change during the fiscal year in net deferred income tax assets and liabilities. The Company provides for deferred income taxes based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates that will be in effect when the differences are expected to reverse. Deferred tax assets have been reduced by a valuation allowance, if necessary, in the amount of any tax benefits that, based on available evidence, are not expected to be realized.

Valuation of Long-Lived and Intangible Assets and Goodwill: The Company assesses the impairment of identifiable intangibles, long-lived assets and related goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable based on estimates of future undiscounted cash flows. Factors that are considered by management in performing this assessment include, but are not limited to, the Company's performance relative to historical or projected future operating results, the Company's intended use of acquired assets or the Company's strategy for its overall business, and industry or economic trends.

In the event that the carrying value of intangibles, long-lived assets and related goodwill is determined to be impaired, such impairment is measured using a discount rate determined by management to be commensurate with the risk inherent in the Company's current business model. Net intangible assets, long-lived assets and goodwill, including property and equipment, amounted to $25.2 million as of March 30, 2003.

As discussed below, on April 1, 2002, the Company implemented SFAS No. 142, Goodwill and Other Intangible Assets, and as a result, the Company discontinued amortizing approximately $23.0 million of goodwill but continued to amortize other long-lived intangible assets. Goodwill amortization expense recorded during 2002 amounted to approximately $1.1 million. In lieu of amortization, the Company is required to perform an annual impairment review of its goodwill. The Company performed a transitional fair value based impairment test on its goodwill in accordance with SFAS 142 and has determined that the fair value exceeded the recorded value at April 1, 2002.

RECENTLY ISSUED ACCOUNTING STANDARDS

In July 2001, the Financial Accounting Standards Board ("FASB") issued SFAS 141, Business Combinations, and SFAS 142, Goodwill and Other Intangible Assets. SFAS 141 requires business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting and eliminates

the use of the pooling-of-interests method. The application of SFAS 141 did not affect any of the Company's previously reported amounts included in goodwill or other intangible assets. SFAS 142 requires that the amortization of goodwill cease prospectively upon adoption and instead, the carrying value of goodwill be evaluated using an impairment approach. Identifiable intangible assets will continue to be amortized over their useful lives and reviewed for impairment in accordance with SFAS 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of. SFAS 142 is effective for fiscal years beginning after December 15, 2001, and was implemented by the Company on April 1, 2002. Beginning in fiscal 2003, the Company discontinued amortizing goodwill but continued to amortize other long-lived intangible assets. The Company has performed a transitional fair value based impairment test on its goodwill in accordance with SFAS 142 and has determined that the fair value exceeded the recorded value at April 1, 2002. Following is a reconciliation of previously reported net income and basic and diluted net income per share to the amounts that would have been reported if SFAS 142 had been effective as of April 2, 2001 and the amortization of goodwill had been discontinued as of that date.

<Table>
<Caption>

	2003	2002	2001
<S>	<C>	<C>	<C>
Reported net income (loss).............................	$2,487	$27,002	$(73,587)
Goodwill amortization................................	--	1,054	1,099
Adjusted net income (loss)...........................	$2,487	$28,056	$(72,488)

Basic income (loss) per share:			
Reported net income (loss)	$ 0.26	$ 2.95	$ (8.55)
Goodwill amortization	--	0.11	0.13
Adjusted net income (loss)	$ 0.26	$ 3.06	$ (8.42)
Diluted income (loss) per share:			
Reported net income (loss)	$ 0.12	$ 1.37	$ (8.55)
Goodwill amortization	--	0.05	0.13
Adjusted net income (loss)	$ 0.12	$ 1.42	$ (8.42)

</Table>

In August 2001, the FASB issued SFAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Although SFAS 144 supersedes SFAS 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, it retains most of the concepts of that standard, except that it eliminates the requirement that goodwill be allocated to long-lived assets for impairment testing purposes and it requires that a long-lived asset to be abandoned or exchanged for a similar asset be considered held and used until it is disposed of (i.e., the depreciable life should be revised until the asset is actually abandoned or exchanged). Also, SFAS 144 includes the basic provisions of Accounting Principles Board ("APB") Opinion No. 30, Reporting the Results of Operations -- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, for presentation of discontinued operations in the income statement but broadens that presentation to include a component of an entity rather than a segment of a business, where that component can be clearly distinguished from the rest of the entity. SFAS 144 is effective for fiscal years beginning after December 15, 2001 and was implemented by the Company on April 1, 2002. The adoption of SFAS 144 did not have a significant effect on the Company's financial statements on the date of adoption.

In April 2002, the FASB issued SFAS 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections. SFAS 145 provides, among other things, that gains on the extinguishments of debt will generally no longer be classified as extraordinary items in the statements of operations. It also provides that gains on extinguishments be reclassified in prior years financial statements presented for comparative purposes. SFAS 145 is effective for fiscal years beginning after May 15, 2002 with earlier adoption encouraged. The Company adopted SFAS 145 effective July 1, 2002. The adoption of SFAS 145 required that a gain on debt refinancing of $25 million realized in the second quarter of fiscal 2002 be reclassified into income before extraordinary items.

In July 2002, the FASB issued SFAS 146, Accounting for Costs Associated with Exit or Disposal Activities, which was effective for transactions initiated after December 31, 2002. SFAS 146 requires companies to recognize costs associated with restructurings, discontinued operations, plant closings, or other exit or disposal activities, when incurred rather than at the date a plan is committed to. The adoption of FAS 146 did not have a material impact on the Company's consolidated financial statements on the date of adoption.

In December 2002, the FASB issued SFAS 148, Accounting for Stock-Based Compensation -- Transition and Disclosure, an amendment of FASB Statement No. 123. SFAS 148 amends FASB 123 to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, FASB 148 amends the disclosure requirements of FASB 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS 148 is effective for the Company's fiscal period ending March 30, 2003. Management adopted this standard on that date and determined that they would continue to utilize the intrinsic method of accounting and included the additional disclosures in the current year financial statements.

FORWARD-LOOKING INFORMATION

This annual report contains forward-looking statements within the meaning of the federal securities law. 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 are intended to 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 anticipated. These risks include, among others, general economic conditions, changing competition, the level and pricing of future orders from the Company's customers, the Company's dependence upon third-party suppliers, including some located in foreign countries with unstable political situations, the Company's ability to successfully implement new information technologies, the Company's ability to integrate its acquisitions and new licenses and the Company's ability to implement operational improvements in its acquired businesses.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk from changes in interest rates on debt, commodity prices and foreign exchange rates. The exposure to interest rate risk relates to its floating rate debt, $1.8 million of which was outstanding at March 30, 2003 compared to $5.5 million at March 31, 2002. Each 1.0 percentage point increase in interest rates would impact pretax earnings by $18,000 at the debt level of March 30, 2003 and $55,000 at the debt level of March 31, 2002. The exposure to commodity price risk primarily relates to changes in the price of cotton, which is a principal raw material in a substantial number of the Company's products. The exposure to foreign exchange rates relates to its Mexican manufacturing subsidiary. During the fiscal year ended March 30, 2003, this subsidiary manufactured products for the Company with a value of approximately $4.5 million compared to $3.9 million during the fiscal year ended March 30, 2002. The Company's investment in the subsidiary was approximately $2.7 million at March 30, 2003 and March 31, 2002. In December 2002, the Company adopted a formal plan to terminate operations at this facility.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See pages F-1 through F-19 herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company has neither changed its independent accountants nor had any disagreements on accounting or financial disclosure with such accountants.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information with respect to the Company's directors and executive officers is set forth in the Company's Proxy Statement for the Annual Meeting of Shareholders (the "Proxy Statement") under the captions "Election of Directors" and "Executive Officers" and is incorporated herein by reference. The information with respect to Item 405 of Registration S-K is set forth in the Proxy Statement under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth under the caption "Executive Compensation" in the Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information set forth under the caption "Voting Rights and Principal Shareholders" in the Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information set forth under the caption "Compensation Committee Interlocks and Insider Participation" in the Proxy Statement is incorporated herein by reference.

ITEM 14. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"). Based on such evaluation, such officers have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic filings under the Exchange Act.

Since the Evaluation Date, there have not been any significant changes in the Company's internal controls or in other factors that could significantly affect such controls.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)1. Financial Statements. The following consolidated financial statements of the Company are filed with this report and included in Part II, Item 8:

<Table>
<Caption>

</Table>

(a)2. Financial Statement Schedule. The following financial statement schedule of the Company is filed with this report:

<Table>
<Caption>

</Table>

All other schedules not listed above have been omitted because they are not applicable or the required information is included in the financial statements or notes thereto.

CROWN CRAFTS, INC. AND SUBSIDIARIES

ANNUAL REPORT ON FORM 10-K

SCHEDULE II.

<Table>
<Caption>

VALUATION AND QUALIFYING ACCOUNTS

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND (REVERSED FROM) EXPENSES	DEDUCTIONS(1)	BALANCE AT END OF PERIOD
	(IN THOUSANDS)			
<S>	<C>	<C>	<C>	<C>
Accounts Receivable Valuation Accounts:				
Year Ended April 1, 2001				
Allowance for doubtful accounts..............	609	32	465	176
Allowance for customer deductions............	5,162	(3,401)(2)	--	1,761
Year Ended March 31, 2002				
Allowance for doubtful accounts..............	176	46	28	194
Allowance for customer deductions............	1,761	(114)	--	1,647
Year Ended March 30, 2003				
Allowance for doubtful accounts..............	194	172	183	183
Allowance for customer deductions............	1,647	97	--	1,744
Inventory Valuation Accounts:				
Year Ended April 1, 2001				
Allowance for discontinued and irregulars.....	6,176	(4,026)(2)	--	2,150
Year Ended March 31, 2002				
Allowance for discontinued and irregulars.....	2,150	19	--	2,169
Year Ended March 30, 2003				
Allowance for discontinued and irregulars.....	2,169	(536)	--	1,633
Restructuring Reserve:				
Year ended March 31, 2002				
Allowance for restructuring costs............	--	554(3)	--	554
Year ended March 30, 2003				
Allowance for restructuring costs............	554	1,775(4)	(608)	1,721

</Table>

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(1) Deductions from the allowance for doubtful accounts represent the amount of accounts written off reduced by any subsequent recoveries.

(2) Credits relate to assets held for sale at April 1, 2001.

(3) Reserve relates to the closure of the Adult Bedding and Bath Division in July 2001.

(4) Reserve relates to the decision to close the Company's Mexican manufacturing facility.

(a)3. Exhibits. Exhibits required to be filed by Item 601 of Regulation S-K are included as Exhibits to this report as follows:

<Table>
<Caption>

EXHIBIT NUMBER		DESCRIPTION OF EXHIBITS
<S>	<C>	<C>
2.1	--	Merger Agreement dated as of October 8, 1995 between and among the Company and CC Acquisition Corp, and Neal Fohrman and Stanley Glickman and The Red Calliope and Associates, Inc.(5)
2.2	--	Merger Agreement dated as of July 23, 2001 by and among the Company, Crown Crafts Designer, Inc., Design Works Holding Company and Design Works, Inc. (the "Merger Agreement").(9)
3.1	--	Second Amended and Restated Articles of Incorporation of the Company.(9)
3.2	--	Bylaws of the Company.(1)
3.3	--	Amendments to Bylaws dated March 23, 2001.(8)
4.1	--	Instruments defining the rights of security holders are contained in the Second Amended and Restated Articles of Incorporation of the Company.(1)
4.2	--	Instruments defining the rights of security holders are

contained in Article II of the Restated Bylaws of the
Company.(1)
4.3 -- Amendment No. 1 to Rights Agreement dated as of April 29, 2003 between the Company and Sun Trust Bank (successor by merger to Trust Company Bank), including the amended and restated Summary of Rights to Purchase Common Shares (Exhibit B).(12)
4.4 -- Form of Rights Agreement dated as of August 11, 1995 between the the Company and Trust Company Bank, including Form of Right Certificate and Summary of Rights to Purchase Common Shares.(2)
4.5 -- Form of Registration Rights Agreement entered into in connection with the Subordinated Note and Warrant Purchase Agreement dated as of July 23, 2001 by and among the Company, Wachovia Bank, N.A., as Agent, and Wachovia Bank, N.A., Bank of America, N.A., and The Prudential Insurance Company of America (the "Sub Debt Agreement") (included as Exhibit C to the Sub Debt Agreement).(9)
10.1 -- Crown Crafts, Inc. Non-Qualified Stock Option Plan.(4)
10.2 -- Philip Bernstein Death Benefits Agreement dated March 30, 1992.(3)
10.3 -- Description of Crown Crafts, Inc. Executive Incentive Bonus Plan.(3)
10.4 -- Crown Crafts, Inc. 1995 Stock Option Plan.(1)
10.5 -- Form of Nonstatutory Stock Option Agreement (pursuant to 1995 Stock Option Plan).(1)
10.6 -- Form of Nonstatutory Stock Option Agreement for Nonemployee Directors (pursuant to 1995 Stock Option Plan).(1)
10.7 -- Employment Agreement dated as of July 23, 2001 by and between the Company and E. Randall Chestnut.(9)
10.8 -- Employment Agreement dated as of July 23, 2001 by and between the Company and Amy Vidrine Samson.(9)
10.9 -- Form of Restricted Stock Agreement entered into in connection with the Merger Agreement.(9)
10.10 -- Credit Agreement dated as of July 23, 2001 by and among the Company, Wachovia Bank, N.A., as Agent, and Wachovia Bank, N.A., Bank of America, N.A., and The Prudential Insurance Company of America (the "Credit Agreement").(9)
10.11 -- Form of Revolving Note issued in connection with the Credit Agreement (included as Exhibit A-1 to the Credit Agreement).(9)
10.12 -- Form of Term Note issued in connection with the Credit Agreement (included as Exhibit A-2 to the Credit Agreement).(9)
10.13 -- Form of Domestic Stock Pledge Agreement entered into in connection with the Credit Agreement (included as Exhibit N to the Credit Agreement).(9)
10.14 -- Form of Foreign Stock Pledge Agreement entered into in connection with the Credit Agreement (included as Exhibit T to the Credit Agreement).(9)
</Table>

<Table>
<Caption>
EXHIBIT
NUMBER DESCRIPTION OF EXHIBITS
- ------- ----------------------
<S> <C> <C>
10.15 -- Mortgage, Security Agreement and Fixture Financing Statement dated September 22, 1999 from Churchill Weavers, Inc. ("Churchill") to Wachovia, as Collateral Agent for the Lenders, as amended by that First Amendment to Mortgage, Security Agreement and Fixture Financing Statement dated July 23, 2001, entered into in connection with the Credit Agreement.(9)
10.16 -- Sub Debt Agreement.(9)
10.17 -- Form of Note issued in connection with the Sub Debt Agreement (included as Exhibit A-1 to the Sub Debt Agreement).(9)
10.18 -- Form of Warrant issued in connection with the Sub Debt Agreement (included as Exhibit B to the Sub Debt

	Agreement).(9)
10.19	-- Form of Domestic Stock Pledge Agreement entered into in connection with the Sub Debt Agreement (included as Exhibit D to the Sub Debt Agreement).(9)
10.20	-- Form of Foreign Stock Pledge Agreement entered into in connection with the Sub Debt Agreement (included as Exhibit E to the Sub Debt Agreement).(9)
10.21	-- Form of Security Agreement entered into in connection with the Sub Debt Agreement (included as Exhibit F to the Sub Debt Agreement).(9)
10.22	-- Mortgage, Security Agreement and Fixture Financing Statement dated July 23, 2001 from Churchill to Wachovia, as Collateral Agent for the Lenders, entered into in connection with the Sub Debt Agreement.(9)
10.23	-- Amended and Restated Security Agreement dated as of July 23, 2001 by and among the Borrowers and Wachovia, as Collateral Agent for the Lenders, entered into in connection with the Credit Agreement.(9)
10.24	-- Form of Non-Competition and Non-Disclosure Agreement entered into in connection with the Merger Agreement (included as Exhibit E to the Merger Agreement).(9)
10.25	-- License Agreement dated January 1, 1998 between Disney Enterprises, Inc. as Licensor and the Company as Licensee(6)
10.26	-- License Agreement dated May 11, 1998 between Calvin Klein, Inc. as Licensor, Crown Crafts Designer, Inc. (a wholly-owned subsidiary of the Company through July 23, 2001), and the Company as Guarantor.(6)
10.27	-- Crown Crafts, Inc. Key Employee Retention Payment Trust Agreement dated as of November 14, 2000 between the Company and Branch Banking & Trust Co.(10)
10.28	-- Second Amendment to Subordinated Note and Warrant Purchase Agreement dated as of February 10, 2003 by and among the Company, Banc of America Strategic Solutions, Inc. (assignee of Bank of America, N.A.), The Prudential Insurance Company of America and Wachovia Bank, National Association (successor by merger to Wachovia Bank, N.A.)(11)
10.29	-- Third Amendment to Credit Agreement dated as of February 10, 2003 by and among the Company, Churchill Weavers, Inc., Hamco, Inc., Crown Crafts Infant Products, Inc., Wachovia Bank, National Association (successor by merger to Wachovia Bank, N.A.), as Agent, and Wachovia Bank, National Association (successor by merger to Wachovia Bank, N.A.), Banc of America Strategic Solutions, Inc. (assignee of Bank of America, N.A.) and The Prudential Insurance Company of America, as Lenders(11)
10.30	-- Global Amendment Agreement dated as of April 29, 2003 by and among the Company, Churchill Weavers, Inc., Hamco, Inc., Crown Crafts Infant Products, Inc., Wachovia Bank National Association, Banc of America Strategic Solutions, Inc., The Prudential Insurance Company of America and Bank of America, N.A.(13)
10.31	-- Reserved Shares Agreement dated as of April 20, 2003 by and among the Company, Bank of America, N.A., The Prudential Insurance Company of America and Wachovia Bank, National Association(13)
10.32	-- Support Agreement dated as of May 7, 2003 by and between the Company and Wynnefield Capital Management, LLC(14)

</Table>

<Table>
<Caption>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
- -------	----------------------
<S>	<C> <C>
10.33	-- Amendment to the Company's 1995 Stock Option Plan Adopted by the Board of Directors on April 29, 2003(15)
10.34	-- Employment Agreement dated as of July 23, 2001 by and between the Company and Nanci Freeman(15)
10.35	-- Amendment to Bylaws dated June 17, 2003(15)
21	-- Subsidiaries of the Company(15)

23	-- Consent of Deloitte & Touche LLP(15)
99.1	-- Certification of the Company's Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(15)
99.2	-- Certification of the Company's Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(15)

</Table>

- ---------------

(1) Incorporated herein by reference to Registrant's Quarterly Report on Form 10-Q for the quarter ended October 1, 1995.

(2) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated August 22, 1995.

(3) Incorporated herein by reference to Registrant's Annual Report on Form 10-K for the fiscal year ended March 28, 1993.

(4) Incorporated herein by reference to Registrant's Registration Statement on Form S-8, filed April 8, 1994. (Reg. No. 33-77558).

(5) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated November 13, 1995.

(6) Incorporated herein by reference to Registrant's Annual Report on Form 10-K for the fiscal year ended March 29, 1998.

(7) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated August 4, 1999.

(8) Incorporated herein by reference to Registrant's Annual Report on Form 10-K for the fiscal year ended April 1, 2001.

(9) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated July 23, 2001.

(10) Incorporated herein by reference to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001.

(11) Incorporated herein by reference to Registrant's Quarterly Report on Form 10-Q for the quarter ended December 29, 2002.

(12) Incorporated herein by reference to Registrant's Registration Statement on Form 8-A dated April 29, 2003.

(13) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated May 9, 2003.

(14) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated May 9, 2003.

(15) Filed herewith.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ending March 30, 2003.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

BY: /s/ E. RANDALL CHESTNUT

E. Randall Chestnut
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

<Table>
<Caption>

SIGNATURES	TITLE	DATE
/s/ E. RANDALL CHESTNUT E. Randall Chestnut	Chief Executive Officer, Director	June 17, 2003
/s/ WILLIAM T. DEYO, JR. William T. Deyo, Jr.	Director	June 17, 2003
/s/ STEVEN E. FOX Steven E. Fox	Director	June 17, 2003
/s/ SIDNEY KIRSCHNER Sidney Kirschner	Director	June 17, 2003
/s/ ZENON S. NIE Zenon S. Nie	Director	June 17, 2003
/s/ WILLIAM PORTER PAYNE William Porter Payne	Director	June 17, 2003
/s/ DONALD RATAJCZAK Donald Ratajczak	Director	June 17, 2003
/s/ JAMES A. VERBRUGGE James A. Verbrugge	Director	June 17, 2003
/s/ AMY VIDRINE SAMSON Amy Vidrine Samson	Chief Financial Officer Chief Accounting Officer	June 17, 2003

</Table>

I, E. Randall Chestnut, certify that:

1. I have reviewed this annual report on Form 10-K of Crown Crafts, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

(c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 17, 2003

/s/ E. RANDALL CHESTNUT

E. Randall Chestnut
Chairman of the Board, President &
Chief Executive Officer

I, Amy Vidrine Samson, certify that:

1. I have reviewed this annual report on Form 10-K of Crown Crafts, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

(c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 17, 2003

/s/ AMY VIDRINE SAMSON

Amy Vidrine Samson
Vice President & Chief Financial Officer

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

<Table>
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INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders
Crown Crafts, Inc.

We have audited the accompanying consolidated balance sheets of Crown

Crafts, Inc. and subsidiaries ("the Company") as of March 30, 2003 and March 31, 2002, and the related consolidated statements of operations and comprehensive income (loss), changes in shareholders' equity (deficit), and cash flows for each of the three years in the period ended March 30, 2003. Our audit also included the financial statement schedule listed at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Crown Crafts, Inc. and subsidiaries as of March 30, 2003 and March 31, 2002, and the results of their operations and their cash flows for each of the three years in the period ended March 30, 2003, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Company adopted Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" in the year ended March 30, 2003.

/s/ DELOITTE & TOUCHE LLP

New Orleans, Louisiana
May 30, 2003

CROWN CRAFTS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
MARCH 30, 2003 AND MARCH 31, 2002
(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

<Table>
<Caption>

	2003	2002
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 194	$ 388
Accounts receivable (net of allowances of $1,927 in 2003 and $1,841 in 2002)		
Due from factor	14,472	11,549
Other	1,304	983
Inventories, net	15,548	16,451
Income tax receivable	--	1,820
Other current assets	1,114	2,466
Total current assets	32,632	33,657
PROPERTY, PLANT AND EQUIPMENT -- AT COST:		
Land, buildings and improvements	1,920	2,863
Machinery and equipment	3,285	3,915
Furniture and fixtures	677	617
	5,882	7,395
Less accumulated depreciation	3,644	4,065
Property, plant and equipment -- net	2,238	3,330

OTHER ASSETS:		
Goodwill (net of accumulated amortization of $6,261 in 2003 and 2002)	22,974	23,034
Other	82	179
TOTAL OTHER ASSETS	23,056	23,213
TOTAL ASSETS	$57,926	$60,200
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 4,524	$ 3,695
Accrued wages and benefits	1,413	1,459
Accrued royalties	1,454	1,015
Other accrued liabilities	1,361	1,421
Current maturities of long-term debt	3,014	3,000
TOTAL CURRENT LIABILITIES	11,766	10,590
NON-CURRENT LIABILITIES:		
Long-term debt	30,895	36,773
Deferred income taxes	--	24
TOTAL NON-CURRENT LIABILITIES	30,895	36,797
COMMITMENTS AND CONTINGENCIES	--	--
SHAREHOLDERS' EQUITY:		
Common stock -- par value $1.00 per share, 50,000,000 shares authorized 9,421,437 issued and outstanding in 2003 and 2002	9,421	9,421
Additional paid-in capital	28,857	28,857
Accumulated deficit	(22,988)	(25,475)
Cumulative currency translation adjustment	(25)	10
TOTAL SHAREHOLDERS' EQUITY	15,265	12,813
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$57,926	$60,200

</Table>

See notes to consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FISCAL YEARS ENDED MARCH 30, 2003, MARCH 31, 2002, AND APRIL 1, 2001
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<Table>
<Caption>

	2003	2002	2001
<S>	<C>	<C>	<C>
Net sales	$94,735	$117,591	$247,515
Cost of products sold	73,315	91,663	228,973
Gross profit	21,420	25,928	18,542
Marketing and administrative expenses	12,686	20,872	43,311
Provision for impairment	--	--	28,240
Loss on disposition of assets	11	34	6,546
Restructuring charge	1,775	--	--
Income (loss) from operations	6,948	5,022	(59,555)
Other income (expense):			
Interest expense	(4,548)	(6,943)	(14,781)
Gain on extinguishment of debt	--	25,008	--
Other -- net	351	2,035	726
Income (loss) before income taxes	2,751	25,122	(73,610)
Income tax (benefit) expense	264	(1,880)	(23)
Net income (loss)	2,487	27,002	(73,587)
Other comprehensive income (loss), net of tax:			

Foreign currency translation adjustment	(35)	76	(1)
Comprehensive income (loss)	$ 2,452	$ 27,078	$(73,588)
Basic income (loss) per share	$ 0.26	$ 2.95	$ (8.55)
Diluted income (loss) per share	$ 0.12	$ 1.37	$ (8.55)
Weighted average shares outstanding -- basic	9,421	9,167	8,609
Weighted average shares outstanding -- diluted	21,471	19,759	8,609

</Table>

See notes to consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
FISCAL YEARS ENDED MARCH 30, 2003, MARCH 31, 2002 AND APRIL 1, 2001
(DOLLAR AMOUNTS IN THOUSANDS)

<Table>
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	COMMON SHARES		TREASURY STOCK		ADDITIONAL	RETAINED	CUMULATIVE	TOTAL
	NUMBER OF SHARES	AMOUNT	NUMBER OF SHARES	COST	PAID-IN CAPITAL	EARNINGS/ (ACCUMULATED DEFICIT)	CURRENCY TRANSLATION ADJUSTMENT	SHAREHOLDERS' EQUITY/ (DEFICIT)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCES -- APRIL 2, 2000	9,983,305	$9,983	1,374,462	$20,309	$46,096	$ 21,110	$(65)	$97,433
Net loss						(73,587)		(73,587)
Currency translation adjustment							(1)	(1)
Retirement of treasury stock	(1,374,462)	(1,374)	(1,374,462)	(20,309)	(18,935)			(40,618)
BALANCES -- APRIL 1, 2001	8,608,843	8,609	--	--	27,161	(52,477)	(66)	(16,773)
Purchase 401(k) shares	(14,406)	(15)			10			(5)
Issuance of warrants					2,381			2,381
Issuance of shares	827,000	827			(695)			132
Net income						27,002		27,002
Currency translation adjustment							76	76
BALANCES -- MARCH 31, 2002	9,421,437	9,421	--	--	28,857	(25,475)	10	12,813
Net income						2,487		2,487
Currency translation adjustment							(35)	(35)
BALANCES -- MARCH 30, 2003	9,421,437	$9,421	--	--	$28,857	$(22,988)	$(25)	$15,265

</Table>

See notes to consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FISCAL YEARS ENDED MARCH 30, 2003, MARCH 31, 2002, AND APRIL 1, 2001
(AMOUNTS IN THOUSANDS)

<Table>
<Caption>

	MARCH 30, 2003	MARCH 31, 2002	APRIL 1, 2001

<S>	<C>	<C>	<C>
OPERATING ACTIVITIES:			
Net income (loss)..	$ 2,487	$ 27,002	$(73,587)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Gain on debt refinancing.................................	--	(25,008)	--
Depreciation of property, plant and equipment............	724	971	9,374
Amortization of goodwill.................................	--	1,054	1,099
Deferred income tax benefit..............................	--	--	(56)
Provision for impairment.................................	--	--	28,240
Loss on sale of property, plant, and equipment...........	--	34	2,752
Restructuring Charge.....................................	1,775	--	--
Changes in assets and liabilities, net of effects of acquisitions of businesses:			
Accounts receivable...................................	(3,244)	4,970	26,920
Inventories, net......................................	300	3,113	53,705
Income tax receivable.................................	1,820	(1,820)	--
Other current assets..................................	1,352	(233)	4,752
Other assets..	96	142	3,944
Accounts payable......................................	829	(4,775)	(9,527)
Accrued liabilities...................................	(86)	(2,651)	(5,458)
Other long term liabilities...........................	(24)	(745)	--
Liabilities assumed by purchaser of adult bedding......	--	3,372	--
Reclassification of current assets to held for sale....	--	(39)	(17,112)
	--------	--------	--------
Net cash provided by operating activities..................	6,029	5,387	25,046
	--------	--------	--------
INVESTING ACTIVITIES:			
Capital expenditures.......................................	(397)	(309)	(1,356)
Proceeds from disposition of assets........................	73	18,216	25,591
Other..	(35)	76	(2)
	--------	--------	--------
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES.........	(359)	17,983	24,233
	--------	--------	--------
FINANCING ACTIVITIES:			
Payment of long-term borrowing.............................	(41,835)	(63,769)	(33,348)
Long-term borrowing..	35,971	39,773	--
Decrease in notes payable..................................	--	--	(579)
Increase (decrease) in advances from factor................	--	299	(15,709)
Issuance of common stock...................................	--	127	--
Other..	--	--	(508)
	--------	--------	--------
NET CASH USED IN FINANCING ACTIVITIES......................	(5,864)	(23,570)	(50,144)
	--------	--------	--------
NET DECREASE IN CASH AND CASH EQUIVALENTS..................	(194)	(200)	(865)
Cash and cash equivalents at beginning of period............	388	588	1,453
	--------	--------	--------
CASH AND CASH EQUIVALENTS AT END OF PERIOD.................	$ 194	$ 388	$ 588
	========	========	========
SUPPLEMENTAL CASH FLOW INFORMATION:			
Income taxes (refunded)....................................	$ (1,635)	$ (191)	$ (224)
Interest paid..	3,597	7,801	15,097
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES			
Forgiveness of indebtedness..............................	--	$ 25,008	$ --
Issuance of warrants.....................................	--	2,381	--

</Table>

See notes to consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FISCAL YEARS ENDED MARCH 30, 2003, MARCH 31, 2002, AND APRIL 1, 2001

NOTE 1 -- DESCRIPTION OF BUSINESS

Crown Crafts, Inc. and its subsidiaries (collectively, the "Company") operate in the Infant Products segment within the Consumer Products industry. The Infant Products segment consists of infant bedding, bibs, infant soft goods and accessories. Sales are generally made directly to retailers, primarily mass merchants, large chain stores, gift stores and department and specialty stores.

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The consolidated financial statements include the accounts of Crown Crafts, Inc. and its subsidiaries. All significant intercompany balances and transactions are eliminated in consolidation.

The Company's fiscal year ends on the Sunday nearest March 31. Fiscal years are designated in the consolidated financial statements and notes thereto by reference to the calendar year within which the fiscal year ends. The consolidated financial statements encompass 52 weeks for fiscal years 2003, 2002 and 2001.

Cash and Cash Equivalents: The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made with respect to the allowances related to accounts receivable for customer deductions for returns, allowances, and disputes. The Company has a certain amount of discontinued and irregular raw materials and finished goods which necessitate the establishment of inventory reserves which are highly subjective. Actual results could differ from those estimates.

Revenue Recognition: Sales are recorded when goods are shipped to customers, and are reported net of allowances for estimated returns and allowances in the consolidated statements of operations and comprehensive income (loss). Allowances for returns and allowances are estimated based on historical rates.

Inventory Valuation: Inventories are valued at the lower of first-in, first-out, cost or market.

Depreciation and Amortization: Depreciation of property, plant and equipment is computed using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are 15 to 40 years for buildings, three to seven and one-half years for machinery and equipment, five years for data processing equipment, and eight years for furniture and fixtures. The cost of improvements to leased premises is amortized over the shorter of the estimated life of the improvement or the term of the lease.

The Company reviews for impairment, on a quarterly basis, long-lived assets and certain identifiable intangibles whenever events or changes in circumstances indicate that the carrying amount of any asset may not be reasonable based on estimates of future undiscounted cash flows. In the event of impairment, the asset is written down to its fair market value. Impairment of goodwill and write-downs, if any, are measured based on estimates of future undiscounted cash flows including interest charges. Assets to be disposed of are recorded at the lower of net book value or fair market value less cost to sell at the date management commits to a plan of disposal and are classified as assets held for sale on the consolidated balance sheet.

Goodwill, which represents the unamortized excess of purchase price over fair value of net identifiable assets acquired in business combinations, was amortized through March 31, 2002 using the straight-line method over periods of up to 30 years. As discussed below, the Company discontinued amortization of goodwill effective April 1, 2002. The Company reviews the carrying values and useful lives of goodwill and other long-lived assets if the facts and circumstances suggest that their recoverability may have been impaired.

Goodwill is stated net of accumulated amortization of $6.3 million at March 30, 2003 and March 31, 2002. The Company believes that no material impairment of goodwill or other long-lived assets exists at March 30, 2003.

Foreign Currency Translation: The assets and liabilities of the Company's Mexican subsidiary are translated into U.S. dollars at current exchange rates, and revenues and expenses are translated at average exchange rates. The effect of foreign currency transactions was not material to the Company's results of operations for fiscal years 2003, 2002 and 2001.

Provisions for Income Taxes: The provisions for income taxes include all currently payable federal, state and local taxes that are based upon the Company's taxable income and the change during the fiscal year in net deferred income tax assets and liabilities. The Company provides for deferred income taxes based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates that will be in effect when the differences are expected to reverse. Deferred tax assets have been reduced by a valuation allowance, if necessary, in the amount of any tax benefits that based on available evidence, are not expected to be realized.

Treasury Stock: In accordance with Georgia statutes and the Company's articles of incorporation, in fiscal 2001 treasury stock was retired and included in authorized but unissued shares.

Stock-Based Compensation: The Company accounts for stock option grants using the intrinsic value method and only issues stock options that have an exercise price that is equal to or more than the fair value of the underlying shares at the date of grant. Accordingly, no compensation expense is recorded in the accompanying statements of operations and comprehensive income (loss) with respect to stock option grants.

Segments and Related Information: In 1999, the Company adopted Statement of Financial Accounting Standards ("SFAS") 131, "Disclosures about Segments of an Enterprise and Related Information." This statement requires certain information to be reported about operating segments on a basis consistent with the Company's internal organizational structure. Management's analysis concluded that the Company operated in two operating segments, 1) adult home furnishings and juvenile products, and 2) infant products. Following the sale of the Adult Bedding and Bath division in July, 2001, the Company operates primarily in the infant products segment. Required disclosures have been made in Note 12.

Net Income (Loss) Per Share: Net income (loss) per share is calculated in accordance with SFAS 128, Earnings per Share, which requires dual presentation of basic and diluted earnings (loss) per share on the face of the income statement for all entities with complex capital structures. Earnings (loss) per common share are based on the weighted average number of shares outstanding during the period. Basic and diluted weighted average shares are calculated in accordance with the treasury stock method, which assumes that the proceeds from the exercise of all options are used to repurchase common shares at market value. The number of shares remaining after the exercise proceeds are exhausted represents the potentially dilutive effect of the options. There was no difference between basic and diluted weighted average common shares outstanding for fiscal year 2001. Common stock equivalents of 429,385 related to warrants held by the Company's lenders are excluded from the fiscal 2001 diluted loss per common share calculation because such are anti-dilutive. The

following table sets forth the computation of basic and diluted net income (loss) per common share for fiscal years 2003, 2002 and 2001.

<Table>
<Caption>

	2003	2002	2001
	(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
Basic Net Income (Loss) per Share:			
Net Income (Loss)	$ 2,487	$27,002	$(73,587)
Weighted Average Number of Shares Outstanding	9,421	9,167	8,609

Basic Net Income (Loss) per Share....................	$ 0.26	$ 2.95	$ (8.55)
	=======	=======	========
Diluted Net Income (Loss) per Share:			
Net Income (Loss)....................................	$ 2,487	$27,002	$(73,587)
	=======	=======	========
Weighted Average Number of Shares Outstanding........	9,421	9,167	8,609
Effect of Dilutive Securities........................	12,050	10,592	--
	-------	-------	--------
Average Shares - Diluted............................	21,471	19,759	8,609
	=======	=======	========
Diluted Net Income (Loss) per Share..................	$ 0.12	$ 1.37	$ (8.55)
	=======	=======	========

</Table>

Derivative Instruments and Hedging Activities: The Company accounts for derivative instruments and hedging activities in accordance with SFAS 133, Accounting for Derivative Instruments and Hedging Activities, which was adopted by the Company on April 2, 2001. Under SFAS 133, derivative instruments are recognized in the balance sheet at fair value and changes in the fair value of such instruments are recognized currently in earnings unless specific hedge accounting criteria are met. At March 30, 2003 and March 31, 2002 the Company had no derivative instruments.

Recently Issued Accounting Standards: In July 2001, the Financial Accounting Standards Board ("FASB") issued SFAS 141, Business Combinations, and SFAS 142, Goodwill and Other Intangible Assets. SFAS 141 requires business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting and eliminates the use of the pooling-of-interests method. The application of SFAS 141 did not affect any of the Company's previously reported amounts included in goodwill or other intangible assets. SFAS 142 requires that the amortization of goodwill cease prospectively upon adoption and instead, the carrying value of goodwill be evaluated using an impairment approach. Identifiable intangible assets will continue to be amortized over their useful lives and reviewed for impairment in accordance with SFAS 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of. SFAS 142 is effective for fiscal years beginning after December 15, 2001, and was implemented by the Company on April 1, 2002. Beginning in fiscal 2003, the Company discontinued amortizing goodwill but continued to amortize other long-lived intangible assets. The Company has performed a transitional fair value based impairment test on its goodwill in accordance with SFAS 142 and has determined that the fair value exceeded the recorded value at April 1, 2002. Following is a reconciliation of previously reported net income and basic and diluted net income per share to the amounts that would have been reported if SFAS 142 had been effective as of April 3, 2000 and the amortization of goodwill had been discontinued as of that date.

<Table>
<Caption>

	2003	2002	2001
	------	-------	--------
<S>	<C>	<C>	<C>
Reported net income (loss).............................	$2,487	$27,002	$(73,587)
Goodwill amortization..................................	--	1,054	1,099
	------	-------	--------
Adjusted net income (loss).............................	$2,487	$28,056	$(72,488)
	======	=======	========
Basic income (loss) per share:			
Reported net income (loss)...........................	$ 0.26	$ 2.95	$ (8.55)
Goodwill amortization................................	--	0.11	0.13
	------	-------	--------
Adjusted net income (loss)...........................	$ 0.26	$ 3.06	$ (8.42)
	======	=======	========
Diluted income (loss) per share:			
Reported net income (loss)...........................	$ 0.12	$ 1.37	$ (8.55)
Goodwill amortization................................	--	0.05	0.13
	------	-------	--------
Adjusted net income (loss)...........................	$ 0.12	$ 1.42	$ (8.42)
	======	=======	========

</Table>

In August 2001, the FASB issued SFAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Although SFAS 144 supersedes SFAS 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, it retains most of the concepts of that standard, except that it eliminates the requirement that goodwill be allocated to long-lived assets for impairment testing purposes and it requires that a long-lived asset to be abandoned or exchanged for a similar asset be considered held and used until it is disposed of (i.e., the depreciable life should be revised until the asset is actually abandoned or exchanged). Also, SFAS 144 includes the basic provisions of Accounting Principles Board ("APB") Opinion No. 30, Reporting the Results of Operations -- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, for presentation of discontinued operations in the income statement but broadens that presentation to include a component of an entity rather than a segment of a business, where that component can be clearly distinguished from the rest of the entity. SFAS 144 is effective for fiscal years beginning after December 15, 2001 and was implemented by the Company on April 1, 2002. The adoption of SFAS 144 did not have a significant effect on the Company's financial statements on the date of adoption.

In April 2002, the FASB issued SFAS 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections. SFAS 145 provides, among other things, that gains on the extinguishments of debt will generally no longer be classified as extraordinary items in the statements of operations. It also provides that gains on extinguishments be reclassified in prior years financial statements presented for comparative purposes. SFAS 145 is effective for fiscal years beginning after May 15, 2002 with earlier adoption encouraged. The Company adopted SFAS 145 effective July 1, 2002. The adoption of SFAS 145 required that a gain on debt refinancing of $25 million realized in the second quarter of fiscal 2002 be reclassified into income before extraordinary items.

In July 2002, the FASB issued SFAS 146, Accounting for Costs Associated with Exit or Disposal Activities, which was effective for transactions initiated after December 31, 2002. SFAS 146 requires companies to recognize costs associated with restructurings, discontinued operations, plant closings, or other exit or disposal activities, when incurred rather than at the date a plan is committed to. The adoption of FAS 146 did not have a material impact on the Company's consolidated financial statements on the date of adoption.

In December 2002, the FASB issued SFAS 148, Accounting for Stock-Based Compensation -- Transition and Disclosure, an amendment of FASB Statement No. 123. SFAS 148 amends FASB 123 to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, FASB 148 amends the disclosure requirements of FASB 123 to require prominent disclosures in both annual and interim financial statements about the method of

accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS 148 is effective for the Company's fiscal period ending March 30, 2003. Management adopted this standard on that date and determined that they would continue to utilize the intrinsic method of accounting and included the additional disclosures in the current year financial statements.

Reclassifications: Certain prior year financial statement balances have been reclassified to conform with the current year's presentation.

NOTE 3 -- DISCONTINUANCE OF CERTAIN BUSINESSES

During the first quarter of fiscal 2001, the Company sold surplus real property in North Carolina and Louisiana with net proceeds of $888,000 and a gain on sale of $466,000.

The Company completed the sale of the Wovens division on November 14, 2000 with proceeds of approximately $36.6 million (before selling expenses) compared to a book value of $42.2 million. The Wovens division had annual sales of approximately $61.4 million and $82.0 million in fiscal 2001 and 2000, respectively, and was included in the adult home furnishing and juvenile products segment. The Wovens division included the throws and decorative home accessories product group and part of the bedroom products group. The disposal was made as part of a plan to reduce debt and restructure the Company's operations. Included in the sale were inventory, buildings, machinery and equipment at sites in Calhoun, Dalton and Chatsworth, Georgia; Blowing Rock, North Carolina; and Manchester, New Hampshire. Details of the loss on sale are as follows:

	$ MILLION
Write-down of inventory to net realizable value	$2.9
Loss on sale of property, plant and equipment	2.7
Selling and other expenses	3.8
Total loss	$9.4

The write-down of inventory of approximately $2.9 million was included in cost of products sold. The loss on sale of property, plant and equipment and selling and other expenses were included in loss on disposition of assets. Selling and other expenses included costs for investment bankers, lawyers, and a special key employee retention program.

On June 14, 2001, the Company completed the sale of the Timberlake, North Carolina plant. Proceeds of $8.0 million were used to reduce debt. On July 17, 2001, the Roxboro, North Carolina outlet store was sold and the proceeds of $500,000 were used to reduce debt.

As part of the plan to reduce debt and restore profitability, the Company made a decision to exit the Adult Bedding and Bath business and its net assets related to that business of $12.4 million were sold effective July 23, 2001. Proceeds of the sale were $8.5 million cash plus the assumption of liabilities of $3.4 million as well as the assumption of certain contingent liabilities. Cash from the sale was used to reduce debt.

NOTE 4 -- RESTRUCTURING CHARGE

In December 2002, the Company adopted a formal plan to change its sourcing strategy for certain products and close the Mexican manufacturing facility operated by its majority-owned subsidiary, Burgundy Interamericana. This decision was based on extensive research by management which indicated that, due to lower wages and the elimination of the quota on bibs, outsourcing the supply of products currently manufactured by Burgundy to Asian manufacturers was more cost-effective and competitive than maintaining existing operations in Mexico. Under the plan, Burgundy will continue to operate through the first quarter of fiscal 2004, at which time the Company will begin to liquidate Burgundy's assets. As a result of the decision of

the Company to discontinue its Mexican operations, the Company recorded a $1.8 million restructuring charge to operations in the quarter ended December 29, 2002, which consists primarily of a write-down of the property and equipment at the Mexican facility of approximately $800,000, inventory items deemed to be in excess of production requirements of approximately $600,000, an accrual for contractual termination benefits of approximately $300,000 due Burgundy's entire workforce (approximately 130 employees) under the provisions of Mexico's labor regulations and the write-off of goodwill of approximately $60,000. The Company expects to pay approximately 65% of the severance benefits in the first quarter of fiscal 2004 and the remaining 35% in the second quarter of fiscal 2004. The Company will continue to charge the ongoing operating costs associated with Burgundy's production in the period in which the costs are incurred. As of March 30, 2003, the Company estimates the total cost of liquidation, including costs to be incurred to operate until closure, to be approximately $2.2 million.

NOTE 5 -- INVENTORIES

Major classes of inventory were as follows:

<Table>
<Caption>

	MARCH 30, 2003	MARCH 31, 2002
<S>	<C>	<C>
Raw materials	$ 2,991	$ 4,567
Work in process	1,411	1,280
Finished goods	11,146	10,604
	$15,548	$16,451

</Table>

Inventory is net of reserves for inventories classified as irregular or discontinued of $1.6 million at March 30, 2003 and $2.2 million at March 31, 2002.

NOTE 6 -- FINANCING ARRANGEMENTS

Factoring Agreement: The Company assigns the majority of its trade accounts receivable to a commercial factor. Under the terms of the factoring agreement, the factor remits payments to the Company on the average due date of each group of invoices assigned. The factor bears credit losses with respect to assigned accounts receivable that are within approved credit limits. The Company bears losses resulting from returns, allowances, claims and discounts. Factoring fees, which are included in marketing and administrative expenses in the consolidated statements of operations, were $492,000, $761,000 and $2.2 million, respectively, in 2003, 2002, and 2001. Factor advances were at $0 at both March 30, 2003 and March 31, 2002.

Notes Payable and Other Credit Facilities: At March 30, 2003 and March 31, 2002 , long term debt consisted of:

<Table>
<Caption>

	MARCH 30, 2003	MARCH 31, 2002
<S>	<C>	<C>
Promissory notes	$35,068	$38,000
Floating rate revolving credit facilities	1,799	5,542
Non-interest bearing notes	274	--
Original issue discount	(3,232)	(3,769)
	33,909	39,773
Less current maturities	3,014	3,000
	$30,895	$36,773

</Table>

At April 1, 2001, the Company had committed lines of credit totaling $30.2 million with two banks at a floating rate of interest which at April 1, 2000 was 12.0%. No fees or compensating balances were required

under those arrangements, and the lines were fully drawn at April 1, 2001. Annual average borrowings and weighted average interest rates under those arrangements were $43.5 million at 11.89% in 2001 and $52.9 million at 8.95% in 2000. The facilities were secured by substantially all of the Company's assets.

On July 23, 2001 the Company completed a refinancing of its debt. These credit facilities include the following:

Revolving Credit of up to $19 million including a $3 million sub-limit for letters of credit, of which $14.0 million was drawn at closing. The interest rate is prime plus 1.00% (5.25% at March 30, 2003) for base rate borrowings and LIBOR plus 2.75% (4.06% at March 30, 2003) for Euro-dollar borrowings. The maturity date is June 30, 2004. The facility is secured by a first lien on all assets. The balance was $1.8 million at March 30, 2003 and $5.5 million at March 31, 2002. The Company had $15.3 million available at March 30, 2003. As of March 30, 2003, letters of credit of $1.35 million were outstanding against the $3 million sub-limit for letters of credit associated with the $19 million revolving credit facility.

Senior Notes of $14 million with a fixed interest rate of 10% plus additional interest contingent upon cash flow availability of 3%. The maturity date is June 30, 2006 and the notes are secured by a first lien on all assets. Minimum principal payments of $500,000 are due at the end of each calendar quarter thereafter. In the event that required debt service exceeds 85% of free cash flow (EBITDA (as hereinafter defined) less capital expenditures and cash taxes paid), the excess of contingent interest and principal amortization over 85% will be deferred until maturity of the Senior Notes in June 2006. Contingent interest plus additional principal payments will be due annually up to 85% of free cash flow. On September 30, 2002, the Company made a payment to the lenders of $1.6 million related to excess cash flow. The Company anticipates that it will make another excess cash flow payment of $1.3 million on September 30, 2003.

Senior Subordinated Notes of $16 million with a fixed interest rate of 10% plus an additional 1.65% payable by delivery of a promissory note due July 23, 2007. The maturity date is July 23, 2007 and the notes are secured by a second lien on all assets. In addition to principal and interest, a payment of $8 million is due on the earliest of (i) maturity of the notes, (ii) prepayment of the notes, or (iii) sale of the Company. The original issue discount of $4.1 million on this non-interest bearing note at a market interest rate of 12% is being amortized over the life of the notes. The remaining balance of $3.2 million is included in the Consolidated Balance Sheet as of March 30, 2003.

These credit facilities contain covenants regarding minimum levels of Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"), maximum total debt to EBITDA, maximum senior debt to EBITDA, minimum EBITDA to cash interest, and minimum shareholders' equity. Certain covenants included in the credit facilities were amended in conjunction with the liquidation of Burgundy, as discussed in Note 4 to the Company's Consolidated Financial Statements, in order to account for the recording of the related restructuring charge. The bank facilities also place restrictions on the amounts the Company may expend on acquisitions and purchases of treasury stock and currently prohibit the payment of dividends.

Minimum annual maturities are as follows:

<Table>
<Caption>

(IN THOUSANDS)

FISCAL	REVOLVER	SENIOR NOTES	SUB NOTES	PIK NOTES	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
2004	$ --	$ 3,000	$ --	$ --	$ 3,000
2005	--	2,000	--	--	2,000
2006	--	2,500	--	--	2,500
2007	1,799	3,500	--	--	5,299
2008	--	--	24,000*	274	24,274
Total	$1,799	$11,000	$24,000	$274	$37,073

</Table>

- ---------------

* Includes $8 million non-interest bearing note issued at an original issue discount of $4.1 million.

As part of the refinancing, the Company issued to the lenders warrants for non-voting common stock that are convertible into common stock equivalent to 65% of the shares of the Company on a fully diluted basis at a price of 11.3 cents per share. The warrants are non-callable and expire in six years from their date of issuance. The value of the warrants of $2.4 million using the Black-Scholes option pricing model was credited to additional paid-in capital in the second quarter of fiscal 2002. The dilutive effect of these warrants on earnings per share for the fiscal periods ended March 30, 2003 and March 31, 2002 was $0.15 per share and $1.58 per share, respectively. Also in the second quarter of fiscal 2002, the Company recognized a gain of $25.0 million representing forgiveness of indebtedness income (net of $2.9 million of expenses incurred) in connection with the refinancing.

NOTE 7 -- INCOME TAXES

Income tax expense (benefit) is summarized as follows:

	2003	2002	2001
	(IN THOUSANDS)		
Current:			
Federal	$127	$(1,820)	$ 64
State and local	161	(60)	(31)
Total current	288	(1,880)	33
Deferred:			
Federal	(24)	--	--
State and local	--	--	(56)
Total deferred	24	--	(56)
Total expense (benefit)	$264	$(1,880)	$(23)

The tax effects of temporary differences that comprise the deferred tax liabilities and assets are as follows:

	2003	2002
	(IN THOUSANDS)	
Gross deferred income tax liabilities:		
Property, plant and equipment	$ 14	$ 35
Total gross deferred income tax liabilities	14	35
Gross deferred income tax assets:		
Employee benefit accruals	413	315
Accounts receivable reserves	731	697
Net operating loss carryforward	5,777	7,454
Accrued losses	519	747
Total gross deferred income tax assets	7,440	9,213
Deferred tax asset valuation allowance	(7,426)	(9,202)
Net deferred income tax liability	$ --	$ 24

======= =======
</Table>

As of March 30, 2003, the Company has federal income tax net operating loss carryforwards totaling $15.2 million which begin expiring in the year ending March 2021.

The following reconciles the income tax expense (benefit) at the U.S. federal income tax statutory rate to that in the financial statements:

<Table>
<Caption>

	2003	2002	2001
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Tax expense (benefit) at statutory rate...............	$ 936	$ 8,541	$(25,027)
Nondeductible amortization of goodwill................	--	284	286
State income taxes, net of Federal income tax benefit..	106	1,030	(2,637)
Valuation allowance..................................	(1,776)	(27,533)	26,334
Disposition of subsidiary............................	--	15,203	--
Foreign subsidiary losses............................	797	288	414
Other..	201	307	607
Income tax expense (benefit)..........................	$ 264	$ (1,880)	$ (23)

</Table>

NOTE 8 -- RETIREMENT PLANS

The Company maintained an Employee Stock Ownership Plan, which provided for annual contributions by the Company at the discretion of the Board of Directors for the benefit of eligible employees. Contributions could be made either in cash or in shares of the Company's common stock. Participation in the plan was open to all Company employees who were at least twenty-one years of age and who had been employed by the Company for at least one year. The Company recognized expense of $76,000 for its cash contributions to the plan in fiscal 2001. Effective April 1, 2001, the Employee Stock Ownership Plan was terminated.

Effective January 1, 1996, the Company established an Employee Savings Plan under Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees. In fiscal 2002, employees could elect to exclude up to 15% of their compensation from amounts subject to income tax as a salary deferral contribution. In fiscal 2003, the potential deferral was changed from 15% to a maximum of $11,000 in accordance with changes in federal regulations. The Board of Directors determines each calendar year the portion, if any, of employee contributions that will be matched by the Company. The Company's matching contribution to the plan including the utilization of forfeitures was approximately $156,000, $186,000, and

$553,000, respectively, for fiscal 2003, 2002, and 2001. This matching represents an amount equal to 100% of the first 2% and 50% of the next 1% contributed by the employee.

NOTE 9 -- STOCK OPTIONS

The Company accounts for its stock option plans using the intrinsic value method established by APB Opinion No. 25, "Accounting for Stock Issued to Employees", and its related interpretations. Accordingly, no compensation cost has been recognized in the Company's financial statements for its stock based compensation plans. The Company complies with the disclosure requirements of SFAS No. 123, "Accounting for Stock Based Compensation", which requires pro forma disclosure regarding net earnings and earnings per share determined as if the Company had accounted for employee stock options using the fair value method of that statement.

The Company's 1995 Stock Option Plan provides for the grant of non-qualified and incentive stock options to officers and key employees at prices no less than the market price of the stock on the date of each grant. It also provides for a fixed annual grant of 2,000 non-qualified stock options to each non-employee directors the day after each year's annual meeting of shareholders. Through April 1, 2001, non-employee directors had been issued a total of 54,000 options which were canceled effective with the sale of the Adult Bedding and Bath division in July, 2001. During each of fiscal years 2003 and 2002, 14,000 non-qualified options were issued to non-employee directors. One-third of the non-qualified options become exercisable on each of the first three anniversaries of their issuances and the options expire on the fifth anniversary of their issuance.

A total of 1,930,000 shares of common stock have been authorized for issuance under the plan. At March 30, 2003, 1,112,937 options were reserved for future issuance. The options outstanding at March 30, 2003 expire through August 28, 2012, have a weighted average remaining contractual life of 7.94 years, and include 188,219 options exercisable at March 30, 2003 with a weighted average exercise price of $2.39.

Options outstanding prior to and through the fiscal year ended March 31, 2002 also included options issued under the Company's 1976 Stock Option Plan, which was replaced by the 1995 Stock Option Plan. As of March 30, 2003, there were no options issued or outstanding under the 1976 Stock Option Plan.

The following table summarizes stock option activity during each of the most recent three fiscal years:

<Table>
<Caption>

	NUMBER OF SHARES	EXERCISE PRICE PER SHARE	WEIGHTED AVERAGE EXERCISE PRICE
<S>	<C>	<C>	<C>
Options outstanding, April 2, 2000............	2,171,073	2.31-18.75	7.96
Options granted...............................	487,162	0.47-2.00	1.17
Options canceled..............................	(1,321,274)	1.06-15.75	7.05
Options outstanding, April 1, 2001............	1,336,961	0.47-18.75	6.37
Options granted...............................	63,750	0.18-0.41	0.23
Options canceled..............................	(1,142,611)	0.47-18.75	6.69
Options outstanding, March 31, 2002...........	258,100	0.18-17.50	3.42
Options granted...............................	328,000	0.71	0.71
Options canceled..............................	(61,550)	0.18-17.50	7.18
Options outstanding, March 30, 2003...........	524,550	0.18-8.06	1.28

</Table>

The following table summarizes information about stock options outstanding and exercisable at March 30, 2003 by range of exercise price:

<Table>
<Caption>

RANGE OF EXERCISE PRICES	NUMBER OF OPTIONS OUTSTANDING	WEIGHTED AVG. REMAINING CONTRACTUAL LIFE	WEIGHTED AVG. EXERCISE PRICE OF OPTIONS OUTSTANDING	NUMBER OF SHARES EXERCISABLE	WEIGHTED AVG. EXERCISE PRICE OF SHARES EXERCISABLE
<S>	<C>	<C>	<C>	<C>	<C>
$0.18 - $0.41	58,000	7.19 years	$0.24	26,669	$0.22
0.71	305,000	9.18 years	0.71	--	--
1.06 - 2.31	130,650	7.14 years	1.49	130,650	1.49
8.06	30,900	0.42 years	8.06	30,900	8.06
	524,550			188,219	

Option holders may pay the option price of options exercised by surrendering to the Company shares of the Company's stock that the option holder has owned for at least six months prior to the date of such exercise. Option holders may also satisfy their required income tax withholding obligations upon the exercise of options by requesting the Company to withhold the number of otherwise issuable shares with a market value equal to such tax withholding obligation.

The weighted-average grant-date fair value of options granted in 2003, 2002, and 2001, respectively, was $0.25, $0.11, and $0.56 per share. For purposes of the pro forma disclosure, the fair value of each option was estimated as of the date of grant using the Black-Scholes option-pricing model and is amortized to expense ratably as the option vests. The following table summarizes the assumptions used to value options. Had compensation costs for the Company's stock option plans been determined based on the fair value at the grant date, consistent with the method under SFAS No. 123, the Company's net earnings and earnings per share would have been as indicated below:

(IN THOUSANDS, EXCEPT PER SHARE DATA)	2003	2002	2001
Net income (loss), as reported	2,487	27,002	(73,587)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	25	74	565
Pro forma net income	2,462	26,928	(74,152)
Earnings per share:			
Basic -- as reported	0.26	2.95	(8.55)
Basic -- pro forma	0.26	2.94	(8.61)
Diluted -- as reported	0.12	1.37	(8.55)
Diluted -- pro forma	0.11	1.36	(8.61)

(IN PERCENTAGES, EXCEPT EXPECTED LIFE)	2003	2002	2001
Dividend yield	--	--	--
Expected volatility	20	50	50
Risk free interest rate	4.2	2.5	6.1
Expected life, years	8.0	6.5	4.4

NOTE 10 -- MAJOR CUSTOMERS

The table below indicates customers representing more than 10% of sales.

	FISCAL YEAR: 2003	2002	2001

Toys R Us	31%	26%	13%
Wal-Mart Stores, Inc	30%	22%	16%
Target Corporation	10%	*	*
Federated Department Stores	*	*	14%

- ---------------

* Less than 10%.

NOTE 11 -- COMMITMENTS AND CONTINGENCIES

Lease Commitments: At March 30, 2003, the Company's minimum annual rentals under noncancelable operating leases, principally for warehousing and office facilities, were as follows:

FISCAL YEAR:	(IN THOUSANDS)
2004	$1,871
2005	1,252
2006	953
2007	372
2008	18
Thereafter	--
	$4,466

Total rent expense was $1.6 million, $2.3 million, and $4.5 million, respectively, for the years ended March 30, 2003, March 31, 2002, and April 1, 2001.

Certain of the Company's products are manufactured and sold pursuant to license arrangements that include, among others, Disney(R). The licensing agreements for the Company's designer brands generally are for a term at inception of one to six years, and may or may not be subject to renewal or extension. At March 30, 2003, the Company's minimum royalty guarantees were as follows:

FISCAL YEAR:	
2004	$2,438,000
2005	300,000
2006	180,000
	$2,918,000

The Company's total royalty expense, net of royalty income, was $6.5 million, $7.5 million, and $14.4 million, for fiscal 2003, 2002, and 2001, respectively.

NOTE 12 -- SEGMENT AND RELATED INFORMATION

The Company's principal segments include 1) adult home furnishing and juvenile products and 2) infant products. The adult home furnishing and juvenile products segment consists of bedroom and bath products (adult comforters, sheets and towels), throws and juvenile products (primarily Pillow Buddies(R)). The infant products segment consists of infant bedding, bibs, and infant soft goods. The Company tracks revenues and operating profit information for these two business segments. After the sale of the Adult Bedding and Bath division in July, 2001, the Company is primarily in the infant products segment.

The Company's manufacturing and distribution operations were also divided into adult home furnishing and juvenile and infant products. The Company's facilities in North Carolina (sold July, 2001) and Kentucky support adult home furnishing and juvenile products. The Company's facilities in Louisiana, California and Mexico support infant products. Assets, capital expenditures, depreciation and amortization are tracked for adult home furnishing and juvenile products as a whole and for infant products.

Financial information attributable to the Company's business segments for the years ended March 30, 2003, March 31, 2002, and April 1, 2001, is as follows:

	2003	2002	2001
	(IN THOUSANDS)		
NET SALES:			
Adult home furnishing products	$ 2,557	$ 23,227	$150,652
Infant & juvenile products	92,178	94,364	96,863
	$94,735	$117,591	$247,515
INCOME (LOSS) FROM OPERATIONS:			
Adult home furnishing products	$ (109)	$ (3,075)	$(62,671)
Infant & juvenile products	7,057	8,097	3,116
	$ 6,948	$ 5,022	$(59,555)
ASSETS:			
Adult home furnishing products	$ 2,013	$ 3,183	$ 30,436
Infant & juvenile products	55,913	57,017	60,242
	$57,926	$ 60,200	$ 90,678
CAPITAL EXPENDITURES:			
Adult home furnishing products	$ 1	$ --	$ 949
Infant & juvenile products	396	309	407
	$ 397	$ 309	$ 1,356
DEPRECIATION AND AMORTIZATION:			
Adult home furnishing products	$ 65	$ 195	$ 8,583
Infant & juvenile products	659	1,830	1,890
	$ 724	$ 2,025	$ 10,473

The key features used by decision makers are the level of operating income relative to revenues and assets. In addition, EBITDA is used as a key management tool.

Revenues for individual product groups within these business segments are summarized below.

	2003	2002	2001
Bedding & bath products	$ --	$ 19,937	$ 90,500
Throws	2,557	3,192	55,300
Infant and juvenile products	92,178	94,463	101,600
Other	--	--	115
	$94,735	$117,592	$247,515

CROWN CRAFTS, INC. AND SUBSIDIARIES

ANNUAL REPORT ON FORM 10-K
SELECTED QUARTERLY FINANCIAL INFORMATION

UNAUDITED QUARTERLY FINANCIAL INFORMATION

<Table>
<Caption>

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER(3)
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
<S>	<C>	<C>	<C>	<C>
FISCAL YEAR ENDED MARCH 30, 2003:				
Net sales..	$17,928	$28,399	$21,636	$26,772
Gross profit...	3,619	6,768	4,613	6,420
Net income (loss)(1)..................................	(693)	2,079	(991)	2,092
Basic net income (loss) per share.....................	(0.07)	0.22	(0.11)	0.22
Diluted net income (loss) per share...................	(0.07)	0.09	(0.11)	0.10
FISCAL YEAR ENDED MARCH 31, 2002:				
Net sales..	$38,699	$31,338	$23,869	$23,685
Gross profit...	7,524	7,734	5,241	5,429
Net income (loss)(2)..................................	(2,859)	27,119	736	2,006
Basic net income (loss) per share.....................	(0.32)	2.94	0.08	0.21
Diluted net income (loss) per share...................	(0.32)	1.21	0.03	0.10

</Table>

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(1) In the third quarter of fiscal year 2003, the Company recorded a restructuring charge of $1.8 million related to the closure of one of the Company's subsidiaries as discussed in Note 4, Restructuring Charge.

(2) In the second quarter of fiscal year 2002, the Company recorded a gain of $25 million related to the restructuring of debt on July 23, 2001 as discussed in Note 6, Financing Arrangements.

(3) The Company recorded an income tax benefit related to changes in the income tax law of $1.8 million in the fourth quarter of fiscal year 2002.

INDEX TO EXHIBITS

<Table>
<Caption>

NUMBER		DESCRIPTION OF EXHIBITS
<S>	<C>	<C>
2.1	--	Merger Agreement dated as of October 8, 1995 between and among the Company and CC Acquisition Corp, and Neal Fohrman and Stanley Glickman and The Red Calliope and Associates, Inc.(5)
2.2	--	Merger Agreement dated as of July 23, 2001 by and among the Company, Crown Crafts Designer, Inc., Design Works Holding Company and Design Works, Inc. (the "Merger Agreement").(9)
3.1	--	Second Amended and Restated Articles of Incorporation of the Company.(9)
3.2	--	Bylaws of the Company.(1)
3.3	--	Amendments to Bylaws dated March 23, 2001.(8)
4.1	--	Instruments defining the rights of security holders are contained in the Second Amended and Restated Articles of Incorporation of the Company.(1)
4.2	--	Instruments defining the rights of security holders are contained in Article II of the Restated Bylaws of the Company.(1)
4.3	--	Amendment No. 1 to Rights Agreement dated as of April 29, 2003 between the Company and Sun Trust Bank (successor by merger to Trust Company Bank), including the amended and

restated Summary of Rights to Purchase Common Shares
(Exhibit B).(12)
4.4 -- Form of Rights Agreement dated as of August 11, 1995 between the the Company and Trust Company Bank, including Form of Right Certificate and Summary of Rights to Purchase Common Shares.(2)
4.5 -- Form of Registration Rights Agreement entered into in connection with the Subordinated Note and Warrant Purchase Agreement dated as of July 23, 2001 by and among the Company, Wachovia Bank, N.A., as Agent, and Wachovia Bank, N.A., Bank of America, N.A., and The Prudential Insurance Company of America (the "Sub Debt Agreement")(included as Exhibit C to the Sub Debt Agreement).(9)
10.1 -- Crown Crafts, Inc. Non-Qualified Stock Option Plan.(4)
10.2 -- Philip Bernstein Death Benefits Agreement dated March 30, 1992.(3)
10.3 -- Description of Crown Crafts, Inc. Executive Incentive Bonus Plan.(3)
10.4 -- Crown Crafts, Inc. 1995 Stock Option Plan.(1)
10.5 -- Form of Nonstatutory Stock Option Agreement (pursuant to 1995 Stock Option Plan).(1)
10.6 -- Form of Nonstatutory Stock Option Agreement for Nonemployee Directors (pursuant to 1995 Stock Option Plan).(1)
10.7 -- Employment Agreement dated as of July 23, 2001 by and between the Company and E. Randall Chestnut.(9)
10.8 -- Employment Agreement dated as of July 23, 2001 by and between the Company and Amy Vidrine Samson.(9)
10.9 -- Form of Restricted Stock Agreement entered into in connection with the Merger Agreement.(9)
10.10 -- Credit Agreement dated as of July 23, 2001 by and among the Company, Wachovia Bank, N.A., as Agent, and Wachovia Bank, N.A., Bank of America, N.A., and The Prudential Insurance Company of America (the "Credit Agreement").(9)
10.11 -- Form of Revolving Note issued in connection with the Credit Agreement (included as Exhibit A-1 to the Credit Agreement).(9)
10.12 -- Form of Term Note issued in connection with the Credit Agreement (included as Exhibit A-2 to the Credit Agreement).(9)
10.13 -- Form of Domestic Stock Pledge Agreement entered into in connection with the Credit Agreement (included as Exhibit N to the Credit Agreement).(9)
10.14 -- Form of Foreign Stock Pledge Agreement entered into in connection with the Credit Agreement (included as Exhibit T to the Credit Agreement).(9)
10.15 -- Mortgage, Security Agreement and Fixture Financing Statement dated September 22, 1999 from Churchill Weavers, Inc. ("Churchill") to Wachovia, as Collateral Agent for the Lenders, as amended by that First Amendment to Mortgage, Security Agreement and Fixture Financing Statement dated July 23, 2001, entered into in connection with the Credit Agreement.(9)
</Table>

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<Caption>
NUMBER DESCRIPTION OF EXHIBITS
- ------ ----------------------
<S> <C> <C>
10.16 -- Sub Debt Agreement.(9)
10.17 -- Form of Note issued in connection with the Sub Debt Agreement (included as Exhibit A-1 to the Sub Debt Agreement).(9)
10.18 -- Form of Warrant issued in connection with the Sub Debt Agreement (included as Exhibit B to the Sub Debt Agreement).(9)
10.19 -- Form of Domestic Stock Pledge Agreement entered into in connection with the Sub Debt Agreement (included as Exhibit D to the Sub Debt Agreement).(9)
10.20 -- Form of Foreign Stock Pledge Agreement entered into in connection with the Sub Debt Agreement (included as Exhibit E to the Sub Debt Agreement).(9)
10.21 -- Form of Security Agreement entered into in connection with

the Sub Debt Agreement (included as Exhibit F to the Sub Debt Agreement).(9)

10.22 -- Mortgage, Security Agreement and Fixture Financing Statement dated July 23, 2001 from Churchill to Wachovia, as Collateral Agent for the Lenders, entered into in connection with the Sub Debt Agreement.(9)

10.23 -- Amended and Restated Security Agreement dated as of July 23, 2001 by and among the Borrowers and Wachovia, as Collateral Agent for the Lenders, entered into in connection with the Credit Agreement.(9)

10.24 -- Form of Non-Competition and Non-Disclosure Agreement entered into in connection with the Merger Agreement (included as Exhibit E to the Merger Agreement).(9)

10.25 -- License Agreement dated January 1, 1998 between Disney Enterprises, Inc. as Licensor and the Company as Licensee(6)

10.26 -- License Agreement dated May 11, 1998 between Calvin Klein, Inc. as Licensor, Crown Crafts Designer, Inc. (a wholly-owned subsidiary of the Company through July 23, 2001), and the Company as Guarantor.(6)

10.27 -- Crown Crafts, Inc. Key Employee Retention Payment Trust Agreement dated as of November 14, 2000 between the Company and Branch Banking & Trust Co.(10)

10.28 -- Second Amendment to Subordinated Note and Warrant Purchase Agreement dated as of February 10, 2003 by and among the Company, Banc of America Strategic Solutions, Inc. (assignee of Bank of America, N.A.), The Prudential Insurance Company of America and Wachovia Bank, National Association (successor by merger to Wachovia Bank, N.A.)(11)

10.29 -- Third Amendment to Credit Agreement dated as of February 10, 2003 by and among the Company, Churchill Weavers, Inc., Hamco, Inc., Crown Crafts Infant Products, Inc., Wachovia Bank, National Association (successor by merger to Wachovia Bank, N.A.), as Agent, and Wachovia Bank, National Association (successor by merger to Wachovia Bank, N.A.), Banc of America Strategic Solutions, Inc. (assignee of Bank of America, N.A.) and The Prudential Insurance Company of America, as Lenders(11)

10.30 -- Global Amendment Agreement dated as of April 29, 2003 by and among the Company, Churchill Weavers, Inc., Hamco, Inc., Crown Crafts Infant Products, Inc., Wachovia Bank National Association, Banc of America Strategic Solutions, Inc., The Prudential Insurance Company of America and Bank of America, N.A.(13)

10.31 -- Reserved Shares Agreement dated as of April 20, 2003 by and among the Company, Bank of America, N.A., The Prudential Insurance Company of America and Wachovia Bank, National Association(13)

10.32 -- Support Agreement dated as of May 7, 2003 by and between the Company and Wynnefield Capital Management, LLC(14)

10.33 -- Amendment to the Company's 1995 Stock Option Plan Adopted by the Board of Directors on April 29, 2003(15)

10.34 -- Employment Agreement dated as of July 23, 2001 by and between the Company and Nanci Freeman(15)

10.35 -- Amendment to Bylaws dated June 17, 2003(15)

21 -- Subsidiaries of the Company(15)

23 -- Consent of Deloitte & Touche LLP(15)

</Table>

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<Caption>

NUMBER	DESCRIPTION OF EXHIBITS
<S>	<C> <C>
99.1	-- Certification of the Company's Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(15)
99.2	-- Certification of the Company's Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(15)

</Table>

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(1) Incorporated herein by reference to Registrant's Quarterly Report on Form 10-Q for the quarter ended October 1, 1995.

(2) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated August 22, 1995.

(3) Incorporated herein by reference to Registrant's Annual Report on Form 10-K for the fiscal year ended March 28, 1993.

(4) Incorporated herein by reference to Registrant's Registration Statement on Form S-8, filed April 8, 1994. (Reg. No. 33-77558).

(5) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated November 13, 1995.

(6) Incorporated herein by reference to Registrant's Annual Report on Form 10-K for the fiscal year ended March 29, 1998.

(7) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated August 4, 1999.

(8) Incorporated herein by reference to Registrant's Annual Report on Form 10-K for the fiscal year ended April 1, 2001.

(9) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated July 23, 2001.

(10) Incorporated herein by reference to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001.

(11) Incorporated herein by reference to Registrant's Quarterly Report on Form 10-Q for the quarter ended December 29, 2002.

(12) Incorporated herein by reference to Registrant's Registration Statement on Form 8-A dated April 29, 2003.

(13) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated May 9, 2003.

(14) Incorporated herein by reference to Registrant's Current Report on Form 8-K dated May 9, 2003.

(15) Filed herewith.

EXHIBIT 10.33

AMENDMENT TO CROWN CRAFTS, INC. AMENDED 1995 STOCK OPTION PLAN

ADOPTED BY THE BOARD OF DIRECTORS
OF CROWN CRAFTS, INC. ON APRIL 29, 2003

1. Section 5.1 of the Crown Crafts, Inc. Amended 1995 Stock Option Plan (the "Plan") is hereby amended by replacing "1,930,000" with "1,000,000" in the first sentence thereof.

2. Except as amended hereby, the Plan shall remain in full force and effect.

* * * * *

EXHIBIT 10.34

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement"), is made and entered into as of July 23, 2001 by and among NANCI FREEMAN, a resident of the State of California ("Employee"), and Crown Crafts, Inc., a Georgia corporation ("Employer").

WITNESSETH:

WHEREAS, Employer and Employee each deem it necessary and desirable, for their mutual protection, to execute a written document setting forth the terms and conditions of their employment relationship;

NOW, THEREFORE, in consideration of the employment of Employee by Employer, of the premises and the mutual promises and covenants contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Employment and Duties. Employer hereby employs Employee to serve as President and Chief Executive Officer of CCIP, a wholly owned subsidiary of Employer and to perform such other duties and responsibilities as customarily performed by persons acting in such capacity. During the term of this Agreement, Employee will devote her full time and effort to her duties hereunder.

2. Term. Subject to the provisions regarding Termination as set forth in Section 10 of this Agreement, the period of Employee's employment under this Agreement shall be deemed to have commenced as of the date hereof and shall end on March 31, 2004 ("Initial Period") unless Employee dies before the end of the Initial Period, provided that the term of this Agreement shall after March 31, 2003 be extended automatically on the 1st day of each month for one additional month so that this Agreement shall always be for a full one-year period unless the Employer or the Employee shall affirmatively decide and notify the other to the contrary in writing of its or her intention that this Agreement shall not be so extended, in which event this Agreement shall terminate at the end of the one year period following such notice.

3. Compensation. For all services to be rendered by Employee during the term of this Agreement, Employer shall pay Employee in accordance with the terms set forth in Exhibit A,

net of applicable withholdings, payable in bi-weekly installments except all bonuses, if any, will be paid annually in July of each year.

4. Expenses. So long as Employee is employed hereunder, Employee is entitled to receive reimbursement for, or seek payment directly by Employer of, all reasonable expenses which are consistent with the normal policy of Employer in the performance of Employee's duties hereunder, provided that Employee accounts for such expenses in writing.

5. Employee Benefits. So long as Employee is employed hereunder, Employee shall be entitled to participate in the various employee benefit programs available to similarly-situated employees which are adopted by Employer from time to time.

6. Vacation. Employee shall be entitled to twenty (20) days annual vacation.

7. Confidentiality. In Employee's position as an employee of Employer, Employee has had and will have access to confidential information, trade secrets and other proprietary information of vital importance to Employer and has developed and will continue to develop relationships with customers, employees and others who deal with Employer which are of value to Employer. Employer requires, as a condition to Employee's employment with Employer, that Employee agree to certain restrictions on Employee's use of the proprietary information and valuable relationships developed during Employee's employment with Employer.

In consideration of the terms and conditions contained herein, the parties hereby agree as follows:

7.1 Employer and Employee mutually agree and acknowledge that Employer may entrust Employee with highly sensitive, confidential, restricted and proprietary information concerning various Business Opportunities (as hereinafter defined), customer lists, and personnel matters. Employee acknowledges that she shall bear a fiduciary responsibility to Employer to protect such information from use or disclosure that is not necessary for the performance of Employee's duties hereunder, as an essential incident of Employee's employment with Employer.

7.2 For the purposes of this Section 7, the following definitions shall apply:

7.2.1 "Trade Secret" shall mean the identity and addresses of customers of Employer, the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula or improvement that is valuable and secret (in the sense that it is not generally known to competitors of Employer) and which is defined as a "trade secret" under Georgia law pursuant to the Georgia Trade Secrets Act.

7.2.2 "Confidential Information" shall mean any data or information, other than Trade Secrets, which is material to Employer and not generally known by the public. Confidential Information shall include, but not be limited to, Business Opportunities of Employer (as hereinafter defined), the details of this Agreement, Employer's business plans and financial statements and projections, information as to the capabilities of Employer's employees, their respective salaries and benefits and any other terms of their employment and the costs of the services Employer may offer or provide to the customers it serves, to the extent such information is material to Employer and not generally known by the public.

7.2.3 "Business Opportunities" shall mean all activities of the type conducted, authorized, offered, or provided to the Employer by Employee prior to termination of her employment hereunder, including the duties performed by the Employee under Section 1, "Employment and Duties", of this Agreement. For purpose of reference, such activities as of the date of the commencement of this Agreement include the business of manufacturing, marketing and distribution of infant bedding, infant blankets, infant accessories, infant bibs, infant bath items and infant gift sets and the Employer's operations and activities related thereto.

7.2.4 Notwithstanding the definitions of Trade Secrets, Confidential Information, and Business Opportunities set forth above, Trade Secrets, Confidential Information, and Business Opportunities shall not include any information:

(i) that is or becomes generally known to the public;

(ii) that is already known by Employee or is developed by Employee after termination of employment through entirely independent efforts;

(iii) that Employee obtains from an independent source having a bona fide right to use and disclose such information;

(iv) that is required to be disclosed by law, except to the extent eligible for special treatment under an appropriate protective order; or

(v) that Employer's Board of Directors approves for release.

7.3 Employee shall not, without the prior approval of Employer's Board of Directors, during her employment with Employer and for so long thereafter as the information or data remain Trade Secrets, use or disclose, or negligently permit any unauthorized person who is not an employee of Employer to use, disclose, or gain access to, any Trade Secrets.

8. Observance of Security Measures. During Employee's employment with Employer, Employee is required to observe all security measures adopted to protect Trade Secrets, Confidential Information and Business Opportunities.

9. Return of Materials. Upon the request of Employer and, in any event, upon the termination of her employment with Employer, Employee shall deliver to Employer all memoranda, notes, records, manuals or other documents, including all copies of such materials containing Trade Secrets or Confidential Information, whether made or compiled by Employee or furnished to her from any source by virtue of her employment with Employer.

10. Termination.

10.1 During the term of this Agreement, Employee's employment may be terminated (i) at the election of Employer for Cause; (ii) at Employee's election for Good Reason; (iii) upon Employee's death; (iv) at the election of either party, upon Employee's disability resulting in an inability to perform the duties described in Section 1 of this Agreement for a period of 180 consecutive days; (v) as set forth in Section 13 of this Agreement; or (vi) by mutual written agreement of Employer and Employee.

10.2 Cause. For purposes of this Agreement, a termination of employment is for "Cause" if the Employee has been convicted of a felony or if the termination is evidenced by a resolution adopted in good faith by two-thirds (2/3) of the Board that the Employee (i) intentionally and continually failed substantially to perform her reasonably assigned duties with the Employer (other than a failure resulting from the Employee's incapacity due to physical or mental illness or from the Employee's assignment of duties that would constitute "Good Reason" as hereinafter defined) which failure continued for a period of at least thirty (30) days after a written notice of demand for substantial performance has been delivered to the Employee specifying the

manner in which the Employee has failed substantially to perform, or (ii) intentionally engaged in illegal conduct or gross misconduct which results in material economic harm to the Employer; provided, however, that no termination of the Employee's employment shall be for Cause as set forth in clause (ii) above until (x) there shall have been delivered to the Employee a copy of a written notice setting forth that the Employee was guilty of the conduct set forth in clause (ii) and specifying the particulars thereof in detail, and (y) the Employee shall have been provided an opportunity to be heard in person by the Board (with the assistance of the Employee's counsel if the Employee so desires). No act, or failure to act, on the Employee's part, shall be considered "intentional" unless the Employee has acted or failed to act with a lack of good faith and with a lack of reasonable belief that the Employee's action or failure to act was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of any senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. Any termination of the Employee's employment by the Employer hereunder shall be deemed to be a termination other than for Cause unless it meets all requirements of this Section 10.2

10.3 For purposes of this Agreement, "Good Reason" shall mean a good faith determination by the Employee, in the Employee's sole and absolute judgment, that any one or more of the following events or conditions has occurred, without the Employee's express written consent:

(i) The assignment to the Employee of any duties inconsistent with the Employee's position (including, without limitation, status, titles and reporting requirements), authority, duties or responsibilities, or any other action by the Employer that results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose isolated and inadvertent action not taken in bad faith and remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) A material reduction by the Employer of the Employee's base salary as the same may be increased from time to time, or a change in the eligibility requirements or performance

criteria under any bonus, incentive or compensation plan, program or arrangement under which the Employee is covered which adversely affects the Employee;

(iii) any failure to pay the Employee any compensation or benefits to which she is entitled within five (5) days of the date due;

(iv) the Employer's requiring the Employee to be based anywhere other than within fifty (50) miles of the Employee's job location, except for reasonably required travel on the Employer's business which is not materially increased;

(v) without replacement by a plan providing benefits to the Employee substantially equivalent to or greater than those discontinued, the failure by the Employer to continue in effect, within its maximum stated term, any pension, bonus, incentive, stock ownership, purchase, option, life insurance, health, accident disability, or any other employee benefit plan, program or arrangement, in which the Employee participates, or the taking of any action by the Employer that would adversely affect the Employee's participation or materially reduce the Employee's benefits under any of such plans;

(vi) the taking of any action by the Employer that would materially adversely affect the physical conditions in or under which the Employee performs her employment duties, provided that the Employer may take action with respect to such conditions so long as such conditions are at least commensurate with the conditions in or under which an officer of the Employee's status would customarily perform her employment duties;

(vii) the insolvency or the filing of a petition for bankruptcy by the Employer;

(viii) any purported termination of the Employee's employment for Cause by the Employer which does not comply with the terms of Section 10.2 hereof; or

(ix) any breach by the Employer of any material provision of this Agreement.

The Employee's right to terminate her employment pursuant to this Section 10.3 shall not be affected by her incapacity due to physical or mental illness.

10.4 If this Agreement is terminated either pursuant to Cause, Employee's death or Employee's disability, Employee shall receive no further compensation or benefits, other than Employee's salary and other compensation as accrued through the date of such termination.

10.5 If this Agreement is terminated at the Employer's election without Cause or at the election of Employee for Good Reason, Employee shall be entitled to those benefits to which Employee would be entitled if a Change in Control would have occurred as set forth in Section 13 hereof, and Employee shall be entitled to payment of her compensation, on a bi-weekly basis, during the Restricted Period, as defined in Section 12.1 hereof.

11. Notices. All notice provided for herein shall be in writing and shall be deemed to be given when delivered in person or deposited in the United States Mail, registered or certified, return receipt requested, with proper postage prepaid and addressed as follows:

Employer: Crown Crafts, Inc.
1500 RiverEdge Parkway
Suite 200
Atlanta, Georgia 30328
Attn: E. Randall Chestnut, President

with a copy to: Rogers & Hardin LLP
2700 Cain Tower
229 Peachtree Street
Atlanta, Georgia 30303
Attn: Steven E. Fox, Esquire

Employee: Nanci Freeman
3000 Via Alvarado
Palos Verdes Estates, CA 90274

with a copy to: Troutman Sanders LLP
600 Peachtree Street, NE
Suite 5200
Atlanta, Georgia 30308
Attn: Neal H. Ray, Esq.

12. Restrictive Covenants

12.1 For purposes of this Agreement, the following terms shall have the following respective meanings:

"Competing Business" means a business that, wholly or partly, directly or indirectly, engages in manufacturing, marketing and distribution of infant bedding, infant blankets, infant accessories, infant bibs, infant bath items or infant gift sets.

"Competitive Position" means: (A) Employee's direct or indirect equity ownership (excluding ownership of less than one percent (1%) of the outstanding common stock of any publicly held corporation) or control of any portion of any Competing Business; (B) Employee serving as a director, officer, consultant, lender, joint venturer, partner, agent, advisor or independent contractor of or to any Competing Business (except where Employee's duties would relate to divisions or activities which do not compete with the Employer); or (C) any employment arrangement between Employee and any Competing Business whereby Employee is required to perform services for the Competing Business substantially similar to those that Employee performed for the Employer.

"Restricted Territory" means the area within a 35 mile radius of the city limits of the cities listed on Schedule 12, attached hereto.

"Restricted Period" means a period of time that is one (1) year following termination of this Agreement.

12.2 Employee agrees that she will not, without the prior written consent of the Board, either directly or indirectly, alone or in conjunction with any other person or entity, accept, enter into or attempt to enter into a Competitive Position in the Restricted Territory at any time during her employment with the Employer and during the Restricted Period.

12.3 Employee agrees that she will not, without the prior written consent of the Board, either directly or indirectly, alone or in conjunction with any other person or entity, solicit, entice or induce any customer of the Employer (or any actively sought or prospective customer of the Employer) in which Employee had direct or indirect contact during the Term for or on behalf of any Competing Business in the Restricted Territory at any time during her employment with the Employer and during the Restricted Period.

12.4 Employee agrees that she will not, without the prior written consent of the Board, either directly or indirectly, alone or in conjunction with any other person or entity, solicit

or attempt to solicit any "key or material" employee, consultant, contractor or other personnel of the Employer in the Restricted Territory to terminate, alter or lessen that party's affiliation with the Employer or to violate the terms of any agreement or understanding between such employee, consultant, contractor or other person and the Employer at any time during her employment with the Employer or for a period of two years thereafter. For purposes of this subsection (d), "key or material" employees, consultants, contractors or other personnel shall mean those such persons or entities who have direct access to or have had substantial exposure to Confidential Information or Trade Secrets.

12.5 Notwithstanding any expiration or termination of the Term, the provisions of this Section 12 shall survive and remain in full force and effect, as shall any other provision hereof that, by its terms or reasonable interpretation thereof, sets forth obligations that extend beyond the termination of this Agreement.

13. Change in Control.

The benefits provided in this Section 13 shall be payable to Employee if: (i) there shall have been a Change in Control of Employer, as set forth in this Section 13, (ii) Employee is employed by Employer at such time, and (iii) this Agreement is not specifically assumed by the new Control Party with the Employee retaining the same responsibilities, job location and benefits other than job title.

13.1 "Change in Control" shall mean:

13.1.1 any transaction, whether by merger, consolidation, asset sale, tender offer, reverse stock split, or otherwise, which results in the acquisition or beneficial ownership (as such term is defined under rules and regulations promulgated under the Securities Exchange Act of 1934, as amended) by any person or entity or any group of persons or entities acting in concert, of 20% or more of the outstanding shares of common stock of Employer; provided, that, in determining whether a Change in Control has occurred, shares acquired by Bank of America, N.A., The Prudential Insurance Company of America and Wachovia Bank, N.A. pursuant to that certain Subordinated Note and Warrant Purchase Agreement dated as of July 23, 2001 shall not be included.

13.1.2 the sale of all or substantially all of the assets of Employer; or

13.1.3 the liquidation of Employer.

13.2 If there occurs a Change in Control of Employer, Employee shall be entitled within 90 days after the date of closing of the transaction effecting such Change in Control to deliver to Employer written notice of termination of this Agreement whereupon Employer shall pay to Employee a lump sum cash payment in an amount equal to the then current compensation and benefits, including salary, bonuses, all perquisites, and all other forms of compensation that would be remaining under the applicable terms of the Agreement then in effect for the greater of the remaining term of this Agreement or one (1) year. This payment shall be paid to Employee by Employer within 30 days after the delivery of such notice of termination by Employee to Employer.

14. Miscellaneous.

14.1 This Agreement, together with Exhibits A, B, C and Schedule 12, constitutes and expresses the whole agreement of the parties in reference to the employment of Employee by Employer, and there are no representations, inducements, promises, agreements, arrangements, or undertakings oral or written, between the parties other than those set forth herein.

14.2 This Agreement shall be governed by the laws of the State of Georgia.

14.3 Should any clause or any other provision of this Agreement be determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any clause or provision of this Agreement, all of which shall remain in full force and effect.

14.4 Time is of the essence in this Agreement.

14.5 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and assigns. This Agreement shall not be assignable by Employee without the prior written consent of Employer.

14.6 This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute but a single instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

<Table>
<S> <C>

"Employee"

/s/ DEBRA L. DUNNE /s/ NANCI FREEMAN (SEAL)
- -- -----------------------------------
Witness Nanci Freeman

ATTEST: "Employer"

CROWN CRAFTS, INC.

By: /s/ ROBERT A. ENHOLM /s/ E. RANDALL CHESTNUT
--- -----------------------------------

, Secretary President & CEO
-------------------------------- -----------------------------------
</Table>

(CORPORATE SEAL)

(STAMP)

11

Exhibit A
to Employment Agreement By and Between
Nanci Freeman and
Crown Crafts, Inc., Inc.

Employee Compensation

Capitalized terms used herein and not defined shall have the meanings set forth in the Employment Agreement.

BASE SALARY: $225,000 per year subject to annual increases of at least 5%.

LONG TERM INCENTIVES: Restricted Stock Grant for 150,000 shares of the Employer's Common Stock to be adjusted to maintain the Employee's ownership percentage upon exercise of warrants by Bank of America, N.A., The Prudential Insurance Company of America and Wachovia, N.A. and should Employee elect income tax treatment for such grant under Section 83(b) of the Internal Revenue Code, Employer to loan Employee 83(b) election costs to be repaid over three (3) year period by biweekly payroll deduction, interest free or such shorter period as mutually agreed by Employer and Employee; provided, however, that if such 150,000 shares are not granted (at no cost to Employee other than taxes) on or before the date of this Agreement, Employee may elect instead to receive a payment of $270,000, payable by Employer based on the Senior Management Compensation Strategy Report dated June 29, 2001 prepared by SCA Consulting which will be payable three years from the time when the stock should have been granted. This cash payment will vest 1/3 at the end of year one, 2/3 at the end of year two and be fully vested at the end of year three. In the event of Termination without Cause, this cash payment will vest 100% at the time of Termination and will become immediately payable.

BONUS: Payable each July, as follows for Fiscal Year 2002, and thereafter, based on a performance matrix established against budgets and approved by the Employer's Board of Directors. See Exhibit B and Exhibit C attached hereto.

<Table>
<Caption>

		Target Bonus											
	Salary	% of Salary	$ Amount	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Nanci Freeman	$225,000	40%	90,000	9,000	18,000	27,000	36,000	45,000	54,000	63,000	72,000	81,000	90,000

</Table>

AUTO ALLOWANCE: Cost of automobile and all operating expenses.

INSURANCE: Employee's and her dependents' hospitalization, dental, life insurance and 401(k) plans as adopted by the Employer's Board of Directors for similarly-situated employees of the Employer, subject to the terms of such plans.

SCHEDULE 12

1. Bentonville, Arkansas

2. Paramus, New Jersey

3. Troy, Michigan

4. Minneapolis, Minnesota

5. Burlington, New Jersey

6. New York, New York

7. Plano, Texas

8. Chicago, Illinois

EXHIBIT "B"

PROPOSED ANNUAL CASH PAY

THE PROPOSED ANNUAL BONUSES WILL BE DRIVEN BY EBITDA (see facing exhibit)

o Cash bonuses will be awarded based on Corporate or division EBITDA

  - At 90% of target EBITDA, the bonus is 5% of target maximum bonus

  - Above 91% of EBITDA, each additional 0.10% of EBITDA results in incremental 1.0% of bonus

o EBITDA targets for maximum bonuses are set higher than EBITDA levels shared with on April 20, 2001

o In FY2002, CCIP bonuses are calculated independently of Pillow Buddies. CCIP and Buddies are combined for all years thereafter

o Hamco and Burgundy are combined for purposes of calculating bonuses

o In FY2002, Corporate level bonuses will be based on performance from transaction (August 2001) through March 2002, which includes 8 months of corporate expenses and post-close transition expenses

  - Other business lines will be based on full fiscal year results without respect to corporate or transition expenses

EXHIBIT "C"

FY2002 BONUS STRUCTURE

<Table>
<Caption>

	CCIP (3)	HAMCO/ BURGUNDY (4)	CHURCHILL	PB (3)	CORP. (5)	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>
EBITDA - BONUS (1)	$ 6,553	$ 7,335	$ 637	$ 824	$ 8,209	$ 11,722
EBITDA - LENDERS (2)	$ 5,974	$ 7,135	$ 537	$ 624	$ 7,539	$ 10,643
TARGET BONUS POTENTIAL	$ 324	$ 89	$ 46	$ 0	$ 274	$ 733

</Table>

BONUS PAYOUTS

<Table>
<Caption>

% TARGET EBITDA	% BONUS (6)						TOTAL CASH BONUS PAYOUT	EBITDA BEFORE BONUS	EBITDA W/BONUS	EXCESS BONUS (7)
90%	5%	$ 16	$ 4	$ 2	$ 0	$ 14	$ 37	$ 10,187	$ 10,150	$ 37
91%	10%	$ 32	$ 9	$ 5	$ 0	$ 27	$ 73	$ 10,341	$ 10,267	$ 73
92%	20%	$ 65	$ 18	$ 9	$ 0	$ 55	$ 147	$ 10,494	$ 10,348	$ 147
93%	30%	$ 97	$ 27	$ 14	$ 0	$ 82	$ 220	$ 10,648	$ 10,428	$ 215
94%	40%	$ 130	$ 35	$ 18	$ 0	$ 110	$ 293	$ 10,801	$ 10,508	$ 135
95%	50%	$ 162	$ 44	$ 23	$ 0	$ 137	$ 366	$ 10,955	$ 10,588	$ 55
96%	60%	$ 195	$ 53	$ 27	$ 0	$ 164	$ 440	$ 11,108	$ 10,669	$ 0
97%	70%	$ 227	$ 62	$ 32	$ 0	$ 192	$ 513	$ 11,262	$ 10,749	$ 0
98%	80%	$ 260	$ 71	$ 37	$ 0	$ 219	$ 586	$ 11,415	$ 10,829	$ 0
99%	90%	$ 292	$ 80	$ 41	$ 0	$ 247	$ 659	$ 11,569	$ 10,909	$ 0
100%	100%	$ 324	$ 89	$ 46	$ 0	$ 274	$ 733	$ 11,722	$ 10,989	$ 0

</Table>

(1) 'EBITDA - Bonus' represents EBITDA targets for 100% bonus, which is set higher than EBITDA levels shared with lenders.

(2) 'EBITDA - Lenders' represents EBITDA levels shared with lenders on April 20, 2001.

(3) In FY2002 CCIP bonuses are calculated independently of Pillow Buddies. CCIP and Pillow Buddies combined all years thereafter.

(4) Hamco and Burgundy are combined for purposes of calculating bonuses.

(5) In FY2002, Corporate level bonuses will be based on performance from transaction close (August 2001) through March 2002, which includes 8 months of corporate expenses and all post-close transition expenses. Other business lines will be based on full fiscal year results without respect to corporate or transition expenses.

(6) Above 91% of EBITDA, each additional 0.10% of EBITDA will result in incremental 1.0% of bonus.

(7) Excess bonus relative to lenders' anticipated EBITDA level.

EXHIBIT 10.35

AMENDMENT TO BYLAWS OF CROWN CRAFTS, INC.

ADOPTED BY THE BOARD OF DIRECTORS
OF CROWN CRAFTS, INC. ON JUNE 17, 2003

1. The Bylaws of Crown Crafts, Inc. shall be amended by replacing the number "50" in the first sentence of Section 4 of Article V of such Bylaws with the number "70".

2. Except as amended hereby, the Bylaws of Crown Crafts, Inc. shall remain in full force and effect.

* * * * *

EXHIBIT 21

SUBSIDIARIES OF CROWN CRAFTS, INC.

Burgundy Interamericana S.A. de C.V.

Churchill Weavers, Inc.

Crown Crafts Infant Products, Inc.

Hamco, Inc.

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-64499 of Crown Crafts, Inc. and subsidiaries on Form S-8 of our report dated May 30, 2003, appearing in this Annual Report on Form 10-K of Crown Crafts, Inc. and subsidiaries for the year ended March 30, 2003.

/s/ Deloitte & Touche, LLP

New Orleans, Louisiana
June 13, 2003

EXHIBIT 99.1

SECTION 906 CERTIFICATION

I, E. Randall Chestnut, Chairman of the Board, President and Chief Executive Officer of Crown Crafts, Inc. (the "Company"), do hereby certify, in accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Annual Report on Form 10-K of the Company for the year ending March 30, 2003 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 17, 2003

/s/ E. Randall Chestnut

E. Randall Chestnut, Chairman of the Board,
President and Chief Executive Officer

EXHIBIT 99.2

SECTION 906 CERTIFICATION

I, Amy Vidrine Samson, Chief Financial Officer of Crown Crafts, Inc. (the "Company"), do hereby certify, in accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Annual Report on Form 10-K of the Company for the period ending March 30, 2003 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 17, 2003

/s/ Amy Vidrine Samson

Amy Vidrine Samson, Chief Financial Officer