

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

(X) QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 29, 2003

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 1-7604

CROWN CRAFTS, INC

(Exact name of registrant as specified in its charter)

Georgia 58-0678148

(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

916 South Burnside Avenue, Gonzales, Louisiana 70737

(Address of principal executive offices)

(225) 647-9100

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No []

The number of shares of common stock, \$1.00 par value, of the Registrant outstanding as of June 29, 2003 was 9,503,687.

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FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

PART 1 - FINANCIAL INFORMATION
ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
June 29, 2003 and March 30, 2003
(Unaudited)

<Table>
<Caption>

Dollar amounts in thousands	2003	June 29, 2003 *	March 30,
	-----	-----	
	<C>	<C>	
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		\$ 100	\$ 194
Accounts receivable (net of allowances of \$2,871 at June 29, 2003 and \$1,927 at March 30, 2003):			
Due from factor		10,995	14,472

Other	1,042	1,304
Inventories, net	18,759	15,548
Other current assets	1,154	1,114
	-----	-----
Total current assets	32,050	32,632
	-----	-----
PROPERTY, PLANT AND EQUIPMENT - AT COST:		
Land, buildings and improvements	1,849	1,920
Machinery and equipment	2,743	3,285
Furniture and fixtures	680	677
	-----	-----
	5,272	5,882
Less accumulated depreciation	3,383	3,644
	-----	-----
Property, plant and equipment - net	1,889	2,238
	-----	-----
OTHER ASSETS:		
Goodwill, net	22,974	22,974
Other	93	82
	-----	-----
TOTAL OTHER ASSETS	23,067	23,056
	-----	-----
TOTAL ASSETS	\$ 57,006	\$ 57,926
	=====	=====

</Table>

* The Consolidated Balance Sheet at March 30, 2003 has been derived from the audited balance sheet at that date.

See notes to unaudited condensed consolidated financial statements.

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Crown Crafts, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
June 29, 2003 and March 30, 2003
(Unaudited)

<Table>

<Caption>

Dollar amounts in thousands	June 29,	March 30,	
	2003	2003 *	
	-----	-----	
<S>	<C>	<C>	
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	\$ 4,924	\$ 4,524	
Accrued wages and benefits	1,415	1,413	
Accrued royalties	1,657	1,454	
Other accrued liabilities	1,320	1,361	
Current maturities of long-term debt	3,015	3,014	
	-----	-----	
Total current liabilities	12,331	11,766	
	-----	-----	
NON-CURRENT LIABILITIES:			
Long-term debt	29,457	30,895	
	-----	-----	
Total non-current liabilities	29,457	30,895	
	-----	-----	
COMMITMENTS AND CONTINGENCIES			
	--	--	
SHAREHOLDERS' EQUITY:			
Common stock - par value \$1.00 per share, 50,000,000 shares authorized			
Outstanding: 9,503,687 at June 29, 2003 and 9,421,437 at March 30, 2003		9,504	9,421
Additional paid-in capital	28,835	28,857	
Accumulated deficit	(23,102)	(22,988)	
Cumulative currency translation adjustment		(19)	(25)
	-----	-----	
Total shareholders' equity	15,218	15,265	
	-----	-----	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 57,006	\$ 57,926

</Table>

* The Consolidated Balance Sheet at March 30, 2003 has been derived from the audited balance sheet at that date.

See notes to unaudited condensed consolidated financial statements.

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Crown Crafts, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS)
For The Three-Month Periods Ended June 29, 2003 and June 30, 2002
(UNAUDITED)

<Table>

<Caption>

Amounts in thousands, except per share amounts	THREE MONTHS ENDED	
	June 29, 2003	June 30, 2002
	-----	-----
<S>	<C>	<C>
Net sales	\$ 18,465	\$ 17,928
Cost of products sold	14,304	14,309
	-----	-----
Gross profit	4,161	3,619
Marketing and administrative expenses	3,161	3,160
	-----	-----
Income from operations	1,000	459
Other income (expense):		
Interest expense	(1,035)	(1,173)
Other - net	1	43
	-----	-----
(Loss) before income taxes	(34)	(671)
Income tax expense	80	22
	-----	-----
Net (loss)	(114)	(693)
	-----	-----
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	6	(34)
	-----	-----
Comprehensive (loss)	\$ (108)	\$ (727)
	=====	=====
Basic (loss) per share	\$ (0.01)	\$ (0.07)
	=====	=====
Diluted (loss) per share	\$ (0.01)	\$ (0.07)
	=====	=====
Weighted average shares outstanding - basic	9,427	9,421
	=====	=====
Weighted average shares outstanding - diluted	9,427	9,421
	=====	=====

</Table>

See notes to unaudited condensed consolidated financial statements.

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Crown Crafts, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three-Month Periods ended June 29, 2003 and June 30, 2002
(UNAUDITED)

<Table>

<Caption>

(in thousands)	
June 29, 2003	June 30, 2002
-----	-----

<S>	<C>	<C>		
OPERATING ACTIVITIES:				
Net (loss)	\$	(114)	\$	(693)
Adjustments to reconcile net (loss) to net cash provided by operating activities:				
Depreciation of property, plant and equipment		145		243
Changes in assets and liabilities				
Accounts receivable, net		3,739		3,085
Inventories, net		(3,211)		(1,149)
Other current assets		(40)		777
Other assets		(11)		(208)
Accounts payable		400		(793)
Accrued liabilities		162		(710)
	-----		-----	
Net cash provided by operating activities		1,070		552
	-----		-----	
INVESTING ACTIVITIES:				
Capital expenditures		(35)		(141)
Proceeds from disposition of assets			240	--
Other		7		(34)
	-----		-----	
Net cash provided by (used in) investing activities		212		(175)
	-----		-----	
FINANCING ACTIVITIES:				
Payment of long-term borrowing		(10,111)		(11,472)
Long-term borrowing		8,674		11,165
Issuance of common stock		61		--
	-----		-----	
Net cash (used in) financing activities		(1,376)		(307)
	-----		-----	
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS				
			(94)	70
Cash and cash equivalents at beginning of period		194		388
	-----		-----	
CASH AND CASH EQUIVALENTS AT END OF PERIOD			\$ 100	\$ 458
	=====		=====	
SUPPLEMENTAL CASH FLOW INFORMATION:				
Income taxes paid (refunded)	\$	(21)	\$	54
Interest paid		770		869

</Table>

See notes to unaudited condensed consolidated financial statements.

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CROWN CRAFTS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT AND FOR THE THREE-MONTH PERIODS ENDED JUNE 29, 2003 AND JUNE 30, 2002

1. **Basis of Presentation:** The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to interim financial information and the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, such interim consolidated financial statements contain all adjustments necessary to present fairly the financial position of Crown Crafts, Inc. (the "Company") as of June 29, 2003 and the results of its operations and cash flows for the three-month periods ended June 29, 2003 and June 30, 2002. Such adjustments include normal recurring accruals. Operating results for the three-month periods ended June 29, 2003 are not necessarily indicative of the results that may be expected for the year ending March 28, 2004. For further information, refer to the consolidated financial statements and footnotes thereto included in the annual report on Form 10-K for the year ended March 30, 2003 of the Company.

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. Actual results could differ from those estimates.

Recently Issued Accounting Standards: 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. The Company 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.

2. Segment and Related Information: The Company's principal segments include adult home furnishing products, consisting primarily of hand-woven throws, and infant and juvenile products, consisting of infant bedding, bibs, infant soft goods and juvenile products (primarily Pillow Buddies(R)). Financial information attributable to the Company's business segments for the three-month periods ended June 29, 2003 and June 30, 2002 was as follows (in thousands):

<Table>
<Caption>

	Three Months Ended	
	June 29, 2003	June 30, 2002
	-----	-----
<S>	<C>	<C>
NET SALES		
Adult home furnishing products	\$ 416	\$ 531
Infant & juvenile products	18,049	17,397
	-----	-----
Total	\$ 18,465	\$ 17,928
	=====	=====
OPERATING INCOME (LOSS)		
Adult home furnishing products	\$ (71)	\$ (54)
Infant & juvenile products	1,071	513
	-----	-----
Total	\$ 1,000	\$ 459
	=====	=====

</Table>

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3. Inventory: Major classes of inventory were as follows (in thousands):

<Table>
<Caption>

	June 29, 2003	March 30, 2003
	-----	-----
<S>	<C>	<C>
Raw materials	\$ 3,097	\$ 2,991
Work in process	817	1,411
Finished goods	14,845	11,146
	-----	-----
	\$ 18,759	\$ 15,548
	=====	=====

</Table>

Inventory is net of reserves for inventories classified as irregular or discontinued of \$1.0 million and \$1.6 million at June 29, 2003 and March 30, 2003, respectively.

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 ("Burgundy"). 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 continued to operate through the first quarter of fiscal 2004, at which time the Company began 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 consisted 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 paid approximately \$129,000 of the severance benefits in the first quarter of fiscal 2004 and will pay the remainder through October 2003. The Company continued to charge the ongoing operating costs associated with Burgundy's production in the period in which the costs were incurred. The Company incurred a loss of approximately \$85,000 related to the operation and closure of this facility for the three-month period ended June 29, 2003, at which time the closure was substantially complete.

5. 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, which expires July 2005, 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.

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Notes Payable and Other Credit Facilities: At June 29, 2003 and March 30, 2003, long-term debt consisted of:

<Table>
<Caption>

	June 29, 2003	March 30, 2003		June 29, 2003	March 30, 2003
	-----	-----		-----	-----
	<C>	<C>		<C>	<C>
Promissory notes	\$ 34,565	\$ 35,068			
Floating rate revolving credit facilities	721	1,799			
Non-interest bearing notes		274			274
Original issue discount		(3,088)			(3,232)
	-----	-----		-----	-----
	32,472	33,909			
Less current maturities		3,015		3,014	
	-----	-----		-----	-----
	\$ 29,457	\$ 30,895			
	=====	=====			

</Table>

At June 29, 2003, the Company's credit facilities include the following:

Revolving Credit of up to \$19 million including a \$3 million sub-limit for letters of credit. The interest rate is prime plus 1.00% (5.00% at June 29, 2003) for base rate borrowings and LIBOR plus 2.75% (3.77% at June 29, 2003) for Euro-dollar borrowings. The maturity date is June 30, 2005. The facility is secured by a first lien on all assets. The balance was \$0.7 million at June 29, 2003. The Company had \$13.3

million available at June 29, 2003. As of June 29, 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 \$10.5 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. The Company anticipates that it will make an excess cash flow payment of \$1.4 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 \$3.1 million is included in the Consolidated Balance Sheet as of June 29, 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, in order to account for the recording of the related restructuring charge. The Company is in compliance with its covenants at June 29, 2003. 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	\$ --	\$ 2,500	\$ --	\$ --	\$ 2,500
2005	--	2,000	--	--	2,000
2006	721	2,500	--	--	3,221
2007	--	3,500	--	--	3,500
2008	--	--	24,000 *	274	24,274
Total	\$ 721	\$ 10,500	\$ 24,000	\$ 274	\$ 35,495

</Table>

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

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As part of its refinancing on July 23, 2001, the Company issued to the lenders warrants for non-voting common stock that are convertible into common stock equivalent to approximately 65% of the shares of the Company on a fully diluted basis at a price of 11.3 cents per share. The warrants are exercisable, non-callable and expire 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.

6. 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", as amended by SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure", 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.

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 loss and loss per share would have been as indicated below:

<Table>

<Caption>

	(in thousands, except per share data)	June 29, 2003	June 30, 2002
		-----	-----
		<C>	<C>
Net (loss), as reported		\$ (114)	\$ (693)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards		(10)	(1)
		-----	-----
Pro forma net (loss)		\$ (124)	\$ (694)
		=====	=====
(Loss) per share:			
Basic - as reported		\$ (0.01)	\$ (0.07)
Basic - pro forma		(0.01)	(0.07)
Diluted - as reported		(0.01)	(0.07)
Diluted - pro forma		(0.01)	(0.07)

</Table>

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THREE-MONTH PERIOD ENDED JUNE 29, 2003 COMPARED TO THE THREE-MONTH PERIOD ENDED JUNE 30, 2002

Total net sales for the first quarter of fiscal year 2004 increased \$537,000, or 3.0%, to \$18.5 million from \$17.9 million for the first quarter of fiscal year 2003. Net sales of throws decreased \$115,000, or 21.6%, to \$416,000 because sales volumes of high-end luxury throws have been negatively impacted by the recent downturn in the economy. Net sales of infant and juvenile products increased \$652,000, or 3.7%, to \$18.0 million due to an increase in the number of SKUs placed with customers.

During the first quarter of fiscal year 2004, cost of sales decreased to 77.5% of net sales from 79.8% for the same period in fiscal year 2003. The increase in infant products' gross margin is attributable to improvements in global sourcing as the Company has moved additional production to Asia.

Marketing and administrative expenses decreased by \$6,000, or 0.03%, in the current year quarter compared to the same quarter in the prior fiscal year and were 17.1% of net sales for the current quarter compared to 17.6% for the corresponding quarter of the prior year. Savings in labor and commissions expenses were offset by costs related to the liquidation of Burgundy Interamericana of approximately \$139,000.

Income tax expense for the quarter ended June 29, 2003 includes a provision for federal alternative minimum taxes and state and local income taxes of \$80,000. For the quarter ended June 30, 2002, the Company recorded income tax expense of \$22,000 related to estimated state and local taxes.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was \$1.1 million for the quarter ended June 29, 2003 compared to net cash provided by operating activities of \$0.6 million for the quarter ended June 30, 2002. Net cash provided by investing activities was \$0.2 million compared to net cash used in investing activities of \$0.2 million in the prior year period. Net cash used in financing activities increased to \$1.4 million compared to net cash used in financing activities of \$0.3 million in the prior year period, due to reductions in outstanding debt.

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 for the foreseeable future.

To reduce its exposure to credit losses and to enhance its cash flow, the Company factors the majority of its trade accounts receivable. The Company's factor establishes customer credit lines and accounts for and collects receivable balances. The factor remits payment to the Company on the average due dates of the factored invoices. The factor assumes all responsibility for credit losses on sales within approved credit lines, but may deduct from its remittances to the Company the amounts of customer deductions for returns, allowances, disputes 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.

FORWARD-LOOKING INFORMATION

This Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current expectations, projections, estimates and assumptions. Words such as "expects," "believes," "anticipates" and variations of such words and similar expressions identify such forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause future results to differ materially from those suggested by the forward-looking statements. These risks include, among others, general economic conditions, 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, and the Company's dependence upon licenses from third parties.

ITEM 3 - 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, \$0.7 million of which was outstanding at June 29, 2003 compared to \$1.8 million at March 30, 2003. Each 1.0 percentage point increase in interest rates would impact pretax earnings by \$7,000 at the debt level of June 29, 2003 and \$18,000 at the debt level of March 30, 2003. The exposure to commodity price risk primarily relates to changes in the price of cotton, which is a principal raw material used 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 product for the Company with a value of approximately \$4.5 million. The Company's investment in the subsidiary was approximately \$2.7 million at March 30, 2003. In December 2002, the Company adopted a formal plan to terminate operations at this facility.

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ITEM 4 - 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 such term is 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 quarterly 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 II - OTHER INFORMATION

Item 1 - 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 2 - Changes in Securities and Use of Proceeds

None

Item 3 - Defaults Upon Senior Securities

None

Item 4 - Submission of Matters to a Vote of Security Holders

None

Item 5 - Other Information

None

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits

- 10.1 Fourth Amendment to Subordinated Note and Warrant Purchase Agreement dated as of August 1, 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.)
- 10.2 Fifth Amendment to Credit Agreement dated as of August 1, 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
- 10.3 Amended and Restated Support Agreement dated as of August 6, 2003 by and between the Company and Wynnefield Capital Management, LLC
- 31.1 Certification of the Company's Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of the Company's Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of the Company's Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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32.2 Certification of the Company's Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K

The Company filed the following Current Reports on Form 8-K during the quarter ended June 29, 2003:

- (1) The Company's Current Report on Form 8-K filed with the SEC on May 9, 2003, setting forth under Item 5 of such report Global Amendment Agreement by and among the Company, its subsidiaries and its lenders and a Reserved Shares Agreement by and among the Company and its lenders.
- (2) The Company's Current Report on Form 8-K filed with the SEC on May 9, 2003, setting forth under Item 5 of such report a Support Agreement by and between the Company and Wynnefield Capital Management, LLC.
- (3) The Company's Current Report on Form 8-K filed with the SEC on June 19, 2003, setting forth under Item 9 of such report a press release discussing the Company's fourth quarter and year-end earnings for the period ended March 30, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CROWN CRAFTS, INC.

Date: August 13, 2003 /s/ Amy Vidrine Samson

AMY VIDRINE SAMSON
Chief Financial Officer
(duly authorized signatory and
Principal Financial and Accounting
Officer)

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Index to Exhibits

<Table>

<Caption>

Exhibit

Number Description

<S> <C>

10.1 Fourth Amendment to Subordinated Note and Warrant Purchase Agreement dated as of August 1, 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.)

10.2 Fifth Amendment to Credit Agreement dated as of August 1, 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

- 10.3 Amended and Restated Support Agreement dated as of August 6, 2003 by and between the Company and Wynnefield Capital Management, LLC
- 31.1 Certification of the Company's Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of the Company's Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification of the Company's Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification of the Company's Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

</Table>

EXHIBIT 10.1

FOURTH AMENDMENT
OF
SUBORDINATED NOTE AND WARRANT PURCHASE AGREEMENT

This Fourth Amendment, dated effective as of August 1, 2003, by and among CROWN CRAFTS, INC. (the "COMPANY"), and 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.) (collectively, the "PURCHASERS").

WHEREAS, the parties hereto have executed and delivered that certain Subordinated Note and Warrant Purchase Agreement dated as of July 23, 2001, as amended by First Amendment of Subordinated Note and Warrant Purchase Agreement dated as of September 28, 2001, Second Amendment of Subordinated Note and Warrant Purchase Agreement dated as of February 10, 2003 and Global Amendment Agreement dated as of April 29, 2003 (as so amended, the "PURCHASE AGREEMENT");

WHEREAS, the Company has requested a modification of, among other things, the covenants under the Purchase Agreement;

WHEREAS, the Purchasers are willing to enter into this Amendment subject to the satisfaction of conditions and terms set forth herein;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Purchase Agreement; and

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AMENDMENTS TO PURCHASE AGREEMENT.

IA. SECTION 1.01 OF THE PURCHASE AGREEMENT. Section 1.01 of the Purchase Agreement is amended by deleting the definitions of "Foreign Stock Pledge Agreement" and "Obligations" and substituting the following therefor

"Foreign Stock Pledge Agreement" shall mean, collectively, (i) the Foreign Stock Pledge Agreement, substantially in the form of Exhibit E, executed by the Company (and, pursuant to Section 7.07, any other Obligor creating or acquiring a Direct Foreign Subsidiary), and (ii) and if requested by the Required Holders, any pledge or other agreement which may be required pursuant to applicable law in the jurisdiction in which a Direct Foreign Subsidiary is located, in each case to be executed and delivered by the Company and each other Obligor which owns any Direct Foreign Subsidiaries, pledging to the agent pursuant thereto, for the ratable benefit of the Required Holders subject to the Lien of the Senior Lenders, 65% of the capital stock of all Direct Foreign Subsidiaries, to secure the payment of all of the Obligations, as any of the foregoing may be amended or supplemented from time to time.

"Obligations" shall mean all Debts, indebtedness, liabilities, covenants, duties and other obligations of the Obligors: (i) to the Collateral Agent, any of the Purchasers, or any of their respective successors, permitted transferees or permitted assigns, included or arising from time to time under this Agreement or any other Transaction Document, whether evidenced by any note or other writing, whether arising from the extension of credit, opening of a letter of credit, acceptance or loan guaranty, including, without limitation, principal, interest, Yield-Maintenance Amount, fees, costs, attorney's fees and indemnification amounts and any and all extensions or renewals thereof in whole or in part, direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several; (ii) to any Purchaser or Affiliate thereof arising under any Interest Rate Protection Agreement with any such Purchaser or Affiliate, including, without limitation, any premature termination or breakage or other costs with respect thereto; (iii) to any Purchaser and its Affiliates, arising in connection with any banking or related transactions, services or functions provided to the Company in connection with the

conduct of the Company's business (excluding extensions of credit giving rise to any Debt for money borrowed not related to this Agreement or any of the other Transaction Documents).

IB. SECTION 8.01(a) OF THE PURCHASE AGREEMENT. Section 8.01(a) of the Purchase Agreement is amended by deleting it in its entirety and substituting the following therefor:

(a) Minimum EBITDA. Consolidated EBITDA shall not be less than, for each Fiscal Quarter set forth below and the 3 immediately preceding Fiscal Quarters, the amount set forth below corresponding to such Fiscal Quarter:

<TABLE>
<CAPTION>

FISCAL QUARTER ENDING	MINIMUM EBITDA
<S> December 29, 2002 through March 28, 2004	<C> \$6,885,000
June 27, 2004 through March 27, 2005	\$7,000,000
June 26, 2005 through April 2, 2006	\$7,200,000
July 2, 2006 and each Fiscal Quarter thereafter	\$7,400,000

</TABLE>

IC. SECTION 2.04 OF THE PURCHASE AGREEMENT. Section 2.04 of the Purchase Agreement is amended by deleting it in its entirety and substituting the following therefor:

SECTION 2.04. INTEREST ON THE NOTE.

(i) RATE AND PAYMENT. Interest shall accrue at a rate per annum equal to 10% payable in immediately available funds and 1.65% payable by delivery on July 31 of each year of a promissory note in substantially the form of Exhibit A-2 hereto (a "PIK NOTE"). Interest at the rate of 10% shall be payable (i) on the last Business Day of each calendar month, commencing on July 31, 2001 and continuing thereafter until the Notes have been paid in full, (ii) upon any prepayment of any Note to the date of prepayment on the amount prepaid, and (iii) at maturity of the Note, whether by acceleration or otherwise. Notwithstanding anything else contained in this Section 2.04(a), the Company shall make payments with respect to the Notes in immediately available funds at such times and in such minimum amounts as are necessary for the Notes not to have "significant original issue discount" as that term is defined in Section 163(i) of the Code. For this purpose,

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the issue price of the Notes shall be computed by assuming that the fair market value of the Warrant is as set forth on the Purchaser Schedule hereto.

(ii) DEFAULT RATE. After maturity, whether by acceleration or otherwise, interest shall accrue on the Notes at the Default Rate set forth in Section 3.05 below, all of which shall be paid in immediately available funds.

ID. SECTION 8.01(b) OF THE PURCHASE AGREEMENT. Section 8.01(b) of

the Purchase Agreement is amended by deleting it in its entirety and substituting the following therefor:

(b) Debt/EBITDA Ratio. The Debt/EBITDA Ratio will not exceed, at the end of each Fiscal Quarter set forth below, calculated as to Debt as of such Fiscal Quarter and calculated as to Consolidated EBITDA for such Fiscal Quarter and the 3 immediately preceding Fiscal Quarters, the ratio set forth below corresponding to such Fiscal Quarter :

<TABLE>
<CAPTION>

FISCAL QUARTER ENDING	MAXIMUM DEBT/EBITDA RATIO
<S> December 29, 2002 through March 28, 2004	<C> 4.75 to 1.00
June 27, 2004 through September 26, 2004	4.25 to 1.00
December 26, 2004 through March 27, 2005	4.00 to 1.00
June 26, 2005 through September 25, 2005	3.75 to 1.00
December 25, 2005 through July 2, 2006	3.50 to 1.00
October 1, 2006 through December 31, 2006	3.25 to 1.00
April 1, 2007 and each Fiscal Quarter thereafter	3.00 to 1.00

</TABLE>

2. CONDITIONS OF EFFECTIVENESS. This Amendment shall be effective as of August 1, 2003 (the "EFFECTIVE DATE"), upon the satisfaction of the following conditions:

(a) the Purchasers shall have received executed originals of this Amendment and the Fifth Amendment, satisfactory to the Required Holders in all respects, to the Credit Agreement, dated as of July 23, 2001, among the Company, Churchill Weavers, Inc., Hamco, Inc. and Crown Crafts Infant Products, Inc., as borrowers, 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

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lenders, each agreement being dated the Effective Date, in form and substance satisfactory to the Purchasers.

(b) The Company shall have paid all costs and expenses (including attorney's fees and expenses) incurred by any Purchaser through the Effective Date, pursuant to statements submitted to the Company (which statements may include estimates of time and expenses to be incurred on and after the dates of posting of actual time and expenses set forth therein, which estimated amounts shall be subject to subsequent adjustment to reflect actual time and expenses subsequently posted).

(c) The representations and warranties contained herein shall be true on and as of the date hereof; there shall exist on the date hereof, after giving effect to this Amendment, no Event

of Default or Default; there shall exist no material adverse change in the business, properties, prospects, operations or condition, financial or otherwise, of the Company or its Subsidiaries since March 31, 2003 other than as reported by the Company in its quarterly reports on Form 10-Q filed with the Securities and Exchange Commission for quarterly periods subsequent to March 31, 2003; and the Company shall have delivered to the Purchasers a certificate signed by a senior officer of the Company to such effect.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS.

- (a) The Company hereby restates and renews each of the representations and warranties made by it in the Purchase Agreement, as amended hereby, as though made on and as of the date hereof, with each reference therein to "this Agreement", "hereof", "hereunder", "thereof", "thereunder" and words of like import being deemed to be a reference to the Purchase Agreement as amended hereby.
- (b) The Company further represents and warrants as follows:
 - (i) The execution, delivery and performance by the Company of this Amendment are within its corporate powers, have been duly authorized by all necessary corporate action and do not contravene (A) its charter or by-laws, (B) law or (C) any legal or contractual restriction binding on or affecting the Company; and such execution, delivery and performance do not or will not result in or require the creation of any Lien upon or with respect to any of the properties of the Company or any of its Subsidiaries.
 - (ii) No governmental approval is required for the due execution, delivery and performance by the Company of this Amendment, except for such governmental approvals as have been duly obtained or made and which are in full force and effect on the date hereof and not subject to appeal.
 - (iii) Each of this Amendment and the Notes constitutes the legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms.

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- (iv) There are no pending or threatened actions, suits or proceedings affecting the Company or any of its Subsidiaries or the properties of the Company or any of its Subsidiaries before any court, governmental agency or arbitrator, that may, if adversely determined, materially adversely effect the financial condition, properties, business, operations or prospects of the Company and its Subsidiaries, considered as a whole, or affect the legality, validity or enforceability of the Purchase Agreement, as amended by this Amendment.

4. MISCELLANEOUS.

4A. REFERENCE TO AND EFFECT ON THE PURCHASE AGREEMENT. (a) Upon the effectiveness of this Amendment, on and after the date hereof each reference in the Purchase Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Purchase Agreement, and each reference in any other document to "the Purchase Agreement", "thereunder", "thereof" or words of like import referring to the Purchase Agreement, shall mean and be a reference to the Purchase Agreement, as amended hereby.

(b) Except as specifically amended above, the Purchase Agreement, and all other related documents, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any holder of a Note under the Purchase Agreement or the Notes, nor constitute a waiver of any provision of any of the foregoing.

4B. COSTS AND EXPENSES. The Company agrees to pay on demand all costs and expenses incurred by the Purchasers or any other holder of a Note in connection with the preparation, execution and delivery of this Amendment, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel. The Company further agrees to pay on demand all costs and expenses, if any (including, without limitation, reasonable counsel fees and expenses of counsel), incurred by the Purchasers or any other any holder of a Note in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Amendment, including, without limitation, counsel fees and expenses in connection with the enforcement of rights under this paragraph 4B.

4C. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

4D. GOVERNING LAW. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

4E. NO DEFAULT OR CLAIMS. To induce the Purchasers to enter into this Amendment, the Company hereby acknowledges and agrees that, as of the date hereof, and after giving effect to the terms hereof, there exists (i) no Default or Event of Default, (ii) no right of offset,

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recoupment, defense, counterclaim, claim or objection in favor of the Company arising out of or with respect to any of the Notes or other obligations of the Company owed to any holder of a Note, and (iii) each Purchaser has acted in good faith and has conducted its relationships with the Company in a commercially reasonable manner in connection with the negotiations, execution and delivery of this Amendment and in all respects in connection with the Purchase Agreement, the Company hereby waiving and releasing any such claims to the contrary that may exist as of the date of this Amendment.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CROWN CRAFTS, INC.

By /s/ E. RANDALL CHESTNUT

Name: E. Randall Chestnut
Title: President and CEO

BANC OF AMERICA STRATEGIC
SOLUTIONS, INC. (ASSIGNEE OF BANK OF
AMERICA, N.A.)

By /s/ JOHN F. REGISTER

Name: John F. Register
Title: Principal

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

By /s/ PAUL G. PRICE

Name: Paul G. Price
Title: Vice President

WACHOVIA BANK, NATIONAL
ASSOCIATION (SUCCESSOR BY MERGER TO
WACHOVIA BANK, N.A.)

By /s/ MONICA H. COLE

Name: Monica H. Cole

Title: Vice President

EXHIBIT 10.2

FIFTH AMENDMENT TO CREDIT AGREEMENT

THIS FIFTH AMENDMENT TO CREDIT AGREEMENT (this "Fifth Amendment") is dated as of August 1, 2003 among CROWN CRAFTS, INC., CHURCHILL WEAVERS, INC., HAMCO, INC. and CROWN CRAFTS INFANT PRODUCTS, INC. (collectively, the "Borrowers"), WACHOVIA BANK, NATIONAL ASSOCIATION (successor by merger to Wachovia Bank, N.A.), as Agent (the "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 (collectively, the "Lenders");

WITNESSETH:

WHEREAS, the Borrowers, the Agent and the Lenders executed and delivered that certain Credit Agreement, dated as of July 23, 2001, as amended by First Amendment to Credit Agreement dated as of September 28, 2001, Second Amendment to Credit Agreement dated as of November 25, 2002, Third Amendment to Credit Agreement dated as of February 10, 2003 and Global Amendment Agreement dated as of April 29, 2003 (as so amended, the "Credit Agreement");

WHEREAS, the Borrowers, the Agent and the Lenders have agreed to certain amendments to the Credit Agreement, subject to the terms and conditions hereof;

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged by the parties hereto, the Borrowers, the Agent and the Lenders hereby covenant and agree as follows:

1. Definitions. Unless otherwise specifically defined herein, each term used herein which is defined in the Credit Agreement shall have the meaning assigned to such term in the Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby.

2. Amendments to Section 1.01A. SECTION 1.01A of the Credit Agreement hereby is deleted entirely and the following is substituted therefor:

The following terms as defined in this SECTION 1.01 pertaining to yield maintenance regarding the Term Loan Notes shall, for all purposes of this Agreement and any amendment hereto (except as herein otherwise expressly provided), have the meanings set forth herein.

"Called Principal" means, with respect to any Term Loan Note, the principal of such Term Loan Note that is prepaid (i) in connection with any payment of principal following a declaration that all

principal of the Term Loans is immediately due and payable pursuant to SECTION 6.01, (ii) following the commencement of any case under the Bankruptcy Code in which any Borrower is the debtor and (iii) where mutually agreed by the Borrowers and the Lenders.

"Discounted Value" means, with respect to the Called Principal of any Term Loan Note, the amount obtained by discounting all remaining Scheduled Principal Reduction Amounts with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (as converted to reflect the periodic basis on which interest on such Term Loan Note is payable, if payable other than on a semi-annual basis) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" means, with respect to the Called Principal of any Term Loan Note, the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City local time) on the Domestic Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on

the Telerate Service (or such other display as may replace page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Domestic Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H. 15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between Yields reported for various maturities. For purposes of this calculation for any Term Loan Note, it is agreed that the mandatory prepayment schedule applicable to the Term Loan Notes as originally issued (the Scheduled Principal Reduction Amounts as set forth in this Agreement as of the Closing Date, with a maturity date of June 30, 2006 and the Cash Contract Rate as set forth in this Agreement as of the Closing Date) shall be used.

"Remaining Average Life" means, with respect to the Called Principal of any Term Loan Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each of the remaining Scheduled Principal Reduction Amounts of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such remaining Scheduled Principal Reduction Amounts. For purposes of this calculation for any Term Loan Note, it is agreed that the mandatory prepayment schedule applicable to the Term Loan Notes as originally issued (the Scheduled Principal Reduction Amounts as set forth in this Agreement as of the Closing Date, with a maturity date of June 30, 2006 and the Cash Contract Rate as set forth in this Agreement as of the Closing Date) shall be used.

"Remaining Scheduled Payments" means, with respect to the Called Principal of any Term Loan Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date. For purposes of this calculation for any Note, it is agreed that the Scheduled Principal Reduction Amounts as set forth in this Agreement as of the Closing Date, with a maturity date of June 30, 2006 and the Cash Contract Rate as set forth in this Agreement as of the Closing Date, shall be used.

"Settlement Date" means with respect to the Called Principal of any Term Loan Note, the date on which such Called Principal is to be prepaid pursuant to SECTION 2.09 or 2.10 or is declared to be immediately due and payable pursuant to SECTION 6.01, as the context requires.

"Yield-Maintenance Amount" means, with respect to any Term Loan Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Term Loan Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Amount shall in no event be less than zero. For purposes of this calculation for any Term Loan Note, it is agreed that the Scheduled Principal

Reduction Amounts as set forth in this Agreement as of the Closing Date, with a maturity date of June 30, 2006 and the Cash Contract Rate as set forth in this Agreement as of the Closing Date, shall be used.

3. Amendments to SECTION 1.01B. SECTION 1.01B of the Credit Agreement hereby is amended by deleting the definitions of "Consolidated Excess Cash Flow", "Eligible Accounts", "Foreign Stock Pledge Agreement", "Obligations", "Revolving Loan Termination Date", "Scheduled Principal Reduction Amount" and "Senior Officer", and substituting therefor the following new definition of such terms:

"Consolidated Excess Cash Flow" means, for each Annual Period, (i) Consolidated Available Free Cash Flow for such Annual Period, minus (ii) Cash Interest paid during such Annual Period, minus (iii) the aggregate of the Minimum Principal Reduction Amounts paid during such Annual Period.

"Eligible Accounts" means that portion of the Accounts Receivable Collateral of each Borrower consisting of trade accounts receivable actually owing to such Borrower by its Account Debtors subject to no counterclaim, defense, setoff or deduction, provided, in each of the foregoing cases, that such Accounts Receivable Collateral is at all times subject to a duly perfected, first priority security interest in favor of Collateral Agent, subject only to any Permitted Encumbrances excluding, however, in any event any such account:

(i) with respect to which any portion thereof is more than 90 days past invoice date or more than 60 days past due date (or such lesser number of days which the Agent may establish by written notice from time to time to the Borrowers in its good faith credit judgment);

(ii) which is owing by any Subsidiary or other Affiliate;

(iii) which is owing by any Account Debtor having 50% or more in face value of its then existing accounts with such Borrower more than 90 days past invoice date or more than 60 days past due date;

(iv) the assignment of which is subject to any requirements set forth in the Assignment of Claims Act of 1940, as amended;

(v) which is owing by any Account Debtor whose accounts, in face amount, with such Borrower exceed 10% of such Borrower's Eligible Accounts, but only to the extent of such excess; provided, however, that Account Receivable Collateral from the following Account Debtors shall not be considered ineligible solely on the basis of exceeding such 10% limitation, so long as the aggregate amount of Accounts Receivable Collateral owed by any such Account Debtor does not exceed the following amount for such Account Debtor, and so long as there is no material deterioration in the creditworthiness of such Account Debtor: (1) for each of Toys R Us, Sears, Roebuck, Target and Wal-Mart, \$1,000,000, and (2) for each of Burlington Coat Factory, J.C. Penney and K-Mart, \$500,000;

(vi) which arises from a sale to an Account Debtor with its principal office, assets or place of business outside the United States, unless the sale is backed by an irrevocable letter of credit that is issued or confirmed by a bank acceptable to the Agent that is in form and substance acceptable to the Agent and payable in the full amount of such account is freely convertible into Dollars at a place of payment within the United States, and, if requested by the Agent, such letter of credit, or amounts payable thereunder, is collaterally assigned to the Collateral Agent;

(vii) which arises from (A) the sale of goods which have not been delivered and accepted by the Account Debtor (a "bill and hold" arrangement), or (B) services which have not been performed by such Borrower and accepted by the Account Debtor;

(viii) which is owing by any Account Debtor which is the subject (as debtor) of any voluntary or involuntary case or proceeding under any bankruptcy, insolvency or other similar law or as to which a trustee, receiver, liquidator, custodian or other similar official has been appointed for it or for any substantial part of its property;

(ix) which arises from the sale of any Inventory Collateral that is not Eligible Inventory pursuant to clause (iii) of the proviso contained in the definition of "Eligible Inventory";

(x) with respect to which the Agent determines in its good faith credit judgment that collection of such account is insecure, or that payment thereof is doubtful or will be delayed by reason of such Account Debtor's financial condition or that the prospect of payment or performance by such Account Debtor is or will be impaired;

(xi) with respect to which the Account Debtor's executive offices are located in the State of New Jersey, Minnesota, Indiana or any other state imposing similar conditions to the right of a creditor to collect accounts, unless (A) such Borrower has filed a notice of business activities report, or such other similar report required by such state, with the appropriate officials of such state for the then current year, or (B) such Account Debtor has substantial assets located, respectively, outside of the States of New Jersey, Minnesota, Indiana or such other state, as the case may be;

(xii) which is owed by, billed to, or will be paid by an Account Debtor located in the State of Alabama or any other state the laws of which deny creditors access to its courts in the absence of qualification to do business as a foreign corporation in such state or in the absence of the filing of any required reports with such state, unless such Borrower has qualified as a foreign corporation authorized to do business in Alabama or such state or has filed such required reports;

(xiii) which is subject to any Lien other than a Permitted Encumbrance;

(xiv) which consists of "billings over cost" (items which have been invoiced but for which costs incurred in connection therewith have not been recognized);

(xv) which is owing by any Account Debtor with respect to which any Borrower has determined for any reason not to continue selling goods to or performing services for on open account;

(xvi) which is evidenced by chattel paper or an instrument of any kind, or has been reduced to judgment;

(xvii) which is owed by an Account Debtor owing any account with a balance greater than \$100,000 which is not an Eligible Account;

(xviii) with respect to which such Borrower has made an agreement with the Account Debtor (A) for any deduction therefrom, except for discounts or allowances which are made in the ordinary course of business for prompt payment and which discounts or allowances are reflected in the calculation of the face amount of each invoice related to such account, but only to the extent of such deduction, or (B) to extend the time of payment thereof beyond the period set forth in clause (i) in this definition;

(xix) which arises from a retail sale of goods to

a Person who is purchasing the same primarily for personal, family or household purposes;

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(xx) which represents a progress billing (unless the Required Lenders, in the exercise of their sole discretion, after the Borrower's request, permits the same to not be excluded hereunder) or a retainage or;

(xxi) which has not otherwise been determined by mutual agreement of the Agent and the Borrowers to be ineligible for purposes hereof.

"Foreign Stock Pledge Agreement" means, collectively, (i) the Foreign Stock Pledge Agreement, substantially in the form of EXHIBIT T, to be executed by the Parent (and, pursuant to SECTION 5.15, any other Borrower creating or acquiring a Direct Foreign Subsidiary), and (ii) and if requested by the Collateral Agent, any pledge or other agreement which may be required pursuant to applicable law in the jurisdiction in which a Direct Foreign Subsidiary is located, in each case to be executed and delivered by the Parent and each other Borrower which owns any Direct Foreign Subsidiaries, pledging to the Collateral Agent pursuant thereto, for the ratable benefit of the Lenders, 65% of the capital stock of all Direct Foreign Subsidiaries, to secure the payment of all of the Obligations, as any of the foregoing may be amended or supplemented from time to time.

"Obligations" means all Debts, indebtedness, liabilities, covenants, duties and other obligations of the Borrowers: (i) to the Agent, the Collateral Agent or the Lenders included or arising from time to time under this Agreement or any other Credit Document, whether evidenced by any note or other writing, whether arising from the extension of credit, opening of a letter of credit, acceptance or loan guaranty, including, without limitation, principal, interest, Yield-Maintenance Amount, fees, costs, attorney's fees and indemnification amounts and any and all extensions or renewals thereof in whole or in part, direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several; (ii) to the Agent or Wachovia, with respect to all Letter of Credit Obligations and all other obligations arising in connection with the issuance of any Letter of Credit; (iii) to any Lender or Affiliate thereof arising under any Interest Rate Protection Agreement with any such Lender or Affiliate, including, without limitation, any premature termination or breakage or other costs with respect thereto; (iv) to any Lender and its Affiliates, arising in connection with any banking or related transactions, services or functions provided to any Borrower in connection with the conduct of such Borrower's business (excluding extensions of credit giving rise to any Debt for money borrowed not related to this Agreement or any of the other Credit Documents).

"Revolving Loan Termination Date" means the earliest to occur of: (i) June 30, 2005, (ii) the date the Revolving Loan Commitments are terminated pursuant to SECTION 6.01 following the occurrence of an Event of Default, or (iii) the date the Borrowers terminate the Revolving Loan Commitments entirely pursuant to SECTION 2.07.

"Scheduled Principal Reduction Amount" means, for each Annual Period, the aggregate amount of principal payments required to be made on the Term Loans for such Annual Period, subject to deferment of the Deferred Principal Amount, if any, for such Annual Period pursuant to SECTION 2.01(c), which Scheduled Principal Reduction Amount shall be: (i) for the Annual Period ending on June 30, 2002, \$2,000,000; and (ii) for each Annual Period thereafter, \$3,000,000.

"Senior Officer" means any of the following officers of Parent, regardless of actual title: Chief Executive Officer; Chief Operating Officer; Chief Financial Officer and Treasurer.

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Amendment to SECTION 5.20(a). SECTION 5.20(a) hereby is deleted in its entirety, and the following is substituted therefor:

(a) Minimum EBITDA. Consolidated EBITDA shall not be less than, for each Fiscal Quarter set forth below and the 3 immediately preceding Fiscal Quarters, the amount set forth below corresponding to such Fiscal Quarter:

<TABLE>
<CAPTION>

FISCAL QUARTER ENDING	MINIMUM EBITDA
<S> December 29, 2002 through March 28, 2004 <C>	\$6,885,000
June 27, 2004 through March 27, 2005	\$7,000,000
June 26, 2005 through April 2, 2006	\$7,200,000
July 2, 2006 and each Fiscal Quarter thereafter	\$7,400,000

</TABLE>

Amendment to SECTION 5.20(b). SECTION 5.20(b) hereby is deleted in its entirety, and the following is substituted therefor:

(b) Debt/EBITDA Ratio. The Debt/EBITDA Ratio will not exceed, at the end of each Fiscal Quarter set forth below, calculated as to Debt as of such Fiscal Quarter and calculated as to Consolidated EBITDA for such Fiscal Quarter and the 3 immediately preceding Fiscal Quarters, the ratio set forth below corresponding to such Fiscal Quarter :

<TABLE>
<CAPTION>

FISCAL QUARTER ENDING	MAXIMUM DEBT/EBITDA RATIO
<S> December 29, 2002 through March 28, 2004 <C>	4.75 to 1.00
June 27, 2004 through September 26, 2004	4.25 to 1.00
December 26, 2004 through March 27, 2005	4.00 to 1.00
June 26, 2005 through September 25, 2005	3.75 to 1.00
December 25, 2005 through July 2, 2006	3.50 to 1.00
October 1, 2006 through December 31, 2006	3.25 to 1.00
April 1, 2007 and each Fiscal Quarter thereafter	3.00 to 1.00

</TABLE>

Amendment to Exhibit G (Compliance Certificate). Exhibit G to the Credit Agreement hereby is deleted in its entirety, and Exhibit G attached hereto is substituted therefor.

4. Restatement of Representations and Warranties. The Borrowers hereby restate and renew each and every representation and warranty heretofore made by them in the Credit Agreement and the other Loan Documents as fully as if made on the date hereof (except where reference is expressly made to a specific date) and with specific reference to this Fifth Amendment and all other loan documents executed and/or delivered in connection herewith.

5. Effect of Amendment. Except as set forth expressly hereinabove, all terms of the Credit Agreement and the other Loan Documents shall be and remain in full force and effect, and shall constitute the legal, valid, binding and enforceable obligations of the Borrowers. The amendments contained herein shall be deemed to have prospective application only, unless otherwise specifically stated herein.

6. Ratification. The Borrowers hereby restate, ratify and reaffirm each and every term, covenant and condition set forth in the Credit Agreement and the other Loan Documents effective as of the date hereof.

7. Counterparts. This Fifth Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

8. Section References. Section titles and references used in this Fifth Amendment shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto evidenced hereby.

9. No Default. To induce the Agent and the Lenders to enter into this Fifth Amendment and to continue to make advances pursuant to the Credit Agreement, the Borrowers hereby acknowledge and agree that, as of the date hereof, and after giving effect to the terms hereof, (i) there exists no Default or Event of Default, (ii) there exists no right of offset, defense, counterclaim, claim or objection in favor of the Borrowers arising out of or with respect to any of the Loans or other obligations of the Borrowers owed to the Lenders under the Credit Agreement and (iii) the Agent and each Lender has acted in good faith and has conducted its relationships with the Borrowers in a commercially reasonable manner in connection with the negotiations, execution and delivery of this Fifth Amendment and in all respects in connection with the Credit Agreement, each of the Borrowers hereby waiving and releasing any such claims to the contrary that may exist as of the date of this Fifth Amendment.

10. Further Assurances. The Borrowers agree to take such further actions as the Agent shall reasonably request in connection herewith to evidence the amendments herein contained.

11. Governing Law. This Fifth Amendment shall be governed by and construed and interpreted in accordance with, the laws of the State of Georgia.

12. Conditions Precedent. This Fifth Amendment shall become effective only upon (i) payment to the Agent, for the ratable account of the Lenders, of an amendment fee equal to

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\$47,500, (ii) execution and delivery of this Fifth Amendment by each of the parties hereto and (iii) execution and delivery by all parties thereto of a Fifth Amendment of Subordinated Note and Warrant Purchase Agreement (the Global Amendment Agreement dated as of April 29, 2003 in effect constituting the fourth amendment to such Subordinated Note and Warrant Purchase Agreement) in form and substance satisfactory to the Agent and the Lenders, amending the Senior Subordinated Notes Purchase Agreement to conform it to the changes contained in Sections 1, 2, 3, 4 and 5 hereof, to the extent applicable.

[SIGNATURES COMMENCE ON NEXT PAGE]

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IN WITNESS WHEREOF, each of the Borrowers, the Agent and each of the Lenders has caused this Fifth Amendment to be duly executed, under seal, by its

duly authorized officer as of the day and year first above written.

CROWN CRAFTS, INC., (SEAL)

By: /s/ E. RANDALL CHESTNUT

Name: E. Randall Chestnut
Title: President and CEO

CHURCHILL WEAVERS, INC.,
HAMCO, INC.
CROWN CRAFTS INFANT
PRODUCTS, INC. (SEAL)

By: /s/ AMY VIDRINE SAMSON

Name: Amy Vidrine Samson
Title: Vice President

WACHOVIA BANK, NATIONAL
ASSOCIATION (successor by merger
to Wachovia Bank, N.A.), (SEAL)
as Agent and as a Lender

By: /s/ MONICA H. COLE

Name: Monica H. Cole
Title: Vice President

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BANC OF AMERICA STRATEGIC SOLUTIONS,
INC. (assignee of Bank of America,
N.A.), (SEAL)
as a Lender

By: /s/ JOHN F. REGISTER

Name: John F. Register
Title: Principal

THE PRUDENTIAL INSURANCE (SEAL)
COMPANY OF AMERICA, as a Lender

By: /s/ PAUL G. PRICE

Name: Paul G. Price
Title: Vice President

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EXHIBIT G

COMPLIANCE CERTIFICATE

Reference is made to the Credit Agreement dated as of July 23, 2001, as amended by First Amendment to Credit Agreement dated as of September 28, 2001, Second Amendment to Credit Agreement dated as of November 25, 2002, Third Amendment to Credit Agreement dated as of February 10, 2003, Global Amendment Agreement dated as of April 29, 2003 and Fifth Amendment to Credit Agreement dated as of August 1, 2003 (as so amended and as thereafter modified and supplemented and in effect from time to time, the "Credit Agreement") by and among Crown Crafts, Inc., Churchill Weavers, Inc., Hamco, Inc. and Crown Crafts Infant Products, Inc. (collectively or individually, as the context shall require, the "Borrowers"), the Lenders from time to time parties thereto, and Wachovia Bank, National Association (successor by merger to Wachovia Bank, N.A.), as Agent. Capitalized terms used herein shall have the meanings ascribed thereto in the Credit Agreement.

Pursuant to SECTION 5.01(c) of the Credit Agreement, _____,

the duly authorized _____ of the Borrowers, hereby certifies to the Agent and the Lenders that, as of the date hereof, (i) the information contained in the Compliance Certificate attached hereto is true, accurate and complete in all material respects and (ii) no Default is in existence.

CROWN CRAFTS, INC. CHURCHILL WEAVERS, INC.
 HAMCO, INC.
 CROWN CRAFTS INFANT PRODUCTS, INC.

By: _____ (SEAL) By: _____ (SEAL)
 Name: Name:
 Title: Title:

CROWN CRAFTS, INC.
 COMPLIANCE CHECKLIST

1. Minimum EBITDA (Section 5.20(a))

Consolidated EBITDA shall not be less than, for each Fiscal Quarter set forth below and the 3 immediately preceding Fiscal Quarters, the amount set forth below corresponding to such Fiscal Quarter:

<TABLE>
 <CAPTION>

FISCAL QUARTER ENDING	MINIMUM EBITDA
<S> December 29, 2002 through March 28, 2004	<C> \$6,885,000
June 27, 2004 through March 27, 2005	\$7,000,000
June 26, 2005 through April 2, 2006	\$7,200,000
July 2, 2006 and each Fiscal Quarter thereafter	\$7,400,000

</TABLE>

<TABLE>

<S>	<C>
(a) Consolidated EBITDA	Schedule 1 \$ _____
Minimum Consolidated EBITDA	[\$6,885,000]
	[\$7,000,000]
	[\$7,200,000]
	[\$7,400,000]

</TABLE>

2. Debt/EBITDA Ratio (Section 5.20(b))

The Debt/EBITDA Ratio will not exceed, at the end of each Fiscal Quarter set forth below, calculated as to Debt as of such Fiscal Quarter and calculated as to Consolidated EBITDA for such Fiscal Quarter and the 3 immediately preceding Fiscal Quarters, the ratio set forth below corresponding to such Fiscal Quarter:

<TABLE>
 <CAPTION>

FISCAL QUARTER ENDING	MAXIMUM DEBT/EBITDA RATIO
<S>	<C>

December 29, 2002 through March 28, 2004 4.75 to 1.00

June 27, 2004 through September 26, 2004 4.25 to 1.00

December 26, 2004 through March 27, 2005 4.00 to 1.00

June 26, 2005 through September 25, 2005 3.75 to 1.00

December 25, 2005 through July 2, 2006 3.50 to 1.00

October 1, 2006 through December 31, 2006 3.25 to 1.00

April 1, 2007 and each Fiscal Quarter thereafter 3.00 to 1.00

</TABLE>

<TABLE>

<S> <C>
(a) Consolidated Debt Schedule 2 \$ _____
(b) Consolidated EBITDA Schedule 1 \$ _____
(c) actual ratio of (a) to (b) ___ to 1.00

Limitation: (c) may not exceed [4.75 to 1.0]
[4.25 to 1.0]
[4.00 to 1.0]
[3.75 to 1.0]
[3.50 to 1.0]
[3.25 to 1.0]
[3.00 to 1.0]

</TABLE>

3. Senior Debt/EBITDA Ratio (Section 5.20(c))

The Senior Debt/EBITDA Ratio will not exceed, at the end of each Fiscal Quarter set forth below, calculated as to Senior Debt as of such Fiscal Quarter and calculated as to

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Consolidated EBITDA for such Fiscal Quarter and the 3 immediately preceding Fiscal Quarters (except that for the Fiscal Quarter ending March 31, 2002, such calculation shall be for such Fiscal Quarter and the 2 immediately preceding Fiscal Quarters), the ratio set forth below corresponding to such Fiscal Quarter:

<TABLE>

<CAPTION>

MAXIMUM SENIOR DEBT/EBITDA RATIO

FISCAL QUARTER ENDING	
March 31, 2002	4.80 to 1.0
June 30, 2002	3.50 to 1.0
September 29, 2002	3.25 to 1.0
December 29, 2002	3.00 to 1.0

March 30, 2003	2.75 to 1.0
June 29, 2003 and September 28, 2003	2.50 to 1.0
December 28, 2003	2.25 to 1.0
March 28, 2004 through September 26, 2004	2.00 to 1.0
December 26, 2004	1.75 to 1.0
March 27, 2005 and thereafter	1.50 to 1.00

</TABLE>

<TABLE>

(a) Consolidated Senior Debt	Schedule 2	\$ _____
(b) Consolidated EBITDA	Schedule 1	\$ _____
(c) actual ratio of (a) to (b)		___ to 1.00

Limitation: (c) may not exceed [4.80 to 1.0]
[3.50 to 1.0]
[3.25 to 1.0]
[3.00 to 1.0]
[2.75 to 1.0]
[2.50 to 1.0]
[2.25 to 1.0]
[2.00 to 1.0]
[1.75 to 1.0]
[1.50 to 1.0]

</TABLE>

4. EBITDA/Cash Interest Ratio (Section 5.20(d))

The EBITDA/Cash Interest Ratio will not be less than, at the end of each Fiscal Quarter set forth below, for such Fiscal Quarter and the 3 immediately preceding Fiscal Quarters (except that for the Fiscal Quarter ending March 31, 2002, such calculation shall be for such Fiscal Quarter and the 2 immediately preceding Fiscal Quarters), the amount set forth below corresponding to such Fiscal Quarter:

<TABLE>

<CAPTION>

FISCAL QUARTER ENDING	MINIMUM EBITDA/CASH INTEREST RATIO
March 31, 2002	1.60 to 1.0
June 30, 2002	1.65 to 1.0
September 29, 2002	1.80 to 1.0
December 29, 2002	2.00 to 1.0
March 30, 2003	2.20 to 1.0

June 29, 2003 through December 28, 2003 2.25 to 1.0

March 28, 2004 through December 26, 2004 2.50 to 1.0

March 27, 2005 through December 25, 2005 2.75 to 1.0

April 2, 2006 and each Fiscal Quarter thereafter 3.00 to 1.00

</TABLE>

<TABLE>

<S> <C>
(a) Consolidated EBITDA Schedule 1 \$ _____
(b) Cash Interest Schedule 3 \$ _____
(c) actual ratio of (a) to (b) ___ to 1.00

Limitation: (c) may not exceed [1.60 to 1.0]

[1.65 to 1.0]

[1.80 to 1.0]

[2.00 to 1.0]

[2.20 to 1.0]

[2.25 to 1.0]

[2.50 to 1.0]

[2.75 to 1.0]

[3.00 to 1.0]

</TABLE>

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5. Minimum Stockholders' Equity (Section 5.20(e))

As of the end of each Fiscal Quarter, Stockholders' Equity will not be less than the sum of (i) Stockholders' Equity as of the Closing Date (after giving effect to the sale of its adult bedding line of business to its former management) plus (ii) 75% of the cumulative (since the Closing Date) Reported Net Income (excluding any Fiscal Quarter during which Reported Net Income is less than \$0.00) of the Parent and the Subsidiaries.

<TABLE>

<S> <C>
(a) Stockholders' Equity \$ _____
(b) Cumulative positive Reported Net Income since
the Closing Date \$ _____
(c) 75% of (b) \$ _____
(d) sum of (c) and \$ _____ (1) \$ _____

Limitation: (a) must not be less than (d)

</TABLE>

6. Capital Expenditures (Section 5.20(f))

No Borrower shall, nor shall it permit any Subsidiary to, make any expenditures (including obligations incurred under any lease) in any Fiscal Year that are required to be capitalized under GAAP in the aggregate for any Borrower and the Subsidiaries, on a consolidated basis, exceeding \$500,000.

(a) aggregate Capital Expenditures made to date in current
Fiscal Year \$ _____

Limitation: (a) may not exceed \$500,000

(1) Insert amount of Stockholders' Equity as of the Closing Date

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7. Operating Leases (Section 5.20(g))

No Borrower shall, nor shall it permit any Subsidiary to, enter into or remain or become liable upon any lease (other than intercompany leases between the Borrower and its Subsidiaries) which would be characterized as an operating lease under GAAP if the aggregate amount of all consolidated rents paid by the Borrower and its Subsidiaries under all such leases would exceed \$3,000,000 in the first Fiscal Year following the Closing Date, with such amount increasing each Fiscal Year thereafter by an additional 5% of the amount in effect at the end of the preceding Fiscal Year.

(a) aggregate amount of consolidated rents payable in current Fiscal Year \$ _____

Limitation: (a) may not exceed [\$3,000,000](2)

(2) Increase after the first Fiscal Year by an additional 5% of the amount in effect at the end of the preceding Fiscal Year

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Schedule 1

CONSOLIDATED EBITDA

(a) Consolidated Net Income for:

____ quarter ____ \$ _____
____ quarter ____ \$ _____
____ quarter ____ \$ _____
____ quarter ____ \$ _____

(b) depreciation and amortization expenses for:

____ quarter ____ \$ _____
____ quarter ____ \$ _____
____ quarter ____ \$ _____
____ quarter ____ \$ _____

(c) Consolidated Interest Expense for:

____ quarter ____ \$ _____
____ quarter ____ \$ _____
____ quarter ____ \$ _____
____ quarter ____ \$ _____

(d) income tax expense included in Consolidated Net Income for:

____ quarter ____ \$ _____
____ quarter ____ \$ _____

____ quarter _____ \$ _____
____ quarter _____ \$ _____

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- (e) before-tax reserve related to the closing of the operations of Burgundy Interamericana SA de CV for:(3)

____ quarter _____ \$ _____
____ quarter _____ \$ _____
____ quarter _____ \$ _____

(3) Include only for the following Fiscal Quarters, not exceeding following amounts for such Fiscal Quarters: (1) for the Fiscal Quarter ending December 29, 2002, \$1,775,000, (2) for the Fiscal Quarter ending March 30, 2003, \$225,000 and (3) for the Fiscal Quarter ending June 29, 2003, \$275,000

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Schedule 2

CONSOLIDATED DEBT AND CONSOLIDATED SENIOR DEBT

CONSOLIDATED DEBT(4)

<TABLE>

<S>	<C>
(a) obligations for borrowed money	\$ _____
(b) payment obligations evidenced by bonds, debentures notes or other similar instruments	\$ _____
(c) obligations to pay the deferred purchase price of property or services, except trade accounts payable and accrued expenses arising in the ordinary course of business	\$ _____
(d) obligations as lessee under capital leases or leases for which the Borrowers Person retain tax ownership of the property subject to a lease	\$ _____
(e) obligations to reimburse any bank or other Person in respect of amounts payable under a banker's acceptance	\$ _____
(f) Redeemable Preferred Stock	\$ _____
(g) obligations to reimburse any bank or other Person in respect of amounts paid or undrawn amounts available to be paid under a letter of credit or similar instrument	\$ _____
(h) Debt of others secured by a Lien on any asset of any Borrower, whether or not such Debt is assumed by such Borrower	\$ _____
(i) obligations with respect to interest rate protection agreements, foreign currency exchange agreements or other hedging arrangements, other than commodity hedging agreements entered into as risk protection rather than as an investment (each valued as the termination value thereof computed in accordance with a method approved by the International Swap Dealers Association and agreed to in the applicable agreement, if any)	\$ _____

</TABLE>

(4) Exclude Contingent Interest and amounts payable pursuant to SECTION 2.06(a) of the Senior Subordinated Notes Purchase Agreement

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<TABLE>

<S>

<C>

(j) Debt of others Guaranteed by any Borrower \$ _____

(k) CONSOLIDATED DEBT (sum of (a) through (i)) \$ _____

CONSOLIDATED SENIOR DEBT

(l) Subordinated Debt \$ _____

(m) CONSOLIDATED SENIOR DEBT ((j) less (k)) \$ _____

</TABLE>

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Schedule 3

CASH INTEREST

<TABLE>

<S>

<C>

(a) interest on Revolving Loans \$ _____

(b) interest on Term Loans at Cash Contract Rate \$ _____

(c) interest on Senior Subordinated Debt \$ _____

(d) CASH INTEREST (sum of (a), plus (b), plus (c)) \$ _____

</TABLE>

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AMENDED AND RESTATED SUPPORT AGREEMENT

AMENDED AND RESTATED SUPPORT AGREEMENT (the "Agreement") dated as of August 6, 2003, between WYNNEFIELD CAPITAL MANAGEMENT, LLC, a Delaware limited liability company ("Wynnefield"), and CROWN CRAFTS, INC., a Georgia corporation (the "Company").

WHEREAS, the Company and Wynnefield entered into that certain Support Agreement dated as of May 7, 2003 (the "Support Agreement") which, among other things, (i) permitted the Wynnefield Group (as hereinafter defined) to acquire additional shares of the Company's Series A Common Stock, par value \$1.00 per share (such class of common stock being referred to herein as "Common Stock"), without triggering the operation of the Company's Shareholder Rights Plan (the "Rights Plan"), as set forth in that certain Rights Agreement dated as of August 11, 1995 between the Company and SunTrust Bank (successor by merger to Trust Company Bank), as amended, and (ii) sought to assure the Company of a constructive and mutually beneficial relationship between it and Wynnefield; and

WHEREAS, the Company and Wynnefield wish to amend and restate the Support Agreement in its entirety in the manner hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, representations, warranties, covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1. TERM OF AGREEMENT

The respective covenants and agreements of Wynnefield and the Company contained in this Agreement will continue in full force and effect until December 31, 2008 (the "Termination Date"), unless earlier terminated pursuant to paragraph 5 or subparagraph 6(b) hereof or pursuant to the mutual written consent of Wynnefield and the Company.

2. COVENANTS OF WYNNEFIELD

Prior to the Termination Date or earlier termination of this Agreement and subject to the further provisions hereof:

(a) Neither Wynnefield nor any person controlled by (within the meaning of Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) Wynnefield (collectively and together with Wynnefield, the "Wynnefield Group") will, directly or indirectly, acquire any Voting Securities (as hereinafter defined) (except by way of stock dividends or other distributions or offerings made available to holders of Voting Securities generally) if the effect of such acquisition would be to increase the aggregate voting power in the election of directors of all Voting Securities then owned by all members of the Wynnefield Group to greater than 20% of such total combined voting power of all Voting Securities then outstanding; provided that this subparagraph shall not apply if and to the extent that the aggregate percentage ownership of the Wynnefield Group is increased as a result of a recapitalization or reincorporation of the Company,

any redemption of Voting Securities by the Company, or any other action taken by the Company or its affiliates (as hereinafter defined) other than the Wynnefield Group.

(b) Wynnefield shall take such action as may be required so that all Voting Securities owned by any member of the Wynnefield Group are voted (whether by proxy or otherwise) in favor of a proposal to effect a reincorporation by merger (the "Reincorporation") of the Company with and into a newly-formed Delaware corporation wholly-owned by the Company ("Newco") upon the consummation of which Newco will be substantially identical to the Company, except that the charter of Newco in effect immediately following the Reincorporation (i) will be subject to amendment upon the approval of holders owning a majority of the capital stock of Newco entitled to vote generally in the election of directors and (ii) will provide for a total authorized capital of 75,000,000 shares, consisting of (A) 1,000,000 shares of blank check preferred stock, all of which shall be reserved by Newco for issuance solely pursuant to the Rights Plan,

which Newco will assume in the Reincorporation; (B) 73,500,000 shares designated as Series A Common Stock (the "Series A Common Stock"); (C) 327,940 shares designated as Series B Common Stock (the "Series B Common Stock"); and (D) 172,060 shares designated as Series C Common Stock (the "Series C Common Stock"), with each share of Series B Common Stock and Series C Common Stock to be non-voting, authorized solely for issuance upon exercise of the Warrants described in clause (i) below and convertible into 44.69107183 shares of Series A Common Stock. Newco will reserve out of its authorized but unissued capital stock (i) 22,345,536 shares of Series A Common Stock for issuance pursuant to the conversion of shares of Series B Common Stock and Series C Common Stock issued upon the exercise of Warrants as defined in, and as issued pursuant to, that certain Subordinated Note and Warrant Purchase Agreement dated as of July 23, 2001 by and among the Company, Bank of America, N.A., The Prudential Insurance Company of America and Wachovia Bank, N.A., as amended, which Newco will assume in the Reincorporation; (ii) 3,550,000 shares of Series A Common Stock for issuance to management pursuant to Section 3.1(c) of the Company's Amended and Restated Restricted Stock Plan, which Newco will assume in the Reincorporation; (iii) 1,000,000 shares of Series A Common Stock for issuance pursuant to the Company's Amended 1995 Stock Option Plan, which Newco will assume in the Reincorporation; and (iv) 35,250,000 shares of Series A Common Stock for issuance to the stockholders of Newco pursuant to the Rights Plan.

(c) The members of the Wynnefield Group, as holders of Voting Securities, shall be present, in person or by proxy, at all meetings of shareholders of the Company called with respect to the Reincorporation and of which the Wynnefield Group has received due notice, so that all Voting Securities beneficially owned by them may be counted for the purpose of determining the presence of a quorum at such meetings.

(d) No member of the Wynnefield Group shall deposit any Voting Securities in a voting trust or subject any Voting Securities to any arrangement or agreement with respect to the voting of such Voting Securities to which any of the following persons (collectively, the "Bernstein Group") is a party: (i) Michael Bernstein or any person who any member of the Wynnefield Group knows to be an affiliate, associate (as hereinafter defined) or relative (whether or not they occupy the same home as Mr. Bernstein) of Mr. Bernstein or any 13D Group (as hereinafter defined) of which Mr. Bernstein is a member, (ii) any person who, to the knowledge of any member of the Wynnefield Group, is employed by any corporation or other organization (other than the Company and its affiliates and associates) of which Mr. Bernstein is an officer or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities of such corporation or other organization, or (iii) any person who, to the knowledge of any member of the Wynnefield Group, is casting votes in respect of Voting Securities beneficially owned by Mr. Bernstein.

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(e) No member of the Wynnefield Group shall solicit proxies or become a "participant" in a "solicitation" (as such terms are defined in Regulation 14A under the Exchange Act) made by any member of the Bernstein Group.

(f) No member of the Wynnefield Group shall, for the purpose of, or in connection with, acquiring, holding, voting or disposing of Voting Securities, (i) join a partnership, limited partnership, syndicate or other group of which, to its knowledge, any member of the Bernstein Group is, directly or indirectly, a partner, member or participant, or (ii) otherwise act in concert with any person who it knows to be a member of the Bernstein Group, or (iii) otherwise become, together with any person who it knows to be a member of the Bernstein Group, a "person" within the meaning of Section 13(d)(3) of the Exchange Act (in each case other than solely with members of the Wynnefield Group).

(g) No member of the Wynnefield Group shall, directly or indirectly, offer, sell or transfer any Voting Securities to any person who it knows to be a member of the Bernstein Group.

3. REPRESENTATIONS AND WARRANTIES

(a) The Company hereby represents and warrants to Wynnefield as follows:

(i) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia.

(ii) The Company has full legal right, power and authority to enter into and perform this Agreement, and the execution and delivery of this Agreement by the Company and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of the Company.

(iii) This Agreement constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms except that (A) such enforcement may be subject to applicable bankruptcy, insolvency or other similar laws, now or hereafter in effect, affecting creditors' rights generally, and (B) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(b) Wynnefield hereby represents and warrants to the Company as follows:

(i) Wynnefield is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(ii) Wynnefield has full legal right, power and authority to enter into and perform this Agreement, and the execution and delivery of this Agreement by Wynnefield and the consummation by Wynnefield of the transactions contemplated hereby have been duly authorized by the managers of Wynnefield.

(iii) This Agreement constitutes a valid and binding agreement of Wynnefield, enforceable against Wynnefield in accordance with its terms except that (A) such enforcement may be subject to applicable bankruptcy, insolvency or other similar laws, now or hereafter in effect, affecting creditors' rights generally, and (B) the remedy of specific

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performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(iv) As of the date hereof, the Wynnefield Group owns of record and beneficially an aggregate of 1,395,535 shares of Common Stock (the "Existing Shares"), and the Existing Shares constitute all of the shares of the Company's capital stock owned of record or beneficially by the Wynnefield Group. There are no outstanding options or other rights to acquire from Wynnefield, or obligations of Wynnefield to sell or to acquire, any shares of the Company's capital stock. Wynnefield has, directly or indirectly, the voting power, power of disposition and power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Existing Shares with no limitations, qualifications or restrictions of any kind whatsoever, subject to applicable securities laws and the terms of this Agreement.

4. CERTAIN DEFINITIONS

For purposes of this Voting Agreement:

(a) "Affiliate" and "associate" shall each have the meaning set forth with respect thereto in Rule 12b-2 under the Exchange Act.

(b) "Beneficially own", "beneficial ownership" and "beneficial owner" with respect to any securities means having "beneficial ownership" of such securities, as determined pursuant to Rule 13d-3 under the Exchange Act, without duplicative counting of the same securities by the same holder. Securities beneficially owned by a person include securities beneficially owned by all other persons with whom such person would constitute a "13D Group" with respect to securities of the same issuer.

(c) "Person" shall mean any individual, partnership, corporation, limited liability company, trust or other entity or association.

(d) "13D Group" shall mean any group of persons formed for the purpose of acquiring, holding, voting or disposing of Voting Securities which would be required under Section 13(d) of the Exchange Act and the rules and regulations thereunder (as now in effect and based on present legal interpretations thereof) to file a statement on Schedule 13D with the Securities and Exchange Commission as a "person" within the meaning of Section 13(d)(3) of the Exchange Act if such group beneficially owned Voting Securities representing more than 5% of the total combined voting power of all Voting Securities then outstanding.

(e) "Voting Securities" shall mean all classes of capital stock of the Company entitled to vote generally in the election of directors.

5. TERMINATION

Notwithstanding any other provision of this Agreement, either party may terminate this Agreement, in its sole discretion, if (i) the other party fails to perform or observe any of its obligations pursuant to this Agreement or (ii) the members of the Wynnefield Group own, in the aggregate, Voting Securities representing less than 5% of the total combined voting power of all outstanding Voting Securities.

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6. MISCELLANEOUS

(a) Wynnefield, on the one hand, and the Company, on the other, acknowledge and agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state thereof having jurisdiction, in addition to any other remedy to which they may be entitled at law or equity.

(b) If any provision of this Agreement is in violation of any statute, rule, regulation, order or decree of any governmental authority, court or agency, or subjects any member of the Wynnefield Group to governmental regulation to which it is not now subject, which violation or regulation would have a material adverse impact on the operations of the Wynnefield Group taken as a whole, then such member of the Wynnefield Group shall be relieved of its obligations under such provision to the minimum extent necessary to cure such violation or eliminate the applicability of such regulation; provided that this subparagraph shall not apply to any such violation or regulation resulting from activities or operations of any member of the Wynnefield Group other than its ownership of Voting Securities and the consummation of the transactions contemplated by this Agreement; and provided further that in the event any member of the Wynnefield Group is relieved of its obligations under any provision of this Agreement pursuant to this subparagraph, the Company may terminate this Agreement in its sole discretion.

(c) This Agreement contains the entire understanding of the parties with respect to the transactions contemplated hereby, and this Agreement may be amended only by an agreement in writing executed by the parties hereto.

(d) Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(e) For the convenience of the parties, any number of counterparts of this Agreement may be executed by the parties hereto and each such executed counterpart shall be, and shall be deemed to be, an original instrument.

(f) All notices, consents, requests, instructions, approvals and other communications provided for herein and all legal process in regard hereto shall be in writing and shall be deemed given upon (i) transmitter's confirmation of a receipt of a facsimile transmission, (ii) confirmed delivery by a standard overnight carrier or when delivered by hand, or (iii) the expiration of five business days after the day when mailed by certified or registered mail, postage prepaid, addressed at the following addresses (or at such other address for a party as shall be specified by like notice):

THE COMPANY:

Crown Crafts, Inc.
P.O. Box 1028
Gonzales, LA 70707-1028
Attn: Chief Executive Officer
Facsimile No.: (225) 647-9112

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WYNNEFIELD:

Wynnefield Capital Management, LLC
450 Seventh Avenue, Suite 509
New York, New York 10123
Attn: Max W. Batzer
Facsimile No.: (212) 760-0824

(g) From and after the Termination Date or earlier termination of this Agreement in accordance with the terms hereof, the covenants of the parties set forth herein shall be of no further force or effect, and the parties shall be under no further obligation with respect thereto.

(h) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Georgia applicable to contracts made and to be performed therein.

(i) This Agreement shall become effective as of the day first above written.

IN WITNESS WHEREOF, Wynnefield and the Company have caused this Agreement to be duly executed by their respective officers, each of whom is duly authorized, all as of the day and year first above written.

CROWN CRAFTS, INC.

By: /s/ E. Randall Chestnut

Name: E. Randall Chestnut
Title: President / CEO

WYNNEFIELD CAPITAL MANAGEMENT, LLC

By: /s/ Nelson Obus

Name: Nelson Obus
Title: President

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SECTION 302 CERTIFICATION

I, E. Randall Chestnut, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crown Crafts, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly report (the "Evaluation Date"); and
 - (c) presented in this quarterly 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 quarterly 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: August 13, 2003

/s/ E. Randall Chestnut

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

SECTION 302 CERTIFICATION

I, Amy Vidrine Samson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crown Crafts, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly report (the "Evaluation Date"); and
 - (c) presented in this quarterly 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 quarterly 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: August 13, 2003

/s/ Amy Vidrine Samson

Amy Vidrine Samson
Vice President & Chief Financial
Officer

EXHIBIT 32.1

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 Quarterly Report on Form 10-Q of the Company for the period ending June 29, 2003 (the "Periodic Report") 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 Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2003

/s/ E. Randall Chestnut

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

EXHIBIT 32.2

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 Quarterly Report on Form 10-Q of the Company for the period ending June 29, 2003 (the "Periodic Report") 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 Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2003

/s/ Amy Vidrine Samson

Amy Vidrine Samson, Chief Financial Officer