
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): September 26, 2006

Crown Crafts, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	1-7604	58-0678148
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
916 South Burnside Avenue, Gonzales, LA		70737
(Address of Principal Executive Offices)		(Zip Code)

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

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

On September 26, 2006, representatives of Crown Crafts, Inc. (the “Company”) will begin making presentations at investor conferences using slides containing the information attached to this Current Report on Form 8-K as Exhibit 99.1 and will begin providing to certain prospective investors the fact sheet attached hereto as Exhibit 99.2. The Company is furnishing the text of the slides and the fact sheet pursuant to the Securities and Exchange Commission’s (“SEC”) Regulation FD. This information is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, unless we specifically incorporate it by reference in a document filed under the Securities Act of 1934. The Company expects to use these slides and fact sheet, in whole or in part, and possibly with modifications, in connection with presentations to, and communications with, investors, analysts and others through the Company’s 2007 fiscal year.

By filing this report and furnishing this information, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The information contained in the slides and fact sheet is summary information that is intended to be considered in the context of the Company’s SEC filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although the Company may do so from time to time as management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 99.1 Investor Relations Slide Show in use beginning September 26, 2006
 - 99.2 Fact Sheet in use beginning September 26, 2006
-

SIGNATURE

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

CROWN CRAFTS, INC.

By: /s/ Amy Vidrine Samson
Amy Vidrine Samson,
Vice President and Chief Financial Officer
Chief Accounting Officer

Dated: September 26, 2006

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Investor Relations Slide Show in use beginning September 26, 2006
99.2	Fact Sheet in use beginning September 26, 2006

*Crown Crafts, Inc.*

CROWN CRAFTS, INC.

OTC: CRWS

September 2006

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

Corporate Profile



Crown Crafts, Inc.

- ⌘ One of the largest U.S. providers of infant bedding, bibs, soft goods and accessories
- ⌘ Products are marketed as branded and unbranded merchandise
- ⌘ Produces luxury hand-woven throws
- ⌘ Top-tier U.S. license and retail relationships
- ⌘ Successful financial restructuring in 2001 returned the Company to profitability
- ⌘ Successful debt and capital restructuring in 2006 lowered the Company's debt and cost of capital substantially; extinguishment of warrants right-sized the capital structure of the Company

Current licenses



Crown Crafts, Inc.



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Dominant Retail Distribution



Crown Crafts, Inc.

WAL★MART®



BABIES'R'US
The Baby Superstore

TOYS'R'US

amazon.com



bloomingdale's

TARGET

JCPenney

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Senior Management Team



Crown Crafts, Inc.

E. Randall Chestnut

President, Chief Executive Officer and Chairman of the Board

Amy Vidrine Samson

Vice President and Chief Financial Officer

Nanci Freeman

President and Chief Executive Officer, Crown Crafts Infant Products, Inc.

Olivia Elliott

Secretary, Treasurer, Investor Relations

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2001 Restructuring Highlights



Crown Crafts, Inc.

- ⌘ Restructuring completed July 2001
- ⌘ Company had lost \$114 million in 3 years
- ⌘ Reduced debt from \$83 million to \$40 million
- ⌘ Sold faltering business segments
- ⌘ Consolidated operations and focused on profitability
- ⌘ Returned to profitability at end of Fiscal 2002 despite a difficult economy; have maintained profitability since

2006 Restructuring Highlights



Crown Crafts, Inc.

- ⌘ Restructuring completed July 2006
- ⌘ Reduced debt from \$24 million to \$13 million
- ⌘ Reduced interest rate from 11.65% to prime less 1%
- ⌘ Extinguished warrants and shares issuable to management, which together represented 70% of the Company's diluted equity
- ⌘ Reduced shares issued or issuable from 36 million diluted shares to 10 million diluted shares
- ⌘ Company recorded approximate pre-tax gain of \$4 million

A Growing Market

Based on data from the National Center for Health Statistics



Crown Crafts, Inc.

⌘ Target Consumers

- ☒ Expectant Mothers - predominantly first births
- ☒ Parents & Grandparents
- ☒ Gift-givers

⌘ Target Market Trends

- ☒ By 2020, the birth rate is expected to be 4.5 million, exceeding the 4.3 million births recorded at the height of the baby boom in 1957.
- ☒ First births represent approximately 40% of all births.

⌘ Births represent significant purchasing events regardless of economic conditions or household income

The Changing Consumer

Based on data from the National Center for Health Statistics



Crown Crafts, Inc.

⌘ The number of women age 30+ having their first child has quadrupled since 1970.

⌘ Older, better-educated moms demand more product information and will pay more for quality products.

⌘ High quality products and name brands are an important part of this generation's lifestyle.

⌘ Age of Mother as a % of Total Births

☒ Teen	12%
☒ 20 - 24 years old	25%
☒ 25 - 29 years old	27%
☒ 30 - 34 years old	23%
☒ 35 - 39 years old	11%
☒ 40+ years old	2%

Crown Crafts Infant Products



Crown Crafts, Inc.

- ⌘ Crown Crafts Infant Products is a leading manufacturer of infant bedding, blankets, and accessories to mass and specialty markets.
- ⌘ Crown Crafts Infant Products resulted from a 1999 merger between Red Calliope and Noel Joanna (NoJo), two pioneers in the infant products industry.
- ⌘ Crown Crafts Infant Products has become the premier supplier of nursery décor and accessories producing innovative, cutting-edge products for every relevant channel of distribution and enjoying strong product sales in all key accounts in the country.
- ⌘ One of the primary strengths of Crown Crafts Infant Products is an extensive brand and license portfolio.

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- ⌘ HAMCO is a leading designer, producer and marketer of infant bib and bath products, and is very proud of its large share of the bib market.
- ⌘ Founded in 1984 and acquired by Crown Crafts, Inc. in 1997, HAMCO is known for its extensive proprietary design expertise.
- ⌘ In 1998, Pinky Baby Products, predominately a manufacturer of screen print bibs, was merged into HAMCO to compliment HAMCO's existing product line and provide the foundation for HAMCO to dominate the bib market.
- ⌘ Commitment to excellence in quality, customer service and competitive pricing is the hallmark of distinction for HAMCO.



Churchill Weavers



Crown Crafts, Inc.

- ⌘ Founded in 1922, Churchill Weavers is now one of America's most respected hand-woven product producers.
- ⌘ Customers include major department stores, specialty shops and designer showrooms.
- ⌘ Products include adult throws, adult scarves and infant blankets that are focused on upscale markets.



CHURCHILL
WEAVERS

September 2006

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Strengths of our Company



Crown Crafts, Inc.

⌘ Sourcing expertise and experience

☒ Crown Crafts, Inc. takes full advantage of shifts in the global economy. We currently source from countries including China, Thailand, India, Indonesia and the US.

☒ Crown Crafts, Inc. has developed strong relationships with many manufacturers and contractors to bring the industry's very best quality, pricing and speed to the market.

⌘ Retail relationships

⌘ Creative product development and design

⌘ Licensing experience and relationships

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Building Our Future Business



Crown Crafts, Inc.

- ⌘ Build awareness of our brands
- ⌘ Review brand portfolio and balance types of licenses among lifestyle, character and niche opportunities
- ⌘ Develop new license opportunities
- ⌘ Continued focus on trend-setting designs utilizing trend research, trade show and market data
- ⌘ Expand global sourcing to gain competitive edge in marketplace
- ⌘ Expand channels of distribution

Growth Strategy



Crown Crafts, Inc.

⌘ Stage 1 – Restructuring of Company

- ☑ Reduce debt, sell faltering businesses, repair corporate operations
- ☑ Complete ✓

⌘ Stage 2 – Operate a conservative business

- ☑ Manage cash flow
- ☑ Return to profitability
- ☑ Reduce inventory
- ☑ Complete ✓

⌘ Stage 3 – Expand Product Categories

- ☑ Introduction of nursery accessories
- ☑ Develop new licenses and products
- ☑ In progress today

⌘ Stage 4 – Strategic Acquisitions

- ☑ Return shareholder value and grow through accretive integration
- ☑ Planned for the future



Crown Crafts, Inc.

Financial Highlights

September 2006

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Recent Financial Highlights



Crown Crafts, Inc.

- ⌘ Completed debt and capital restructuring resulting in debt reduction from \$24 million to \$13 million plus extinguishment of warrants
- ⌘ Recorded a \$4.2 million deferred tax asset in March 2006
- ⌘ Reduced operating costs and corporate overhead
 - ☒ Lowered interest rates as a result of debt restructuring in July 2006
 - ☒ Combined distribution centers; closed Louisiana center in August 2005
 - ☒ Consolidated financial functions by absorption of California finance department into Louisiana finance department in August 2005
- ⌘ Maintained appropriate inventory levels

Operating Highlights

(in thousands, except per share data)



Crown Crafts, Inc.

	For the fiscal quarter ended		For the fiscal year ended	
	<u>July 2, 2006</u>	<u>July 3, 2005</u>	<u>April 2, 2006</u>	<u>April 3, 2005</u>
Net sales	\$ 16,164	\$ 13,659	\$ 72,629	\$ 83,908
Gross profit	4,580	2,967	17,088	17,025
Net income before taxes	1,526	(261)	3,999	2,543
Net income	911	(269)	7,967	2,438
Weighted average shares outstanding				
- Basic	9,506	9,506	9,506	9,505
- Diluted	22,137	9,506	21,728	21,945
Basic net income per common share	\$ 0.10	\$ (0.03)	\$ 0.84	\$ 0.26
Diluted net income per common share	\$ 0.04	\$ (0.03)	\$ 0.37	\$ 0.11
Return on equity	36.9%	11.5%	34.7%	12.6%

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EBITDA

(in thousands, except per share data)



Crown Crafts, Inc.

	For the fiscal quarter ended		For the fiscal year ended	
	<u>July 2, 2006</u>	<u>July 3, 2005</u>	<u>April 2, 2006</u>	<u>April 3, 2005</u>
Net income	\$ 911	\$ (269)	\$ 7,967	\$ 2,438
Interest expense	723	802	3,046	3,793
Interest income	(95)	(19)	(71)	(9)
Taxes	615	8	(3,968)	105
Depreciation	117	109	479	457
Amortization (1)	90	-	-	-
EBITDA (2)	<u>\$ 2,361</u>	<u>\$ 631</u>	<u>\$ 7,453</u>	<u>\$ 6,784</u>

(1) Amortization for the quarter ended July 2, 2006 represents the write-off of goodwill associated with Churchill Weavers, Inc.

(2) Earnings before interest, taxes, depreciation and amortization

Diluted Earnings per Share



Crown Crafts, Inc.

	<u>2006</u>	<u>2005</u>	<u>2004</u>
	(Amounts in thousands, except per share data)		
Diluted net income per share as reported			
Net income	<u>\$7,967</u>	<u>\$2,438</u>	<u>\$3,103</u>
Weighted average number of shares outstanding	<u>9,506</u>	<u>9,505</u>	<u>9,485</u>
Effect of dilutive securities, principally warrants	<u>12,222</u>	<u>12,440</u>	<u>12,908</u>
Average shares - diluted	<u>21,728</u>	<u>21,945</u>	<u>22,393</u>
Diluted net income per share	<u>\$0.37</u>	<u>\$0.11</u>	<u>\$0.14</u>
Diluted net income per share under new capital structure			
Net income	<u>\$7,967</u>	<u>\$2,438</u>	<u>\$3,103</u>
Weighted average number of shares outstanding	<u>9,506</u>	<u>9,505</u>	<u>9,485</u>
Effect of dilutive securities (1)	<u>24</u>	<u>26</u>	<u>29</u>
Average shares - diluted	<u>9,530</u>	<u>9,531</u>	<u>9,514</u>
Diluted net income per share	<u>\$0.84</u>	<u>\$0.26</u>	<u>\$0.33</u>

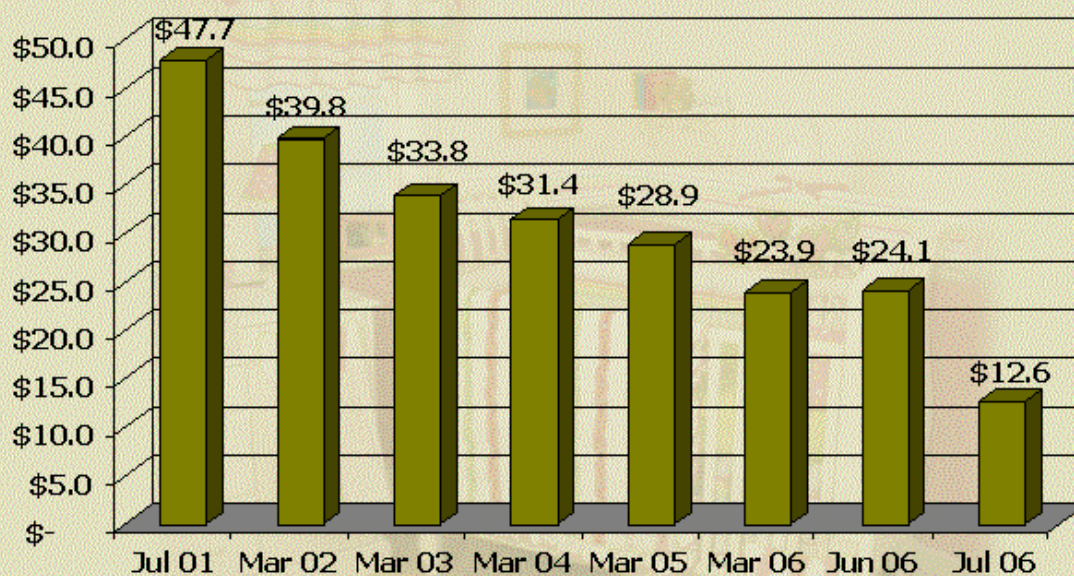
(1) The effect of warrants and management true-up shares was eliminated as a result of the July 2006 debt and capital restructuring.

Long-term debt

(In millions)



Crown Crafts, Inc.



September 2006

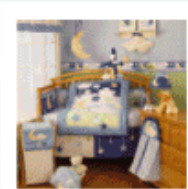
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Investment Summary



Crown Crafts, Inc.

- ⌘ Debt and capital restructuring right-sized the Company's debt and allowed the Company to build shareholder value and operating profits.
- ⌘ Crown Crafts is now a focused, profitable consumer products company operating primarily in the growing infant and juvenile soft goods markets.
- ⌘ The Company's market value is 4 times its EBITDA performance.
- ⌘ Crown Crafts is able to engage in organic and strategic growth initiatives going forward.



Crown Crafts, Inc.

Fact Sheet

Corporate Office

Crown Crafts, Inc.
916 South Burnside Ave.
Gonzales, LA 70737

(800) 433-9560
(225) 647-9100

www.crowncrafts.com

Investment Data

Crown Crafts, Inc. is listed on the
Over-The-Counter Bulletin Board
(OTCBB: CRWS).

Market Capitalization:
\$30 million

Shares Outstanding:
10 million

Fiscal Year Ends:
Sunday nearest March 31

Recent Price:
\$3.10

Information as of 09/05/2006

Corporate Profile

Crown Crafts, Inc. was founded in 1957 and operates indirectly through its subsidiaries in the infant and juvenile product segments of the consumer products industry.

The segments consist of bibs, infant and juvenile bedding, soft goods and accessories. Sales are generally made directly to retailers, mass merchants, large chain stores and gift stores. These products are marketed under a variety of company-owned trademarks, under trademarks licensed from others, without trademarks as unbranded merchandise and with customers' private labels.

Product Overview

Crown Crafts focuses primarily on infant and juvenile products. The company also produces hand-woven throws for infants and adults.

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

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

Crown Crafts' products are marketed through a national sales force, with sales offices located in California, Louisiana, Kentucky and Arkansas. New products are introduced each year at the annual Juvenile Products Manufacturers' Association and All Baby and Child trade shows, and at various other gift shows. Private label products are introduced throughout the year.



Crown Crafts Infant Products, Inc.
A Crown Crafts Company



CHURCHILL
WEAVERS



Crown Crafts, Inc.

Fact Sheet



Client Base

Crown Crafts' customers are mass merchants, chain stores, department stores, specialty home furnishing stores, wholesale clubs, gift stores and catalogue and direct-mail houses. The company's largest customers are:

- Babies 'R Us / Toys 'R Us
- Wal-Mart Stores, Inc.
- Target Corp.

Market Overview

The entire infant products market has faced unprecedented challenges over the last five years. Early in 2005, the elimination of quotas on products imported from China, where most of the industry's products are manufactured, had a negative impact on the company's revenues. Additionally, certain customers implemented new marketing strategies by reducing their reliance on licensed products, such as the Disney and Classic Pooh product lines, and shifted to direct sourcing of private label merchandise. Despite these obstacles, Crown Crafts posted a 57 percent increase in pre-tax profits for its 2006 fiscal year.

Operations Overview

In response to changing business conditions in the consumer products industry, Crown Crafts significantly transitioned its business operations in 2006 to improve profitability and generate long-term growth opportunities. The company implemented an aggressive program of cost reductions and rationalization, and also outsourced virtually all of its manufacturing to foreign suppliers.

In addition, the company closed its distribution center in Gonzales, Louisiana and combined all distribution functions into its warehouse located in Compton, California. This move reduced the company's distribution square footage by 28.5 percent. The company also combined duplicate financial functions for two of its major subsidiaries, which added to the savings.

Shareholder equity further benefited from the removal of a \$4.2 million deferred tax valuation allowance.

The company restructured its debt in July 2006. The new financing package, secured through CIT Group / Commercial Services, Inc., substantially reduced the company's total debt and its cost of funds and, importantly, extinguished all of the warrants that were exercisable by its lenders and certain shares that were issuable to management upon the exercise of such warrants, which together represented more than 70 percent of the company's equity. The company recorded an approximate \$4 million pre-tax gain on the debt restructuring.

Financial Highlights	2006	2005	2004
\$ in millions except per share data			
Net Sales	\$ 72.6	\$ 83.9	\$ 86.2
Gross Profit	17.1	17.0	19.6
Net Income Before Taxes	4.0	2.5	3.3
Net Income	8.0	2.4	3.1
Basic Net Income Per Share	0.84	0.26	0.33
Diluted Net Income Per Share	0.37	0.11	0.14
Total Assets	58.2	54.1	58.4
Total Debt	24.0	27.4	31.5
Shareholders' Equity	28.8	20.9	18.4
EBITDA	2006	2005	2004
\$ in thousands			
Net Income	\$ 7,967	\$ 2,438	\$ 3,103
Interest Expense	3,046	3,793	4,055
Interest Income	(71)	(9)	(20)
Taxes	(3,968)	105	222
Depreciation	479	457	532
EBITDA ¹	7,453	6,784	7,892

¹ Earnings before interest, taxes, depreciation and amortization