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 July 2, 2000

( ) 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 incorporation or organization)	(I.R.S. Employer Identification No.)

1600 RiverEdge Parkway, Suite 200, Atlanta, Georgia 30328
(Address of principal executive offices)

(770) 644-6400
(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 September 29, 2000 was 8,608,843.

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

PART 1 - FINANCIAL INFORMATION
ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
July 2, 2000 (UNAUDITED) and April 2, 2000

<TABLE>
<CAPTION>

dollar amounts in thousands, except share and par value per share	July 2, 2000	April 2, 2000
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS:		
Cash	$ 311	$ 1,453

Accounts receivable (less allowances of $5,819 at July 2 and $5,771 at April 2):		
Due from factor	14,677	25,432
Other	4,291	3,580
Inventories, net	70,729	73,269
Other current assets	7,030	8,755
Total current assets	97,038	112,489
PROPERTY, PLANT AND EQUIPMENT - AT COST:		
Land, buildings and improvements	45,148	45,613
Machinery and equipment	97,867	97,972
Furniture and fixtures	2,140	2,142
	145,155	145,727
Less accumulated depreciation	75,295	72,705
Property, plant and equipment - net	69,860	73,022
OTHER ASSETS:		
Goodwill (net of amortization of $4,332 at July 2 and $4,067 at April 2)	24,963	25,228
Other	3,875	4,265
Total other assets	28,838	29,493
TOTAL ASSETS	$ 195,736	$ 215,004

</TABLE>

See notes to interim consolidated financial statements.

Crown Crafts, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
July 2, 2000 (UNAUDITED) and April 2, 2000

<TABLE>
<CAPTION>

dollar amounts in thousands, except share and par value per share	July 2, 2000	April 2, 2000
<S>	<C>	<C>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 12,731	$ 17,997
Income taxes payable	49	
Accrued wages and benefits	4,237	5,022
Accrued royalties	2,433	3,538
Other accrued liabilities	3,016	3,444
Current maturities of long-term debt	124,716	19,000
Total current liabilities	147,182	49,001
NON-CURRENT LIABILITIES:		
Long-term debt		106,593
Deferred income taxes	1,850	1,850
Other	745	745
Total non-current liabilities	2,595	109,188
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common stock - par value $1.00 per share 50,000,000 shares authorized, 9,583,305 issued	9,983	9,983
Additional paid-in capital	46,096	46,096
Retained earnings	10,223	21,110
Cumulative currency translation adjustment	(34)	(65)
Common stock held in treasury - 1,374,462 shares at cost	(20,309)	(20,309)

Total shareholders' equity	45,959	56,815
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 195,736	$ 215,004

</TABLE>

See notes to interim consolidated financial statements.

Crown Crafts, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
Three months ended July 2, 2000 and June 27, 1999 (UNAUDITED)

<TABLE>
<CAPTION>

in thousands, except loss per share	July 2, 2000	June 27, 1999
<S>	<C>	<C>
Net sales	$ 58,194	$ 65,787
Cost of products sold	53,747	56,842
Gross profit	4,447	8,945
Marketing and administrative expenses	11,976	12,063
Loss from operations	(7,529)	(3,118)
Other income (expense):		
Interest expense	(3,934)	(3,002)
Other - net	577	19
Loss before income taxes	(10,886)	(6,101)
Income tax benefit	0	(2,274)
Net loss	(10,886)	(3,827)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	31	(53)
Comprehensive loss, net of tax	$ (10,855)	$ (3,880)
Basic loss per share	$ (1.26)	$ (0.44)
Diluted loss per share	$ (1.26)	$ (0.44)
Average shares outstanding - basic	8,609	8,609
Average shares outstanding - diluted	8,609	8,609

</TABLE>

See notes to interim consolidated financial statements.

Crown Crafts, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS Three months
ended July 2, 2000 and June 27, 1999
(UNAUDITED)

<TABLE>
<CAPTION>

in thousands	July 2, 2000	June 27, 1999

<S>	<C>	<C>
OPERATING ACTIVITIES:		
Net loss	$(10,886)	$(3,827)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation of property, plant and equipment	3,068	2,848
Amortization of goodwill	265	258
(Gain) loss on sale of property, plant and equipment	(466)	24
Changes in assets and liabilities, net of effects of acquisitions of businesses:		
Accounts receivable	11,130	19,044
Inventories	2,540	(7,257)
Other current assets	1,725	(329)
Other assets	390	50
Accounts payable	(5,266)	(5,199)
Income taxes payable	49	(4)
Accrued liabilities	(2,318)	679
Net cash provided by operating activities	231	6,287
INVESTING ACTIVITIES:		
Capital expenditures	(328)	(4,120)
Proceeds from sale of property, plant and equipment	888	79
Other	31	(53)
Net cash provided by (used for) investing activities	591	(4,094)
FINANCING ACTIVITIES:		
Payment of long-term debt	(878)	(1,750)
Decrease in advances from factor	(1,086)	
Net cash used for financing activities	(1,964)	(1,750)
NET INCREASE (DECREASE) IN CASH	(1,142)	443
Cash at beginning of period	1,453	744
CASH AT END OF PERIOD	$ 311	$ 1,187
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid	$ 281	$ 74
Interest paid	$ 4,082	$ 2,409

</TABLE>

See notes to interim consolidated financial statements.

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation: The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles 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 generally accepted accounting principles for complete financial statements. In the opinion of management, such interim consolidated financial statements contain all adjustments necessary to present fairly the Company's financial position as of July 2, 2000 and the results of its operations and its cash flows for the periods ended July 2, 2000 and June 27, 1999. Such adjustments include normal recurring accruals and a pro rata portion of certain estimated annual expenses. Operating results for the three-month period ended July 2, 2000 are not necessarily indicative

of the results that may be expected for the year ending April 1, 2001. For further information, refer to the consolidated financial statements and footnotes thereto included in the annual report of Form 10-K for the year ended April 2, 2000 of Crown Crafts, Inc. (the "Company").

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Financial Instruments and Hedging Activities" ("SFAS No. 133"). This statement requires that all derivatives be recognized in the statement of financial position as either assets or liabilities and measured at fair value. In addition, all hedging relationships must be designated, reassessed and documented pursuant to the provisions of SFAS No. 133. In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133," which amends the effective date of SFAS No. 133 to all fiscal quarters of fiscal years beginning after June 15, 2000. In June 2000, the FASB issued SFAS No. 138, which amends SFAS No. 133 and addresses a limited number of issues causing implementation difficulties for a large number of entities preparing to implement SFAS No. 133. The effect on the Company's financial statements upon adoption of SFAS No. 133 has not been determined. SFAS 133 and its amendments are effective for the Company beginning in the first quarter of fiscal 2002.

The SEC recently issued Staff Accounting Bulletin 101 ("SAB 101"), Revenue Recognition. The Company is currently evaluating the effect of this pronouncement on its financial statements.

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

2. In 1999, the Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." The Company's principal segments include adult home furnishing and juvenile products, consisting of bedroom products (adult comforters and accessories), throws and decorative home accessories (primarily jacquard-woven throws in cotton, acrylic, rayon or chenille), and juvenile products (primarily Pillow Buddies). The second principal segment is infant products, consisting of infant bedding, bibs, and infant soft goods. The Company tracks revenues and operating profit information for these two business segments.

Financial information attributable to the Company's business segments for the quarters ended July 2, 2000 and June 27, 1999, was as follows (in thousands):

<TABLE>
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	Three Months Ended	
	July 2,	June 27,
Revenues:	2000	1999
<S>	<C>	<C>
Adult home furnishing and juvenile products	$37,953	$44,076
Infant products	20,241	21,711
Total	$58,194	$65,787

</TABLE>

<TABLE>
<CAPTION>

Operating income (loss):	Three Months Ended July 2, 2000	June 27, 1999
<S>	<C>	<C>
Adult home furnishing and juvenile products	$(9,583)	$(5,185)
Infant products	2,054	2,067
Total	$(7,529)	$(3,118)

</TABLE>

Net sales by individual product groups within these business segments were as follows (in thousands):

<TABLE>
<CAPTION>

	Three Months Ended July 2, 2000	June 27, 1999
<S>	<C>	<C>
Bedroom products	$26,685	$33,761
Throws and decorative home accessories	10,363	8,565
Infant and juvenile products	21,116	23,391
Other	30	70
Total net sales	$58,194	$65,787

</TABLE>

3. Interest costs of $0 and $69,000, respectively, were capitalized during the quarters ended July 2, 2000, and June 27, 1999.

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

<TABLE>
<CAPTION>

	July 2, 2000	April 2, 2000
<S>	<C>	<C>
Raw materials	$24,505	$27,822
Work in process	5,448	4,925
Finished goods	40,776	40,522
	$70,729	$73,269

</TABLE>

Inventory is net of reserves for inventories classified as irregular or discontinued of $7.0 million and $6.2 million at July 2, 2000 and April 2, 2000, respectively.

5. During the quarter ended July 2, 2000, the Company sold surplus real property in North Carolina and Louisiana with net proceeds of $888,000 and a gain on sale of $466,000.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THREE MONTHS ENDED JULY 2, 2000 COMPARED TO THE THREE MONTHS ENDED JUNE 27, 1999

Net sales decreased $7.6 million or 11.5% to $58.2 million in the current year quarter compared to $65.8 million in the prior year quarter. This was attributable to a decrease of $7.1 million or 21% in bedroom products, a $2.3 million decrease in sales of infant and juvenile products from $23.4 million to $21.1 million, partly offset by a $1.8 million increase in throws and decorative home accessories. The decrease in bedroom products resulted from the decision to phase down the unprofitable Studio bedding line; however sales from the Calvin Klein Home product line increased 13% versus the prior year quarter. Lower sales in infant and juvenile products stemmed from inventory management by retail customers and maturing of the Pillow Buddy(R) product.

For the quarter ended July 2, 2000, gross profit as a percentage of net sales decreased to 7.6% from 13.6% for the quarter ended June 27, 1999. There were principally two reasons for the decline in gross profits. First was the continuing sale of close-out inventory. During the quarter ended July 2, 2000, sales of such inventory totaled approximately $5.8 million which had the effect of reducing the gross profit percentage by approximately 7.6% from what it would have been in the absence of close-out sales. Related to this, reserves for irregular and discontinued inventory were increased by $0.8 million in the quarter ended July 2, 2000. The second reason for the decline in the gross profit percentage relates to the under-absorption of overhead costs at the Company's Roxboro, North Carolina manufacturing facilities, as the Company adjusts its capacity for the anticipated level of manufacturing and distribution activity.

Marketing and administrative expenses decreased by $87,000 in the current year quarter compared to the same quarter in the prior fiscal year and were 20.6% of net sales versus 18.3%.

Interest expense for the quarter increased by $932,000 because of higher levels of borrowings and higher effective interest rates.

Due to the accumulated losses, no income tax benefit has been included for the quarter ended July 2, 2000, whereas the effective income tax rate for the prior year period was 37.3%.

Subsequent to July 2, 2000, based upon the Company's projections, a major licensor agreed to modify the financial covenants applicable to the license for the balance of the fiscal year ending April 1, 2001. The modified covenants require tangible net worth of at least $15 million and a debt to total capitalization ratio of not more than 80%. At July 2, 2000, these amounts were $21 million and 73%, respectively.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $231,000 for the quarter ended July 2, 2000 compared to $6.3 million for the quarter ended June 27, 1999. Cash of approximately $8.3 million from decreased working capital funded the cash loss of $7.6 million (net loss plus depreciation and amortization). Net cash provided by investing activities was $591,000 compared to a use of $4.1 million in the prior year period. Net cash used for financing activities was $2.0 million, similar to the prior year period. Total debt outstanding decreased to $124.7 million at July 2, 2000 from $125.6 million at April 2, 2000. This decrease resulted from the repayment of debt from the sale of fixed assets. At September 29, 2000, cash available from factor advances was $10.8 million.

On August 11, 1999, the Company executed agreements with its two commercial banks and with the holder of its notes to restructure certain provisions of its borrowing arrangements. Among other things, the agreements extended the maturity of the $30 million revolving credit facilities to April 3, 2000, and of the additional revolving credit facility, in the reduced amount of $15 million, to March 31, 2000, and adjusted financial and other covenants based on the Company's projections. The Company granted security interests in substantially all of its assets and adjusted the interest rate on its bank facilities to each bank's Base Rate plus 1%. These agreements were subsequently amended to extend the maturity of the loans to August 31, 2000.

At July 2, 2000, the Company was not in compliance with certain financial covenants pertaining to its revolving credit facilities, notes payable and its 10.42% notes. Each of the lenders waived compliance with these financial covenants for the quarter ended July 2, 2000. On August 31, 2000, the Company concluded a restructuring of its debt. Among other things, the agreements extend the maturity of the debt to April 3, 2001 and adjust financial and other covenants based on the Company's projections. The restructured loan covenants limit capital expenditures for fiscal 2001 to $4.4 million, limit the level of advances on factored accounts receivable to $36 million, require certain levels of borrowing base assets relative to debt, and require certain levels of cash flow on a monthly basis, totaling $14.5 million for fiscal 2001. The credit facilities also currently prohibit the payment of dividends and restrict the amounts the Company may expend on acquisitions and purchases of treasury stock.

In exchange, the Company has agreed to issue to the Lenders warrants exercisable for 10% of the Company's issued and outstanding common stock exercisable not later than December 31, 2005. The warrants will be extinguished at the rate of 2% for each 1% reduction in the Company's debt. The interest rate on the bank credit facilities was increased by 1% to each bank's Base Rate plus 2% and on the notes placed with an insurance company to 11.77%. The margin over Base Rate is subject to change after January 1, 2001 depending upon the level of debt. The principal payment on the notes was deferred until April 3, 2001, but the Company is required to make repayments of $19 million on the debt between December 8, 2000 and April 1, 2001 as follows:

<TABLE>
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<S>	$ MILLION --------- <C>
December 8, 2000	7.0
December 31, 2000	4.0
February 4, 2001	3.0
March 4, 2001	2.0
April 1, 2001	3.0

Total	19.0
	====

</TABLE>

The balance of $105.7 million is due and payable on April 3, 2001.

The Company's ability to make scheduled payments of principal, to pay the interest on, or to refinance its maturing indebtedness by April 2, 2001, 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 and anticipated increases in cash flow from improved inventory management, cost reduction initiatives, as well as the planned withdrawal from under-performing product lines, the Company believes that cash flow from operations together with advances available from factored accounts receivable will be adequate to meet liquidity needs for the next year.

To reduce its exposure to credit losses and to enhance its cash flow forecasts, 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 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.

The agreement with its lenders, described above, provides for the Company to finance its seasonal working capital needs by taking advances against its factored receivables of up to $36 million.

FORWARD-LOOKING INFORMATION

This Form 10Q contains forward-looking statements within the meaning of the federal securities law. Such statements are based upon management's current expectations, projections, estimates and assumptions. Words such as "expects," "believes," "anticipates"

and variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause future results to differ materially from those anticipated. These risks include, among others, general economic conditions, changing competition, the level and pricing of future orders from the Company's customers, the Company's dependence upon third-party suppliers, including some located in foreign countries with unstable political situations, the Company's ability to successfully implement new information technologies, the Company's ability to integrate its acquisitions and new licenses, and the Company's ability to implement improvements in its acquired businesses.

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 Company's exposure to interest rate risk relates to its floating rate debt, $82.2 million of which was outstanding at July 2, 2000.

The Company's exposure to commodity price risk primarily relates to changes in the price of cotton, which is a principal raw material in a substantial number of the Company's products. To manage this risk, from time to time the Company enters into commodity future contracts and forward purchase contracts. No such contracts were outstanding at July 2, 2000.

The Company's exposure to foreign exchange rates relates to its Mexican manufacturing subsidiary. During the fiscal year ended April 2, 2000, this subsidiary manufactured products for the Company with a value of approximately $7.5 million. The Company's investment in the subsidiary was approximately $4.4 million at July 2, 2000.

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

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

None

Item 3 - Defaults Upon Senior Securities

At July 2, 2000, the Company was not in compliance with certain financial covenants pertaining to its revolving credit facilities and its 10.42% notes. Each of the lenders waived compliance with these financial covenants for the quarter ended July 2, 2000 in connection with the loan extension executed on June 6, 2000.

Item 4 - Submission of Matters to Vote of Security Holders

None

Item 5 - Other Information

None

Item 6 - Exhibits and Reports on Form 8-K

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
27	Financial Data Schedule (for SEC use only)

There were four reports on Form 8-K during the quarter ended July 2, 2000:

1. April 25: Agreement in principle with the lenders to extend the loan agreements to August 31, 2000. Also, the resignation of the CFO, David Fraser.
2. May 4: Staff reduction of 147 positions, resignation of Senior Vice Presidents Joe Mattera and Roger Chittum.
3. May 9: Appointment of Carl Texter as CFO.
4. June 6: Execution of definitive agreement extending loans to August 31, 2000.

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

JULY 2, 2000

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: September 27, 2000 /s/ Carl A. Texter

CARL A. TEXTER
(Chief Accounting Officer)

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FORM
10-Q OF CROWN CRAFTS, INC. FOR THE QUARTER ENDED JULY 2, 2000 AND IS QUALIFIED
IN ITS ENTIRETY BY REFERENCE TO SUCH FORM 10-Q.
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