

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

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

For the quarterly period ended June 30, 1996

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)

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 No

--- ---

The number of shares of common Stock, \$1.00 par value, of the Registrant outstanding as of August 8, 1996 was 7,944,201.

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

PART 1 - FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
JUNE 30, 1996 (UNAUDITED) AND MARCH 31, 1996

<TABLE>
<CAPTION>

(in thousands)	June 30, 1996	March 31, 1996
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS		
Cash	\$ 281	\$ 517
Accounts receivable, net:		
Due from factor	14,247	27,943
Other	11,952	12,901
Inventories	56,219	47,269
Deferred income taxes	1,487	1,510
Other current assets	3,643	3,474
	-----	-----
Total Current Assets	87,829	93,614
	-----	-----
PROPERTY, PLANT AND EQUIPMENT - at cost:		
Land, buildings and improvements	45,035	44,274
Machinery and equipment	65,342	65,782
Furniture and fixtures	1,574	1,544
	-----	-----
	111,951	111,600
Less accumulated depreciation	35,625	34,265
	-----	-----
Property, Plant and Equipment - net	76,326	77,335
	-----	-----
OTHER ASSETS		
Goodwill	13,383	13,526
Other	1,553	1,223
	-----	-----
Total Other Assets	14,936	14,749
	-----	-----
TOTAL	\$179,091	\$185,698
	=====	=====

</TABLE>

See notes to interim consolidated financial statements.

-1-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS (continued)

CONSOLIDATED BALANCE SHEETS
JUNE 30, 1996 (UNAUDITED) AND MARCH 31, 1996

<TABLE>
<CAPTION>

(dollars in thousands, except par value per share)	June 30, 1996	March 31, 1996
<S>	<C>	<C>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	\$ 16,750	\$ 1,180
Accounts payable	13,255	12,480
Income taxes payable	94	46
Accrued wages and benefits	3,848	3,607
Other accrued liabilities	3,159	3,332

Current maturities of long-term debt	2,600	5,100
Total Current Liabilities	39,706	25,745
LONG-TERM DEBT	50,300	69,300
DEFERRED INCOME TAXES	6,937	6,936
OTHER LIABILITIES	713	700
SHAREHOLDERS' EQUITY:		
Common stock - par value \$1.00 per share; 50,000,000 shares authorized; 9,050,636 shares issued	9,051	9,051
Additional paid-in capital	34,438	34,438
Retained earnings	52,745	54,327
Less:		
1,106,435 shares of common stock held in treasury	(14,799)	(14,799)
Total Shareholders' Equity	81,435	83,017
TOTAL	\$179,091	\$ 185,698

</TABLE>

See notes to interim consolidated financial statements.

-2-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS (Continued)

CONSOLIDATED STATEMENTS OF EARNINGS

JUNE 30, 1996 AND JULY 2, 1995

(UNAUDITED)

<TABLE>

<CAPTION>

	June 30, (in thousands, except per share data)	July 2, 1996	1995
<S>	<C>	<C>	
NET SALES	\$ 44,400	\$ 39,207	
COST OF PRODUCTS SOLD		37,488	31,656
GROSS PROFIT	6,912	7,551	
MARKETING AND ADMINISTRATIVE EXPENSES		8,214	6,546
EARNINGS (LOSS) FROM OPERATIONS		(1,302)	1,005
OTHER INCOME (EXPENSE):			
Interest expense	(1,258)	(529)	
Cotton futures transactions		62	
Other - net	193	190	
EARNINGS (LOSS) BEFORE INCOME TAXES	(2,367)	728	
PROVISIONS (CREDITS) FOR INCOME TAXES	(1,024)	272	

NET EARNINGS (LOSS)	\$ (1,343)	\$ 456
EARNINGS (LOSS) PER SHARE	\$ (0.17)	\$ 0.05
AVERAGE SHARES OUTSTANDING	7,944,201	8,565,429
DIVIDENDS DECLARED PER SHARE	\$ 0.03	\$ 0.03

</TABLE>

See notes to interim consolidated financial statements.

-3-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS (continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED JUNE 30, 1996 AND
JULY 2, 1995
(UNAUDITED)

<TABLE>

<CAPTION>

(in thousands)	June 30, 1996	July 2, 1995	
	<C>	<C>	
OPERATING ACTIVITIES:			
Net earnings	\$ (1,343)	\$ 456	
Adjustments to reconcile net earnings to net cash provided by (used for) operating activities:			
Depreciation and amortization of property, plant and equipment	2,437	2,112	
Amortization of goodwill	143	52	
Deferred income taxes	24	(12)	
Gain on disposal of property, plant and equipment	(112)	(74)	
Changes in assets and liabilities:			
Accounts receivable	14,645	8,209	
Inventories	(8,950)	(10,947)	
Other current assets	(169)	(125)	
Other assets	(330)	(131)	
Accounts payable	775	3,573	
Income taxes payable	48	(18)	
Accrued liabilities	68	(562)	
Other liabilities	13	12	
Net Cash Provided by Operating Activities	7,249	2,545	
INVESTING ACTIVITIES:			
Capital expenditures	(1,647)	(6,973)	
Acquisitions, net of cash acquired		(3,958)	
Proceeds from sale of property, plant and equipment	331	199	
Net Cash Used For Investing Activities	(1,316)	(10,732)	
FINANCING ACTIVITIES:			
Payment of long-term debt	(2,500)	(2,750)	
Increase (decrease) in bank revolving credit	(19,000)		
Increase in notes payable	15,570	10,595	
Exercise of stock options		455	
Cash dividends	(239)	(257)	

Net Cash Provided By (Used For) Financing Activities	(6,169)	8,043
NET DECREASE IN CASH (carried forward)	\$ (236)	\$ (144)

</TABLE>

-4-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

FINANCIAL STATEMENTS (continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED JUNE 30, 1996 AND
JULY 2, 1995
(UNAUDITED)

<TABLE>
<CAPTION>

(dollars in thousands)	June 30, 1996	July 2, 1995
NET DECREASE IN CASH (brought forward)	\$ (236)	\$(144)
CASH, beginning of period	517	567
CASH, end of period	\$ 281	\$ 423
Supplemental Cash Flow Information:		
Income taxes paid	\$ 68	\$ 141
Interest paid net of amounts capitalized	\$1,220	\$ 534

</TABLE>

See notes to interim consolidated financial statements.

-5-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

- The accompanying interim 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 June 30, 1996 and the results of its operations and its cash flows for the periods ended June 30, 1996 and July 2, 1995. Such adjustments include normal recurring accruals and a pro rata portion of certain estimated annual expenses.

2. The computation of net earnings per share for the periods ended June 30, 1996 and July 2, 1995 is based on simple average shares outstanding. Stock options outstanding did not have a material dilutive effect during either period.
3. Major classes of inventory were as follows (in thousands):

<TABLE>
<CAPTION>

	June 30, 1996	March 31, 1996
	-----	-----
<S>	<C>	<C>
Raw materials	\$27,899	\$23,076
Work in process	4,575	2,916
Finished goods	23,745	21,277
	-----	-----
	\$56,219	\$47,269
	=====	=====

</TABLE>

4. Operating results of interim periods are not necessarily indicative of results to be expected for the year.
5. Certain reclassifications have been made to the July 2, 1995 financial statements to conform to the June 30, 1996 presentation.

-6-

FORM 10-Q

CROWN CRAFTS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 1996 COMPARED TO THE THREE MONTHS ENDED JULY 2, 1995

Consolidated net sales increased \$5.6 million or 13.2% to \$44.4 million in the current year quarter. The increase was attributable to incremental net sales of \$9.8 million from businesses acquired by the Company subsequent to the end of the comparable prior year quarter, offset by declines in net sales of comforters, comforter accessories and throws.

Gross profit as a percentage of net sales declined to 15.6% for the quarter ended June 30, 1996 from 19.3% for the quarter ended July 2, 1995, primarily due to underutilization of production capacity at the Company's primary manufacturing facilities. This underutilization resulted from particularly weak demand for comforters, comforter accessories and throws during the first quarter, which is also normally the slowest period of the fiscal year for sales of these product categories. Capacity utilization has improved with the start of the second quarter.

Marketing and administrative expenses increased \$1.7 million or 25.5% to \$8.2 million in the current year quarter. The incremental marketing and administrative expenses of the businesses acquired subsequent to the end of the comparable prior year quarter, accounted for \$1.5 million of the increase.

Interest costs incurred increased to \$1.3 million in the current year quarter from \$0.6 million (including capitalized interest of \$114,000) in the prior year quarter. This increase was due to higher levels of debt outstanding. The higher debt levels are attributable to fiscal 1996 capital expenditures of \$23.7 million, acquisitions of \$20.5 million and purchases of treasury stock of \$7.5 million.

The effective income tax rate increased to 43.3% for the three month period ended June 30, 1996 from 37.4% for the three month period ended July 2, 1995. This increase is attributable to an increase of \$91,000 in financial statement expenses for nondeductible amortization of goodwill and higher state and local income tax rates applicable to acquired companies.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

The Company maintains uncommitted lines of credit totaling \$40 million with two banks at floating interest rates. Total borrowings outstanding under these lines at June 30, 1996 were \$16.8 million. The Company also has unsecured committed revolving credit agreements totaling \$30 million with two banks at interest rates based on the London Interbank Offered Rate (LIBOR). There were no outstanding borrowings under these agreements at June 30, 1996.

Total debt outstanding decreased to \$69.7 million at June 30, 1996 from \$75.6 million at March 31, 1996. The ratio of debt to equity was 0.86:1 at June 30, 1996 compared to 0.91:1 at March 31, 1996. The decrease in total debt was attributable to a reduction of \$14.6 million in accounts receivable partially offset by additional borrowings to fund an increase in inventories. Despite the

-7-

reduction in total debt outstanding, working capital decreased to \$48.1 million at June 30, 1996 from \$67.9 million at March 31, 1996, primarily as the result of an increase of \$15.6 million in notes payable. To take advantage of lower interest rates, the Company increased the amount borrowed on its uncommitted lines which are classified as short-term notes payable to repay amounts outstanding on its committed revolving credit facilities which are classified as long-term debt.

Total inventories increased \$8.9 million to \$56.2 million at June 30, 1996 from \$47.3 million at March 31, 1996. This inventory build up is a seasonal pattern to bring stock to adequate levels to meet the heavier shipping demands in the second and third quarters of the fiscal year.

OTHER MATTERS

In March 1995, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of. SFAS No. 121 addresses issues surrounding the measurement and recognition of losses when the value of certain assets has been deemed to be permanently impaired. This Statement was effective for the Company beginning April 1, 1996 and had no impact on the Company's financial position as of June 30, 1996, or results of operations for the three month period then ended.

In October 1995, the FASB issued SFAS No. 123, Accounting for Stock-Based Compensation, which was effective for the Company beginning April 1, 1996. SFAS No. 123 establishes a method of accounting for stock compensation plans based on fair value, but also permits companies to continue to account for stock options under the intrinsic value method established by Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees. The Company will continue to account for stock-based compensation following the intrinsic value method. SFAS No. 123 requires disclosure in the notes to financial statements of pro forma net income and earnings per share as if the alternative method established in SFAS No. 123 had been used to measure compensation cost. The Company will disclose the required pro forma information in the notes to its financial statements for the year ended March 30, 1997.

FORM 10-Q
CROWN CRAFTS, INC. AND SUBSIDIARIES
PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

None

Item 2 - Changes in Securities

None

Item 3 - Defaults Upon Senior Securities

None

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

<TABLE>

<CAPTION>

EXHIBIT

NUMBER DESCRIPTION OF EXHIBITS

- - - - -

<S> <C>

10(d)(iii) Amendment No. 2 to Revolving Credit Agreement dated June 28, 1996
with Wachovia Bank of Georgia, N.A.

10(c)(iii) Amendment No. 2 to Revolving Credit Agreement dated June 28, 1996
with NationsBank, N.A., formerly known as NationsBank, National
Association (Carolinas)

27 Financial Data Schedule (for SEC use only)

</TABLE>

There were no reports on Form 8-K during the quarter ended June 30, 1996.

JUNE 30, 1996

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, 1996 /s/ Robert E. Schnelle

ROBERT E. SCHNELLE
Treasurer
(Chief Accounting Officer)

EXHIBIT 10(d)(iii)

AMENDMENT NO. 2 TO REVOLVING CREDIT AGREEMENT

THIS AMENDMENT NO. 2 TO REVOLVING CREDIT AGREEMENT (this "Agreement") is made and entered into as of this 28th day of June, 1996 between CROWN CRAFTS, INC., a Georgia corporation (the "Borrower"), and WACHOVIA BANK OF GEORGIA, N.A (the "Lender").

WITNESSETH

WHEREAS, the Borrower and the Lender have entered into a Revolving Credit Agreement dated as of August 25, 1995, as amended, (the "Credit Agreement"), pursuant to which the Lender has made available to the Borrower a revolving credit facility of up to \$15,000,000; and

WHEREAS, the Borrower has requested that the Credit Agreement be amended in the manner set forth herein and the Lender is willing to agree to such amendment;

NOW, THEREFORE, in consideration of the mutual covenants and the fulfillment of the conditions set forth herein, the parties do hereby agree as follows:

1. Definitions. Any capitalized terms used herein without definition shall have the meaning set forth in the Credit Agreement.

2. Amendment. Subject to the terms and conditions set forth herein, Section 7.3 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

7.3 Consolidated Shareholders' Equity. Permit Consolidated Shareholders' Equity to be less than \$80,000,000 through the end of the Fiscal Year ended March 31, 1996 and thereafter at all times, the sum of (A) the amount of Consolidated Shareholders' Equity required to be maintained pursuant to this Section 7.3 as at the end of the immediately preceding Fiscal Year, plus (B) 50% of Net Income (with no reduction for net losses during any period) for the Fiscal Year of the Borrower ending on such day, plus (C) 100% of the aggregate amount of all increases in the stated capital and additional paid-in capital accounts of the Borrower resulting from the issuance of equity securities, conversion of any debt instruments into equity or other capital investments, less the effect of the Permitted Stock Repurchases subsequent to April 2, 1995.

3. Representations and Warranties. In order to induce the Lender to enter into this Agreement, the Borrower represents and warrants to the Lender as follows:

(a) The representations and warranties made by Borrower in Article V of the Credit Agreement are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date and except that the financial statements referred to in Section 5.6(a) of the Credit Agreement shall be deemed to be those financial statements most recently delivered to the Lender pursuant to Section 6.1 of the Credit Agreement.

(b) There has been no material adverse change in the condition, financial or otherwise, of the Borrower and its Subsidiaries, taken as a whole, since the date of the most recent financial reports of the Borrower received by the Lender under Section 6.1(a) of the Credit Agreement, other than changes in the ordinary course of business;

(c) The business and properties of the Borrower and its Subsidiaries, taken as a whole, are not, and since the date of the most recent financial report of the Borrower and its Subsidiaries received by the Lender under Section 6.1(a) of the Credit Agreement, have not been adversely affected in any substantial way as the result of any fire,

explosion, earthquake, accident, strike, lockout, combination of workers, flood, embargo, riot, activities of armed forces, war or acts of God or the public enemy, or cancellation or loss of any major contracts; and

(d) No event has occurred and is continuing which constitutes, and no condition exists which upon the consummation of the transaction contemplated hereby would constitute, a Default or an Event of Default on the part of the Borrower under the Credit Agreement, either immediately or with the lapse of time or the giving of notice, or both.

4. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relative to such subject matter.

5. Full Force and Effect of Agreement. Except as hereby specifically amended, modified or supplemented, the Credit Agreement and all other Loan Documents are hereby confirmed and ratified in all respects and shall remain in full force and effect according to their respective terms.

6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

7. Governing Law. This Agreement shall in all respects be governed by the laws and judicial decisions of the State of Georgia.

8. Enforceability. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

9. Credit Agreement. All references in any of the Loan Documents to the Credit Agreement shall mean the Credit Agreement as amended hereby.

(Signature page follows.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officer, all as of the day and year first above written.

BORROWER:

CROWN CRAFTS, INC.

By: /s/ Robert E. Schnelle

Name: Robert E. Schnelle

Title: Treasurer

LENDER:

WACHOVIA BANK OF GEORGIA, N.A.

By: /s/ Susan E. Cates

Name: Susan E. Cates

Title: Assistant Vice President

(Signature page 1 of 1)

EXHIBIT 10(c)(iii)

AMENDMENT NO. 2 TO REVOLVING CREDIT AGREEMENT

THIS AMENDMENT NO. 2 TO REVOLVING CREDIT AGREEMENT (this "Agreement") is made and entered into as of this 28th day of June, 1996 between CROWN CRAFTS, INC., a Georgia corporation (the "Borrower"), and NATIONS BANK, N.A., a national banking association formerly known as NationsBank, National Association (Carolinias) (the "Lender").

WITNESSETH

WHEREAS, the Borrower and the Lender have entered into a Revolving Credit Agreement dated as of August 25, 1995, as amended, (the "Credit Agreement"), pursuant to which the Lender has made available to the Borrower a revolving credit facility of up to \$15,000,000; and

WHEREAS, the Borrower has requested that the Credit Agreement be amended in the manner set forth herein and the Lender is willing to agree to such amendment;

NOW, THEREFORE, in consideration of the mutual covenants and the fulfillment of the conditions set forth herein, the parties do hereby agree as follows:

1. Definitions. Any capitalized terms used herein without definition shall have the meaning set forth in the Credit Agreement.

2. Amendment. Subject to the terms and conditions set forth herein, Section 7.3 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

7.3 Consolidated Shareholders' Equity. Permit Consolidated Shareholders' Equity to be less than \$80,000,000 through the end of the Fiscal Year ended March 31, 1996 and thereafter at all times, the sum of (A) the amount of Consolidated Shareholders' Equity required to be maintained pursuant to this Section 7.3 as at the end of the immediately preceding Fiscal Year, plus (B) 50% of Net Income (with no reduction for net losses during any period) for the Fiscal Year of the Borrower ending on such day, plus (C) 100% of the aggregate amount of all increases in the stated capital and additional paid-in capital accounts of the Borrower resulting from the issuance of equity securities, conversion of any debt instruments into equity or other capital investments, less the effect of the Permitted Stock Repurchases subsequent to April 2, 1995.

3. Representations and Warranties. In order to induce the Lender to enter into this Agreement, the Borrower represents and warrants to the Lender as follows:

(a) The representations and warranties made by Borrower in Article V of the Credit Agreement are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date and except that the financial statements referred to in Section 5.6(a) of the Credit Agreement shall be deemed to be those financial statements most recently delivered to the Lender pursuant to Section 6.1 of the Credit Agreement.

(b) There has been no material adverse change in the condition, financial or otherwise, of the Borrower and its Subsidiaries, taken as a whole, since the date of the most recent financial reports of the Borrower received by the Lender under Section 6.1(a) of the Credit Agreement, other than changes in the ordinary course of business;

(c) The business and properties of the Borrower and its Subsidiaries, taken as a whole, are not, and since the date of the most

recent financial report of the Borrower and its Subsidiaries received by the Lender under Section 6.1(a) of the Credit Agreement, have not been adversely affected in any substantial way as the result of any fire, explosion, earthquake, accident, strike, lockout, combination of workers, flood, embargo, riot, activities of armed forces, war or acts of God or the public enemy, or cancellation or loss of any major contracts; and

(d) No event has occurred and is continuing which constitutes, and no condition exists which upon the consummation of the transaction contemplated hereby would constitute, a Default or an Event of Default on the part of the Borrower under the Credit Agreement, either immediately or with the lapse of time or the giving of notice, or both.

4. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relative to such subject matter.

5. Full Force and Effect of Agreement. Except as hereby specifically amended, modified or supplemented, the Credit Agreement and all other Loan Documents are hereby confirmed and ratified in all respects and shall remain in full force and effect according to their respective terms.

6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

7. Governing Law. This Agreement shall in all respects be governed by the laws and judicial decisions of the State of Georgia.

8. Enforceability. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

9. Credit Agreement. All references in any of the Loan Documents to the Credit Agreement shall mean the Credit Agreement as amended hereby.

(Signature page follows.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officer, all as of the day and year first above written.

BORROWER:

CROWN CRAFTS, INC.

By: /s/ Robert E. Schnelle

Name: ROBERT E. SCHNELLE

Title: TREASURER

LENDER:

NATIONSBANK, N.A.

By: /s/ J. Lance Walton

Name: J. Lance Walton

Title: Senior Vice President

(Signature page 1 of 1)

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF CROWN CRAFTS, INC. FOR THE THREE MONTHS ENDED JUNE 30, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	MAR-30-1997
<PERIOD-START>	APR-1-1996
<PERIOD-END>	JUN-30-1996
<CASH>	281
<SECURITIES>	0
<RECEIVABLES>	26,199
<ALLOWANCES>	0
<INVENTORY>	56,219
<CURRENT-ASSETS>	87,829
<PP&E>	111,951
<DEPRECIATION>	35,625
<TOTAL-ASSETS>	179,091
<CURRENT-LIABILITIES>	39,706
<BONDS>	50,300
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	9,051
<OTHER-SE>	72,384
<TOTAL-LIABILITY-AND-EQUITY>	179,091
<SALES>	44,400
<TOTAL-REVENUES>	44,400
<CGS>	37,488
<TOTAL-COSTS>	37,488
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	1,258
<INCOME-PRETAX>	(2,367)
<INCOME-TAX>	(1,024)
<INCOME-CONTINUING>	(1,343)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(1,343)
<EPS-PRIMARY>	(0.17)
<EPS-DILUTED>	0

</TABLE>