

**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

April 18, 2013

Date of Report (Date of earliest event reported)

CRAILAR TECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

British Columbia

(State or other jurisdiction of
incorporation)

000-50367

(Commission File Number)

98-0359306

(IRS Employer Identification No.)

305-4420 Chatterton Way

Victoria, British Columbia

(Address of principal executive offices)

V8X 5J2

(Zip Code)

(250) 658-8582

Registrant's telephone number, including area code

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐	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))

Item 7.01 Regulation FD Disclosure

On April 18, 2013, Crailar Technologies Inc. (the “Company”) issued a press release (the “Press Release”) reporting a net loss for the first quarter ended March 30, 2013 of \$3.4 million or \$0.08 per share compared with a net loss of \$2.8 million or \$0.07 per share for Q1 2012. Furnished hereto as Exhibit 99.1 to this Current Report is a copy of the Press Release.

As set forth in the Press Release, a conference call to discuss the Company’s first quarter ended March 30, 2013 results, as well as an update on the Company’s financing activities, production schedule and ramp up, partner activities, and agricultural activities is scheduled to begin at 1:30 pm Pacific Daylight Time (4:30 pm Eastern Daylight Time) on Thursday, April 18, 2013. The call-in information is provided in the Press Release.

A copy of the press release is attached as Exhibit 99.1 hereto.

Item 9.01 Financial Statements and Exhibits**(a) Financial Statements of Business Acquired**

Not applicable.

(b) Pro forma Financial Information

Not applicable.

(c) Shell Company Transaction

Not applicable.

(d) Exhibits

Exhibit	Description
99.1	Press Release dated April 18, 2013

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 hereunto duly authorized.

CRAILAR TECHNOLOGIES INC.

DATE: April 18, 2013

By: /s/ Guy Prevost
Guy Prevost
Corporate Controller and a director

CRAILAR TECHNOLOGIES, INC. REPORTS FIRST QUARTER 2013 RESULTS

First Quarter, 2013 Highlights:

- Adjusted EBITDA for Q1 was a loss \$1.8 million.
- Commenced CRAILAR production in Pamplico, S.C.
- Completed \$4.4 million (net) financing

Victoria, B.C. and Portland, Ore. (April 18, 2013) CRAILAR Technologies Inc. ("CRAILAR" or the "Company") (TSXV: CL) (OTCBB: CRLRF), which produces and markets CRAILAR® Flax fiber *The Friendliest Fiber On The Planet™*, today reported a net loss for the first quarter ended March 30, 2013 of \$3.4 million or \$0.08 per share compared with a net loss of \$2.8 million or \$0.07 per share for Q1 2012. This quarter's loss included a \$0.4 million non-cash impairment loss. The Company's Adjusted EBITDA for the quarter was a loss of \$1.8 million unchanged from Q-1 2012. For further information regarding Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to net loss, see "Non-GAAP Financial Measures" below.

"Q1 2013 is an important milestone for us as a company, in that we started production of our first full scale CRAILAR production facility" stated Kenneth C. Barker, Chief Executive Officer. "Fiber processed at our Pamplico facility was sent to our third party enzyme processor for CRAILAR processing, and was still in enzyme processing at the end of the quarter. We therefore are looking forward to the current quarter as the first quarter in which we will generate CRAILAR revenue. In addition, the harvest for flax begins in May and runs through June which will provide additional feedstock for future production."

Cash and cash equivalents and investments at March 30, 2013 were \$2.9 million unchanged from December 31, 2012. Changes in cash equivalents were the result of \$2.8 million of cash used in operations and \$1.9 million of cash invested in property and equipment. This was partially offset by \$4.4 million of cash from financing activities through the issuance of \$4.7 million of convertible debentures (net \$4.2 million after expenses) and \$0.2 million of common stock and exchange gains of \$0.3 million.

Non-GAAP Financial Measures

Regulation G, "Conditions for Use of Non-GAAP Financial Measures," and other provisions of the Securities Exchange Act of 1934, as amended, define and prescribe the conditions for use of certain non-GAAP financial information. We provide "Adjusted EBITDA," which is a non-GAAP financial measure. Adjusted EBITDA consists of net income before (a) interest income (expense), (b) income tax provision (benefit), (c) amortization of intangibles and impairment loss, (d) depreciation and amortization, (e) share-based compensation expense, and (f) non-cash write-downs of equipment and inventory.

The Company believes that this non-GAAP financial measure provides important supplemental information to management and investors. This non-GAAP financial measure reflects an additional way of viewing aspects of the Company's operations that, when viewed with the GAAP results and the accompanying reconciliation to corresponding GAAP financial measures, provides a more complete understanding of factors and trends affecting the Company's business and results of operations.

Management uses Adjusted EBITDA as a measure of the Company's operating performance because it assists in comparing the Company's operating performance on a consistent basis by

removing the impact of items not directly resulting from core operations. Internally, this non-GAAP measure is also used by management for planning purposes, including the preparation of internal budgets; for allocating resources to enhance financial performance; for evaluating the effectiveness of operational strategies; and for evaluating the Company's capacity to fund capital expenditures and expand its business. The Company also believes that analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of development companies. Additionally, lenders or potential lenders use Adjusted EBITDA to evaluate the Company's ability to repay loans.

This non-GAAP financial measure is used in addition to and in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures. Management strongly encourages investors to review the Company's consolidated financial statements in their entirety and to not rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. In addition, the Company expects to continue to incur expenses similar to the non-GAAP adjustments described above, and exclusion of these items from the Company's non-GAAP measures should not be construed as an inference that these costs are unusual, infrequent or non-recurring.

The table below reconciles net loss to Adjusted EBITDA for the periods presented (in thousands):

	Thirteen Weeks Ended	
	March 30	
	2013	2012
Net loss	\$(3,378)	\$(2,789)
Interest expense, net	312	-
Income tax (benefit) provision	-	-
Depreciation and amortization	294	50
EBITDA	(2,772)	(2,739)
Share-based compensation	555	929
Impairment loss	396	-
Adjusted EBITDA	<u>\$(1,821)</u>	<u>\$(1,810)</u>

Conference Call

A conference call to discuss the Company's first quarter ended March 30, 2013 results, as well as an update on the Company's financing activities, production schedule and ramp up, partner activities, and agricultural activities, is scheduled to begin at 1:30 pm Pacific Daylight Time (4:30 pm Eastern Daylight Time) on Thursday, April 18, 2013. Participants may access the call by dialing 888-329-8862 (North America) or 719-325-2495 (international), 5 to 10 minutes before the call, and use conference ID number 3645532. In addition, the call will be broadcast live over the Internet and accessible through the investor section of the CRAiLAR website: www.crailar.com/company/investors. For those unable to participate in the live call, an audio replay will be available until midnight on May 2, 2013 by dialing 877-870-5176 or 858-384-5517 for international callers, and entering pin number 3645532. A transcript will be available approximately 24 hours after the call on CRAiLAR's investor page.

About CRAiLAR Technologies Inc.

CRAiLAR(R) Technologies Inc. offers cost-effective and environmentally sustainable natural fiber in the form of flax, hemp and other bast fibers for use in textile, industrial, energy, medical and composite material applications. Produced using a fraction of water and chemical inputs compared with other natural fibers, CRAiLAR Flax is the newest natural fiber introduction to the market in decades. The Company supplies its CRAiLAR Flax to HanesBrands, Georgia-Pacific, Brilliant Global Knitwear, Tuscarora Yarns, Target Corp. and Kowa Company for commercial use, and to Levi Strauss & Co., Cintas, Carhartt, Ashland, PVH Corp., Cotswold Industries, Cone Mills and Lenzing for evaluation and development. The Company was founded in 1998 as a provider of environmentally friendly, socially responsible clothing. For more information, visit www.crailar.com.

Neither the TSX Venture Exchange Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Safe Harbor Statement

This news release includes certain statements that may be deemed "forward-looking statements". All statements in this news release, other than statements of historical facts, are forward-looking statements. Forward-looking statements or information are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements or information and including, without limitation, risks and uncertainties relating to: any market interruptions that may delay the trading of the Company's shares, technological and operational challenges, needs for additional capital, changes in consumer preferences, market acceptance and technological changes, dependence on manufacturing and material supplies providers, international operations, competition, regulatory restrictions and the loss of key employees. In addition, the Company's business and operations are subject to the risks set forth in the Company's most recent Form 10-K, Form 10-Q and other SEC filings which are available through EDGAR at www.sec.gov. These are among the primary risks we foresee at the present time. The Company assumes no obligation to update the forward-looking statements.

Crailar Technologies Inc.
Consolidated Balance Sheet
(in thousands, except share and per share amounts)

	March 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$2,947	\$2,877
Accounts receivable	54	72
Inventory	2,614	2,905
Prepaid expenses and other	218	107
Total current assets	5,834	5,961
Deferred Debt Issuance Costs	1,421	1,024
Property and Equipment, net	14,864	13,249
Intangible Assets, net	83	95
Total assets	<u>\$22,202</u>	<u>\$20,329</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	1,660	1,406
Accrued liabilities	745	1,481
Derivative Liability	414	488
Total current liabilities	2,819	3,375
Long Term Debt	14,765	10,051
Total liabilities	17,584	13,426
Stockholders' equity:		
Common stock, authorized: 100,000,000 common shares without par value		
Issued and outstanding : 44,435,198 common shares	32,928	32,617
(March 31, 2012 - 42,442,804)		
Subscription receivable	(64)	(64)
Additional Paid-in Capital	7,498	7,061
Accumulated Other Comprehensive Loss	(113)	(459)
Deficit	(11,485)	(11,731)
Deficit accumulated in the development stage	(24,146)	(20,522)
Total stockholders' equity	4,618	6,902
Total liabilities and stockholders' equity	<u>\$22,202</u>	<u>\$20,329</u>

Crailar Technologies Inc.
Consolidated Income Statement
(in thousands, except share and per share data)

	Thirteen Weeks Ended	
	March 30	
	2013	2012
Operating expenses:		
Advertising and promotion	\$144	\$60
Amortization and depreciation	52	50
Consulting and contract labour	204	216
General and administrative	277	186
Professional fees	253	138
Production costs	731	-
Research and development	56	138
Salaries and benefits	878	1,108
Loss from operations	2,596	1,897
Other (income) expense:		
Impairment of assets	396	-
Interest	312	-
Fair value adjustment to derivative liabilities	74	892
Total other expense, net	782	892
Net loss	\$(3,378)	\$(2,789)
EPS - basic and diluted	\$(0.08)	\$(0.07)
Shares used in computation of basic and diluted net loss per share	43,029,135	42,028,271

Crailar Technologies Inc.
Consolidated Statement of Cash Flows
(in thousands)

	Thirteen Weeks Ended	
	March 30	
	2013	2012
Operating activities		
Net loss	\$(3,378)	\$(2,789)
Adjustments to reconcile net loss to net cash from operating activities		
Amortization and depreciation	294	50
Interest	86	-
Rent	37	-
Stock based compensation	555	744
Impairment of assets	396	-
Fair value adjustment of derivative liability	(74)	892
Changes in working capital assets and liabilities		
Decrease in accounts receivable	19	90
(Increase) in inventory	(106)	(165)
(Increase) decrease in prepaid expenses	(112)	8
Increase in accounts payable	254	211
(Decrease) in accrued liabilities	(772)	(345)
Net cash used in operating activities of continuing operations	(2,802)	(1,303)
Net cash flows used in operating activities	(2,802)	(1,303)
Investing activities		
Purchase of property and equipment	(1,895)	(756)
Acquisition of intangible assets	(2)	(15)
Net cash flows used in investing activities	(1,897)	(772)
Financing activities		
Issuance of capital stock and warrants	193	842
Convertible Debenture	4,713	-
Deferred issuance costs for convertible debenture	(482)	-
Net cash flows from financing activities	4,424	842
Effect of exchange rate changes on cash and cash equivalents	346	58
Increase (decrease) in cash and cash equivalents	70	(1,175)
Cash and cash equivalents, beginning	2,877	6,341
Cash and cash equivalents, ending	\$2,947	\$5,166
Supplemental disclosures of cash flow information:		
Cash paid for interest	277	-
Capital stock issued as share issue costs	-	-

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