



Bassett Furniture Industries Inc. announced today that it is moving production from its Dublin, Ga., wood bedroom plant to its Superior Lines plant in Bassett, Va.

(Bassett, Va.) - February 3, 2003 - Bassett Furniture Industries Inc. announced today that it is moving production from its Dublin, Ga., wood bedroom plant to its Superior Lines plant in Bassett, Va. The closure of the Dublin facility will occur over the next 75 days and affect approximately 300 employees (approximately 11% of the Company's workforce). The Company expects to add approximately 50 employees at its Superior Lines plant in Bassett over the next several months.

"This is a decision we had to make in order to continue to provide both style and value to our customers and a return for our shareholders," said Robert H. Spilman Jr., Bassett's president and chief executive officer. "The most difficult part is the impact on our workers in Dublin, who have been extremely dedicated and loyal employees for many years. We will provide these employees with outplacement assistance and severance to make the transition as smooth as possible under the circumstances."

Spilman added, "We will continue to pursue a blended strategy for our wood products - domestically manufacturing in our four remaining facilities and sourcing compelling product from overseas. To improve results, it is important that the remaining facilities operate at full schedules and that we continue to invest in technology, equipment and process improvements at these locations."

The Company plans to realize the benefits of greater efficiencies and cost savings with increased volume at its Superior Lines facility. Those savings during the next 12 months should exceed the first quarter 2003 charge, estimated in the range of \$3.0 to \$3.5 million (approximately 18 to 21 cents per share net of taxes), the Company expects to take in connection with the consolidation. The charge will be for severance and related employee costs, and the write-down of fixed assets at the Dublin facility.

As previously announced, fiscal 2003 sales have started out slower than expected. January retail activity, although improved over December levels, remains below planned levels and below historically high sales levels for January 2002. First quarter 2003 sales and earnings will be below fiscal 2002 levels. To combat the soft retail environment, the Company has taken several additional actions which reduce the overall fixed cost structure of the business while staying focused on its core growth strategies. Consolidating the Dublin plant and eliminating approximately 20 corporate support positions is expected to reduce the annual operating costs of the business by over \$7 million dollars. Second, the Company has added two new sales promotions to spur demand in its dedicated retail stores. Third, the Company is introducing two new major collections (one domestically manufactured and one imported) at the upcoming April Furniture Market plus two other dining room groups, a bedroom group and an extension to the upholstery and occasional assortment in the Chris Madden Collection TM by Bassett.

Bassett Furniture Industries Inc., based in Bassett, Va., is one of the world's leading manufacturers and marketers of branded home furnishings. Bassett's products, designed to provide quality, style and value, are sold through Bassett Furniture DirectTM stores, At Home with Bassett®, and other furniture and department stores. The Company's common stock is traded on the NASDAQ market under the symbol BSET. More information about Bassett is available on the Company's Internet site at www.bassettfurniture.com.

Certain of the statements in the immediately preceding paragraphs, particularly those preceded by, followed by or including the words "believes," "expects," "anticipates," "intends," "should," "estimates," "plans," or similar expressions, or those relating to or anticipating financial results for periods beyond the fiscal year 2002, constitute "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended. For those statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. In many cases, the Company cannot predict what factors would cause actual results to differ materially from those indicated in the forward-looking statements. Expectations included in the forward-looking statements are based on preliminary information as well as certain assumptions which management believes to be reasonable at this time. The following important factors affect the Company and could cause those results to differ materially from those expressed in the forward looking statements: the effects of recent events and the effects of future governmental and military responses to such events on demand for furniture at the retail level, and the economic, competitive, governmental, technological and other factors identified in the Company filings with the Securities and Exchange Commission.

