



## Bassett Announces Further Expense Reduction

BASSETT, Va., Mar 19, 2009 (GlobeNewswire via COMTEX News Network) -- Bassett Furniture Industries Inc. (Nasdaq:BSET) announced today actions to reduce its overall cost structure that will result in lower expenditures for payroll, employee benefits, warehousing and distribution, marketing, and other miscellaneous items. As a result, the Company expects to realize annualized savings of \$7 to \$8 million.

Approximately 50 positions in departments throughout the Company will be affected including corporate retail, administration, customer service, manufacturing, and marketing resulting in an approximate 6% reduction in payroll. Additionally, the Company's Mt. Airy, N.C., distribution facility closed on March 1st and has been consolidated to other warehouses in the U.S. and Asia. Overall distribution costs will be reduced by 7%. The Mt. Airy facility has been listed for sale. Marketing expenditures will be trimmed primarily through reduced television production costs and upcoming changes to its consumer catalog format. The Company does, however, plan to continue to invest in its website. Upcoming improvements will feature enhanced aesthetics, easier navigation for individual items and collections, and improved E-commerce capabilities. The new site will debut approximately May 1st.

"The economy's negative effect on the consumer continues to exert pressure on furniture sales," said Robert H. Spilman, Jr., president and chief executive officer. "We have been in a phase of cost containment for more than two years as the industry-wide slump persists. These latest moves reflect the fact that order volume and retail sales have settled at a level that leave us no choice but to dig deeper to match expenditures with revenues. We sincerely regret having to take these actions as many of these employees have long tenure with the Company and have made many positive contributions. We believe these actions will position us to withstand the current environment so that we can prosper when market conditions improve."

Although some of the aforementioned savings will take place immediately, the entire impact will not be fully realized on an ongoing basis until the third quarter. The Company plans to take a charge of approximately \$300-\$500k for severance in the second quarter ended May 31, 2009.

About Bassett Furniture Industries, Inc.

Bassett Furniture Industries, Inc. (Nasdaq:BSET), is a leading manufacturer and marketer of high quality, mid-priced home furnishings. With approximately 115 Bassett stores, Bassett has leveraged its strong brand name in furniture into a network of corporate and licensed stores that focus on providing consumers with a friendly environment for buying furniture and accessories. The most significant growth opportunity for Bassett continues to be the Company's dedicated retail store program. Bassett's retail strategy includes affordable custom-built furniture that is ready for delivery in the home within 30 days. The stores also feature the latest on-trend furniture styles, more than 750 upholstery fabrics, free in-home design visits, and coordinated decorating accessories. For more information, visit the Company's website at [bassettfurniture.com](http://bassettfurniture.com). (BSET-G)

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