

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934**

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14(a)-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Materials Pursuant to §240.14a-12

Bassett Furniture Industries, Incorporated

(Name of Registrant as Specified In Its Charter)

Costa Brava Partnership III L.P.
Roark, Rearden & Hamot, LLC
Roark, Rearden & Hamot Capital Management, LLC
David S. Brody
Neil Chelo
Eugene I. Davis
Seth W. Hamot
Kent F. Heyman
Peter Hirsch
Andrew R. Siegel

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- (1) Title of each class of securities to which transaction applies: N/A
- (2) Aggregate number of securities to which transaction applies: N/A
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): N/A
- (4) Proposed maximum aggregate value of transaction: N/A
- (5) Total fee paid: N/A

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identifying the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid: N/A
 - 2) Form, Schedule or Registration Statement No.: N/A
 - 3) Filing Party: N/A
 - 4) Date Filed: N/A
-

On April 2, 2008, Costa Brava Partnership III L.P. sent a series of slides to ISS Governance Services (a division of RiskMetrics Group) in connection with upcoming discussions with respect to Bassett Furniture Industries, Inc. A copy of the slide presentation is filed herewith as Exhibit 1.

COSTA BRAVA PARTNERSHIP III L.P., ROARK, REARDEN & HAMOT, LLC, ROARK, REARDEN & HAMOT CAPITAL MANAGEMENT, LLC, DAVID S. BRODY, NEIL CHELO, EUGENE I. DAVIS, SETH W. HAMOT, KENT F. HEYMAN, PETER HIRSCH AND ANDREW R. SIEGEL (COLLECTIVELY, THE "PARTICIPANTS") FILED A DEFINITIVE PROXY STATEMENT AND ACCOMPANYING FORM OF PROXY (THE "PROXY STATEMENT" AND TOGETHER WITH ANY AMENDMENTS THERETO, "THE DEFINITIVE PROXY STATEMENT") WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") ON MARCH 20, 2008 TO BE USED TO SOLICIT VOTES FOR THE ELECTION OF ITS SLATE OF DIRECTOR NOMINEES AND CERTAIN BUSINESS PROPOSALS FOR USE AT THE 2008 ANNUAL MEETING OF STOCKHOLDERS OF BASSETT FURNITURE INDUSTRIES, INC. INFORMATION RELATING TO THE PARTICIPANTS IS SET FORTH IN THE DEFINITIVE PROXY STATEMENT FILED WITH THE SEC.

STOCKHOLDERS ARE ADVISED TO READ THE DEFINITIVE PROXY STATEMENT AND OTHER PROXY MATERIALS AS THEY BECOME AVAILABLE BECAUSE THEY CONTAIN IMPORTANT INFORMATION.

THE DEFINITIVE PROXY STATEMENT, FORM OF PROXY AND OTHER PROXY MATERIALS ARE AVAILABLE AT NO CHARGE AT THE SEC'S WEBSITE AT [HTTP://WWW.SEC.GOV](http://www.sec.gov).

Bassett Furniture

A Lack of Leadership

April 2, 2008

Economic Environment

- The domestic furniture business has been in a several year contraction.
 - Asian imports have severely undercut pricing, driving consumers away from sellers of domestically produced products.
 - The contraction of the housing market has also reduced consumer demand for new furniture to fill new homes.
-

Bassett Has a Unique Balance Sheet

- Cash and Investments on 11/24/07 of \$80.462 million.
 - International Home Furnishings Center (Recorded as a \$12.24 million liability on the 11/24/07 balance sheet).
 - Hedge Fund investments of \$51.78 million, Marketable Securities of \$25.15 million.
 - A 47% ownership interest in a 3 million square foot exhibition space in High Point, NC.
 - Dividends received of between \$5.6 million and \$6 million for each of the last three years.
 - Yearly net operating income, before depreciation, of \$30 million+, and long term debt of \$105 million.
 - At a capitalization rate of 10%, value would be \$300 million. Total equity would be \$195 million and Bassett's value would be \$91 million.
 - Other owners include Lincoln National Corporation (25%), which currently has one director (and until recently had two directors) who also serves on the Bassett BOD.
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What is Bassett's business?

- The IHFC and the Hedge Funds have subsidized the furniture business for years.
 - As the next page demonstrates, Bassett Furniture has not been able to generate stable cash flow from its furniture operations this decade.
 - In fact, combining all the operational losses since 2001 as well as the capital contributed to the furniture business, more than \$85 million has been wasted on this effort.
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**Bassett Furniture
Erosion of Capital
This Century**

	Total 2001-2007	2007	2006	2005	2004	2003	2002	2001
Net Losses on Furniture Business								
Income Before Taxes	26,824	(13,969)	6,455	13,195	10,850	4,867	9,110	(3,684)
Income from Investments	42,404	5,921	7,318	6,743	7,080	5,503	2,342	7,497
Income from IHFC	29,209	5,298	4,464	6,045	5,566	6,151	4,715	(3,030)
Net income (loss) attributable to furniture business (1)	(44,789)	(25,188)	(5,327)	407	(1,796)	(6,787)	2,053	(6,151)

	Total 2001-2007	2007	2006	2005	2004	2003	2002	2001
Capital Expenditures								
Purchases of Property and Equipment	(39,075)	(5,544)	(3,344)	(4,804)	(4,218)	(3,518)	(5,315)	(12,332)
Proceeds from Sales of Property and Equipment	22,689	3,176	1,736	1,644	8,362	729	-	7,042
Purchases of Retail Real Estate	(24,121)	(375)	(3,594)	(6,286)	(6,825)	(2,697)	(4,344)	
Net capital expenditures on furniture business (2)	(40,507)	(2,743)	(5,202)	(9,446)	(2,681)	(5,486)	(9,659)	(5,290)

Total Capital Wasted this Century **(85,296)**

(1) Income before income tax provision less income from investments and income from unconsolidated affiliated companies. Data obtained from company's annual filings with the SEC.

(2) Purchases of property and equipment, plus purchases of retail real estate, less proceeds from sales of property and equipment. Data obtained from company's annual filings with SEC.

Why does this behavior continue?

- As seen on the next two slides, neither management or the BOD own much stock.
 - They do have options, but with much higher strike prices than the present price of Bassett Furniture.
 - They do know furniture manufacturing. But discussions about capital allocation decisions that don't support continued investment in the furniture business are not understood by BOD and management.
 - Management has no change of control provisions in their contracts. If Bassett isn't to be committed to its present furniture plan, the CEO would probably lose his job, with no severance package of note.
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Director Name	Shares	Options	Actual Shares
Peter W. Brown, M.D.	13,915	3,000	10,915
Paul Fulton	39,724	15,000	24,724
Howard H. Haworth	12,603	6,000	6,603
George W. Henderson	3,622	-	3,622
Kristina Herbig	-	-	-
Dale C. Pond	8,844	4,500	4,344
Robert H. Spillman Jr.	280,873	196,668	84,205
William C. Wampler, Jr.	3,122	-	3,122
William C. Warden, Jr.	3,622	-	3,622
Barry C. Safrit*	385,193	383,025	2,168

* 323,025 of Mr. Safrit's shares are actually held by the Employee Savings/ Retirement Plan. Mr. Safrit has 60,000 options.

<MENU> to Undo "wsa*"

"wsa*"		95) Options	96) Save/Alert	BASSETT FURN(BSET US)				
Sources	Your Sources	Lang	All	Relevance	Medium	Range	07/01/04 - 03/28/08	Page 1
21) Top Picks	22) Topics	23) Companies	24) People	25) Regions				
1)	WSA 11/13	BASSETT JOHN E III,Div. Off.,	SELLS 1,500 ON 11/9/07 OF BSET					
2)	WSA 10/18	BASSETT JOHN E III,Vice Pres.,	SELLS 1,000 ON 10/16/07 OF BSET					
3)	WSA 10/17	BASSETT JOHN E III,Vice Pres.,	SELLS 1,000 ON 10/16/07 OF BSET					
4)	WSA 7/06	BASSETT JOHN E III,Vice Pres.,	SELLS 300 ON 7/25/06 OF BSET					
5)	WSA 7/06	BASSETT JOHN E III,Vice Pres.,	SELLS 778 ON 7/20/06 OF BSET					
6)	WSA 7/06	BASSETT JOHN E III,Vice Pres.,	SELLS 700 ON 7/18/06 OF BSET					
7)	WSA 7/06	KING CHARLES T,Vice Pres.,	SELLS 251 ON 7/14/06 OF BSET					
8)	WSA 2/06	BASSETT FURNITURE INDS: HERVEY JAY R	FILES TO SELL 14,250 SHARES					
9)	WSA 1/06	HERVEY JAY R,Vice Pres.,	ACQUIRES 2,000 ON 1/24/06 OF BSET					
10)	WSA 11/05	JOHNSON MATTHEW S,Vice Pres.,	SELLS 150 ON 11/7/05 OF BSET					
11)	WSA 10/05	HAWORTH HOWARD H,Director,	SELLS 2,000 ON 10/7/05 OF BSET					
12)	WSA 7/05	BASSETT JOHN E III,Vice Pres.,	SELLS 2,500 ON 7/26/05 OF BSET					
13)	WSA 7/05	BASSETT JOHN E III,Vice Pres.,	SELLS 480 ON 7/6/05 OF BSET					
14)	WSA 6/05	BASSETT FURNITURE INDS: HERVEY JAY R	FILES TO SELL 6,020 SHARES					
15)	WSA 6/05	HERVEY JAY R,Vice Pres.,	SELLS 6,020 FROM 5/31/05-6/1/05 OF BSET					
16)	WSA 4/05	HENDERSON GEORGE W I,Director,	BUYS 1,000 ON 4/15/05 OF BSET					
17)	WSA 4/05	BASSETT JOHN E III,Vice Pres.,	SELLS 2,000 ON 4/12/05 OF BSET					
18)	WSA 4/05	KING CHARLES T,Vice Pres.,	SELLS 450 ON 4/8/05 OF BSET					
19)	WSA 2/05	SANDERS KEITH,Vice Pres.,	SELLS 2,000 ON 2/15/05 OF BSET					
20)	WSA 1/05	SANDERS KEITH,Vice Pres.,	SELLS 2,000 ON 1/18/05 OF BSET					

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<MENU> to Undo "wsa*"

"wsa*"		95) Options	96) Save/Alert	BASSETT FURN(BSET US)				
Sources	Your Sources	Lang	All	Relevance	Medium	Range	07/01/04 - 03/28/08	Page 2
21) Top Picks	22) Topics	23) Companies	24) People	25) Regions				
1)	WSA	1/05	WARDEN WILLIAM C JR,Director	BUYS	1,000	ON	1/18/05	OF BSET
2)	WSA	1/05	JOHNSON MATTHEW S,Vice Pres.	SELLS	200	ON	1/12/05	OF BSET
3)	WSA	11/04	BASSETT JOHN E III,Vice Pres.	SELLS	3,000	FROM	11/24/04-11/26/04	
4)	WSA	10/04	WAMPLER WILLIAM C JR,Director	BUYS	500	ON	10/5/04	OF BSET
5)	WSA	9/04	BASSETT FURNITURE INDS:	HERVEY JAY R	FILES TO SELL	1,500	SHARES	
6)	WSA	9/04	HERVEY JAY R,Vice Pres.	SELLS	200	ON	9/17/04	OF BSET
7)	WSA	9/04	BASSETT FURNITURE INDS:	HERVEY JAY R	FILES TO SELL	750	SHARES	
8)	WSA	9/04	HERVEY JAY R,Vice Pres.	SELLS	559	ON	9/16/04	OF BSET
9)	WSA	8/04	KING CHARLES T,Vice Pres.	SELLS	350	ON	7/19/04	OF BSET
10)	WSA	7/04	JOHNSON MATTHEW S,Vice Pres.	SELLS	175	ON	7/8/04	OF BSET

It's about Capital Allocation!

- The furniture business employs 1,500 people, unprofitably, with high operational risks.
- The Hedge Fund investments are farmed out.
- The IHFC is managed by a separate LLC.

All the value resides in the least risky assets, yet management is proposing to dedicate capital to the most operationally difficult and challenging business, furniture...*AND THERE IS NO INDICATION THAT THEY ARE EVEN GOOD AT IT!*

Costa Brava's Plan

- We have BOD nominees with vast experience over many different businesses.
- We have BOD nominees with experience in real estate.
- We have BOD nominees with experience in Funds of Funds/Hedge Funds.

Bassett is over capitalized. Let's return much of the liquid capital back to shareholders now. Then, management's poor capital decisions won't do more harm to valuation, and they will have enough capital to actually initiate the changes they propose. *They just don't get the entire checkbook!*

Management Says They Need It All

- But they haven't used it wisely this decade.
 - They still will have substantial cash remaining.
 - They still will have the \$90 million in IHFC equity remaining.
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