

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20599

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

Date of Report (Date of earliest event reported) June 25, 2003

BASSETT FURNITURE INDUSTRIES, INCORPORATED

(Exact name of registrant as specified in its charter)

VIRGINIA	0-209	54-0135270
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(State or other jurisdiction of incorporation or organization)	(Comission File No.)	(I.R.S. Employer Identification No.)

3525 FAIRYSTONE PARK HIGHWAY
BASSETT, VIRGINIA

24055

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 276/629-6000

Item 5. Other Events

On June 25, 2003, Bassett Furniture Industries issued the news release attached hereto as Exhibit (99) to this report (the "News Release") relating to, among other things, the financial results for the second quarter of fiscal year 2003. A copy of the press release announcing this information is attached to this report as Exhibit 99 and is incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

(99) News release issued by Bassett Furniture Industries on June 25, 2003.

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.

BASSETT FURNITURE INDUSTRIES, INCORPORATED

Date: June 25, 2002

By: /s/ Barry C. Safrin

Barry C. Safrin

Title: Vice President, Chief Financial
Officer

EXHIBIT INDEX

Description

Exhibit No. 99

News release issued by Bassett Furniture Industries on
June 25, 2003.

Bassett Logo

Bassett Furniture Industries, Inc.
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Bassett, VA 24055

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For Immediate Release

Bassett Furniture News Release
Bassett Announces Second Quarter 2003 Earnings

(Bassett, Va.) - June 25, 2003 - Bassett Furniture Industries Inc. announced today the financial results for its second fiscal quarter ended May 31, 2003.

Sales for the second quarter of 2003 were \$71.5 million, down 11.6% from second quarter 2002 levels. The decrease was due to industry-wide soft retail conditions as well as the previously disclosed significant sales decrease with JCPenney.

Sales for the first half of the year were \$144.8 million compared to \$165.7 million for the first half of 2002. Nearly half of the \$20.8 million decline was the sales decrease with JCPenney. The remaining decline was indicative of economic conditions as well as an extra week included in the first half of fiscal 2002 (27 weeks vs. 26 weeks).

The Bassett Furniture Direct (BFD) retail store program continues to grow with 93 stores currently in operation. Licensees opened five additional stores in the second quarter making a total of nine stores opened in the first half of fiscal 2003. The Company expects licensees to open eleven stores in the second half for a total of 20 new stores in fiscal 2003. Sales to BFD stores were 45% of total Company sales in 2002 and are planned to be approximately 55% of total Bassett sales in 2003.

The Company reported a modest operating loss for the quarter which was reflective of the sales environment and costs associated with consolidating its Dublin, Ga., wood manufacturing facility into its Bassett, Va., facility as previously announced. Management believes that the Company's wood division will be better positioned to produce higher operating earnings in domestic wood in subsequent quarters based on the restructuring efforts completed during the second quarter. Upholstery division gross margin for the quarter improved by 1.8 points over the gross margin from the previous year quarter, despite lower sales volume. Import division sales increased slightly with continued solid profit margins in this segment.

The Company reported net income for the quarter of \$1.2 million or \$.10 per diluted share compared to net income of \$2.9 million or \$.24 per diluted share for the second quarter of 2002. Earnings from investments were better than expected and better than in the second quarter of 2002.

Net loss on a year to date basis was \$(.1) million or \$(.01) per share including a previously announced \$3.2 million charge related to closing its Dublin facility in the first quarter.

"Earnings continue to be a challenge in this tough economic and industry environment," said Robert H. Spillman Jr., president and chief executive officer. "We are pleased with the operating cash flow we generated during the quarter and our investment results. Additionally, we made progress in positioning our overall cost structure. We continue to be encouraged by the new stores we are opening, and the number of prospects we have who want to own and operate Bassett stores in the future. We remain committed to our goal of 150 BFDs by the end of our fiscal 2005."

The Company borrowed \$4 million during the first half of 2003 to support increased inventory levels of the Company's growing Import Division in addition to funding capital spending. During the second quarter the Company generated positive operating cash flow as inventory and receivable levels decreased by \$2.5 million and \$1.3 million respectively and the Company received an income tax refund. Bassett repurchased 69,278 of its shares at a cost of \$.9 million during the first half of 2003 and has \$10.3 million remaining on its share repurchase program. The Company's debt to capital ratio was 3.1% at May 31, 2003.

Bassett Furniture's Board of Directors yesterday declared a regular quarterly dividend of \$.20 per share payable on September 2, 2003, to shareholders of record on August 15, 2003.

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 Direct(TM) stores, At Home with Bassett(R), 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," or similar expressions, or those relating to or anticipating financial results for periods beyond the second quarter of fiscal year 2003, constitute "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended. For those statements, Bassett claims the protection of the safe harbor for forward looking statements contained in the Private Securities Litigation Reform Act of 1995. In many cases, Bassett 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 Bassett 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 Bassett's filings with the Securities and Exchange Commission.

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BASSETT FURNITURE INDUSTRIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income - Unaudited (Stated in thousands of
dollars except for per share data)

	13 Weeks Ended May 31, 2003		13 Weeks Ended June 1, 2002	
	Amount	Percent of Net Sales	Amount	Percent of Net Sales
Net sales	\$71,529	100.0%	\$ 80,904	100.0%
Cost of sales	56,398	78.8%	62,455	77.2%
Gross profit	15,131	21.2%	18,449	22.8%
Selling, general and administrative	15,409	21.5%	15,820	19.6%
Income (loss) from operations	(278)	-0.4%	2,629	3.2%
Other income , net	1,657	2.3%	1,544	1.9%
Income before income taxes	1,379	1.9%	4,173	5.2%
Income tax provision	(186)	-0.3%	(1,293)	-1.6%
Net income	\$ 1,193	1.7%	\$ 2,880	3.6%
Basic earnings per share:	\$ 0.10		\$ 0.25	
Diluted earnings per share:	\$ 0.10		\$ 0.24	

BASSETT FURNITURE INDUSTRIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income (Loss) - Unaudited
(Stated in thousands of dollars except for per share data)

	26 Weeks Ended May 31, 2003		27 Weeks Ended June 1, 2002	
	Amount	Percent of Net Sales	Amount	Percent of Net Sales
Net sales	\$ 144,811	100.0%	\$165,692	100.0%
Cost of sales	113,842	78.6%	130,515	78.8%
Gross profit	30,969	21.4%	35,177	21.2%
Selling, general and administrative	30,720	21.2%	29,548	17.8%
Restructuring and impaired fixed asset charges	3,200	2.2%	-	0.0%
	33,920	23.4%	29,548	17.8%
Income (loss) from operations	(2,951)	-2.0%	5,629	3.4%
Other income, net	2,483	1.7%	2,765	1.7%
Income (loss) before income taxes	(468)	-0.3%	8,394	5.1%
Income tax (provision) benefit	331	0.2%	(2,602)	-1.6%
Net income (loss)	\$ (137)	-0.1%	\$ 5,792	3.5%
Basic earnings (loss) per share:	\$ (0.01)		\$ 0.50	
Diluted earnings (loss) per share:	\$ (0.01)		\$ 0.49	

BASSETT FURNITURE INDUSTRIES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Stated in thousands of dollars except for per share data)

	(Unaudited) May 31, 2003 -----	November 30, 2002 -----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,989	\$ 1,371
Accounts receivable, net	45,037	44,806
Inventories	45,166	43,449
Refundable income taxes	767	2,924
Deferred income taxes	3,600	3,600
Other current assets	6,797	6,816
	-----	-----
	106,356	102,966
	-----	-----
Property and equipment, net	86,714	90,542
	-----	-----
Other assets		
Investments	60,881	63,248
Investment in unconsolidated affiliated companies	4,200	4,383
Deferred income taxes	2,244	3,454
Notes receivable, net	17,992	18,761
Other, net	7,048	7,526
	-----	-----
	92,365	97,372
	-----	-----
Total assets	\$ 285,435	\$ 290,880
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 11,981	\$ 17,738
Accrued liabilities	18,881	16,406
	-----	-----
Total current liabilities	30,862	34,144
	-----	-----
Long-term liabilities		
Employee benefits	10,039	10,152
Long-term debt	7,000	3,000
Deferred revenue from unconsolidated affiliate	13,142	13,941
	-----	-----
	30,181	27,093
	-----	-----
Stockholders' equity		
Common stock, par value \$5 a share, 50,000,000 shares authorized, issued and outstanding - 11,602,141 in 2003 and 11,660,587 in 2002	58,011	58,303
Retained earnings	164,496	169,789
Accumulated other comprehensive income - unrealized holding gains, net of tax	1,885	1,551
	-----	-----
Total stockholders' equity	224,392	229,643
	-----	-----
Total liabilities and stockholders' equity	\$ 285,435	\$ 290,880
	=====	=====

BASSETT FURNITURE INDUSTRIES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows - Unaudited
(Stated in thousands of dollars)

	26 Weeks Ended May 31, 2003	27 Weeks Ended June 1, 2002
	-----	-----
Operating Activities		
Net income (loss)	\$ (137)	\$ 5,792
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	5,301	5,085
Equity in undistributed income of investments	(3,723)	(4,096)
Provision for write-down of property and equipment	1,530	-
Provision for losses on trade accounts receivable	256	-
Net gain from sales of investment securities	(14)	(302)
Net gain from sales of property and equipment	(106)	-
Compensation earned under restricted stock and stock option plans	-	90
Deferred income taxes	(331)	2,602
Changes in employee benefit liabilities	(113)	(115)
Changes in operating assets and liabilities, exclusive of assets and liabilities acquired in a business combination:		
Trade accounts receivable	(487)	6,305
Inventories	(1,697)	(2,382)
Refundable income taxes	3,511	-
Other current assets	19	6,550
Accounts payable and accrued liabilities	(3,282)	(5,308)
Net cash provided by operating activities	----- 727	----- 14,221
Investing Activities		
Purchases of property and equipment	(3,269)	(4,346)
Proceeds from sales of property and equipment	372	-
Proceeds from sales of investment securities	17,000	654
Dividends from investments	1,875	5,343
Purchase of investment securities	(12,000)	-
Investments in unconsolidated affiliated companies	-	(2,118)
Other, net	361	(665)
Net cash provided by (used in) investing activities	----- 4,339	----- (1,132)
Financing Activities		
Borrowings (repayments) under revolving credit arrangement, net	4,000	(8,671)
Issuance of common stock, net	110	249
Repurchases of common stock	(924)	-
Cash dividends	(4,634)	(4,689)
Net cash used in financing activities	----- (1,448)	----- (13,111)
Net change in cash and cash equivalents	----- 3,618	----- (22)
Cash and cash equivalents, beginning of period	----- 1,371	----- 5,347
Cash and cash equivalents, end of period	=====	=====