
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**

Date of Report (Date of earliest event reported): June 20, 2003

HOOKER FURNITURE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Virginia
(State or Other Jurisdiction
of Incorporation or Organization)

000-25349
(Commission
File No.)

54-0251350
(I.R.S. Employer
Identification No.)

440 East Commonwealth Boulevard, Martinsville, Virginia
(Address of Principal Executive Offices)

24112
(Zip Code)

Registrant's telephone number, including area code:

(276) 632-0459

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

The following exhibit is filed as a part of this report:

99.1 Press Release issued June 20, 2003

ITEM 9. REGULATION FD DISCLOSURE

The information contained in this Item 9 is being furnished pursuant to “Item 12. Results of Operations and Financial Condition” of Form 8-K in accordance with SEC Release Nos. 33-8216 and 34-47583.

On June 20, 2003, Hooker Furniture Corporation (“Hooker”) issued a press release setting forth its results of operations for the second quarter of fiscal year 2003. A copy of Hooker’s press release is attached hereto as Exhibit 99.1 and is hereby incorporated by reference.

Signature

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.

HOOKER FURNITURE CORPORATION

By: /s/ R. GARY ARMBRISTER

R. Gary Armbrister
Chief Accounting Officer

Date: June 23, 2003

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release issued June 20, 2003

PRESS RELEASE

For more information, contact:
Douglas Williams,
President and Chief Operating Officer
Phone: (276) 632-2133, or
E. Larry Ryder,
Executive Vice President & Chief Financial Officer
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Kim D. Shaver,
Director of Marketing Communications
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For immediate release: June 20, 2003

Hooker Furniture Reports New Quarterly Sales Record

Martinsville, Va.: Hooker Furniture (Nasdaq-SCM: HOFT) today reported record sales and lower earnings for its second quarter ended May 31, 2003. Net sales of \$80.1 million, a new quarterly sales record for the Company, increased 28.7 % from \$62.3 million in the second quarter of 2002. Net income for the 2003 second quarter was \$2.4 million, or \$0.42 per share, compared to \$3.1 million or \$0.55 in the 2002 quarterly period. Profitability for the quarter was negatively impacted by a one-time \$1.5 million pretax (\$911,000 after tax, or \$0.16 per share) restructuring and asset impairment charge related to the previously announced closing of Hooker's Kernersville, NC manufacturing facility, scheduled for August 2003.

"We're pleased with our top line growth for the quarter, especially given the sluggish retail environment in which we've been operating," said Paul B. Toms Jr., chairman and chief executive officer.

For the first half of 2003, net sales were \$154.6 million, a six-month sales record for the Company. Sales for the 2003 period increased 25.5% from \$123.2 million in the first half of 2002. Profitability for the first half also increased compared to a year ago. Net income for the first six months of 2003 increased 17.7% to \$7.4 million, or \$1.30 per share, compared with \$6.3 million, or \$1.12 per share, in the 2002 first half.

Sales increases in the 2003 periods can be attributed to both internal growth within Hooker Furniture's wood furniture operations and growth resulting from the Company's recent acquisition of leather upholstery specialist Bradington-Young. These sales increases were partially offset by declines in shipments of the Company's domestically manufactured wood furniture products. Net sales for the Company's wood furniture business increased \$5.7 million or 9.1% to \$67.9 million for the 2003 quarter compared with \$62.3 million in the 2002 quarter. For the first half, net sales for the wood furniture business increased \$10.5 million, or 8.5%, to \$133.7 million from \$123.2 million in the first half of 2002.

Upholstery shipments from Bradington-Young accounted for \$12.2 million in the 2003 second quarter and \$20.9 million since the division was acquired at the beginning of January this year. For the 2003 second

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quarter, shipments of imported products increased \$15.0 million, or 64.3%, to \$38.4 million compared with \$23.4 million in the 2002 three-month period. Shipments of the Company's domestically produced wood furniture declined \$9.4 million, or 24.1%, to \$29.5 million from \$38.9 million in last year's second quarter. Shipments of imported products for the first half of 2003 increased \$30.1 million, or 69.7%, to \$73.2 million, compared with \$43.1 million in the 2002 six-month period. . Domestically produced wood furniture shipments for the 2003 first half decreased \$19.4 million, or 24.3%, to \$60.5 million from \$80.0 million in the first half of 2002.

At the end of the just-completed quarter, Hooker saw a modest up-tick in incoming orders during Memorial Day retail sales promotions held across the nation. "Most of our retailers had strong Memorial Day events and a sustained increase in the several weeks that followed," Toms said. We remain focused on improving our domestically-made product sales, and are pleased with the vibrant growth of our imported product line," Toms said. "We believe the sales activity in the Bradington-Young line is typical for the upholstery industry in general today," he added.

The restructuring and asset impairment charge resulting from the closing of Hooker's Kernersville plant consisted of \$1.3 million in severance and related benefits to be paid to terminated employees and approximately \$200,000 in related asset impairment costs. Substantially all of the severance and related benefits will be paid to terminated employees in the 2003 third quarter. This special one-time charge (after taxes) accounted for 1.1% of net sales for the 2003 second quarter and 0.6% of net sales for the first half of 2003 and reduced earnings per share by \$0.16 in both the three and six month periods of 2003. Beginning in the fourth quarter of 2003, the Company anticipates a production cost savings of approximately \$750,000 to \$1.1 million annually as a result of the plant closing.

For the second quarter of 2003, Hooker reported that its gross profit margin of 25.8% improved modestly from the same period in 2002, due primarily to the mix of products shipped. For the first half of 2003 gross profit margin increased to 26.6% of net sales, compared to 25.5% during the same 2002 period. The gross profit margins for upholstery products manufactured by Bradington-Young have been comparable to the gross profit margins the Company achieves on its domestically produced wood furniture products, ranging typically from 20-25% of net sales.

During the 2003 periods, the Company's domestic wood furniture manufacturing operations continued to experience reductions in raw material costs as a percentage of sales volume, compared to the prior year period. However, these improvements were offset by increased labor and overhead costs as a percentage of sales volume, resulting from the reduced work schedules during the first half of 2003 and weather-related downtime experienced during the 2003 first quarter.

The Company's manufacturing employees continued to work reduced, 35-hour work schedules in all domestic case goods plants for the 2003 second quarter and also took an additional week down in April to control inventory levels, reflecting the weakness in incoming orders. Selected plants also shut down for a week in May. In comparison, the Company's domestic case goods factories worked full 40 hour-per-week schedules from January through May of 2002. Hooker's gross profit margins for its imported products declined during the 2003 periods principally due to higher inbound freight and storage costs.

Selling and administrative expenses as a percentage of net sales for the second quarter of 2003 increased to 18.0% compared to 17.2% in the 2002 quarter and increased to 17.1% for the 2003 first half compared to 16.7% in the 2002 six-month period. The increase in selling and administrative expenses as a percentage of net sales in the 2003 periods is principally due to increased selling, warehousing and distribution costs to support higher volumes of imported products. The dollar amounts of selling and administrative expenses increased \$3.7 million during the 2003 second quarter and \$5.9 million during the

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2003 first half, mainly due to the addition of selling and administrative expenses for Bradington-Young and the increased import-related costs.

The Company expects to stay on 35-hour workweeks for the foreseeable future and will shut down its wood furniture factories for the traditional July 4th/ week to conduct required annual maintenance on its facilities. In addition, Hooker expects to shut down selected facilities for an additional week in July and all facilities for an additional week in each of August and September. The Kernersville facility will operate on reduced, 35-hour weekly work schedules beginning the week after the July 4th/ shutdown until its operations wind down in early to mid-August 2003.

Bradington-Young's upholstery facilities continued to operate on reduced, 36-hour work schedules during the 2003 second quarter. The Company expects Bradington-Young to continue working on reduced schedules of 31-36 hours per week through July 2003. Additionally, the upholstery facilities will shut down for two weeks in July 2003.

In its announcement of the pending Kernersville, N.C. plant closing last month, the Company stated that the closing would bring its wood furniture manufacturing capacity more in line with incoming orders. "Incoming orders are not yet at a high enough level to run four plants full time this summer, but hopefully business will improve this fall," Toms said. "After several months of solid stock market gains, low interest rates and the war settled, we hope to see a rebound in consumer confidence and retail sales by late summer or early fall."

Ranked among the nation's top 15 public furniture manufacturers in sales, Hooker Furniture is a 79-year old producer and importer of wall and entertainment systems, home office, occasional, dining, bedroom and upholstered leather furniture with approximately 2220 employees. The Company has 10 manufacturing facilities, a distribution center and a warehouse located in Virginia and North Carolina. Plant locations include Cherryville, Hickory, Pleasant Garden, Kernersville, Maiden, and Woodleaf, N.C. and Martinsville and Roanoke, VA. The Company's stock is listed on the Nasdaq SmallCap Market under the symbol HOFF, and closed on June 19, 2003 at \$29.91 per share. Please visit us on the World Wide Web at www.hookerfurniture.com and www.bradington-young.com.

Certain statements made in this report are not based on historical facts, but are forward-looking statements. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "would," or "anticipates," or the negative thereof, or other variations thereon, or comparable terminology, or by discussions of strategy. These statements reflect the Company's reasonable judgment with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Those risks and uncertainties include but are not limited to the cyclical nature of the furniture industry, domestic and international competition in the furniture industry, general economic or business conditions, both domestically and internationally, fluctuations in the price of key raw materials including lumber and leather, supply disruptions or delays affecting imported products, adverse political acts or developments in the international markets from which the Company imports products, fluctuations in foreign currency exchange rates affecting the price of the Company's imported products, and capital costs.

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TABLE I
HOOKER FURNITURE CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

	Three Months Ended May 31,		Six Months Ended May 31,	
	2003	2002	2003	2002
Net sales	\$ 80,115	\$ 62,253	\$154,590	\$123,182
Cost of sales	59,473	46,231	113,426	91,760
	-----	-----	-----	-----
Gross profit	20,642	16,022	41,164	31,422
Selling and administrative expenses	14,401	10,690	26,422	20,538
Restructuring and related asset impairment charge (1)	1,470		1,470	
	-----	-----	-----	-----
Operating income	4,771	5,332	13,272	10,884
Other income, net	86	140	276	308
Interest expense	921	502	1,564	1,014
	-----	-----	-----	-----
Income before taxes	3,936	4,970	11,984	10,178
Income taxes	1,496	1,887	4,553	3,866
	-----	-----	-----	-----
Net income	\$ 2,440	\$ 3,083	\$ 7,431	\$ 6,312
	=====	=====	=====	=====
Earnings per share:				
Basic and diluted	\$.42	\$.55	\$ 1.30	\$ 1.12
	=====	=====	=====	=====
Weighted average shares outstanding	5,750	5,636	5,724	5,628
	=====	=====	=====	=====

(1) In May 2003, the Company recorded one-time pretax charge of \$1.5 million (\$911,000 after tax, or \$0.16 per share) for severance and related asset impairment in anticipation of the August 2003 closing of its Kernersville, NC facility, affecting approximately 270 employees.

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TABLE II
HOOKER FURNITURE CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEETS
(In thousands)

	May 31, 2003 (2)	May 31, 2002	November 30, 2002
Assets			
Current assets			
Cash and cash equivalents	\$ 3,211	\$ 19,076	\$ 2,316
Trade receivables less allowances of \$792, \$674, and \$800	36,966	27,928	33,771
Inventories	60,382	29,948	54,959
Prepaid expenses and other	2,661	3,738	2,225
	-----	-----	-----
Total current assets	103,220	80,690	93,271
Property, plant, and equipment, net	57,178	49,256	49,577
Assets held for sale (3)	740		
Other assets	15,393	5,941	7,033
	-----	-----	-----
Total assets	\$176,531	\$135,887	\$149,881
	=====	=====	=====
Liabilities and Shareholders' Equity			
Current liabilities			
Trade accounts payable	\$ 4,050	\$ 3,326	\$ 5,427
Accrued salaries, wages, and benefits	6,730	5,404	6,022
Accrued income taxes			3,169
Other accrued expenses	3,089	4,505	4,372
Current maturities of long-term debt	6,800	2,794	2,905
	-----	-----	-----
Total current liabilities	20,669	16,029	21,895
Long-term debt, less current maturities	43,419	22,797	21,798
Other long-term liabilities	4,882	4,056	5,144
	-----	-----	-----
Total liabilities	68,970	42,882	48,837
Common stock held by ESOP (4)		9,961	
Shareholders' equity	107,561	83,044	101,044
	-----	-----	-----
Total liabilities and shareholders' equity	\$176,531	\$135,887	\$149,881
	=====	=====	=====

(2) In January 2003, the Company completed its acquisition of substantially all of the assets of Cherryville, N.C.-based leather seating specialist Bradington-Young, LLC. The Company acquired those assets for an aggregate consideration of \$26.7 million less approximately \$4.1 million in assumed debt. The consolidated balance sheet as of May 31, 2003 includes those assets and liabilities.

(3) In connection with the closing of its Kernersville, NC plant, the Company has reclassified the facility's real property to "assets held for sale". The carrying value of these assets approximates fair value less estimated selling expenses.

(4) In June 2002, Hooker Furniture common stock began trading on the Nasdaq SmallCap Market under the symbol HOFT. As a result, the Company is no longer obligated to repurchase shares distributed to participants in the Company's ESOP. Consequently, amounts representing shares that were previously subject to the repurchase obligation and reflected in the Company's balance sheets as "common stock held by ESOP" have been reclassified to "shareholders' equity".

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TABLE III
HOOKER FURNITURE CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Six Months Ended	
	May 31, 2003	May 31, 2002
Cash flows from operating activities		
Cash received from customers	\$ 157,231	\$ 124,878
Cash paid to suppliers and employees	(139,641)	(104,508)
Income taxes paid, net	(7,965)	(2,656)
Interest paid, net	(1,385)	(843)
	-----	-----
Net cash provided by operating activities	8,240	16,871
	-----	-----
Cash flows from investing activities		
Purchase of property, plant, and equipment, net of disposals	(2,451)	(3,121)
Acquisition of Bradington-Young, net of cash acquired	(22,140)	
Sale of property		17
	-----	-----
Net cash used in investing activities	(24,591)	(3,104)
	-----	-----
Cash flows from financing activities		
Proceeds from long-term debt	76,319	
Payments on long-term debt (including \$4,072 assumed in the acquisition)	(54,876)	(1,320)
Payment to terminate interest rate swap agreement	(3,001)	
Cash dividends paid	(1,196)	(752)
Purchase and retirement of common stock		(545)
	-----	-----
Net cash provided by (used in) financing activities	17,246	(2,617)
	-----	-----
Net increase in cash	895	11,150
Cash and cash equivalents at beginning of year	2,316	7,926
	-----	-----
Cash and cash equivalents at end of period	\$ 3,211	\$ 19,076
	=====	=====
Reconciliation of net income to net cash provided by operating activities		
Net income	\$ 7,431	\$ 6,312
Depreciation and amortization	4,221	3,805
Non-cash ESOP cost	1,182	696
Restructuring and related asset impairment charge	1,470	
Loss (gain) on disposal of property	5	(5)
Changes in assets and liabilities, net of effects of acquisition:		
Trade receivables	2,367	1,502
Inventories	701	3,574
Income tax recoverable	(243)	1,262
Prepaid expenses and other assets	(1,013)	(1,076)
Trade accounts payable	(3,343)	(762)
Accrued salaries, wages, and benefits	(1,290)	615
Accrued income taxes	(3,169)	
Other accrued expenses	(2,768)	1,384
Other long-term liabilities	2,689	(436)
	-----	-----
Net cash provided by operating activities	\$ 8,240	\$ 16,871
	=====	=====