UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period **ended May 3, 2015**

Commission file number **000-25349**

HOOKER FURNITURE CORPORATION

(Exact name of registrant as specified in its charter)

Virginia	**54-0251350**
(State or other jurisdiction of incorporation or organization)	*(IRS employer identification no.)*

440 East Commonwealth Boulevard, Martinsville, VA 24112
(Address of principal executive offices, zip code)

(276) 632-0459
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated Filer o	Accelerated filer x
Non-accelerated Filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).   Yes o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of **June 3, 2015:**

Common stock, no par value	**10,811,165**
(Class of common stock)	*(Number of shares)*

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

HOOKER FURNITURE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

As of	**May 3, 2015 (unaudited)**	February 1, 2015
Assets		
Current assets		
Cash and cash equivalents	**$ 40,534**	$ 38,663
Trade accounts receivable, less allowance for doubtful accounts of **$1,233** and $1,329 on each respective date	**30,323**	32,245
Inventories	**43,956**	44,973
Income Tax Recoverable	**178**	-
Prepaid expenses and other current assets	**2,133**	2,353
Deferred taxes	**871**	1,704
Total current assets	**117,995**	119,938
Property, plant and equipment, net	**22,591**	22,824
Cash surrender value of life insurance policies	**20,734**	20,373
Deferred taxes	**4,194**	4,188
Intangible assets	**1,382**	1,382
Other assets	**2,051**	2,050
Total non-current assets	**50,952**	50,817
Total assets	**$ 168,947**	$ 170,755
Liabilities and Shareholders' Equity		
Current liabilities		
Trade accounts payable	**$ 8,425**	$ 10,293
Accrued salaries, wages and benefits	**2,873**	4,824
Income tax accrual	**-**	1,368
Accrued commissions	**940**	916
Customer deposits	**910**	853
Other accrued expenses	**942**	813
Total current liabilities	**14,090**	19,067
Deferred compensation	**8,525**	8,329
Income tax accrual	**89**	90
Other long-term liabilities	**376**	360
Total long-term liabilities	**8,990**	8,779
Total liabilities	**23,080**	27,846
Shareholders' equity		
Common stock, no par value, **20,000** shares authorized, **10,811** and 10,774 shares issued and outstanding, respectively, on each date	**18,389**	17,852
Retained earnings	**127,786**	125,392
Accumulated other comprehensive loss	**(308)**	(335)
Total shareholders' equity	**145,867**	142,909
Total liabilities and shareholders' equity	**$ 168,947**	$ 170,755

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

HOOKER FURNITURE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

	Thirteen Weeks Ended May 3, 2015	Thirteen Weeks Ended May 4, 2014
Net sales	**$ 60,956**	$ 61,396
Cost of sales	**44,581**	45,786
Gross profit	**16,375**	15,610
Selling and administrative expenses	**11,133**	11,367
Operating income	**5,242**	4,243
Other income, net	**132**	46
Income before income taxes	**5,374**	4,289
Income tax expense	**1,902**	1,485
Net income	**$ 3,472**	$ 2,804
Earnings per share		
Basic	**$ 0.32**	$ 0.26
Diluted	**$ 0.32**	$ 0.26
Weighted average shares outstanding:		
Basic	**10,756**	10,724
Diluted	**10,781**	10,762
Cash dividends declared per share	**$ 0.10**	$ 0.10

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

HOOKER FURNITURE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	For the Thirteen Weeks Ended	
	May 3, 2015	May 4, 2014
Net Income	**$ 3,472**	$ 2,804
Other comprehensive income:		
Amortization of actuarial loss (gain)	**45**	(13)
Income tax effect on amortization	**(17)**	5
Adjustments to net periodic benefit cost	**28**	(8)
Total comprehensive Income	**$ 3,500**	$ 2,796

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

HOOKER FURNITURE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Thirteen Weeks Ended	
	May 3, 2015	May 4, 2014
Operating Activities:		
Net income	**$ 3,472**	$ 2,804
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**620**	613
Loss/(Gain) on disposal of assets	**41**	(34)
Deferred income tax expense	**826**	353
Noncash restricted stock and performance awards	**157**	135
Provision for doubtful accounts	**698**	125
Changes in assets and liabilities:		
Trade accounts receivable	**1,224**	(1,129)
Inventories	**1,017**	5,429
Income tax recoverable	**(178)**	682
Gain on life insurance policies	**(173)**	(126)
Prepaid expenses and other current assets	**193**	237
Trade accounts payable	**(1,869)**	1,616
Accrued salaries, wages, and benefits	**(1,494)**	(673)
Accrued income taxes	**(1,368)**	142
Accrued commissions	**24**	(78)
Customer deposits	**58**	(226)
Other accrued expenses	**130**	77
Deferred compensation	**146**	34
Other long-term liabilities	**15**	20
Net cash provided by operating activities	**$ 3,539**	$ 10,001
Investing Activities:		
Purchases of property and equipment	**(428)**	(1,008)
Proceeds received on notes for sale of assets	**7**	11
Proceeds from sale of property and equipment	**-**	65
Premiums paid on life insurance policies	**(168)**	(190)
Net cash used in investing activities	**(589)**	(1,122)
Financing Activities:		
Cash dividends paid	**(1,079)**	(1,075)
Net cash used in financing activities	**(1,079)**	(1,075)
Net increase in cash and cash equivalents	**1,871**	7,804
Cash and cash equivalents - beginning of year	**38,663**	23,882
Cash and cash equivalents - end of quarter	**$ 40,534**	$ 31,686
Supplemental schedule of cash flow information:		
Income taxes paid, net	**$ (2,611)**	$ (294)

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

HOOKER FURNITURE CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in tables, except per share amounts, in thousands unless otherwise indicated)
(Unaudited)
For the Thirteen Weeks Ended May 3, 2015

1. Preparation of Interim Financial Statements

The condensed consolidated financial statements of Hooker Furniture Corporation and subsidiaries (referred to as "we," "us," "our," "Hooker" or the "Company") have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). In the opinion of management, these statements include all adjustments necessary for a fair statement of the results of all interim periods reported herein. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures prepared in accordance with U.S. generally accepted accounting principles ("GAAP") are condensed or omitted pursuant to SEC rules and regulations. However, we believe that the disclosures made are adequate for a fair presentation of our results of operations and financial position. Operating results for the interim periods reported herein may not be indicative of the results expected for the fiscal year. These financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in our annual report on Form 10-K for the fiscal year ended February 1, 2015 ("2015 Annual Report").

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect both the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from our estimates.

The financial statements contained herein are being filed as part of a quarterly report on Form 10-Q covering the thirteen-week period (also referred to as "three months," "three-month period," "quarter," "first quarter" or "quarterly period") that began February 2, 2015 and ended May 3, 2015. These financial statements also include the thirteen-week period that began February 3, 2014 and ended May 4, 2014.

References in these notes to the condensed consolidated financial statements of the Company to:

- the 2016 fiscal year and comparable terminology mean the fiscal year that began February 2, 2015 and will end January 31, 2016; and

- the 2015 fiscal year and comparable terminology mean the fiscal year that began February 3, 2014 and ended February 1, 2015.

2. Accounts Receivable

	May 3, 2015	February 1, 2015
Trade accounts receivable	$ **23,052**	$ 25,322
Receivable from factor	**8,504**	8,252
Allowance for doubtful accounts	**(1,233)**	(1,329)
Accounts receivable	$ **30,323**	$ 32,245

"Receivable from factor" represents amounts due with respect to factored accounts receivable. Through the fiscal 2016 first quarter, we factored substantially all of our domestically-produced upholstery accounts receivable without recourse to us.

Under our factoring agreement, invoices for domestically produced upholstery products are generated and transmitted to our customers, with copies to the factor on a daily basis, as products are shipped to our customers. The factor collects the amounts due and remits collected funds to us semi-weekly, less factoring fees. We retain ownership of the accounts receivable until the invoices are 90 days past due. At that time, the factor pays us the net invoice amount, less factoring fees, and takes ownership of the accounts receivable. The factor is then entitled to collect the invoices on its own behalf and retain any subsequent remittances. The invoiced amounts are reported as accounts receivable on our condensed consolidated balance sheets, generally from the date the merchandise is shipped to our customer until payment is received from the factor.

A limited number of our accounts receivable for our domestically produced upholstery are factored with recourse to us. The amounts of these receivables at May 3, 2015 and February 1, 2015 were $256,000 and $237,000, respectively. If the factor is unable to collect the amounts due, invoices are returned to us for collection. We include an estimate of potentially uncollectible receivables in our calculation of our allowance for doubtful accounts.

3. **Inventories**

	May 3, 2015	February 1, 2015
Finished furniture	$ **54,035**	$ 54,896
Furniture in process	**642**	615
Materials and supplies	**9,307**	9,131
Inventories at FIFO	**63,984**	64,642
Reduction to LIFO basis	**(20,028)**	(19,669)
Inventories	$ **43,956**	$ 44,973

4. **Property, Plant and Equipment**

	Depreciable Lives *(In years)*	**May 3, 2015**	Feb 1, 2015
Buildings and land improvements	15 - 30	**$ 21,966**	$ 22,162
Computer software and hardware	3 - 10	**11,921**	18,444
Machinery and equipment	10	**4,771**	4,757
Leasehold improvements	5	**2,874**	2,840
Furniture and fixtures	3 - 8	**1,433**	2,240
Other	5	**564**	628
Total depreciable property at cost		**43,529**	51,070
Less accumulated depreciation		**25,791**	32,790
Total depreciable property, net		**17,738**	18,280
Land		**1,067**	1,067
Construction-in-progress		**3,786**	3,477
Property, plant and equipment, net		**$ 22,591**	$ 22,824

The decreases in computer software and hardware, furniture and fixtures and accumulated depreciation line items above in the first quarter of fiscal 2016 are primarily due to the write-off of fully depreciated assets that are no longer in use. At May 3, 2015, construction-in-progress consisted of approximately $3.0 million of expenditures related to our ongoing Enterprise Resource Planning (ERP) conversion efforts and approximately $800,000 of expenditures related to various other projects to enhance our facilities and operations.

5. **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants on the applicable measurement date. We use a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

Level 1, defined as observable inputs such as quoted prices in active markets for identical assets and liabilities;

Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of May 3, 2015 and February 1, 2015, Company-owned life insurance was measured at fair value on a recurring basis based on Level 2 inputs. The fair value of the Company-owned life insurance is determined by inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. Additionally, the fair value of the Company-owned life insurance is marked to market each reporting period and any change in fair value is reflected in income for that period.

As of May 3, 2015, a mortgage note receivable (related to the previously announced sale of our Cloverleaf facility during the fiscal 2015 first quarter) was measured at fair value on a non-recurring basis using Level 3 inputs. The note receivable was recorded at approximately $1.6 million, which was the face value of the note issued for the mortgage. The carrying value of the note receivable is assumed to approximate its fair value. We measure the probability to collect amounts due to us under this note receivable primarily based on the buyer's payment history. Specifically, we consider the buyer's adherence to the contractual payment terms for both the timeliness and payment amounts. Should it become probable that we would be unable to collect all amounts due according to the contractual terms of the underlying loan agreement, we would measure the note for impairment and record a valuation allowance against the note receivable, if needed, with the related expense charged to income for that period. The note receivable is included in the "Other assets" line of our condensed consolidated balance sheets.

Our assets measured at fair value on a recurring basis at May 3, 2015 and February 1, 2015, respectively, were as follows:

	Fair value at May 3, 2015				Fair value at February 1, 2015			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
				(In thousands)				
Assets measured at fair value								
Company-owned life insurance	**$ -**	**$ 20,734**	**$ -**	**$ 20,734**	$ -	$ 20,373	$ -	$ 20,373
Mortgage note receivable	**-**	**-**	**1,575**	**1,575**	-	-	1,575	1,575

6. Intangible Assets

Non-amortizable Intangible Assets	**Segment**	**May 3, 2015**	February 1, 2015
Trademarks and trade names - Bradington-Young	Upholstery	**$ 861**	$ 861
Trademarks and trade names - Sam Moore	Upholstery	**396**	396
URL- Homeware.com	All other	**125**	125
Total trademarks and tradenames		**1,382**	1,382

7. Long Term Debt

As of May 3, 2015, we had an aggregate $13.5 million available under our $15.0 million unsecured revolving credit facility to fund working capital needs. Standby letters of credit in the aggregate amount of $1.5 million, used to collateralize certain insurance arrangements and for imported product purchases, were outstanding under our revolving credit facility as of May 3, 2015. There were no additional borrowings outstanding under the revolving credit facility on May 3, 2015. Any principal outstanding under the revolving credit facility is due July 31, 2018.

8. Employee Benefit Plans

We maintain a supplemental retirement income plan ("SRIP") for certain former and current executives. The liability for the SRIP at May 3, 2015 and February 1, 2015 was $8.5 million and $8.4 million, respectively, and is shown in our condensed consolidated balance sheets as follows:

	May 3, 2015	February 1, 2015
Accrued salaries, wages and benefits (current portion)	$ **354**	$ 354
Deferred compensation (long-term portion)	**8,122**	8,031
Total liability	$ **8,476**	$ 8,385

Components of net periodic benefit cost for the SRIP are included in our condensed consolidated statements of income under selling and administrative expenses:

	Thirteen Weeks Ended	
	May 3, 2015	May 4, 2014
Net periodic benefit cost		
Service cost	**$ 101**	$ 25
Interest cost	**72**	85
Actuarial loss (gain)	**45**	(13)
Net periodic benefit cost	**$ 218**	$ 97

The performance criteria for the performance grants awarded to our named executive officers in fiscal 2013 were met and common stock was issued during the fiscal 2016 first quarter for this stock-based compensation. Consequently, most of the increase in the balance of our common stock as of the end of our fiscal 2016 first quarter resulted from this stock based compensation.

9. Earnings Per Share

We refer you to the discussion of Earnings Per Share in Note 1-Summary of Significant Accounting Policies, in the financial statements included in our 2015 Annual Report, for additional information concerning the calculation of earnings per share.

We have issued restricted stock awards to non-employee members of the board of directors since 2006 and restricted stock units (RSUs) to certain senior executives since fiscal 2012 under the Company's Stock Incentive Plan. Each RSU entitles the executive to receive one share of the Company's common stock if the executive remains continuously employed with the Company through the end of a three-year service period. The RSUs may be paid in shares of our common stock, cash or both at the discretion of the Compensation Committee of our board of directors. We expect to continue to grant these types of awards annually in the future. The following table sets forth the number of outstanding restricted stock awards and RSUs, net of forfeitures and vested shares, as of the fiscal period-end dates indicated:

	May 3, 2015	Feb 1, 2015
Restricted shares	**33**	27
Restricted stock units	**20**	25
	53	52

All restricted shares and RSUs awarded that have not yet vested are considered when computing diluted earnings per share. The following table sets forth the computation of basic and diluted earnings per share:

	Thirteen Weeks Ended	
	May 3, 2015	May 4, 2014
Net income	**$ 3,472**	$ 2,804
Less: Unvested participating restricted stock dividends	**3**	3
Net earnings allocated to unvested participating restricted stock	**9**	7
Earnings available for common shareholders	**3,460**	2,794
Weighted average shares outstanding for basic earnings per share	**10,756**	10,724
Dilutive effect of unvested restricted stock and RSU awards	**25**	38
Weighted average shares outstanding for diluted earnings per share	**10,781**	10,762
Basic earnings per share	**$ 0.32**	$ 0.26
Diluted earnings per share	**$ 0.32**	$ 0.26

10. Income Taxes

We recorded income tax expense of $1.9 million for the fiscal 2016 first quarter compared to $1.5 million for the comparable prior year period. The effective tax rates for the fiscal 2016 and 2015 first quarters were 35.4% and 34.6%, respectively. Our effective tax rate was higher in the fiscal 2016 first quarter as a result of a higher federal rate due to higher taxable income.

The net unrecognized tax benefits as of May 3, 2015 and February 1, 2015, which, if recognized, would affect our effective tax rate are $427,000 and $426,000, respectively.

Our Federal tax returns for the fiscal years 2013 through 2015 remain subject to examination by federal taxing authorities. Our state tax returns for the fiscal years ending 2012 through fiscal 2015 remain subject to examination by state taxing authorities. An examination of our fiscal year 2013 Federal tax return is currently underway by the Internal Revenue Service. In addition, an examination of our North Carolina state tax returns for fiscal years 2012 and 2013 is also underway by the North Carolina Department of Revenue.

11. Segment Information

For financial reporting purposes, we are organized into three operating segments – casegoods furniture, upholstered furniture and an "all other" segment, which includes our two startup initiatives, Homeware and H Contract. The financial information for the fiscal 2015 first quarter appearing in the table below has been updated to conform to the current presentation of our operating segments. The following table presents segment information for the periods, and as of the dates, indicated:

	Thirteen Weeks Ended			
	May 3, 2015	**% Net Sales**	May 4, 2014	% Net Sales
Net Sales				
Casegoods	**$ 38,483**	**63.1%**	$ 38,253	62.3%
Upholstery	**21,303**	**34.9%**	22,378	36.4%
All other	**1,332**	**2.2%**	910	1.5%
Intercompany eliminations	**(162)**	**-0.3%**	(145)	-0.2%
Consolidated	**$ 60,956**	**100.0%**	$ 61,396	100.0%
Gross Profit & Margin				
Casegoods	**$ 11,301**	**29.4%**	$ 11,092	29.0%
Upholstery	**4,718**	**22.1%**	4,233	18.9%
All other	**351**	**26.4%**	283	31.1%
Intercompany eliminations	**5**	**-2.8%**	2	-1.6%
Consolidated	**$ 16,375**	**26.9%**	$ 15,610	25.4%
Operating Income & Margin				
Casegoods	**$ 4,101**	**10.7%**	$ 4,066	10.6%
Upholstery	**1,447**	**6.8%**	531	2.4%
All other	**(311)**	**-23.3%**	(356)	-39.2%
Intercompany eliminations	**5**	**-2.8%**	2	-1.6%
Consolidated	**$ 5,242**	**8.6%**	$ 4,243	6.9%
Capital Expenditures				
Casegoods	**$ 369**		$ 678	
Upholstery	**59**		330	
All other	**-**		-	
Consolidated	**$ 428**		$ 1,008	
Depreciation & Amortization				
Casegoods	**$ 397**		$ 367	
Upholstery	**221**		246	
All other	**2**		-	
Consolidated	**$ 620**		$ 613	

Total Assets	**As of May 3, 2015**	**% Total Assets**	As of February 1, 2015	% Total Assets
Casegoods	**$ 133,077**	**78.8%**	$ 135,403	79.3%
Upholstery	**34,382**	**20.4%**	33,788	19.8%
All other	**1,523**	**0.9%**	1,605	0.9%
Intercompany eliminations	**(35)**	**0.0%**	(41)	0.0%
Consolidated	**$ 168,947**	**100.0%**	$ 170,755	100.0%

12. Subsequent Events

Dividends

On June 4, 2015, our board of directors declared a quarterly cash dividend of $0.10 per share, payable on June 30, 2015 to shareholders of record at June 15, 2015.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This quarterly report on Form 10-Q includes our unaudited condensed consolidated financial statements for the thirteen-week period (also referred to as "three months," "three-month period," "quarter" "first quarter" or "quarterly period") that began February 2, 2015 and ended May 3, 2015. This report discusses our results of operations for this period compared to the 2015 fiscal year thirteen-week period that began February 3, 2014 and ended May 4, 2014; and our financial condition as of May 3, 2015 compared to February 1, 2015.

References in this report to:

§ the 2016 fiscal year and comparable terminology mean the fiscal year that began February 2, 2015 and will end January 31, 2016; and

§ the 2015 fiscal year and comparable terminology mean the fiscal year that began February 3, 2014 and ended February 1, 2015.

Dollar amounts presented in the tables below are in thousands except for per share data.

The following discussion should be read in conjunction with the condensed consolidated financial statements, including the related notes, contained elsewhere in this quarterly report. We also encourage users of this report to familiarize themselves with all of our recent public filings made with the Securities and Exchange Commission ("SEC"), especially our 2015 annual report on Form 10-K ("2015 Annual Report") filed with the SEC on April 17, 2015. Our 2015 Annual Report contains critical information regarding known risks and uncertainties that we face, critical accounting policies and information on commitments and contractual obligations that are not reflected in our condensed consolidated financial statements, as well as a more thorough and detailed discussion of our corporate strategy and new business initiatives.

Our business is subject to a number of significant risks and uncertainties, including our reliance on offshore sourcing, any of which can adversely affect our business, results of operations, financial condition or future prospects. For a discussion of risks and uncertainties that we face, see Item 1A, "Risk Factors" and "Forward Looking Statements" beginning on page eleven of our 2015 Annual Report.

Our 2015 Annual Report and our other public filings made with the SEC are available, without charge, at www.sec.gov and at http://investors.hookerfurniture.com

Nature of Operations

Hooker Furniture Corporation (referred to as "we," "us", "our" "Hooker" or "the Company") is a home furnishings marketing, design and logistics company offering worldwide sourcing of residential casegoods and upholstery, as well as domestically-produced custom leather and fabric-upholstered furniture. We were incorporated in Virginia in 1924 and are ranked among the nation's top 10 largest publicly traded furniture sources, based on 2014 shipments to U.S. retailers, according to a 2015 survey published by *Furniture Today*, a leading trade publication. We are a key resource for residential wood and metal furniture (commonly referred to as "casegoods") and upholstered furniture. Our major casegoods product categories include accents, home office, dining, bedroom and home entertainment furniture under the Hooker Furniture brand. Our residential upholstered seating companies include Bradington-Young, a specialist in upscale motion and stationary leather furniture, Hooker Upholstery, a line of imported leather upholstery, and Sam Moore Furniture, a specialist in upscale occasional chairs, settees, sofas and sectional seating with an emphasis on cover-to-frame customization. An extensive selection of designs and formats along with finish and cover options in each of these product categories makes us a comprehensive resource for retailers primarily targeting the upper-medium price range. For our core product line, our principal customers are retailers of residential home furnishings that are broadly dispersed throughout the United States. Our customers also include home furniture retailers in Canada and in nearly 40 other countries internationally. Other customers include independent furniture stores, specialty retailers, department stores, catalog and internet merchants, interior designers and national and regional chains.

To expand and grow beyond our core business, we launched two start-up brands during the 2014 fiscal year focused on serving the needs of emerging consumer groups on the opposite ends of the age and life stage spectrum. One, H Contract**,** focuses on the burgeoning senior living market of retirees. The other, Homeware, focuses on younger and more mobile consumers in the early stages of their careers, as well as those living in smaller or urban spaces.

For financial reporting purposes, we are organized into three operating segments – casegoods furniture, upholstered furniture and all other. Prior to the fiscal 2015 third quarter, we reported our results of operations in two operating segments- casegoods and upholstery. We aggregated the results of our two new business ventures – H Contract and Homeware- with our casegoods segment in accordance with the provisions of ASC 280 Segment Reporting. We did this primarily due to the similarity of the products, production processes, distribution methods, types of customers and regulatory environment. These similarities persist and although H Contract and Homeware are likely to remain immaterial to our consolidated results of operations for the near-to-medium term, we believe that information about these businesses would be beneficial to the readers of our financial statements, as it is to management; therefore, we have separately disclosed information about them in the "All other" segment. The financial information in the fiscal 2015 first quarter appearing in the tables and narratives contained in this item has been updated to conform to the current presentation of our operating segments.

Overview

Consumer home furnishings purchases are driven by an array of factors, including general economic conditions such as:

§ consumer confidence;
§ availability of consumer credit;
§ energy and other commodity prices; and
§ housing and mortgage markets;

as well as lifestyle-driven factors such as changes in:

§ fashion trends;
§ disposable income; and
§ household formation and turnover.

We believe that our business and the home furnishings industry in general is gaining momentum as the U.S. economy continues to recover from an extended and severe downturn that began in 2008. Housing and housing-related industries have begun to show signs of sustained recovery, and mostly positive news on housing and consumer confidence is encouraging.

Our lower overhead, variable-cost import operations help drive our profitability and provide us with more flexibility to respond to changing demand by adjusting inventory purchases from suppliers. This import model requires constant vigilance due to a larger investment in inventory and longer production lead times. We constantly evaluate our imported furniture suppliers and when quality concerns, inflationary pressures, or trade barriers, such as duties and tariffs, diminish our value proposition, we transition sourcing to other suppliers, often located in different countries or regions.

Our domestic upholstery operations, have significantly higher overhead and fixed costs than our import operations, and have been particularly affected by the depressed economic conditions over the past seven years. During that time, we initiated extensive cost reduction efforts, which helped to mitigate the effect of such depressed economic conditions, including declining demand. Our upholstery segment operations have been profitable for the last three fiscal years, with overall profitability improving each year; however, domestic upholstery profitability continues to lag behind our imported products.

Executive Summary-Results of Operations

Consolidated net sales for the fiscal 2016 first quarter were essentially flat, decreasing by less than 1% or $440,000, to $61 million, while net income increased by 23.8%, or $668,000, to $3.5 million, in each case compared to the fiscal 2015 first quarter. As discussed in greater detail under "Results of Operations" below, the following are the primary factors that affected our consolidated fiscal 2016 first quarter results of operations:

§ **Increased gross profit.** Consolidated gross profit increased primarily due to improved operating efficiencies, decreased contract manufacturing and decreased medical claims expenses in our upholstery segment and decreased discounting and decreased returns and allowances in our casegoods segment, which helped offset cost increases on our imported products.

§ **Decreased selling and administrative expenses.** Consolidated selling and administrative expenses were essentially flat, decreasing slightly as a percentage of net sales and in absolute terms primarily due to decreased medical claims expenses, decreased contributions of off-quality furniture and decreased banking expenses, partially offset by increased professional services expenses.

§ **Increased operating income.** Consolidated operating income increased nearly $1.0 million primarily due to a $916,000 upholstery segment operating profitability increase which was due to the factors discussed above.

Results of Operations

The following table sets forth the percentage relationship to net sales of certain items included in the condensed consolidated statements of income included in this report.

	Thirteen Weeks Ended	
	May 3, 2015	May 4, 2014
Net sales	**100.0%**	100.0%
Cost of sales	**73.1**	74.6
Gross profit	**26.9**	25.4
Selling and administrative expenses	**18.3**	18.5
Operating income	**8.6**	6.9
Other (expense) income, net	**0.2**	0.1
Income before income taxes	**8.8**	7.0
Income tax expense	**3.1**	2.4
Net income	**5.7**	4.6

Fiscal 2016 First Quarter Compared to Fiscal 2015 First Quarter

	Net Sales Thirteen Weeks Ended					
	May 3, 2015	% Net Sales	May 4, 2014	% Net Sales	$ Change	% Change
Casegoods	**$ 38,483**	**63.1%**	$ 38,253	62.3%	$ 230	0.6%
Upholstery	**21,303**	**34.9%**	22,378	36.4%	(1,075)	-4.8%
All Other	**1,332**	**2.2%**	910	1.5%	422	46.4%
Intercompany Eliminations	**(162)**	**-0.3%**	(145)	-0.2%	(17)	11.7%
Consolidated	**60,956**	**100%**	61,396	100%	(440)	-0.7%

Unit Volume	**FY16 Q1 % Increase vs. FY15 Q1**	**Average Selling Price**	**FY16 Q1 % Increase vs. FY15 Q1**
Casegoods	**-5.1%**	Casegoods	**4.9%**
Upholstery	**-9.9%**	Upholstery	**5.8%**
All Other	**30.0%**	All Other	**15.3%**
Consolidated	**-5.9%**	Consolidated	**4.9%**

Consolidated net sales decreased for the fiscal 2016 first quarter primarily due to decreased unit volume in our casegoods and upholstery segments, partially offset by increased average selling prices in those segments. Unit volume decreases in our casegoods segment were primarily due to decreases in container-direct shipments to retailers, which were partially offset by increases in non-container shipments. Upholstery segment net sales decreases were primarily due to sales decreases at both Sam Moore and Hooker Upholstery, partially offset by sales increases at Bradington-Young. Our all other segment contributed positively to sales in the fiscal 2016 first quarter compared to the prior-year period, but is still a small component of our overall sales.

We believe the decrease in our fiscal 2016 first quarter net sales results compared to our fiscal 2015 first quarter net sales results is primarily due to overall inconsistent conditions at retail and product availability challenges due to expanding lead times and late deliveries of certain of our more popular October market introductions in our casegoods segment. We expect that the late deliveries that we experienced in the first quarter to be less of an issue going forward.

	Gross Income and Margin Thirteen Weeks Ended					
	May 3, 2015	% Net Sales	May 4, 2014	% Net Sales	$ Change	% Change
Casegoods	**$ 11,301**	**29.4%**	$ 11,092	29.0%	$ 209	1.9%
Upholstery	**4,718**	**22.1%**	4,233	18.9%	485	11.5%
All Other	**351**	**26.4%**	283	31.1%	68	24.0%
Intercompany Eliminations	**5**	**-2.8%**	2	-1.6%	3	91.5%
Consolidated	**$ 16,375**	**26.9%**	$ 15,610	25.4%	$ 765	4.9%

Consolidated gross profit increased in the fiscal 2016 first quarter, primarily due to:

- § Improved upholstery segment gross profit due to operating efficiencies such as better materials management, better labor efficiency, decreased contract manufacturing and lower medical claims expense; and
- § Improved casegoods segment gross profit due to decreased discounting due to product mix and lower returns and allowances as a result of better quality experience on our products.

	Selling and Administrative Expenses Thirteen Weeks Ended					
	May 3, 2015	% Net Sales	May 4, 2014	% Net Sales	$ Change	% Change
Casegoods	**$ 7,200**	**18.7%**	$ 7,026	18.4%	$ 174	2.5%
Upholstery	**3,271**	**15.4%**	3,701	16.5%	(430)	-11.6%
All Other	**662**	**49.7%**	640	70.3%	22	3.4%
Consolidated	**$ 11,133**	**18.3%**	$ 11,367	18.5%	$ (234)	-2.1%

Consolidated selling and administrative expenses decreased as a percentage of net sales and in absolute terms for the fiscal 2015 first quarter primarily due to:

- § decreased medical claims expense in all segments primarily due to plan design changes and better claims experience;
- § decreased contributions of off-quality furniture in our casegoods segment primarily due to better quality experience; and
- § decreased banking expenses in our casegoods segment primarily due to changes to our sales policies.

These decreases were partially offset by increased professional service expenses primarily due to increased compliance and consulting costs in our casegoods segment. Selling and administrative expenses in our all other segment were relatively stable despite a net sales increase in that segment, as our H Contract and Homeware businesses have exited the startup phases of their life cycle.

	Operating Profit and Margin Thirteen Weeks Ended					
	May 3, 2015	% Net Sales	May 4, 2014	% Net Sales	$ Change	% Change
Casegoods	**$ 4,101**	**10.7%**	$ 4,066	10.6%	$ 35	0.9%
Upholstery	**1,447**	**6.8%**	531	2.4%	916	172.5%
All Other	**(311)**	**-23.3%**	(356)	-39.2%	45	-12.6%
Intercompany Eliminations	**5**	**-2.8%**	2	-1.6%	3	91.5%
Consolidated	**$ 5,242**	**8.6%**	$ 4,243	6.9%	$ 999	23.5%

Operating profitability increased for the fiscal 2016 first quarter compared to the same prior-year period, both as a percentage of net sales and in absolute terms, due to the factors discussed above.

Income taxes
Thirteen Weeks Ended

	May 3, 2015	% Net Sales	May 4, 2014	% Net Sales	$ Change	% Change
Consolidated income tax expense	**$ 1,902**	**3.1%**	$ 1,485	2.4%	$ 417	28.1%
Effective Tax Rate	**35.4%**		34.6%			

We recorded income tax expense of $1.9 million for the fiscal 2016 first quarter compared to $1.5 million for the same prior-year period. The effective tax rates for the fiscal 2016 and 2015 first quarters were 35.4% and 34.6%, respectively. Our effective tax rate was higher in the fiscal 2016 first quarter as a result of a higher federal rate due to higher taxable income.

Net Income
Thirteen Weeks Ended

	May 3, 2015	% Net Sales	May 4, 2014	% Net Sales	$ Change	% Change
Net Income						
Consolidated	**$ 3,472**	**5.7%**	$ 2,804	4.6%	$ 668	23.8%
Earnings per share	**$ 0.32**		$ 0.26			

Review

Casegoods segment sales were essentially flat for the fiscal 2016 first quarter as compared to the same prior-year period, following very strong sales in the second half of our fiscal 2015. We believe this is due to recent slowing and uncertainty in the US economy but also believe the mid-to-longer term outlook for sales of larger-ticket purchases such as our casegoods products remains as good as any time since the economic downturn of 2008. Sales were also negatively impacted by delayed deliveries from some our Asian suppliers. We are pleased that the casegoods segment generated an operating margin of over 10% for three consecutive fiscal quarters and believe that we can continue to make smaller, incremental improvements as we move forward.

While **upholstery segment** sales were down nearly 5.0% in the fiscal 2016 first quarter as compared to the same prior-year period, we were pleased with a $916,000 operating income improvement, which resulted primarily due to improvements at **Sam Moore** and **Bradington-Young**. Prior-year operating income was adversely affected by higher medical claims expenses and higher material costs; which represent two continued sources of risk for that segment's operating profitability. Due to increased leather prices and labor costs at our Asian suppliers, we continue to work to mitigate rising costs of our imported **Hooker Upholstery** line without sacrificing gross margins and to improve the perceived value of its imported leather products relative to our domestically produced leather products. We have strengthened Bradington-Young's and Hooker Upholstery's opening price points to offer a better value proposition for both. We are also seeking to be more creative and innovative in our design and color direction. The achievement of future upholstery segment profitability increases will require us to increase sales while maintaining Bradington-Young gross margins at, or close to, current levels, to continue to improve manufacturing processes and work flow at the Sam Moore facility, and to minimize the impact of raw material and labor costs increases for this segment.

Our **all other segment's** net sales increased and operating loss decreased in the fiscal 2016 first quarter, but remained a small part of our overall results. Our H Contract product line was close to operating profitability for the fiscal 2016 first quarter. We expect H Contract to continue to broaden its customer base and product line, to increase sales and to begin to contribute more significantly to consolidated operating profitability in fiscal 2016. Homeware's operating loss decreased in the fiscal 2016 first quarter as compared to the same prior-year period. We have adjusted Homeware's strategy after a little more than a year in operation and remain positive about the brand and the future of online furniture retailing. We believe the Homeware initiative is critical to address the migration of retail business to online outlets. We expect that it will take Homeware longer than H Contract to reach critical mass and profitability. However, we view this investment as a vital step toward the future of consumer-centric home furniture retailing.

Outlook

So far in fiscal 2016, we have seen flat demand for many of our products compared to the same period a year ago. In addition, after several years of stability, we also experienced price increases on imported products from China and rising ocean freight costs. However, we believe we have offset these rising costs with a price increase during the fiscal 2016 first quarter.

In light of improving economic conditions as previously noted in this report, we are optimistic about our longer-term future, both with our core businesses and our new ventures. We believe we are positioned to capitalize on continued improvements in the economy as they occur. We continue to increase production capacity at our upholstery manufacturing facilities, to maintain good inventory positions on our best-selling casegoods products and promote what we believe to be our strongest product line in several years. Additionally, we continue to explore opportunities in which we can best leverage our balance sheet.

As we progress through the remainder of fiscal 2016, we will focus on:

§ evaluating ways to expand into new distribution channels;
§ growing and improving the profitability of our new business initiatives;
§ building on our initial successes in expanding our merchandising reach in the “better” parts of our “good-better-best” casegoods product offerings;
§ successfully launching our newly-licensed Cynthia Rowley home furnishings collection;
§ improving the product assortment and value proposition of the Hooker Upholstery imported products line;
§ increasing operating profitability and increasing production capacity at Sam Moore;
§ mitigating inflation on our imported products and raw materials;
§ maintaining proper inventory levels and optimizing product availability on best-selling items;
§ strengthening our relationships with key vendors and sourcing product from cost-competitive locations and from quality-conscious sourcing partners;
§ offering an array of new products and designs, which we believe will help generate additional sales;
§ upgrading and refining our information systems capabilities to support our businesses, including implementing our ERP system in our upholstery segment; and
§ controlling costs.

<u>Potential Duties on Accent Chests</u>

On May 27, 2014, the U.S. Department of Commerce (“DoC”) determined that certain accent chests manufactured in China for one of our competitors constitute “wooden bedroom furniture” that is subject to anti-dumping duties under the Continued Dumping Subsidy Offset Act of 2000. In early June 2014, the DoC directed U.S. Customs and Border Protection (“CBP”) to begin collecting the anti-dumping duty on these items. While the DoC ruling applies only to the specific accent chests mentioned in the ruling, it is uncertain whether CBP also will begin to collect anti-dumping duties with respect to other similar accent chests imported from China. We currently import, and have imported in the past, accent chests from China that may be similar to those that are subject to the DoC ruling, including accent chests sourced from the same Chinese company that manufactures the accent chests addressed by the DoC ruling.

We are currently not able to determine whether any of the accent chests we source from China, now or in the past, would be subject to the anti-dumping duties. Nor are we able to estimate the potential amount of any such duties. We do not believe the duties, if any, would be assessed retroactively; however, CBP audits can go back five years and any assessment could be subject to interest and penalties. If the bedroom furniture anti-dumping duties, or related penalties, were to be assessed on accent chests that we import, or have imported in the past, from China, our results of operations, financial condition, liquidity and prospects could be adversely affected.

During the fiscal 2015 second quarter, the DoC agreed to reconsider some of its earlier findings related to accent chests and early in the fiscal 2015 fourth quarter, DoC reaffirmed its decision that certain of our competitor’s accent chests constituted wooden bedroom furniture subject to anti-dumping duties. While DoC’s decision states that its ruling is not “definitive for products not specifically analyzed” and our competitor “is the only company whose merchandise is the subject of the Department’s scope analysis and determination that is directly affected by the Department’s scope ruling”, we believe that other accent chests remain at risk.

Customs Penalty

Unrelated to the potential duties on accent chests discussed above, in September 2009 CBP issued an audit report asserting that we had not paid all required antidumping duties due with respect to certain bedroom furniture we imported from China. In February 2015, CBP assessed a civil penalty of approximately $2.1 million and unpaid duties of approximately $500,000 on the matter. We assert that no antidumping duties are due and that there is no basis for the imposition of a penalty. We intend to defend against the penalty vigorously. In the opinion of management, the ultimate disposition of this matter will not have a material adverse effect on our consolidated financial position, results of operations, or liquidity.

Financial Condition, Liquidity and Capital Resources

Balance Sheet and Working Capital

The following chart shows changes in our total assets, current assets, current liabilities, net working capital (current assets less current liabilities) and working capital ratio (current assets compared to current liabilities) as of the first quarter of fiscal 2016 compared to the fiscal 2015 year end:

	Balance Sheet and Working Capital		
	May 3, 2015	February 1, 2015	$ Change
Total Assets	**$ 168,947**	$ 170,755	$ (1,808)
Cash and cash equivalents	**$ 40,534**	$ 38,663	$ 1,871
Trade Receivables, net	**30,323**	32,245	(1,922)
Inventories	**43,956**	44,973	(1,017)
Prepaid Expenses & Other	**3,182**	4,057	(875)
Total Current Assets	**$ 117,995**	$ 119,938	$ (1,943)
Trade accounts payable	**$ 8,425**	$ 10,293	$ (1,868)
Accrued salaries, wages and benefits	**2,873**	4,824	(1,951)
Other accrued expenses	**2,792**	3,950	(1,158)
Total current liabilities	**$ 14,090**	$ 19,067	$ (4,977)
Net working capital	**$ 103,905**	$ 100,871	$ 3,034
Working capital ratio	**8.4 to 1**	6.3 to 1	

As of May 3, 2015, net working capital increased compared to February 1, 2015, primarily due to:

§ decreased trade receivables due to increased cash collections;
§ decreased inventories due to lower levels of obsolete inventory and matching inventories with demand;
§ decreased accounts payable due to the timing of payments;
§ decreased accrued salaries, wages and benefits due to the payment of fiscal 2015 bonuses during the fiscal 2016 first quarter; and
§ decreased other accrued expenses due to tax payments made in the quarter.

Cash Flows – Operating, Investing and Financing Activities

	Thirteen Weeks Ended	
	May 3, 2015	May 4, 2014
Net cash provided by operating activities	**$ 3,539**	$ 10,001
Net cash used in investing activities	**(589)**	(1,122)
Net cash used in financing activities	**(1,079)**	(1,075)
Net increase in cash and cash equivalents	**$ 1,871**	$ 7,804

During the three months ended May 3, 2015, cash generated from operations of $3.5 million helped to fund an increase in cash and cash equivalents of $1.9 million, cash dividends of $1.1 million, capital expenditures of $428,000 to enhance our business systems and facilities and to pay premiums of $168,000 on Company-owned life insurance policies.

In comparison, during the three months ended May 4, 2014, cash generated from operations of $10 million helped to fund an increase in cash and cash equivalents of $7.8 million, cash dividends of $1.1 million, capital expenditures of $1 million to enhance our business systems and facilities and to pay premiums of $190,000 on Company-owned life insurance policies.

Liquidity, Financial Resources and Capital Expenditures

Our financial resources include:

- available cash and cash equivalents, which are highly dependent on incoming order rates and our operating performance;
- expected cash flow from operations;
- available lines of credit; and
- the cash surrender value of Company-owned life insurance.

We believe these resources are sufficient to meet our business requirements through fiscal 2016 and for the foreseeable future, including:

- capital expenditures;
- working capital, including capital required for insourcing our upholstery segment trade receivables in fiscal 2016 and for our new business initiatives;
- the payment of regular quarterly cash dividends on our common stock, including increased dividends or one-time “special” dividends; and
- the servicing of any long-term debt related to strategic growth.

As of May 3, 2015, we had an aggregate $13.5 million available under our revolving credit facility to fund working capital needs. Standby letters of credit in the aggregate amount of $1.5 million, used to collateralize certain insurance arrangements and for imported product purchases, were outstanding under the revolving credit facility as of May 3, 2015. There were no additional borrowings outstanding under the revolving credit facility on May 3, 2015.

Loan Agreement and Revolving Credit Facility

We have a $15 million unsecured revolving credit facility under a loan agreement with Bank of America, N.A., up to $3.0 million of which can be used to support letters of credit. The loan agreement allows the Company to permanently terminate or reduce the $15 million revolving commitment without penalty and includes, among others, the following terms:

- a maturity date of July 31, 2018;
- a floating interest rate, adjusted monthly, based on LIBOR, plus an applicable margin based on the ratio of our funded debt to our EBITDA (each as defined in the loan agreement);
- a quarterly unused commitment fee of 0.20%; and
- no pre-payment penalty.

The loan agreement also includes customary representations and warranties and requires us to comply with customary covenants, including, among other things, the following financial covenants:

- Maintain a tangible net worth of at least $95.0 million;
- Limit capital expenditures to no more than $15.0 million during any fiscal year; and
- Maintain a ratio of funded debt to EBITDA not exceeding 2.0:1.0.

We were in compliance with each of these financial covenants at May 3, 2015 and expect to remain in compliance with existing covenants for the foreseeable future. The loan agreement does not restrict our ability to pay cash dividends on, or repurchase shares of, our common stock, subject to complying with the financial covenants under the loan agreement.

Factoring Arrangement

Through the fiscal 2016 first quarter, we factored substantially all of our domestic upholstery accounts receivable, in most cases without recourse to us. Historically, we have factored these receivables because factoring:

- allowed us to outsource the administrative burden of the credit and collections functions for our domestic upholstery operations;
- allowed us to transfer the collection risk associated with the majority of our domestic upholstery receivables to the factor; and
- provided us with an additional, potential source of short-term liquidity.

In order to realize operational efficiencies, cost savings, leverage best practices and present a single face to our customers, we plan to end our factoring relationship as our new ERP system becomes fully operational for our domestic upholstery companies, which occurred at Sam Moore at the beginning of the fiscal 2016 second quarter and which we expect to occur in the second half of fiscal 2016 at Bradington-Young. We expect collections may slow somewhat as we transition these receivables in-house. However, given our current and projected liquidity, we do not expect the transition to have a material adverse effect on our future liquidity.

Capital Expenditures

We expect to spend between $2.0 million to $3.0 million in capital expenditures during the remainder of the 2016 fiscal year to maintain and enhance our operating systems and facilities.

Enterprise Resource Planning

Our new Enterprise Resource Planning (ERP) system became operational for our casegoods segment and Hooker Upholstery operations early in the third quarter of fiscal 2013 and our all other segment began their operations on the ERP system when that segment's operations were launched in fiscal 2014. ERP conversion efforts began for our domestic upholstery units early in the fiscal 2014 first quarter. Sam Moore came on-line at the beginning of the fiscal 2016 second quarter and Bradington-Young is expected to become operational during the second half of fiscal 2016. Once all segments are fully operational on the ERP platform, we expect to realize operational efficiencies and cost savings as well as present a single face to our customers and leverage best practices across the organization.

Cost savings are difficult to quantify until the ERP system becomes fully operational Company-wide. We expect to be able to reduce administrative functions, which are presently duplicated across our segments and improve our purchasing power and economies of scale. In addition to the capital expenditures discussed above, our ERP implementation will require a significant amount of time invested by our associates.

We refer you to Item "1A. Risk Factors" above for additional discussion of risks involved in our ERP system conversion and implementation.

Share Repurchase Authorization

During the fiscal 2013 first quarter, our Board of Directors authorized the repurchase of up to $12.5 million of the Company's common shares. The authorization does not obligate us to acquire a specific number of shares during any period and does not have an expiration date, but it may be modified, suspended or discontinued at any time at the discretion of our Board of Directors. Repurchases may be made from time to time in the open market, or through privately negotiated transactions or otherwise, in compliance with applicable laws, rules and regulations, and subject to our cash requirements for other purposes, compliance with the covenants under the loan agreement for our revolving credit facility and other factors we deem relevant. During fiscal 2013 , we entered into a trading plan under Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934 for effecting some or all of the purchases under this repurchase authorization. The trading plan contains provisions that could restrict the amount and timing of purchases. We can terminate this plan at any time. In fiscal 2013, we used approximately $671,000 of the authorization to purchase 57,700 of our common shares (at an average price of $11.63 per share). No shares were purchased under the authorization during the fiscal 2016 first quarter, fiscal 2015 or fiscal 2014. Approximately $11.8 million remained available for future purchases under the authorization as of May 3, 2015.

Critical Accounting Policies

There have been no material changes to our critical accounting policies and estimates from the information provided in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our 2015 Annual Report.

Forward-Looking Statements

Certain statements made in this report, including under Part I, Item 2 – "Management's Discussion and Analysis of Financial Condition and Results of Operations," and in the notes to the condensed consolidated financial statements included in this report, are not based on historical facts, but are forward-looking statements. These statements reflect our reasonable judgment with respect to future events and typically can be identified by the use of forward-looking terminology such as "believes," "expects," "projects," "intends," "plans," "may," "will," "should," "would," "could" or "anticipates," or the negative thereof, or other variations thereon, or comparable terminology, or by discussions of strategy. Forward-looking statements 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:

§ general economic or business conditions, both domestically and internationally, and instability in the financial and credit markets, including their potential impact on our (i) sales and operating costs and access to financing or (ii) customers and suppliers and their ability to obtain financing or generate the cash necessary to conduct their respective businesses;

§ achieving and managing growth and change, and the risks associated with new business lines, acquisitions, restructurings, strategic alliances and international operations;

§ our ability to successfully implement our business plan to increase sales and improve financial performance;

§ the cost and difficulty of marketing and selling our products in foreign markets;

§ disruptions involving our vendors or the transportation and handling industries, particularly those affecting imported products from China and Vietnam, including customs issues, labor stoppages, strikes or slowdowns and the availability of shipping containers and cargo ships;

§ disruptions affecting our Martinsville and Henry County, Virginia warehouses and corporate headquarters facilities;

§ when or whether our new business initiatives, including, among others, H Contract and Homeware, meet profitability targets;

§ price competition in the furniture industry;

§ changes in domestic and international monetary policies and fluctuations in foreign currency exchange rates affecting the price of our imported products and raw materials;

§ the cyclical nature of the furniture industry, which is particularly sensitive to changes in consumer confidence, the amount of consumers' income available for discretionary purchases, and the availability and terms of consumer credit;

§ risks associated with the cost of imported goods, including fluctuation in the prices of purchased finished goods and transportation and warehousing costs;

- § risks associated with domestic manufacturing operations, including fluctuations in capacity utilization and the prices and availability of key raw materials, as well as changes in transportation, warehousing and domestic labor costs and environmental compliance and remediation costs;

- § the interruption, inadequacy, security breaches or integration failure of our information systems or information technology infrastructure, related service providers or the internet;

- § the direct and indirect costs associated with the implementation of our Enterprise Resource Planning system, including costs resulting from unanticipated disruptions to our business;

- § adverse political acts or developments in, or affecting, the international markets from which we import products, including duties or tariffs imposed on those products;

- § risks associated with distribution through third-party retailers, such as non-binding dealership arrangements;

- § capital requirements and costs;

- § competition from non-traditional outlets, such as catalog and internet retailers and home improvement centers;

- § changes in consumer preferences, including increased demand for lower-quality, lower-priced furniture due to, among other things, declines in consumer confidence, amounts of discretionary income available for furniture purchases and the availability of consumer credit;

- § higher than expected costs associated with product quality and safety, including regulatory compliance costs related to the sale of consumer products and costs related to defective or non-compliant products; and

- § higher than expected employee medical costs.

Any forward-looking statement that we make speaks only as of the date of that statement, and we undertake no obligation, except as required by law, to update any forward-looking statements whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk from changes in foreign currency exchange rates, which could impact our results of operations or financial condition. We manage our exposure to this risk through our normal operating activities.

For imported products, we generally negotiate firm pricing denominated in U.S. Dollars with our foreign suppliers, typically for periods of at least one year. We accept the exposure to exchange rate movements beyond these negotiated periods. We do not use derivative financial instruments to manage this risk, but could choose to do so in the future. Most of our imports are purchased from suppliers located in China. The Chinese currency floats within a limited range in relation to the U.S. Dollar, resulting in exposure to foreign currency exchange rate fluctuations.

Since we transact our imported product purchases in U.S. Dollars, a relative decline in the value of the U.S. Dollar could increase the price we pay for imported products beyond the negotiated periods. We generally expect to reflect substantially all of the effect of any price increases from suppliers in the prices we charge for imported products. However, these changes could adversely impact sales volume or profit margins during affected periods.

Amounts outstanding under our revolving credit facility would bear interest at variable rates. In the past, we have entered into swap agreements to hedge against the potential impact of increases in interest rates on our floating-rate debt instruments. There was no outstanding balance under our revolving credit facility as of May 3, 2015, other than standby letters of credit in the amount of $1.5 million. Therefore, a fluctuation in market interest rates of one percentage point (or 100 basis points) would not have a material impact on our results of operations or financial condition.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended May 3, 2015. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective as of May 3, 2015 to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the Company's management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the fiscal quarter ended May 3, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 6. Exhibits

3.1	Amended and Restated Articles of Incorporation of the Company, as amended March 28, 2003 (incorporated by reference to Exhibit 3.1 of the Company’s Form 10-Q (SEC File No. 000-25349) for the quarter ended February 28, 2003)
3.2	Amended and Restated Bylaws of the Company, as amended December 10, 2013 (incorporated by reference to Exhibit 3.2 to the Company’s Annual Report on Form 10-K (SEC File No. 000-25349) for the year ended February 2, 2014)
4.1	Amended and Restated Articles of Incorporation of the Company, as amended (See Exhibit 3.1)
4.2	Amended and Restated Bylaws of the Company, as amended (See Exhibit 3.2)
31.1*	Rule 13a-14(a) Certification of the Company’s principal executive officer
31.2*	Rule 13a-14(a) Certification of the Company’s principal financial officer
32.1*	Rule 13a-14(b) Certification of the Company’s principal executive officer and principal financial officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended May 3, 2015, formatted in Extensible Business Reporting Language (“XBRL”): (i) condensed consolidated balance sheets, (ii) condensed consolidated statements of income, (iii) condensed consolidated statements of comprehensive income, (iv) condensed consolidated statements of cash flows, and (v) the notes to the condensed consolidated financial statements

*Filed herewith

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 thereunto duly authorized.

HOOKER FURNITURE CORPORATION

Date: June 9, 2015	By: /s/ Paul A. Huckfeldt
	Paul A. Huckfeldt Chief Financial Officer and Senior Vice President – Finance and Accounting

Exhibit 31.1

Form 10-Q for the Quarterly Period Ended May 3, 2015
SECTION 13a-14(a) CERTIFICATION

I, Paul B. Toms, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hooker Furniture Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 9, 2015

By: /s/ Paul B. Toms, Jr.
Paul B. Toms, Jr.
Chairman and Chief Executive Officer

Exhibit 31.2

Form 10-Q for the Quarterly Period Ended May 3, 2015
SECTION 13a-14(a) CERTIFICATION

I, Paul A. Huckfeldt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hooker Furniture Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 9, 2015

By: /s/ Paul A. Huckfeldt
Paul A. Huckfeldt
Chief Financial Officer and
Senior Vice President - Finance and
Accounting

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Hooker Furniture Corporation (the “Company”) Quarterly Report on Form 10-Q for the quarterly period ended May 3, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

a. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 9, 2015

By: /s/ Paul B. Toms, Jr.
Paul B. Toms, Jr.
Chairman and Chief Executive Officer

By: /s/ Paul A. Huckfeldt
Paul A. Huckfeldt
Chief Financial Officer and
Senior Vice President - Finance and