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 April 29, 2007

Commission file number 000-25349

HOOKER FURNITURE CORPORATION
(Exact name of registrant as specified in its charter)

Virginia ***(State or other jurisdiction of incorporation or organization)***	**54-0251350** ***(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 ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated Filer ☐ Accelerated Filer ☒ Non-accelerated Filer ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of **May 31, 2007**.

Common stock, no par value *(Class of common stock)*	**12,653,546** *(Number of shares)*

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

HOOKER FURNITURE CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
(In thousands, including share data)

	April 29, 2007	November 30, 2006
Assets		
Current assets		
Cash and cash equivalents	**$ 46,687**	$ 31,864
Trade accounts receivable, less allowance for doubtful accounts of **$1,585** and $1,807 on each date	**39,180**	45,444
Inventories	**54,591**	68,139
Prepaid expenses and other current assets	**3,095**	4,357
Assets held for sale	**3,396**	
Total current assets	**146,949**	149,804
Property, plant and equipment, net	**27,970**	29,215
Goodwill	**2,396**	2,396
Intangible assets	**4,804**	4,415
Cash surrender value of life insurance policies	**11,833**	11,458
Other assets	**4,653**	4,011
Total assets	**$198,605**	$ 201,299
Liabilities and Shareholders' Equity		
Current liabilities		
Trade accounts payable	**$ 11,958**	$ 11,251
Accrued salaries, wages and benefits	**6,556**	6,189
Other accrued expenses	**6,820**	5,879
Current maturities of long-term debt	**2,549**	2,457
Total current liabilities	**27,883**	25,776
Long-term debt, excluding current maturities	**7,257**	8,555
Deferred compensation	**4,416**	3,924
Other long-term liabilities	**1,041**	508
Total liabilities	**40,597**	38,763
Shareholders' equity		
Common stock, no par value, **20,000** shares authorized, **12,921** and 14,429 shares issued and outstanding on each date	**20,300**	11,154
Unearned ESOP shares, 2,377 shares on November 30, 2006		(14,835)
Retained earnings	**137,788**	166,326
Accumulated other comprehensive loss	**(80)**	(109)
Total shareholders' equity	**158,008**	162,536
Total liabilities and shareholders' equity	**$198,605**	$ 201,299

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

HOOKER FURNITURE CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Thirteen Weeks Ended April 29, 2007	Three Months Ended May 31, 2006
Net sales	**$ 77,294**	$ 90,694
Cost of sales	**55,216**	63,888
Gross profit	**22,078**	26,806
Selling and administrative expenses	**16,001**	17,326
Restructuring and asset impairment (credit) charge	**(129)**	120
Operating income	**6,206**	9,360
Other income, net	**533**	123
Income before income taxes	**6,739**	9,483
Income taxes	**2,453**	3,651
Net income	**$ 4,286**	$ 5,832
Earnings per share:		
Basic	**$ 0.33**	$ 0.49
Diluted	**$ 0.33**	$ 0.49
Weighted average shares outstanding:		
Basic	**13,172**	11,928
Diluted	**13,173**	11,928

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

HOOKER FURNITURE CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Thirteen Weeks Ended April 29, 2007	Three Months Ended May 31, 2006
Cash flows from operating activities		
Cash received from customers	**$ 79,493**	$ 90,277
Cash paid to suppliers and employees	**(56,173)**	(97,796)
Income taxes paid, net	**(4,098)**	(3,789)
Interest received, net	**387**	120
Net cash provided by (used in) operating activities	**19,609**	(11,188)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(730)**	(1,778)
Acquisition of Sam Moore Furniture, net of cash acquired		(10,168)
Proceeds from the sale of property and equipment	**88**	222
Net cash used in investing activities	**(10,810)**	(1,556)
Cash flows from financing activities		
Purchases and retirement of common stock	**(7,261)**	
Cash dividends paid	**(1,327)**	(952)
Payments on long-term debt	**(609)**	(565)
Net cash used in financing activities	**(9,197)**	(1,517)
Net decrease in cash and cash equivalents	**(398)**	(14,261)
Cash and cash equivalents at beginning of period	**47,085**	26,910
Cash and cash equivalents at end of period	**$ 46,687**	$ 12,649
Reconciliation of net income to net cash provided by (used in) operating activities		
Net income	**$ 4,286**	$ 5,832
Depreciation and amortization	**705**	1,191
Non-cash ESOP cost		813
Non-cash restricted stock awards	**11**	5
Restructuring and asset impairment (credit) charge	**(129)**	120
Loss on disposal of property	**9**	2
Provision for doubtful accounts	**349**	207
Deferred income tax expense	**777**	249
Changes in assets and liabilities, net of effect from acquisition:		
Trade accounts receivable	**1,868**	(757)
Inventories	**12,991**	(18,556)
Prepaid expenses and other assets	**(343)**	(400)
Trade accounts payable	**996**	(1,391)
Accrued salaries, wages and benefits	**(653)**	1,107
Accrued income taxes	**(2,421)**	(386)
Other accrued expenses	**992**	498
Other long-term liabilities	**171**	278
Net cash provided by (used in) operating activities	**$ 19,609**	$ (11,188)

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

HOOKER FURNITURE CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands, except per share data)

For the quarter ended April 29, 2007

	Common Stock Shares	Common Stock Amount	Unearned ESOP and Restricted Shares	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at November 30, 2006	14,429	$11,154	$(14,835)	$166,326	$ (109)	$ 162,536
Net loss				(18,415)		(18,415)
Unrealized gain on interest rate swap					40	40
Total comprehensive loss						(18,375)
Restricted stock grants	5					
Restricted stock compensation cost		8				8
ESOP termination	(1,165)	9,678	14,835	(6,372)		18,141
Balance at January 28, 2007	13,269	20,840		141,539	(69)	162,310
Net income				**4,286**		**4,286**
Unrealized loss on interest rate swap					**(11)**	**(11)**
Total comprehensive income						**4,275**
Cash dividends ($0.10 per share)				**(1,327)**		**(1,327)**
Restricted stock compensation cost					**11**	**11**
Repurchases of common stock	**(348)**	**(551)**		**(6,710)**		**(7,261)**
Balance at April 29, 2007	**12,921**	**$20,300**	**$**	**$137,788**	**$ (80)**	**$ 158,008**

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

(Dollar and share amounts in tables, except per share amounts, in thousands unless otherwise indicated)

1. Preparation of Interim Financial Statements

The consolidated financial statements of Hooker Furniture Corporation and subsidiaries (referred to as “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 presentation 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, management believes that the disclosures made are adequate for a fair presentation of results of operations and financial position. Operating results for the interim periods reported herein may not be indicative of the results expected for the year. These financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company’s annual report on Form 10-K for the fiscal year ended November 30, 2006.

On August 29, 2006, the Company approved a change in its fiscal year. After the fiscal year that ended November 30, 2006, the Company’s fiscal years will end on the Sunday nearest to January 31. The Company completed a two-month transition period that began December 1, 2006 and ended January 28, 2007 and filed a transition report on Form 10-Q for that period in March 2007. The financial statements contained herein are being filed as part of a quarterly report on Form 10-Q covering the thirteen-week period that began January 29, 2007 and ended April 29, 2007. These financial statements also include the three-month period ended May 31, 2006. The Company did not recast the financial statements for the three-month period ended April 30, 2006 because the financial reporting processes in place at that time included certain procedures that were completed only on a quarterly basis, for the fiscal year 2006 second quarter that ended on May 31, 2006. Consequently, to recast that period would have been impractical and would not have been cost-justified.

References to the 2008 fiscal year and comparable terminology in the notes to the consolidated financial statements mean the fiscal year that began January 29, 2007 and will end February 3, 2008. Certain items in the consolidated financial statements and the notes to the consolidated financial statements for the periods prior to the fiscal year 2008 have been reclassified to conform to the fiscal year 2008 method of presentation.

2. Inventories

	April 29, 2007	November 30, 2006
Finished furniture	**$55,342**	$ 68,396
Furniture in process	**1,192**	1,629
Materials and supplies	**9,222**	9,130
Inventories at FIFO	**65,756**	79,155
Reduction to LIFO basis	**11,165**	11,016
Inventories	**$54,591**	$ 68,139

3. **Property, Plant and Equipment**

	April 29 2007	November 30, 2006
Buildings and land improvements	**$24,249**	$ 33,523
Machinery and equipment	**2,879**	20,506
Furniture and fixtures	**23,674**	24,917
Other	**3,146**	3,239
Total depreciable property at cost	**53,948**	82,185
Less accumulated depreciation	**30,595**	56,675
Total depreciable property, net	**23,353**	25,510
Land	**1,941**	1,472
Construction in progress	**2,676**	2,233
Property, plant and equipment, net	**$27,970**	$ 29,215

4. **Goodwill and Intangible Assets**

	April 29, 2007	November 30, 2006
Goodwill	**$ 2,396**	$ 2,396
Non-amortizable Intangible Assets		
Trademarks and trade names – Bradington-Young	**$ 4,400**	$ 4,400
Trademarks and trade names – Sam Moore	**404**	
Total trademarks and trade names	**4,804**	4,400
Amortizable Intangible Assets		
Non-compete agreements	**700**	700
Less accumulated amortization	**700**	685
Net carrying value	**—**	15
Intangible assets	**$ 4,804**	$ 4,415

5. **Acquisition**

On April 28, 2007, the Company completed its acquisition of substantially all of the assets of Bedford, Virginia based Sam Moore Furniture Industries, Inc., a manufacturer of upscale occasional chairs with an emphasis on fabric-to-frame customization in the upper-medium to high-end price niches. The Company plans to continue to operate the business as Sam Moore Furniture LLC. The Company acquired the Sam Moore operation for an aggregate purchase price of $12.1 million, consisting of $9.5 million in cash (net of cash acquired), $1.5 million in assumed liabilities, subject to a post closing net working capital adjustment expected to be approximately $379,000 and acquisition-related fees of $715,000.

Based on the appraised value of the real and personal property and the intangible asset, the Sam Moore trade name, the appraised value exceeded the Company’s cost to acquire the assets of Sam Moore Furniture. This excess over cost, $3.6 million, was allocated as a reduction to the basis of property, plant and equipment and the intangible asset, on a pro-rata basis.

The recorded values of the assets acquired and liabilities assumed:

	April 28, 2007
Current assets	$ 8,589
Property, plant and equipment	3,120
Intangible asset	404
Total assets acquired	12,113
Current liabilities	1,487
Total liabilities assumed	1,487
Net assets acquired	$ 10,626

6. **Long-Term Debt**

	April 29, 2007	November 30, 2006
Term loan	**$ 9,806**	$ 11,012
Less current maturities	**2,549**	2,457
Long-term debt, less current maturities	$ 7,257	$ 8,555

7. **Restructuring and Asset Impairment Charges and Assets Held for Sale**

	Severance and Related Benefits	Other	Total
Accrued balance at January 28, 2007	$ 2,983	$200	$ 3,183
Restructuring charges reversed	**(130)**	**1**	**(129)**
Cash payments	**(1,507)**	**(13)**	**(1,520)**
Balance at **April 29, 2007**	**$ 1,346**	**$188**	**$ 1,534**

During the fiscal year 2008 first quarter, the Company recorded a credit of $129,000 ($80,000 after tax, or $0.01 per share) principally for previously accrued health care benefits for the Pleasant Garden, N.C. facility that will not be paid.

In March 2007 the Company completed the previously announced closing of its last domestic wood furniture manufacturing facility, located in Martinsville, Virginia. The related real and personal property has been reclassified to "assets held for sale." The Company is actively marketing these assets and anticipates they will be sold within the next twelve months. The Company expects to record an additional $550,000 to $625,000 in disassembly and similar expenses as incurred.

8. **Other Comprehensive Income**

	Three Months April 29, 2007	Three Months May 31, 2006
Net income	**$ 4,286**	$ 5,832
(Loss) gain on interest rate swaps	**(30)**	116
Portion of swap agreement's fair value reclassified to interest expense	**12**	28
Other comprehensive (loss) income before tax	**(18)**	144
Income tax benefit (expense)	**7**	(54)
Other comprehensive (loss) income, net of tax	**(11)**	90
Comprehensive income	**$ 4,275**	$ 5,922

9. **Employee Stock Ownership Plan ("ESOP") Cost**

	Three Months May 31, 2006
Average fair market value per share	$ 18.06
Number of shares committed to be released (in whole shares)	44,983
Non-cash ESOP cost	$ 813
Administrative cost	12
Total ESOP cost	$ 825

On January 26, 2007, the Company terminated its ESOP. The termination resulted in an $18.4 million, non-cash, non-tax deductible charge to earnings in January 2007 with a corresponding increase in shareholders' equity. As a result of the ESOP termination, approximately 1.2 million shares of Company common stock held by the ESOP were released to be allocated to eligible employees. To effect the termination of the ESOP, the Company redeemed and retired approximately 1.2 million of the shares of Company common stock held by the ESOP, with proceeds to the ESOP of $17.2 million (or $15.01 per share). The ESOP used the proceeds to repay the outstanding balance on the ESOP loan. In connection with the ESOP termination, the Company wrote-off the related deferred tax asset in the amount of $855,000.

10. Share-Based Compensation

The Company issued restricted stock awards to non-employee members of the board of directors in January 2006 and 2007 and expects to issue restricted stock or other forms of stock-based compensation awards to eligible directors and employees in the future under the Hooker Furniture Corporation 2005 Stock Incentive Plan ("Stock Plan").

The Stock Plan permits incentive awards of restricted stock, restricted stock units, stock appreciation rights and performance grants to key employees and non-employee directors. A maximum of 750,000 shares of the Company's common stock has been reserved for issuance under the Stock Plan. On January 15, 2007, a total of 4,875 shares of restricted common stock were granted to the five non-employee members of the board of directors at a grant-date fair value of $15.23 per share. On January 16, 2006, a total of 4,851 shares of restricted common stock were granted to the six non-employee members of the board of directors at a grant-date fair value of $15.31 per share. These shares will vest if each director remains on the board through a 36-month service period or may vest earlier in accordance with terms specified in the Stock Plan. During 2006, 784 shares were forfeited and 147 shares vested under these restricted stock awards.

The Company accounts for these awards as "non-vested equity shares." These shares have an aggregate grant-date fair value of approximately $137,000, after taking forfeitures into account. Through April 29, 2007, the Company has recognized non-cash compensation expense of approximately $38,000 related to these non-vested awards. The remaining $99,000 of grant-date fair value will be recognized over the remaining vesting periods for these awards.

Restricted shares awarded under the Stock Plan that have not yet vested are considered when computing diluted earnings per share. Basic and diluted earnings per share are calculated using the following share data:

	Three Months April 29, 2007	Three Months May 31, 2006
Weighted average shares outstanding for basic earnings per share	**13,172**	11,928
Dilutive effect of restricted stock awards	**1**	
Weighted average shares outstanding for diluted earnings per share	**13,173**	11,928

11. Common Stock

On February 7, 2007, the Company announced that its Board of Directors had authorized the repurchase of up to $20 million of the Company's common stock. There is no expiration date for this authorization, but the Company expects the purchases to be completed by the end of 2007. Repurchases may be made from time-to-time in the open market, or in privately negotiated transactions at prevailing market prices that the Company deems appropriate. The Company has entered into a trading plan under Rule 10b5-1 of the Securities Exchange Act of 1934 for affecting some or all of the purchases by the Company under this repurchase authorization. The Company can terminate this plan at any time. Through April 29, 2007, the Company has repurchased in open market transactions 348,700 shares of Company common stock at a total share cost of approximately $7.2 million, or an average of $20.77 per share under this authorization.

12. Accounting Pronouncements

On January 29, 2007, the Company adopted Financial Accounting Standards Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, Accounting for Income Taxes. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. There was no cumulative effect adjustment on adoption of FIN 48.

The Company had unrecognized tax benefits of $983,000 as of the adoption date of January 29, 2007, the majority of which will represent amounts that, if recognized, would favorably affect the effective income tax rate in any future period. Of the total, the majority of the deductions claimed on previously filed tax returns are expected to be effectively settled in examination within twelve months as of January 29, 2007.

The Company has elected upon adoption of FIN 48 to classify interest or penalties recognized in accordance with FIN 48 as income tax expense. Accrued interest and penalties related to uncertain tax positions were $87,000 as of January 29, 2007.

The statute of limitations for all major jurisdictions has expired for tax periods ending on or before November 30, 2002.

13. Subsequent Events

In May 2007, a former executive officer, whose life was insured under one of the Company's corporate owned life insurance policies, passed away. The Company expects to receive $1.0 million in insurance proceeds under the policy and recognize a gain of approximately $500,000, during the fiscal 2008 second quarter.

On June 6, 2007, the Company announced that its Board of Directors had authorized a $10 million increase to the existing stock repurchase authorization.

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

On August 29, 2006, the Company approved a change in its fiscal year. After the fiscal year that ended November 30, 2006, the Company's fiscal years will end on the Sunday nearest to January 31. The Company completed a two-month transition period that began December 1, 2006 and ended January 28, 2007 and filed a transition report on Form 10-Q for that period in March 2007. This quarterly report on Form 10-Q includes the Company's unaudited consolidated financial statements for the thirteen week period ended April 29, 2007 and discusses the Company's results of operations and financial condition for the quarter. References in this report to the 2008 fiscal year, comparable terminology mean the Company's fiscal year that began January 29, 2007 and will end February 3, 2008. The Company did not recast the financial statements for the three-month period ended April 30, 2006 because the financial reporting processes in place at that time included certain procedures that were completed only on a quarterly basis. Consequently, to recast that period would have been impractical and would not have been cost-justified.

Overview

Results of operations for the thirteen weeks ended April 29, 2007 reflect the Company's transformation into a home furnishings design, marketing and logistics company with world-wide sourcing capabilities. With the closing of the Company's last domestic wood furniture plant during the fiscal 2008 first quarter, this process is now complete. The Company can now concentrate on imported wood and metal and domestically produced and imported upholstered home furnishings. On April 28, 2007, the Company completed the purchase of Sam Moore Furniture Industries, Inc., a Bedford, Virginia manufacturer of upscale occasional chairs with an emphasis on fabric-to-frame customization.

Because the fiscal 2008 first quarter does not completely correspond to the 2006 second quarter, management's discussion of results of operations includes information regarding daily average sales rates and profitability performance as a percentage of net sales.

Following are the principal factors that impacted the Company's results of operations during the quarterly period ended April 29, 2007:

- Based on actual shipping days in each period, average daily net sales declined 13.4% during the 64-day 2008 fiscal year first quarter compared to the 65-day 2006 second quarter. The decline in average daily net sales mirrors the year-over-year decline in incoming order rates the Company has experienced since the 2006 third quarter resulting from the industry-wide slow down in business at retail.
- Operating margin during the fiscal 2008 first quarter compared with the fiscal 2006 second quarter was favorably impacted by the elimination of non-cash ESOP cost resulting from the January 2007 termination of that benefit plan and decreases in temporary warehousing and storage costs for imported wood furniture products. However, these cost improvements were not sufficient to offset the larger than expected decline in year-over-year net sales for two primary reasons:
    1. Production costs increased as a percentage of sales for domestically produced wood and upholstered furniture principally due to lower production levels and higher production costs incurred in connection with closing the Martinsville wood furniture manufacturing facility; and
    2. Although selling and administrative expenses declined 7.6% or $1.3 million during the 2008 fiscal first quarter compared with the 2006 second quarter, these expenses increased as a percentage of net sales.

Results of Operations

The following table sets forth the percentage relationship to net sales of certain items included in the consolidated statements of operations.

	Thirteen Weeks April 29, 2007	**Three Months May 31, 2006**
Net sales	**100.0%**	100.0%
Cost of sales	**71.4%**	70.4%
Gross profit	**28.6%**	29.6%
Selling and administrative expenses	**20.7%**	19.1%
Restructuring and related asset impairment charges	**(0.2)%**	0.1%
Operating income	**8.0%**	10.3%
Other income, net	**0.7%**	0.1%
Income before income taxes	**8.7%**	10.5%
Income taxes	**3.2%**	4.0%
Net income	**5.5%**	6.4%

Net sales for the fiscal year 2008 first quarter declined to $77.3 million compared to $90.7 million for the 2006 second quarter, principally due to lower unit volumes attributed to the industry-wide slow down in business at retail. Based on actual shipping days in each period, average daily net sales declined 13.4% to $1.2 million per day during the 64 day fiscal 2008 first quarter compared to $1.4 million per day during the 65 day 2006 second quarter.

Net sales rates (i.e. average daily net sales) decreased for imported and domestically produced wood and metal furniture and domestically produced upholstered furniture for the fiscal 2008 first quarter compared to the 2006 second quarter, principally due to lower unit volume sales. Declines in unit volume for wood, metal and domestically produced upholstered furniture were partially offset by a slight increase in net sales rates for imported upholstered furniture.

Overall average selling prices increased slightly during the fiscal 2008 first quarter compared with the 2006 second quarter principally due to higher average selling prices for imported wood, metal and upholstery furniture, offset by a decline in domestic wood furniture average selling prices, principally due to the mix of products shipped and discounting offered on discontinued domestically produced wood furniture products. Average number of units sold per day declined during the fiscal 2008 first quarter compared to the 2006 second quarter. Average units sold per-day for wood, metal and domestic upholstered furniture declined, minimally offset by a slight increase in average units sold per day for imported upholstered furniture.

Gross profit margin decreased to 28.6% of net sales in the fiscal 2008 first quarter compared to 29.6% in the 2006 second quarter. This decline was primarily the result of a sharp decline in gross margin for domestic wood furniture, due to higher production costs resulting from lower production levels, as well as slight gross margin declines in imported wood and metal furniture and domestically produced upholstered furniture, partially offset by an increase in the gross profit margin for imported upholstered furniture. Declines in gross margins on domestically produced wood furniture were also due to aggressive price discounting during the fiscal 2008 first quarter to facilitate the reduction of discontinued domestically produced wood furniture inventory levels.

Selling and administrative expenses declined to $16.0 million for the fiscal 2008 first quarter, compared to $17.3 million for the 2006 second quarter, but as a percentage of net sales, increased to 20.7% from 19.1% principally due to lower net sales.

During the fiscal year 2008 first quarter, the Company recorded a credit of $129,000 ($80,000 after tax, or $0.01 per share) principally for previously accrued healthcare benefits costs for the Pleasant Garden, N.C. facility that will not be paid.

In the 2006 second quarter, the Company recorded $120,000 ($74,000 after tax or $0.01 per share) in restructuring charges related to the planned sale of two showrooms in High Point N.C. formerly operated by Bradington-Young, partially offset by a restructuring credit related to the closing and final sale of its Pleasant Garden, N.C. wood furniture facility. Prior to the Spring 2006 International Home Furnishings Market, the Company moved its Bradington-Young showroom into space near the Company’s wood furniture showroom in High Point, N.C. In connection with the relocation, the Company decided to sell two showrooms formerly operated by Bradington-Young in High Point, N.C. and recorded an asset impairment charge of $140,000 to write-down one of these showrooms to estimated market value less cost to sell.

Principally due to the 14.8% decline in overall net sales of wood, metal and upholstered furniture, the Company had operating income for the fiscal 2008 first quarter of $6.2 million, or 8.0% of net sales, compared to operating income of $9.4 million, or 10.3% of net sales in the 2006 second quarter.

Other income, net increased $410,000, to $533,000, or 0.7% of net sales for the fiscal 2008 first quarter from $123,000, or 0.1% of net sales for the 2006 second quarter. This increase was the result of an increase in interest income due to higher cash and cash equivalent balances and lower interest expense.

The Company recorded income tax expense of $2.5 million for fiscal 2008 first quarter and $3.7 million for the 2006 second quarter. The effective tax rate decreased to 36.4% for the fiscal 2008 first quarter from 38.5% during the 2006 second quarter. The effective rate declined in the fiscal 2008 first quarter principally due to the tax effect of the ESOP. The Company recorded no ESOP compensation cost during the current year period, due to the termination of the ESOP on January 26, 2007.

Fiscal year 2008 first quarter net income was $4.3 million, or $0.33 per share, compared to net income of $5.8 million, or $0.49 per share, in the 2006 second quarter.

Outlook

The Company continued to experience declines in incoming orders during the fiscal 2008 first quarter and expects sluggish retail conditions to continue at least through the summer months. However, financial performance for fiscal 2008 should improve even in the face of weak business due to the implementation of cost-cutting measures and continued progress in managing the Company's supply chain, warehousing and distribution operations. A number of expenses that occurred in the second half of the previous year are not expected to recur in 2008 including restructuring costs, executive severance costs and costs related to the ESOP. During the fiscal 2008 first quarter, the Company completed the implementation of its new Purchasing and Global Sourcing Management System. This system will facilitate on-line collaboration with vendors and provide more robust and more timely information regarding furniture production and delivery. As a result, the Company expects to experience continued improvement in controlling inventory carrying costs.

Financial Condition, Liquidity and Capital Resources

Balance Sheet and Working Capital

As of April 29, 2007 assets totaled $198.6 million, decreasing from $201.3 million at November 30, 2006, due to decreases in inventories, accounts receivable, property, plant and equipment and prepaid expenses and other current assets, offset by increases in cash and cash equivalents, assets held for sale, other assets, intangible assets and cash surrender value of life insurance policies. Shareholders' equity at April 29, 2007 declined to $158.0 million, compared to $162.5 million at November 30, 2006, principally due to repurchases of common stock. The Company's long-term debt, including current maturities decreased to $9.8 million at April 29, 2007 from $11.0 million at November 30, 2006 as a result of scheduled debt repayments.

Working capital decreased $5.0 million or 4.0%, to $119.1 million as of April 29, 2007, from $124.0 million at the end of fiscal 2006, reflecting a $2.9 million decrease in current assets and a $2.1 million increase in current liabilities. The decrease in current assets is principally due to decreases of $13.5 million in inventories, $6.3 million in accounts receivable and $1.3 million in prepaid expenses and other current assets, offset by increases of $14.8 million in cash and cash equivalents and $3.4 million in assets held for sale.

The increase in current liabilities is principally attributed to increases of $ 941,000 in other accrued expenses, $707,000 in accounts payable, $367,000 in accrued salaries, wages and benefits and $92,000 in current maturities of long-term debt. Inventories decreased 19.9%, to $54.6 million as of April 29, 2007, from $68.1 million at November 30, 2006, principally due to (1) a decline in purchases of imported wood and upholstery finished goods inventories, resulting from a continued refinement in supply chain initiatives and (2) declines in manufactured finished goods and work in process, principally due to the Company's exit from domestic wood manufacturing; offset by (3) an increase in raw materials. The increase in raw materials at April 29, 2007 compared to November 30, 2006 is due to $3.7 million in raw materials inventory recorded at the end of April 2007 in conjunction with the Sam Moore acquisition. Trade accounts payable increased to $12.0 million as of April 29, 2007, from $11.3 million at November 30, 2006, principally due to the assumption of $891,000 of Sam Moore's trade accounts payable.

Cash Flows – Operating, Investing and Financing Activities

During the quarter ended April 29, 2007, cash generated from operations ($19.6 million), a decrease in cash and cash equivalents ($398,000) and proceeds from the sale of property, plant and equipment ($88,000) funded the acquisition of Sam Moore Furniture ($10.2 million), the purchase and retirement of the Company's common stock ($7.3 million), payments of cash dividends ($1.3 million), capital expenditures to maintain and enhance the Company's business operating systems and facilities ($730,000) and payments on long-term debt ($609,000).

During the three months ended May 31, 2006, a decrease in cash and cash equivalents ($14.3 million) and proceeds from the sale of property, plant and equipment ($222,000), principally related to the sale of the Pleasant Garden, N.C. real and personal property and equipment funded a net use of $11.2 million for operations, $1.8 million for the purchase of property plant and equipment, $952,000 for cash dividends and $565,000 for payments on long-term debt.

Cash generated from operations during the fiscal year 2008 first quarter of $19.6 million increased 275.3%, or $30.8 million from $11.2 million used in operations in the 2006 second quarter. The increase was primarily due to lower payments made to suppliers and employees, increased interest income earned on larger cash and cash equivalent balances, and reduced interest payments on debt, offset by a decrease in cash received from customers and an increase in income tax payments. The decline in payments to suppliers and employees in the fiscal 2008 first quarter compared to the 2006 second quarter is due primarily to lower inventory levels and a lower employee headcount. The decline in cash received from customers for the fiscal year 2008 first quarter compared to the 2006 second quarter is principally attributed to lower net sales.

The Company used cash of $10.8 million from investing activities during the fiscal year 2008 first quarter compared to $1.6 million from investing activities during the 2006 second quarter. The Company invested $10.2 million in the fiscal 2008 first quarter, net of cash acquired, for the acquisition of the assets of Sam Moore Furniture and $730,000 for capital expenditures, compared to $1.8 million in capital expenditures during the 2006 second quarter. During the fiscal 2008 first quarter, the Company received $88,000 for the sale of property, plant and equipment compared to $222,000 during the 2006 second quarter.

The Company used $9.2 million of cash for financing activities during the fiscal 2008 first quarter compared to $1.5 million in the 2006 second quarter. During the fiscal year 2008 first quarter, the Company purchased and retired $7.3 million of the Company's common stock, paid cash dividends of $1.3 million and made a scheduled principal repayment of $609,000 on the Company's term loan. In the 2006 second quarter, the Company paid cash dividends of $952,000 and made a scheduled principal repayment of $565,000 on its term loan.

Swap Agreements

The aggregate fair market value of the Company's interest rate swap agreement decreases when interest rates decline and increases when interest rates rise. While interest rates have increased since the 2003 second quarter through the 2008 first quarter that ended April 29, 2007, overall, interest rates have declined since the inception of the Company's swap agreement. The aggregate decrease in the fair market value of the effective portion of this agreement of $80,000 ($129,000 pre-tax) as of April 29, 2007, and $109,000 ($175,000 pre-tax) as of November 30, 2006, is reflected under the caption "accumulated other comprehensive loss" in the consolidated balance sheets. Approximately $51,000 of the aggregate pre-tax decrease in fair market value of the agreement is expected to be reclassified into interest expense during the next twelve months.

Debt Covenant Compliance

The credit agreement for the Company's revolving credit facility and outstanding term loan contains, among other requirements, financial covenants as to minimum tangible net worth, debt service coverage, the ratio of funded debt to earnings before interest, taxes, depreciation and amortization and maximum capital expenditures. The Company was in compliance with these covenants as of April 29, 2007.

Liquidity and Capital Expenditures

As of April 29, 2007, the Company had an aggregate $13.7 million available under its revolving credit facility to fund working capital needs. A standby letter of credit in the amount of $1.3 million, used exclusively to collateralize certain insurance arrangements, was outstanding under the Company's revolving credit facility as of April 29, 2007. There were no additional borrowings outstanding under the revolving credit line on April 29, 2007. Any principal outstanding under the credit line is due March 1, 2008.

The Company believes it has the financial resources (including available cash and cash equivalents, expected cash flow from operations, and lines of credit) needed to meet business requirements for the foreseeable future, including capital expenditures, working capital, dividends on the Company's common stock, repurchases of common stock under the Company's stock repurchase program and repayments of outstanding debt. Cash flow from operations is highly dependent on incoming order rates and the Company's operating performance. The Company plans to spend $2.3 to $3.5 million in capital expenditures during the remainder of fiscal 2008, to maintain and enhance its operating systems and facilities.

During the quarter ended April 27, 2007, the Company reduced outstanding long-term debt, including current maturities by $609,000, through scheduled debt payments.

Dividends

At its March 15, 2007 meeting, the board of directors of the Company approved a quarterly cash dividend of $0.10 per share. The dividend was paid on May 31, 2007, to shareholders of record May 17, 2007.

At its June 6, 2007 meeting, the board of directors of the Company declared a quarterly cash dividend of $0.10 per share, payable on August 31, 2007 to shareholders of record August 15, 2007.

Forward-Looking Statements

Certain statements made in this report, including certain statements under Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, are not historical facts, but are forward-looking statements. These statements reflect the Company's reasonable judgment and outlook with respect to future events and can be identified by the use of forward-looking terminology such as "believes," "expects," "projects," "may," "will," "should," "would," "could," or "anticipates," or the negative thereof, or other variations thereon, or comparable terminology, or by discussions of strategy. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, including but not limited to:

- general economic or business conditions, both domestically and internationally;
- the cyclical nature of the furniture industry;
- competition from non-traditional outlets, such as catalogs, internet and home improvement centers.
- price competition in the furniture industry;
- whether the Company will successfully integrate Sam Moore's business operations;
- achieving and managing growth and change, and the risks associated with acquisitions, restructurings, strategic alliances and international operations;
- adverse political acts or developments in, or affecting, the international markets from which the Company imports products, including duties or tariffs imposed on products imported by the Company;
- changes in domestic and international monetary policies and fluctuations in foreign currency exchange rates affecting the price of the Company's imported products;
- supply, transportation and distribution disruptions, particularly those affecting imported products;
- 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 the prices of key raw materials, transportation, and warehousing costs, domestic labor costs and environmental compliance and remediation costs;
- risks associated with distribution through retailers, such as non-binding dealership arrangements; and
- capital requirements and costs

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to market risk from changes in interest rates and foreign currency exchange rates, which could impact its results of operations and financial condition. The Company manages its exposure to these risks through its normal operating and financing activities and through the use of interest rate swap agreements with respect to interest rates.

The Company's obligations under its revolving line of credit and term loan bear interest at variable rates. The outstanding balance under the Company's term loan, including current maturities amounted to $9.8 million as of April 29, 2007. The Company has entered into an interest rate swap agreement that, in effect, fixes the rate of interest on its term loan at 4.1% through 2010 (7.4% when the effect of a previously terminated swap agreement is taken into account when determining interest expense). The notional principal value of the swap agreement is substantially equal to the outstanding principal balance of the term loan. A fluctuation in market interest rates of one percentage point (or 100 basis points) would not have a material impact on the Company's results of operations or financial condition. For additional discussion of the Company's swap agreement see "Swap Agreements" in Management's Discussion and Analysis in the Company's annual report on Form 10-K and this quarterly report.

For imported products, the Company generally negotiates firm pricing denominated in U.S. Dollars with its foreign suppliers, typically for periods of up to one year. The Company accepts the exposure to exchange rate movements beyond these negotiated periods without using derivative financial instruments to manage this risk. The majority of the Company's imports are purchased from China. The Chinese currency, formerly pegged to the U.S. Dollar, now floats within a limited range in relation to the U.S. Dollar, resulting in additional exposure to foreign currency exchange rate fluctuations.

Since the Company transacts its imported product purchases in U.S. Dollars, a relative decline in the value of the U.S. Dollar could increase the price the Company pays for imported products beyond the negotiated periods. The Company generally expects to reflect substantially all of the effect of any price increases from suppliers in the prices it charges for imported products. However, these changes could adversely impact sales volume and profit margin during affected periods.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's principal executive officer and principal financial officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the Company's fiscal quarter ended April 29, 2007. Based on this evaluation, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this quarterly report to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the Company's management, including its 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 Controls

There have been no changes in the Company's internal control over financial reporting during the Company's quarter ended April 29, 2007, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information about common stock purchases by or on behalf of the Company during the quarter ended April 29, 2007:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Program
January 29, 2007 – February 28, 2007				
March 1, 2007 – March 31, 2007	**126,900**	**$19.91**	**126,900**	**$ 17.5 million**
April 1, 2007 – April 29, 2007	**221,800**	**21.26**	**221,800**	**12.8 million**
Total	**348,700**	**$20.77**	**348,700**	

On February 7, 2007, the Company announced that its Board of Directors had authorized the repurchase of up to $20 million of the Company's common stock. There is no expiration date for this authorization, but the Company expects the purchases to be completed by the end of 2007. Repurchases may be made from time-to-time in the open market, or in privately negotiated transactions at prevailing market prices that the Company deems appropriate. The Company has entered into a trading plan under Rule 10b5-1 of the Securities Exchange Act of 1934 for affecting some or all of the purchases by the Company under this repurchase authorization. The Company can terminate this plan at any time. Through April 29, 2007, the Company has repurchased in open market transactions 348,700 shares of Company common stock at a total share cost of approximately $7.2 million, or an average of $20.77 per share under this authorization.

On June 6, 2007 the Company announced that its Board of Directors increased this stock repurchase authorization by $10 million.

Item 6. Submission of Matters to a Vote of Security Holders.

On March 22, 2007, the Company held its Annual Meeting of Shareholders. At the meeting, each of the following directors of the Company was elected for a one year term. The votes cast for the election of each director were:

Director	For	Withheld
Paul B. Toms, Jr.	10,734,037	32,316
W. Christopher Beeler, Jr.	8,492,720	2,273,633
John L. Gregory, III	10,733,511	32,842
Mark F. Schreiber	8,494,309	2,272,044
David G. Sweet	10,688,799	77,554
Henry G. Williamson, Jr.	8,492,820	2,273,533

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 (incorporated by reference to Exhibit 3.2 to the Company’s Form 10-Q (SEC File No. 000-25349) for the quarter ended August 31, 2006)
4.1	Amended and Restated Articles of Incorporation of the Company (See Exhibit 3.1)
4.2	Amended and Restated Bylaws of the Company (See Exhibit 3.2)
10.1*	Employment Agreement, dated April 30, 2007, between Sam Moore Furniture LLC, a wholly owned subsidiary of the Company, and Michael C. Moldenhauer
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 pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Rule 13a-14(b) Certification of the Company’s principal financial officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* 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 8, 2007

By: /s/ R. Gary Armbrister
R. Gary Armbrister
Chief Accounting Officer
(Principal Accounting Officer)

Exhibit Index

Exhibit No.	Description
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 (incorporated by reference to Exhibit 3.2 to the Company's Form 10-Q (SEC File No. 000-25349) for the quarter ended August 31, 2006)
4.1	Amended and Restated Articles of Incorporation of the Company (See Exhibit 3.1)
4.2	Amended and Restated Bylaws of the Company (See Exhibit 3.2)
10.1*	Employment Agreement, dated April 30, 2007, between Sam Moore Furniture LLC, a wholly owned subsidiary of the Company, and Michael C. Moldenhauer
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 pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Rule 13a-14(b) Certification of the Company's principal financial officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith

Exhibit 10.1

EMPLOYMENT AGREEMENT

This agreement is made and entered into this 30th day of April 2007 (the "Effective Date"), by and between Sam Moore Furniture LLC ("Employer"), a wholly owned subsidiary of Hooker Furniture Corporation ("Parent"), and Michael C. Moldenhauer ("Executive") (each a "Party" and collectively, the "Parties").

WHEREAS, Executive was previously employed as President of Sam Moore Furniture Industries, Inc. ("Seller");

WHEREAS, Employer has acquired the business and substantially all of the assets of Seller;

WHEREAS, Executive was a key executive with Seller with expertise in the management of the manufacture and marketing of upholstered chairs with exposed wooden frames; and

WHEREAS, Employer desires to assure continuance of Executive's service in connection with such business; and

WHEREAS, the Parties agree that a covenant not to compete is essential to the growth and stability of the business of Seller during the first years after its acquisition by Employer and to the continuing viability of such business whenever the employment to which this Agreement relates is terminated;

1. Employment. Upon the Effective Date, Employer shall employ and Executive agrees to become employed as President and Chief Executive Officer of Employer, which has been established to operate the former assets and business of Seller, and to perform such different or other duties as may be assigned to him by Employer from time to time by the Chief Executive Officer of Parent (the "Parent CEO"). Executive will devote his full working time and best efforts to the diligent and faithful performance of such duties as may be entrusted to him from time to time by Employer, and shall observe and abide by the corporate policies and decisions of Employer and Parent in all business matters.

2. Term. Executive's employment shall continue under this Agreement for a period beginning on the Effective Date of this Agreement and ending three (3) years thereafter.

3. Compensation. Employer shall pay and Executive shall accept as full consideration for the services to be rendered hereunder compensation consisting of the items listed below. Employer shall have no obligation to pay any such compensation for any period after the termination of Executive's employment, except as otherwise expressly provided.

(a) Salary, paid pursuant to Parent's normal payroll practices, at an annual rate of $240,000 per year or such other rate as may be established prospectively by the Compensation Committee of the Board of Directors of Parent (the "Compensation Committee") from time to time consistent with the range of salaries for officers of Employer and/or Parent with a similar level of responsibility to Executive. All such payments shall be subject to deduction and withholding authorized or required by applicable law.

(b) An Annual Bonus with respect to each fiscal year of the Parent (the “Performance Year”) during the term of this Agreement , beginning with the Performance Year that began on January 29, 2007. The Annual Bonus shall be computed as a percentage of Executive’s salary as in effect for the Performance Year, not to exceed 25% of such salary. The terms and conditions of the Annual Bonus, including the applicable performance criteria for a Performance Year, and the determination of the amount of the Annual Bonus payable to the Executive for a Performance Year (if any) shall be determined in the sole discretion of the Parent CEO. The Annual Bonus will be paid by no later than April 1 of the calendar year in which the Performance Year ends.

(c) Such other benefits, payments, or items of compensation as are provided under the employee benefit plans of the Employer, or as are made available from time to time under compensation policies set by Parent for management employees of Employer and/or Parent having similar salary and level of responsibility, including but not limited to vacation.

(d) Employer shall reimburse Executive, in accordance with the general policies and practices of Parent as in effect from time to time, for normal out-of-pocket expenses incurred by Executive in the ordinary course of business, including without limitation, Parent’s standard mileage allowance for business use of any personal vehicle, business related travel, customer entertainment, cellular telephone expense and professional organizations.

4. Disability or Death.

(a) *Disability*. If at any time during the Term of this Agreement, Executive becomes disabled and he has not breached any of the provisions of this Agreement, compensation shall continue to be paid to him according to the Employer’s normal payroll schedule while he is still living, but only for the first six (6) month period during which he shall be so disabled. Such payments shall be in lieu of any other disability benefit payable for such period under any other employee benefit plan, policy or practice of the Employer or the Parent. In such event, Employer may, at its sole option, retain Executive in its employment and continue payment of Executive’s compensation for an additional period of up to 23 months (for maximum of 29 months total) until he is able to return to work, or Employer may terminate this Agreement. If the Employer exercises its discretion to terminate the Agreement on account of the Executive’s disability, the Executive shall not be entitled to any further compensation or benefits under this Agreement (except for such compensation or benefits to which the Executive may be entitled under the terms of any employee benefit plan of the Employer or the Parent). For purposes of this Section 4(a), Executive shall be considered “disabled” if he has suffered any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Executive to be unable to perform the duties of his position of employment or any substantially similar position of employment with the Employer.

(b) *Death*. If Executive should die during the Term of this Agreement, Executive's employment and Employer's obligations hereunder (other than pro rata payment of salary) shall terminate as of his death. In such event, the Employer shall pay the Executive an Annual Bonus for the Performance Year in which the Executive died, which shall be prorated for the period ending on the date of the Executive's death. Such Annual Bonus, if any, shall be paid by no later than April 1 of the calendar year in which such Performance Year ends.

5. Termination by Employer.

(a) *Cause*. Employer may terminate the employment of Executive under this Agreement during its Term for Cause. "Cause" shall include Executive's fraud, dishonesty, theft, embezzlement, misconduct by Executive injurious to the Employer, Parent or any of their respective affiliates, conviction of, or entry of a plea of guilty or *nolo contendere* to, a crime that constitutes a felony or other crime involving moral turpitude, competition with Employer, Parent or any of their respective affiliates, unauthorized use of any trade secrets of Employer, Parent or any of their respective affiliates or Confidential Information (as defined below), a violation of any policy, code or standard of ethics generally applicable to employees of the Employer, Executive's material breach of fiduciary duties owed to Employer, Executive's excessive and unexcused absenteeism unrelated to a disability, or, following written notice and a reasonable opportunity to cure, gross neglect by Executive of the duties assigned to him. In such event no further Salary shall be paid to Executive after the date of termination and no Annual Bonus shall be paid to Executive after the date of termination, including any Annual Bonus with respect to the portion of any fiscal year preceding the date of termination. Executive shall retain only such rights to participate in other benefits as are required by the terms of those plans, Employer's polices, or applicable law.

(b) *Without Cause*. Employer may terminate the employment of Executive under this Agreement during its Term without Cause. In such event, however, Executive, while living, shall be entitled to continue to receive his then current base Salary and Annual Bonus for a period of twelve (12) months following such termination of employment or the remaining Term of this Agreement, whichever is less (the "Severance Period"). Annual Bonus payment(s), if otherwise payable under the terms described and referenced in Section 3(b) above, shall be made on the date(s) described in Section 3(b) above, and shall include pro rata payment for the Severance Period. Notwithstanding the foregoing, the total amount payable under this Section 5(b) shall not exceed the applicable dollar limit imposed under Treasury Regulation Section 1.409A-1(b)(9)(iii), or any successor or replacement section thereto.

6. Employment Upon Expiration of Agreement. If Executive is still employed by Employer when this Agreement expires by the conclusion of its Term, Executive's employment with Employer may or may not continue thereafter, but any such employment shall be "at will," and may be terminated by either Employer or Executive at any time, with or without cause, except as otherwise agreed in writing by Employer and Executive.

7. Confidential Information and Return of Property. "Confidential Information" means any written, oral, or other information obtained by Executive in confidence from Seller, Employer, Parent or any of their respective affiliates, including without limitation information about their respective operations, financial condition, business commitments or business strategy, as a result of his employment with Employer or Seller unless such information is already publicly known through no fault of any person bound by a duty of confidentiality to Seller, Employer, Parent or any of their respective affiliates. Executive will not at any time, during or after his employment with Employer, directly or indirectly disclose Confidential Information to any person or entity other than authorized officers, directors and employees of Employer or Parent. Executive will not at any time, during or after his employment with Employer, in any manner use Confidential Information on behalf of himself or any other person or entity other than Employer, or accept any position in which he would have a duty to any person to use Confidential Information against the interests of Employer, Parent or any of their respective affiliates. Upon termination of his employment for any reason, Executive will promptly return to Employer all property of Employer or Parent, including documents and computer files, especially where such property contains or reflects Confidential Information. Nothing in this Agreement shall be interpreted or shall operate to diminish such duties or obligations of Executive to Employer that arise or continue in effect after the termination of Executive's employment hereunder, including without limitation any such duties or obligations to maintain confidentiality or refrain from adverse use of any of Employer's trade secrets or other Confidential Information that Executive may have acquired in the course of Executive's employment.

8. Disclosure and Ownership of Work Related Intellectual Property. Executive shall disclose fully to Employer any and all intellectual property (including, without limitation, inventions, processes, improvements to inventions and processes, and enhancements to inventions and processes, whether or not patentable, formulae, data and computer programs, related documentation and all other forms of copyrightable subject matter) that Executive conceives, develops or makes during the term of his employment and that in whole or in part result from or relate to Executive's work for Employer (collectively, "Work Related Intellectual Property"). Any such disclosure shall be made promptly after each item of Work Related Intellectual Property is conceived, developed or made by Executive, whichever is sooner. Executive acknowledges that all Work Related Intellectual Property that is copyrightable subject matter and which qualifies as "work made for hire" shall be automatically owned by Employer. Further, Executive hereby assigns to Employer any and all rights which Executive has or may have in Work Related Intellectual Property that is copyrightable subject matter and that, for any reason, does not qualify as "work made for hire." If any Work Related Intellectual Property embodies or reflects any preexisting rights of Executive, Executive hereby grants to Employer the irrevocable, perpetual, nonexclusive, worldwide, and royalty-free license to use, reproduce, display, perform, distribute copies of and prepare derivative works based upon such preexisting rights and to authorize others to do any or all of the foregoing.

9. Covenant Not to Compete. Executive and Employer agree that after the consummation of the sale of Seller's business to Employer, Employer's business will depend to a considerable extent on the individual efforts of Executive. Moreover, Executive recognizes that, by virtue of his employment with Employer, he will have access to confidential and/or proprietary information relating to the Employer's business. Accordingly, and in consideration of Employer's agreement to employ Executive, Executive covenants and agrees that he will not, for the period of his employment hereunder and for two (2) years thereafter, whether or not within the original Term of this Agreement, but in no event for less than three (3) years after the Effective Date hereof, engage directly or indirectly (as principal, agent, or consultant or through any corporation, firm or organization in which he may be an officer, director, employee, shareholder, partner, member or be otherwise affiliated) in the design, development, manufacture, import or wholesale sale of upholstered furniture, in any position in which he has responsibility for conducting, control over, influence over, or input into the management, policies, or strategies of any business competing with that being conducted by Employer, Parent or any of their respective affiliates in any U.S. state, territory or district in which any of them is doing business upon the termination of his employment under this Agreement. This provision shall not, after the termination of Executive's employment under this Agreement, prohibit Executive from owning less than 2% of the stock of any publicly held corporation.

10. Non-Solicitation of Customers. Executive agrees that during the Term of this Agreement, and for a period of two (2) years thereafter, but in no event for less than three (3) years after the Effective Date hereof, regardless of the circumstances of the termination or any claim that Executive may have against Employer under this Agreement or otherwise, Executive will not:

(a) Solicit or attempt to solicit, for purposes competitive with Employer, Parent or any of their respective affiliates, any person or entity who was an existing customer or employee of Employer, Parent or any of their respective affiliates within one (1) year prior to the termination of Executive's employment hereunder;

(b) Any person or entity from whom Employer, Parent or any of their respective affiliates or Executive was, within the one (1) year period prior to the termination of Executive's employment hereunder, actively soliciting or preparing to solicit for the purpose of establishing a customer, employment, or other business relationship; or

(c) Solicit or encourage any vendor, supplier or employee of Employer, Parent or any of their respective affiliates to cease doing business with Employer, Parent or any of their respective affiliates or to divert goods or services previously provided to Employer, Parent or any of their respective affiliates to any person or entity other than Employer, Parent or any of their respective affiliates.

11. Equitable Relief. Executive acknowledges and agrees that a breach of any of the covenants made by him in Sections 7, 8, 9 and 10 above would cause irreparable harm to Employer, Parent or any of their respective affiliates for which there would be no adequate remedy at law. Accordingly, in the event of any threatened or actual breach of any such covenant, Executive agrees that Employer shall be entitled to enforce any such covenant by injunctive and other appropriate equitable relief in any court of competent jurisdiction, in addition to all other remedies available. If Executive breaches Sections 9 or 10 above, the duration of the period identified shall be computed from the date he resumes compliance with the covenant or from the date Employer is granted injunctive or other equitable relief by a court of competent jurisdiction enforcing the covenant, whichever shall first occur, reduced by the number of days Executive was not in breach of the covenant after termination of employment, or any delay in filing suit, whichever is greater.

12. Assignment. Employer may assign this Agreement to any other entity acquiring all or substantially all of the assets of Employer or to any other entity into which or with which Employer may be merged or consolidated. Upon such assignment, merger, or consolidation, the rights of Employer under this Agreement, as well as the obligations and liabilities of Employer hereunder, shall inure to the benefit of and be binding upon the assignee, successor-in-interest, or transferee of Employer. This Agreement is not assignable in any respect by Executive.

13. Invalid Provisions. It is not the intention of either Party to violate any public policy, or any statutory or common law. If any sentence, paragraph, clause or combination of the same in this Agreement is in violation of the law of any State where applicable, such sentence, paragraph, clause or combination of the same shall be void in the jurisdictions where it is unlawful, and the remainder of the Agreement shall remain binding on the Parties. However, the Parties agree, and it is their desire that a court should substitute for each such illegal, invalid or unenforceable covenant a reasonable and judicially-enforceable limitation in its place, and that as so modified the covenant shall be as fully enforceable as if set forth herein by the Parties themselves in the modified form.

14. Entire Agreement; Amendments. This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. This Agreement may be amended in whole or in part only by an instrument in writing setting forth the particulars of such amendment and duly executed by both Parties.

15. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument.

16. Governing Law. The validity, construction, interpretation and enforceability of this Agreement and the capacity of the parties shall be determined and governed by the laws of the Commonwealth of Virginia, without regard to the conflict of law rules contained therein.

17. Taxes. All payments made under this Agreement shall be subject to the Employer's withholding of all required foreign, federal, state and local income and employment/payroll taxes, and all payments shall be net of such tax withholding. The parties intend that any payment under this Agreement shall, to the extent subject to Section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A") be paid in compliance with Code Section 409A and the Treasury Regulations thereunder such that there shall be no adverse tax consequences, interest, or penalties as a result of the payments, and the parties shall interpret the Agreement in accordance with Code Section 409A and the Treasury Regulations thereunder. The parties agree to modify this Agreement or the timing (but not the amount) of any payment to the extent necessary to comply with Section 409A of the Code and avoid application of any taxes, penalties, or interest thereunder. However, in the event that the payments under the Agreement are subject to any taxes (including, without limitation, those specified in Code Section 409A), the Executive shall be solely liable for the payment of any such taxes.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

EMPLOYER

By: /s/ Edwin L. Ryder
Edwin L. Ryder
Executive Vice President,
Hooker Furniture Corporation, and
Vice President, Sam Moore Furniture LLC

EXECUTIVE

/s/ Michael C. Moldenhauer
Michael C. Moldenhauer
President, Sam Moore Furniture LLC

Exhibit 31.1

Form 10-Q for the Quarterly Period Ended April 29, 2007
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 8, 2007

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

Form 10-Q for the Quarterly Period Ended April 29, 2007
SECTION 13a-14(a) CERTIFICATION

I, E. Larry Ryder, 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 8, 2007

/s/ E. Larry Ryder

E. Larry Ryder
Executive Vice President - Finance and Administration and
Chief Financial Officer

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 period ending April 29, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul B. Toms, Jr., Chief Executive Officer of the Company, certify 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 my knowledge:

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

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

Date: June 8, 2007

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

Exhibit 32.2

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 period ending April 29, 2007 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, E. Larry Ryder, Chief Financial Officer of the Company, certify 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 my knowledge:

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

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

Date: June 8, 2007

By: /s/ E. Larry Ryder
E. Larry Ryder
Executive Vice President - Finance and Administration and
Chief Financial Officer