

Below are two articles and one news release
about the acquisition of High Point's furniture showroom properties
by International Market Centers.

High Point wins...

OFF THE RECORD

By Doug Clark, editorial writer

News & Record

Tuesday, May 3, 2011

It will take a while to figure out the billion-dollar furniture market deal officially announced Tuesday, but I think there's one clear conclusion for High Point:

The Las Vegas threat is over. High Point held it off.

When World Market Center developers launched their twice-a-year furniture markets in 2005, the reaction in High Point was close to panic. How could a small North Carolina city hold its claim to the industry's premier trade show — or stay in business at all in the long run — when faced with competition from the world's most popular convention location? Vegas had it all: great hotels, restaurants, entertainment. What did High Point have?

Actually, quite a lot. It had very valuable market properties to begin with. It also had the determination and total commitment not only to keep running outstanding markets but to improve them by leaps and bounds — which it did.

While the recession — actually, a depression in the furniture industry — has taken its toll on the markets in both High Point and Las Vegas — the fact is that High Point still outdraws Las Vegas and offers greater depth and variety of product and accessories on display every market.

Today, however, the competition is officially over with the purchase, for approximately \$1 billion, of the World Market Center in Las Vegas and High Point's three largest market properties. The combined assets will operate under a new company called International Market Centers.

The leaders and representatives of the major investors made the announcement at a press conference this morning in High Point. They're on their way to Las Vegas now to repeat the announcement there later today.

Bob Maricich, president and CEO of the former World Market Center, will be CEO of IMC. He spent many years in furniture manufacturing in North Carolina. Tom Mitchell, president and CEO of the International Home Furnishings Center in High Point, will run the home furnishings division for IMC and will remain in High Point.

The new corporate headquarters will be based in both cities.

Maricich called this "incredibly complex transaction" an "unprecedented event for the furniture industry, the state of North Carolina and certainly for High Point." It marks "the dawn of a new age of cooperation and collaboration that will make the industry and market stronger."

Putting the big High Point properties — IHFC, Market Square Complex and Showplace — under one ownership can make better and more efficient use of those assets. Together, they were purchased for about \$500 million — a huge investment that Mayor Becky Smothers said gives High Point "a shot in the arm."

Maricich said few changes will be seen in the April and October markets themselves, except that IMC will use its resources to make the market experience more compelling for buyers and more productive for exhibitors. The business is all about bringing buyers and sellers together and making sure there are always new ideas on display.

Separately, some of these properties have struggled through the recession. They should be on solid footing now.

However, I see potential trouble for the smaller, independent showrooms in High Point. The IMC will be aggressive in trying to fill all its showroom space with tenants. Mitchell told me there are plenty of companies that don't exhibit in High Point that will be recruited. But there's no doubt in my mind that IMC will pull some from other parts of the High Point market, potentially leaving empty buildings on the market district edges. As one industry veteran told me, High Point has more than 10 million square feet of showroom space but only needs about 6 million. And that's about how much IMC now owns.

Maricich said IMC intends to be a good corporate citizen. It will work to earn the confidence and trust of the community. It believes in the viability of the furniture market here. And he tried to dispel fears that there's any intention of diminishing the High Point market to benefit Las Vegas. The investment strategy only makes sense if High Point thrives. That's more than plausible.

Bottom line: This is a positive for High Point.

In the competition with Las Vegas, High Point is still standing — only now, it's standing with Las Vegas.

Showroom deal will benefit both markets

by Marilyn Nason

The High Point Enterprise, May 9, 2011

HIGH POINT – The leader of the company that now owns major showroom facilities in High Point and World Market Center in Las Vegas says the new arrangement will benefit both trade shows in ways that wouldn't be possible if they continued operating independently.

As Bassett Industries sold its majority portion of IHFC, along with minority owners, Bassett's decision to invest \$2.75 million for a minority interest is "indicative of the vote of confidence of this multi-generational major name in the U.S. furniture industry, showing its loyalty to the industry and belief in the future of this combined effort," said Robert Maricich, CEO of International Market Centers.

IMC is the new company that will own the World Market Center, along with three major showroom complexes in High Point – the International Home Furnishings Center, Market Square and Showplace.

Maricich said he believes Bassett's investment gives the new owners considerable financial stability that "will allow the IMC team to develop an efficient, compelling platform that will improve and expand the scope of the overall market in a way impossible to achieve in the past by either segment alone."

Not only does Maricich repeatedly use the word "caution" when talking about long-range plans, he also keeps emphasizing that the ultimate goal as the project moves forward is "to provide more quality and value for both buyers and sellers in a way never imaginable before." He said he sees the new arrangement as a way to assure having quality trade shows that are geographically available and accessible to the total industry.

To the question of markets, dates, special events and additional marketing approaches, Maricich told The High Point Enterprise retaining the current High Point and Las Vegas semiannual market schedules appears to be working well for both buyers and exhibitors as the consolidation moves forward. And, like many associated with High Point have long believed, he does feel strongly that creating additional use of the extensive IHFC, Market Square and Showplace facilities will be an important, challenging long-term goal to maximize both utilization and fiscal aspects of maintaining and upgrading the properties.

While plans for additional events are farther down the long-range planning process, Maricich did note that their development of the "Is It Home Yet?" retailing promotion during the Las Vegas Market has proven to be a strong boost in consumer recognition and interest in overall home decor. The campaign offers prizes to retailers and their customers in the monthlong promotion that runs each September as part of National Home Furnishings Month. This year marks the third for the promotion, which Maricich feels will prove equally important during development of the promotional calendar for High Point in coming years.

Maricich noted that "we will not cut costs to save money each time we need to make a decision that benefits the entire industry both in High Point and Las Vegas, and especially as it will affect both buyers and sellers."



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LAUNCH OF INTERNATIONAL MARKET CENTERS CREATES PREMIER B-TO-B PLATFORM FOR THE HOME FURNISHINGS AND GIFT INDUSTRIES

**Unprecedented \$1 Billion Investment in Future of Home Furnishings and Gift & Home Décor Categories
Unites Key High Point and Las Vegas Assets**

HIGH POINT, N.C. and LAS VEGAS (Tuesday, May 3, 2011)—The world's largest network of premium home furnishings, gift and home décor showroom and exhibition space was launched today. The newly formed International Market Centers, L.P. (IMC) announced an investment of approximately \$1 billion to unite iconic showroom assets in High Point, N.C., and Las Vegas, and create an effective, efficient and compelling world-class business-to-business platform for both buyers and sellers.

IMC's portfolio, initially comprised of 13 buildings and encompassing more than 10.6 million gross square feet, includes the International Home Furnishings Center and the Market Square Complex (consisting of eight properties) in High Point as well as all of the World Market Center Las Vegas buildings. Through a series of transactions, all assets in the portfolio have been recapitalized with significant equity investments, providing for long-term stability and creating a growth platform for the industry. Financial details of the transactions were not disclosed.

IMC has also reached agreement to acquire five additional buildings encompassing nearly one million gross square feet including, Showplace, Showplace West and three North Hamilton Street showroom venues in High Point. Upon the closing of this transaction, IMC will own and operate a total of 18 showroom buildings spanning 11.5 million square feet. Closing is expected within 60 days.

IMC is majority owned by funds managed by Bain Capital Partners and a subsidiary of certain investment funds managed by Oaktree Capital Management, L.P. Related Companies, Bassett Furniture Industries (NASDAQ: BSET) and affiliates of Network World Market Center are also investors in the company.

The company will be led by Chief Executive Officer and industry veteran Robert Maricich and will operate from joint headquarters in High Point and Las Vegas. Maricich has served as President and Chief Executive Officer of World Market Center since 2008 and previously spent 11 years at Hickory, N.C.-based Century Furniture Industries, including as its President and CEO.

IMC has selected an outstanding team of executives to round out its senior management team. Collectively, these individuals represent more than 90 years of experience in the home furnishings and gift industries and include:

- Tom Mitchell will serve as President of Home Furnishings. Mitchell has been President and Chief Executive Officer of the International Home Furnishings Center since 2008 and has had a long and distinguished career in the home furnishings and trade mart business. Mitchell has successfully

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managed in excess of 7 million square feet of home furnishings trade marts in his 32-year career.

- Georgia Davis, who has served the home furnishings industry for more than 20 years, will lead the strategically critical gift industry initiative on an interim basis while a President of Gift & Home Décor is identified. Before joining World Market Center in 2007 as a consultant for its gift initiative, Davis was Executive Vice President of the Dallas Market Center for 20 years.
- Katherine Venezia will serve as Chief Financial Officer. Venezia has been at World Market Center since 2004 and oversees day-to-day financial matters. Previously, Venezia was Manager in corporate accounting and Controller of the New York Development division of Related Companies.
- Randy Eller will serve as IMC's Chief Integration Officer. Eller will be responsible for the transition and integration of the acquired companies into one effective, integrated, world-class operation. Eller is President of Eller Enterprises, and his career has spanned more than 30 years in the gift and home sector, driving the expansion of some of the largest manufacturers in the gift industry.

"We have created a company that will deliver the most successful market experience for buyers and exhibitors from anywhere in the world," said Maricich. "We are confident in the future of this industry and the unprecedented platform that the combination of High Point and Las Vegas Markets presents. We are bringing together the best minds in the business, the most coveted properties and the deep financial and operating resources of leading firms who share our optimism about our industry's growth prospects."

"This significant and strategic investment creates the world's greatest marketing stage for the home furnishings industry," said Phil Loughlin, Managing Director at Bain Capital. "We are excited to support the industry's foremost leadership team as they enable ever more productive interactions between home furnishings suppliers and buyers."

"International Market Centers will create a seamless market experience on both coasts and offer significant cross-category business opportunities," said Scott Graves, Managing Director at Oaktree. "The company's plans include attracting additional traffic from international buyers, enhancing marketing efforts and creating new distribution and sales channels for exhibitors."

"I believe with all my heart that the resources we bring to High Point and Las Vegas will invigorate the respective Markets and our industry by attracting new buyers and laying the foundation for our future," Mitchell stated. "By bringing business partners together four times a year with new product, we will spur order writing on a scale that will deliver bottom line results for our tenants and fill retailers' showrooms with the latest products."

"International Market Center's strong capital position enables it to invest in – and vastly expand – the strategically significant gift and home décor category," said Eller. "We are uniquely positioned to tailor offerings to the thousands of buyers and sellers who are anxious to access world-class trade facilities and the most highly sought-after new products from domestic and international sources."

Davis added, "This clearly positions Las Vegas as the pre-eminent Gift and Home Décor Market west of the Mississippi."

"These transactions represent a value proposition for exhibitors and retailers and will result in an even more successful market experience both nationally and internationally," said Jeff T. Blau, President of Related Companies, whose involvement was integral to the origination and completion of the transaction. "By acquiring and uniting these assets we are creating an unbeatable platform for tenants."

Kirkland & Ellis is counsel for Bain Capital, Paul Weiss is acting as legal advisor to the Oaktree entities, and Paul Hastings represents Related Companies.

Upon closing all of the transactions, International Market Centers will own and operate the following facilities:

Building A, World Market Center Las Vegas

Building B, World Market Center Las Vegas

Building C, World Market Center Las Vegas

World Pavilions, World Market Center Las Vegas

International Home Furnishings Center (IHFC), High Point (comprised of the Hamilton, Green, Commerce, Wrenn, Design Center and Main Wings)

Historic Market Square, High Point

Market Square Tower, High Point

Suites at Market Square, High Point

Plaza Suites, High Point

Furniture Plaza, High Point

National Furniture Mart, High Point

Hamilton Market, High Point

300 South Main, High Point

Showplace, High Point

Showplace West, High Point

200 N. Hamilton, High Point

320 N. Hamilton, High Point

330 N. Hamilton, High Point

Photographs of IMC's senior management team and its assets are available on the IMC website (imcenters.com).

About International Market Centers, L.P.

International Market Centers, L.P. (IMC) is the world's largest operator of premier showroom space for the furnishings, home décor and gift industries. When its acquisitions are completed, it will own and operate 11.5 million square feet of world-class exhibition space in High Point, N.C. and Las Vegas. In addition, IMC operates the Las Vegas Design Center, a year-round resource open to both the design trade and consumers which is comprised of more than 40 showrooms and hundreds of designer brands. IMC's mission is to build and operate an innovative, sustainable, profitable and scalable platform for the furnishings, home décor and gift industries. For more information on IMC, visit imcenters.com.

About Bain Capital, LLC

Bain Capital, LLC (baincapital.com) is a global private investment firm that manages several pools of capital including private equity, venture capital, public equity, credit products and absolute return with approximately \$65 billion in assets under management. Since its inception in 1984, Bain Capital has made private equity investments and add-on acquisitions in more than 300 companies worldwide. Bain Capital has a distinctly people-intensive, value-added approach to investing, with a strong emphasis on supporting management teams to drive strategic and operating improvements. Headquartered in Boston, Bain Capital has offices in New York, Chicago, London, Munich, Hong Kong, Shanghai, Tokyo and Mumbai, with over 700 employees worldwide.

About Oaktree Capital Management, L.P.

Oaktree is a global alternative and non-traditional investment manager with \$82 billion in assets under management as of December 31, 2010. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in distressed debt, high yield bonds, convertible securities, senior loans, corporate control (including power opportunities), real estate, emerging market equities and mezzanine finance. Oaktree was founded in 1995 by a group of principals who have worked together since the mid-1980s. Headquartered in Los Angeles, the firm has approximately 600 employees and offices in 13 cities worldwide.

About Related Companies

Related Companies is the most prominent privately-owned real estate firm in the United States. Formed over 39 years ago, Related is a fully-integrated, highly diversified industry leader with experience in virtually every aspect of development, acquisitions, management, finance, marketing and sales. Headquartered in New York City, Related has offices and major developments in Boston, Chicago, Los Angeles, Las Vegas, San Francisco and South Florida and boasts a team of more than 2,000 professionals. The Company's existing portfolio of real estate assets, valued at over \$15 billion, is made up of best-in-class mixed-use, residential, retail, office, trade show and affordable properties in premier high-barrier-to-entry markets.

About Bassett Furniture Industries, Inc.

Bassett Furniture Industries, Inc. (Nasdaq:BSET), is a leading manufacturer and marketer of high quality, mid-priced home furnishings. With 96 licensee- and company- owned stores, Bassett has leveraged its strong brand name in furniture into a network of corporate and licensed stores that focus on providing consumers with a friendly environment for buying furniture and accessories. The most significant growth opportunity for Bassett continues to be the Company's dedicated retail store program. Bassett's retail strategy includes affordable custom-built furniture that is ready for delivery in the home within 30 days. The stores also feature the latest on-trend furniture styles, more than 750 upholstery fabrics, free in-home design visits, and coordinated decorating accessories. Bassett was the largest shareholder in International Home Furnishings Center prior to its acquisition by IMC. For more information, visit the Company's website at bassettfurniture.com. (BSET-E)

About Network World Market Center

Network World Market Center and its affiliates, led by Jack Kashani and Shawn Samson, were the original founders of World Market Center Las Vegas. Starting over 10 years ago, Network pursued the development of the largest home furnishings and gift showroom and exhibition complex under single ownership and management. In partnership with Related Companies, World Market Center Las Vegas evolved to over 5 million square feet of showroom and exhibition buildings developed and opened for business in the span of less than 5 years. Network and Related have overseen a world-class team of over 100 professionals at WMC, paving the way for further growth and opportunity for the benefit of the industry.

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