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LA-Z-BOY REPORTS THIRD QUARTER AND NINE-MONTH RESULTS

MONROE, Mich., February 7, 2001 – La-Z-Boy Incorporated (NYSE: LZB) announced today that its operating results for the third fiscal quarter ended January 27, 2001 were in line with the company's expectations released on December 22, 2000.

Net income per diluted share for fiscal 2001's third quarter totaled \$0.27. This compares to a range of \$0.25 - \$0.31 per share estimated by the company last December and to the \$0.41 per diluted share earned in the year-earlier quarter. Sales for the most recent quarter rose 41 percent, to \$531 million, from \$377 million a year ago. However, after adjusting for acquisitions, this year's third quarter sales were down 2 percent from a year earlier. Net income for the third quarter was \$16.1 million, down 24 percent from the same period of last year.

For the first nine months of fiscal 2001, sales totaled \$1.6 billion. This represented a 47 percent gain over the same period of fiscal 2000, but was up less than 1 percent on a *proforma* basis, after adjusting for acquisitions. Nine-month net income in the current year was \$58.0 million, or \$0.96 per diluted share, compared with \$57.9 million, or \$1.10 per diluted share, in the same period of fiscal 2000 when fewer average diluted shares were outstanding. The current year's nine-month net income includes an after-tax gain of \$3.0 million, or \$0.05 per diluted share, from a business interruption insurance recovery.

Commenting on these results, La-Z-Boy Chairman Pat Norton said, "As we anticipated at the time of our December news release, a softening U.S. economy, in combination with an unexpectedly sharp dropoff in consumer confidence, reduced our sales rates late in calendar 2000 and in January 2001, the final month of our third fiscal quarter. This was especially true in our more promotional residential furniture lines, where major retailer bankruptcies produced both lower sales volumes and higher product discounts. We also experienced sales declines during the third quarter in our contract furniture business. On the other hand, our proprietary distribution – most notably the La-Z-Boy Furniture Galleries – continued to experience above-industry growth rates."

Norton continued, "The bottom line is that any observer looking at our industry today will really see a very mixed picture, with some furniture retailers in severe distress and others doing relatively well." Norton added that the company is planning to add 25-30 new La-Z-Boy Furniture Galleries during fiscal 2002. He said the company is also determined to further strengthen the in-store gallery programs of its various La-Z-Boy divisions during the coming year.

Jerry Kiser, President and Chief Operating Officer, added, "As was anticipated in our December news release, we also experienced increased bad debt costs during the third quarter, in particular relating to the bankruptcies of major furniture retailers Heilig-Meyers, Montgomery Ward and Fleming Furniture. We feel comfortable with our bad debt reserve position based upon current industry conditions. We also feel good about having kept our inventories very much in line during the third quarter, and having reduced our debt by a little over \$15 million."

Kiser concluded, “We believe the longer-term outlook for our industry remains very positive – especially for a company such as La-Z-Boy, operating under the umbrella of powerful consumer brand names and a strong and growing proprietary distribution system. We expect recent and projected declines in U.S. interest rates to ultimately rejuvenate consumer spending, along with housing turnover and home remodeling – both strong drivers of retail furniture demand. Nevertheless, current consumer sentiment remains highly unsettled, and we anticipate a very challenging fourth fiscal quarter. We anticipate that diluted earnings per share for next quarter will be in the range of \$0.30 - \$0.40 versus fiscal 2000’s very strong April quarter of \$0.49. We intend to provide a further update on La-Z-Boy’s fourth quarter operating outlook in early April, prior to the start of this Spring’s International Home Furnishings Market in High Point, NC.”

La-Z-Boy will hold an investor conference call tomorrow, starting at 9:30 a.m. ET, and the dial-in number for the call is 800-374-1298. The conference call will also be available at www.la-z-boy.com and a telephone replay will be available from February 8th through February 15th at 800-642-1687. The passcode for the replay is 559998.

La-Z-Boy Background Information

With annual sales in excess of \$2.2 billion, La-Z-Boy Incorporated is the largest U.S. residential furniture producer, employing about 21,000 people company wide and operating 56 manufacturing facilities in 11 states and four foreign countries. The La-Z-Boy family of companies; La-Z-Boy Residential, La-Z-Boy Business Furniture Group, Hammary, Kincaid, England/Corsair, Centurion, Sam Moore, Bauhaus, Alexvale, American Drew, Pennsylvania House, Lea, Pilliod, Barclay, and Clayton Marcus, produces furniture for every room of the home and office. Under the American of Martinsville brand name, La-Z-Boy is also a leading manufacturer of contract room furniture for the hospitality and assisted-living markets.

With its vast distribution network of proprietary retailers, including 287 La-Z-Boy Furniture Galleries® and 319 La-Z-Boy In-Store Galleries, England/Corsair Custom Comfort Centers, in-store gallery programs at Kincaid, Pennsylvania House and Clayton Marcus and Lea's Kid's Generation Galleries, and La-Z-Boy Business Galleries, over 9 million square feet of retail floor space is dedicated exclusively to selling La-Z-Boy Incorporated products. According to industry trade publication *Furniture/Today*, the La-Z-Boy Furniture Galleries retail network by itself represents the industry's sixth largest U.S. furniture retailer. La-Z-Boy’s stock is traded on the New York and Pacific stock exchanges under the trading symbol: LZB.

Forward-looking Information

Any forward-looking statements contained in this report represent management’s current expectations, based on present information and current assumptions. Actual results could differ materially from those anticipated or projected due to a number of factors. These factors include, but are not limited to, anticipated sales growth; success of new products; interest rate fluctuations; changes in consumer confidence or demand and other risks and factors identified from time to time in the company’s reports filed with the Securities and Exchange Commission. The company undertakes no obligation to update or revise any forward-looking statements either to reflect new developments or for any other reason.

Additional Information

This news release is just one part of La-Z-Boy's financial disclosures and should be read in conjunction with other information filed with the Securities and Exchange Commission, including the company's most recent Form 10-Q report. That Form 10-Q, containing the latest quarter's income statement, balance sheet, cash flow statement, segment information and additional management discussion and analysis of the financial results, is available at La-Z-Boy's Internet site (www.la-z-boy.com).