NEWS RELEASE

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LA-Z-BOY REPORTS FIRST QUARTER OPERATING RESULTS

MONROE, MI. August 12, 2003 – La-Z-Boy Incorporated **(NYSE, PCX: LZB)** today reported its operating results for the first fiscal quarter ended July 26, 2003. Net sales for the quarter declined 9.2% from a year earlier**,** to $451 million, while diluted earnings per share were $0.11 after a previously-announced $0.07 per share restructuring charge, or $0.18 per share before the charge. The quarter's per share earnings were in line with management's recent guidance, and compare against $0.32 per fully diluted share earned in the July 2002 first quarter, before the cumulative effect of a change in accounting principle for goodwill and intangible assets.

La-Z-Boy Incorporated president and CEO Jerry Kiser said, "This quarter is always seasonally challenging and our comparisons were made more difficult by the fact that our July quarter last year was unusually strong because of a larger than normal beginning backlog. As previously reported, our upholstery sales in last year's first quarter rose 19.0%, driven in part by very strong sales gains for our La-Z-Boy Furniture Galleries® store system, and our total sales for that quarter were up 8.9%. This year, in contrast, upholstery and casegoods segment sales were both down, in the context of very lackluster consumer demand for furniture."

Gross margin for the quarter fell from 23.1% to 20.5%, primarily due to the $6.3 million restructuring charge. It was also negatively impacted by reduced sales volume and additional plant shutdown time. Although selling, general & administrative expense for the quarter was slightly lower in dollar amount than in the comparable year-earlier period, it increased to 18.0% of sales in this year's first quarter, from 16.5% a year ago primarily due to the lower sales level in conjunction with a higher portion of fixed expense.

Kiser continued, "Operating margin in this year's first quarter fell to 2.5% as reported, or 3.9% before the restructuring charge, from 6.6% a year earlier, as we took a substantial number of additional plant shutdown days to avoid building inventories. The unabsorbed costs resulting from this higher than normal downtime had a substantial negative impact on the quarter's operating margin. Additionally, pricing pressure continues to impact our margins."

Upholstery segment

Upholstery segment sales declined by 8.5% for the July quarter from the prior year's quarter. Kiser said, "This segment was the beneficiary of an unprecedented strong demand last year. However, retail business was very soft this year relative to last and when combined with our lower beginning backlog, magnified our sales decline." First quarter operating margin for the upholstery segment was 6.8%,

down from 8.5% in last year's quarter, primarily as a result of a combination of lower sales volumes and extended plant shutdown time which lead to higher unabsorbed costs during the quarter.

Kiser noted that four new free-standing La-Z-Boy Furniture Galleries® stores were opened during the quarter, another two relocated to higher profile locations and one older format store closed. The total Furniture Galleries store count at quarter-end was 317, including 52 stores featuring the larger, more productive, New Generation format. "Our current plans call for the opening or conversion to New Generation format stores at an average rate of 10-12 quarterly, including relocations and remodels", Kiser said, adding that older, less productive stores will continue to be selectively closed or relocated at the same time.

Casegoods Segment

Casegoods segment sales declined 11.2% from a year earlier for the July quarter. The casegoods segment operating margin for the quarter fell sharply, to (4.5%), from 5.8% a year earlier, due to the $6.3 million restructuring charge, and the extensive plant downtime taken this year. On a normalized basis to exclude restructuring, the operating margin was 0.9% for the first quarter of fiscal 2004.

Kiser said, "The casegoods restructuring actions we announced in early June will result in the closure of three plants by the end of calendar 2003. We will continue our blended strategy of outsourcing certain products and shift some of this production to other La-Z-Boy casegoods facilities. Once the transition is fully implemented, by the beginning of our fiscal fourth quarter, we expect this plant rationalization to produce annual savings in the range of $5 - $6 million. In the meantime, there will be some disruptions as the shutdowns are implemented and production is shifted. This will likely also put some pressure on our casegoods margins during the second and third fiscal quarters of this year."

Casegoods Group reorganization charge

As previously reported, the reorganization of the La-Z-Boy Casegoods Group – including a realignment of several key management responsibilities, the establishment of a new global sourcing organization and the closure of three casegoods manufacturing facilities – will result in a total pre-tax charge of approximately $10 million, or $0.11 per diluted share on an after-tax basis. During the current fiscal quarter a largely non-cash charge of $6.3 million was taken to cover the write-down of certain fixed assets and inventories. Most of the balance of the charge, representing severance and relocation costs, will be incurred in the following two quarters of fiscal 2004.

Balance sheet

Inventories decreased approximately $11 million for the July quarter, with virtually all of the decline occurring in finished goods. This was the direct result of our efforts to bring inventories in line with current sales and demand trends and was accomplished largely through extended plant downtimes. Total debt remained at $224 million for the quarter, and our debt to total capitalization ratio was at 27.1% at quarter-end.

During the first quarter, the company repurchased an additional 629,000 shares of its outstanding common stock for a total of $13.4 million, and at quarter-end, 3.5 million shares remained available under the company's existing stock repurchase authorization.

Business outlook

Commenting on the current business outlook, Kiser said, "Not surprisingly, the U.S. furniture retailing environment has remained relatively sluggish this summer. Despite the conclusion of the war in Iraq, a modest rebound in consumer confidence and some scattered recent indications that the U.S. economy is attempting to gather strength, there is little evidence at this point of a consistent consumer follow-through. We are inclined to think the recent child care tax credit checks will provide some stimulus to the economy and our business, but are concerned that the recent increases in long-term interest rates may have an offsetting dampening affect on consumer spending. So, while we continue to believe that the normal seasonal pickup in our business will begin to materialize during the important fall selling season, our guidance for the current quarter has been tempered accordingly."

He concluded, "We are currently expecting sales for the October quarter to be down in the mid-single digit percentage range compared to last year's second quarter, and we anticipate reported earnings for the quarter to be in the range of $0.38 - $0.43 per diluted share, or $0.40 - $0.45 per diluted share, when normalized to exclude restructuring charges, versus the $0.50 we earned per diluted share in the same quarter of fiscal 2003." (A reconciliation of GAAP to non-GAAP normalized results follows.)

Forward-looking Information

Any forward-looking statements contained in this news release are based on current information and assumptions and represent management's best judgment at the present time. Actual results could differ materially from those anticipated or projected due to a number of factors. These factors include, but are not limited to: changes in consumer sentiment or demand, changes in demographics, changes in housing sales, the impact of terrorism or war, energy price changes, the impact of logistics on imports, the impact of interest rate changes, potential impact of anti-dumping actions, the availability and cost of capital, the impact of imports, changes in currency rates, competitive factors, operating factors, such as supply, labor, or distribution disruptions including changes in operating conditions or costs, effects of restructuring actions, changes in the regulatory environment, the impact of new manufacturing technologies, factors relating to acquisitions and other 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.

Conference Call Information

The dial-in phone number for tomorrow's conference call at 11 a.m. E.T. will be (800) 374-1298 for persons calling from within the U.S. or Canada, and (706) 634-5855 for international callers. The call will also be webcast live and archived on the Internet, with both accessible at http://www.la-z-boy.com/about/ir_confcalls.asp. A telephone replay will be available for a week following the live call to callers from the U.S. and Canada at (800) 642-1687 and to international callers at (706) 645-9291. The replay passcode is 191820.

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, which is available at http://www.la-z-boy.com/about/ir_sec.asp. Investors and others wishing to be notified of

future La-Z-Boy news releases, SEC filings and quarterly investor conference calls may sign up at: http://my.lazboy.com/mygallery/investor_relations.cfm.

Background Information

With annual sales in excess of $2 billion, La-Z-Boy Incorporated is one of the world's leading residential furniture producers, marketing furniture for every room of the home and office, as well as for the hospitality, health care and assisted-living industries. The La-Z-Boy Upholstery Group companies are Bauhaus, Centurion, Clayton Marcus, England, La-Z-Boy, La-Z-Boy Contract Furniture Group and Sam Moore, and the La-Z-Boy Casegoods Group companies are Alexvale, American Drew, American of Martinsville, Hammary, Kincaid, Lea and Pennsylvania House.

The corporation's vast proprietary distribution network is dedicated exclusively to selling La-Z-Boy Incorporated products and brands, and includes 317 stand-alone La-Z-Boy Furniture Galleries® stores and 320 La-Z-Boy In-Store Gallerys, in addition to in-store gallery programs at the company's Kincaid, Pennsylvania House, Clayton Marcus, England and Lea operating units. According to industry trade publication *Furniture/Today*, the La-Z-Boy Furniture Galleries retail network by itself represents the industry's fifth largest U.S. furniture retailer and the second largest single source furniture retailer. Additional information is available at http://www.la-z-boy.com/

LA-Z-BOY INCORPORATED

CONSOLIDATED STATEMENT OF INCOME

(Unaudited, amounts in thousands, except per share data)

	First Quarter Ended				
			% Over	Percent of Sales	
	7/26/03	7/27/02	(Under)	**7/26/03**	7/27/02
Sales	**$451,472**	$497,375	-9.2%	**100.0%**	100.0%
Cost of sales	**358,754**	382,552	-6.2%	**79.5%**	76.9%
Gross profit	**92,718**	114,823	-19.3%	**20.5%**	23.1%
Selling, general and administrative	**81,419**	81,936	-0.6%	**18.0%**	16.5%
Operating profit	**11,299**	32,887	-65.6%	**2.5%**	6.6%
Interest expense	**3,213**	2,027	58.5%	**0.7%**	0.4%
Other income, net	**1,272**	116	996.6%	**0.3%**	0.0%
Pre-tax income	**9,358**	30,976	-69.8%	**2.1%**	6.2%
Income tax expense	**3,555**	11,848	-70.0%	**38.0%** *	38.2% *
Income before cumulative effect of accounting change	**5,803**	19,128	-69.7%	**1.3%**	3.8%
Cumulative effect of accounting change (net of tax of $17,920)	**—**	59,782	-100.0%	**0.0%**	12.0%
Net income (loss)	**$5,803**	($40,654)	N/M	**1.3%**	-8.2%
Basic average shares	**54,729**	59,125			
Basic net income per share before cumulative effect of accounting change	**$0.11**	$0.32			
Cumulative effect of accounting change per share	**—**	(1.01)			
Basic net income (loss) per share	**$0.11**	($0.69)			
Diluted average shares	**54,916**	59,667			
Diluted net income per share before cumulative effect of accounting change	**$0.11**	$0.32			
Cumulative effect of accounting change per share	**—**	(1.00)			
Diluted net income (loss) per share	**$0.11**	($0.68)			
Dividends paid per share	**$0.10**	$0.10			

* As a percent of pretax income, not sales.

N/M = not meaningful

LA-Z-BOY INCORPORATED

CONSOLIDATED BALANCE SHEET

(Unaudited, amounts in thousands)

			Increase/(Decrease)		
	7/26/03	7/27/02	Dollars	Percent	4/26/03
Current assets					
Cash and equivalents	**$28,422**	$25,550	$2,872	11.2%	$28,817
Receivables, net	**297,341**	324,687	(27,346)	-8.4%	340,467
Inventories, net	**242,018**	233,525	8,493	3.6%	252,537
Deferred income taxes	**37,709**	35,648	2,061	5.8%	37,734
Other current assets	**17,282**	15,821	1,461	9.2%	19,939
Total current assets	**622,772**	635,231	(12,459)	-2.0%	679,494
Property, plant and equipment, net	**205,392**	207,426	(2,034)	-1.0%	209,411
Goodwill	**78,807**	78,833	(26)	0.0%	78,807
Trade names	**71,144**	68,454	2,690	3.9%	71,144
Other long-term assets	**80,055**	53,486	26,569	49.7%	84,210
Total assets	**$1,058,170**	$1,043,430	$14,740	1.4%	$1,123,066
Current liabilities					
Lines of credit	**$290**	$ —	$290	N/M	$ —
Current portion of long-term debt and capital leases	**992**	2,276	(1,284)	-56.4%	1,619
Accounts payable	**48,011**	77,986	(29,975)	-38.4%	78,931
Accrued expenses and other current liabilities	**106,734**	127,890	(21,156)	-16.5%	134,037
Total current liabilities	**156,027**	208,152	(52,125)	-25.0%	214,587
Long-term debt	**221,611**	147,917	73,694	49.8%	221,099
Capital leases	**1,151**	1,801	(650)	-36.1%	1,272
Deferred income taxes	**37,111**	28,364	8,747	30.8%	36,928
Other long-term liabilities	**39,039**	36,856	2,183	5.9%	39,241
Contingencies and commitments					
Shareholders' equity					
Common shares, $1 par value	**54,645**	58,326	(3,681)	-6.3%	55,027
Capital in excess of par value	**215,905**	215,585	320	0.1%	216,081
Retained earnings	**334,532**	351,885	(17,353)	-4.9%	342,628
Accumulated other comprehensive loss	**(1,851)**	(5,456)	3,605	66.1%	(3,797)
Total shareholders' equity	**603,231**	620,340	(17,109)	-2.8%	609,939
Total liabilities and shareholders' equity	**$1,058,170**	$1,043,430	$14,740	1.4%	$1,123,066

N/M = not meaningful

LA-Z-BOY INCORPORATED

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited, amounts in thousands)

	First Quarter Ended	
	7/26/03	7/27/02
Cash flows from operating activities		
Net income (loss)	**$5,803**	($40,654)
Adjustments to reconcile net income (loss) to cash provided by operating activities		
Cumulative effect of accounting change - net of income taxes	**—**	59,782
Depreciation and amortization	**7,311**	7,066
Change in receivables	**43,955**	58,156
Change in inventories	**10,519**	(23,474)
Change in payables	**(30,920)**	9,345
Change in other assets and liabilities	**(20,347)**	(22,516)
Change in deferred taxes	**208**	(448)
Total adjustments	**10,726**	87,911
Net cash provided by operating activities	**16,529**	47,257
Cash flows from investing activities		
Proceeds from disposals of assets	**174**	63
Capital expenditures	**(6,853)**	(8,945)
Acquisitions, net of cash acquired	**—**	(1,166)
Change in other long-term assets	**3,557**	4,128
Net cash used for investing activities	**(3,122)**	(5,920)
Cash flows from financing activities		
Proceeds from debt	**319**	10,608
Payments on debt	**(120)**	(133)
Capital leases	**(146)**	(141)
Stock issued for stock option and employee benefit plans	**4,446**	693
Repurchase of common stock	**(13,417)**	(47,454)
Dividends paid	**(5,486)**	(5,973)
Net cash used for financing activities	**(14,404)**	(42,400)
Effect of exchange rate changes on cash and equivalents	**602**	(158)
Net decrease in cash and equivalents	**(395)**	(1,221)
Cash and equivalents at beginning of period	**28,817**	26,771
Cash and equivalents at end of period	**$28,422**	$25,550
Cash paid during period -Income taxes	**$1,358**	$12,645
-Interest	**$3,792**	$971

Reconciliation of Non-GAAP Normalized Financial Information to GAAP Financial Information

(Unaudited, amounts in thousands except per share data)

	Upholstery Group		Casegoods Group		Eliminations, Corporate & Other		Consolidated	
	7/26/03	7/27/02	**7/26/03**	7/27/02	**7/26/03**	7/27/02	**7/26/03**	7/27/02
Operating income as reported	**$22,932**	$31,219	**($5,198)**	$7,593	**($6,435)**	($5,925)	**$11,299**	$32,887
Restructuring (1)	**—**	—	**6,273**	—	**—**	—	**6,273**	—
Normalized operating income	**22,932**	31,219	**1,075**	7,593	**(6,435)**	(5,925)	**17,572**	32,887
Operating margin as reported	**6.8%**	8.5%	**(4.5%)**	5.8%	**N/M**	N/M	**2.5%**	6.6%
Normalized operating margin	**6.8%**	8.5%	**0.9%**	5.8%	**N/M**	N/M	**3.9%**	6.6%
Diluted net income per share as reported							**$0.11**	($0.68)
Restructuring (1)							**0.07**	—
Cumulative effect of accounting change							**—**	1.00
Normalized diluted net income per share							**$0.18**	$0.32

(1) Excludes the fiscal 2004 restructuring charges.
N/M = not meaningful