LA-Z-BOY® INCORPORATED

NEWS RELEASE

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LA-Z-BOY REPORTS THIRD QUARTER RESULTS

MONROE, MI. February 11, 2003 – La-Z-Boy Incorporated **(NYSE, PCX: LZB)** today reported results for its third fiscal quarter ended January 25, 2003. Net sales for the quarter totaled $511 million, a 6% decrease compared to the year-earlier quarter. For the first nine months, net sales increased 1% compared to the same period of fiscal 2002. Adjusted to exclude the divestiture of Pilliod in November 2001, the cessation of operations by HickoryMark, announced in August 2002, and the acquisition of five retail stores in Boston and Kansas City, net sales were down 4% for the third quarter and up 3% for the first nine months.

Diluted earnings per share for the January quarter were $0.41 – which is in line with the company's most recent revised guidance. This compares to $0.35 per diluted share in the same quarter of fiscal 2002. Earnings for the first nine months of fiscal 2003 totaled $1.22 per diluted share before the cumulative effect of a change in accounting principle for goodwill and intangible assets resulting from the company's adoption of Statement of Financial Accounting Standards No. 142 ("SFAS 142"). In comparison, the company earned $0.82 per diluted share in the first nine months of fiscal 2002, prior to a $0.13 restructuring charge and adjusted for discontinued amortization expense.

The elimination of goodwill and trade name amortization under SFAS 142 would have added $0.03 and $0.09, respectively, to diluted earnings per share for last year's third quarter and first nine months, had SFAS 142 been in effect then. Including the cumulative effect of the change in accounting principle, net income for the nine months ended January 25, 2003 was $0.19 per diluted share.

Despite the lower sales, the company's operating margin increased to 7.7% in the January 2003 quarter, from 7.3% in the same period a year earlier, adjusted for discontinued amortization expense and the above-mentioned divestiture of Pilliod. This represented the fifth consecutive quarter of improvement in operating margin, as "normalized" to exclude discontinued amortization and the various restructuring and divestiture expenses recorded during fiscal year 2002.

President and CEO Jerry Kiser said, "Although we were pleased with our ability to generate an operating margin increase for the latest quarter, we were disappointed by the period's sales trends – particularly the continuing decline in our casegoods (wood furniture) segment. Upholstery sales for the quarter were essentially flat compared to the year earlier quarter, which was primarily the result of a slowing retail sales environment and the comparison against extremely strong gains recorded in the January 2002 quarter, especially in the La-Z-Boy Residential division."

Business segments

Third quarter upholstery segment sales declined 3% from a year earlier in total, and were down 1% excluding the phase-out of the HickoryMark brand and the company's acquisition of five retail stores mentioned earlier. The upholstery operating margin for the quarter was 9.9%, compared to a normalized 9.6% a year earlier. For the first nine months, upholstery sales rose 9% on a comparable basis, and the nine-month operating margin increased to 9.5% in the current fiscal year, from an 8.0% normalized margin in the same period of fiscal 2002.

Kiser noted, "The continued softening in business at retail that began in December and continues, combined with a very strong sales quarter last year, made meeting comparisons difficult. In fact, last year our third quarter upholstery sales were up 7% compared to the same period of fiscal 2001, while the majority of the industry was still seeing declining revenues. In light of these conditions, we were not that disappointed with this performance."

Casegoods sales for the third quarter declined 15% from the year-earlier period, and were down 13% excluding Pilliod, while nine-month sales were lower by 14% and 9%, respectively. Despite these sales declines, the casegoods segment's operating margin remained fairly steady at 5.7% from a normalized 6.1% for the prior year quarter and was 6.5% for the first nine months, up from 3.5% in the same period of fiscal 2002.

Commenting on the performance of the casegoods group, Kiser said "This quarter's sales decline for our casegoods group was partially the result of our decision to not sacrifice margin for the sake of generating sales. We continue to believe that long-term our ability to deliver style and quality at a competitive price with shortened delivery times will enable us to regain this market share at acceptable margins. Additionally, American Drew, Kincaid and Pennsylvania House, which are in the upper middle price points, have seen a more dramatic pullback in customer demand than in the lower price point categories. Our casegoods group is being refocused to compete in today's truly global marketplace and continues to make progress as evidenced by the increasing margins during the year in the face of declining sales."

He added, "We continued to strengthen our proprietary distribution networks during the most recent quarter, both at the La-Z-Boy Residential division and at several other La-Z-Boy companies. During the last three months, we added five new generation La-Z-Boy Furniture Galleries® stores to our network, in five different states. We also relocated two existing Furniture Galleries® stores, renovated a third and closed three older locations, for a two store net addition to the system. Of the 310 Furniture Galleries® stores we had open at the end of our January quarter, 39 have the more productive New Generation format. In addition, our England division added 11 new locations to its independently-owned Custom Comfort Center network, and ended the quarter with 121 in-store Custom Comfort Center galleries and four stand-alone stores. Also during the quarter Lea continued to add La-Z-Boy Youth Collections by Lea dedicated space with nearly 50 new openings, bringing the total to 285 galleries."

Balance sheet

Inventories increased slightly during the January quarter as the result of the combination of the timing of shipments of imported inventories and lower than expected sales. During the third quarter, the company repurchased 875,000 shares of La-Z-Boy Incorporated's outstanding common stock for $21.1 million. Through the first nine months of fiscal 2003, 4.5 million shares, or approximately 7.5% of the company's total shares outstanding at the year ended April 27, 2002, were repurchased for $113 million. As of January 25, 2003, 5.1 million shares remained available under the company's stock repurchase authorization. Total debt rose 5% during the quarter, to $225 million. During the quarter, the company privately placed $86 million in 7 and 10-year La-Z-Boy Incorporated notes at fixed interest rates of 4.56% and 5.25%, respectively.

Kiser commented "The private placement of debt we completed in the third quarter significantly strengthened the financial flexibility of our overall capital structure by laddering our debt maturities and allowed us to take advantage of what are historically very attractive interest rates. Our total debt at the end of the most recent quarter represented 27.1% of the company's capitalization, compared with 26.1% at the start of the quarter and is within our targeted range."

Business outlook

Commenting on the outlook, Kiser said, "Coupled with the current unsettled condition of the economy, including continuing consumer caution, weak retail sales, rising energy costs and the uncertainties posed by the threat of a conflict in Iraq, and the strong upholstery sales comparisons in last year's fourth quarter, we now expect our 2003 fiscal fourth quarter sales to be down in the mid-single digit percentage range, excluding the impact of HickoryMark. Diluted earnings per share for the quarter are anticipated to be in the range of $.43 - $.48." This guidance would result in sales for the 2003 fiscal year being flat to slightly down, excluding Pilliod and HickoryMark, with full year earnings in the $1.65 - $1.70 range per diluted share, excluding the cumulative effect of the company's adoption of SFAS 142. In comparison, fiscal 2002's normalized earnings were $1.35 per diluted share.

Conference Call Information

The dial-in phone number for the February 12th conference call at 11 a.m. E.S.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 www.la-z-boy.com. A telephone replay will be available for a week following the live call. This replay will be available to callers from the U.S. and Canada at (800) 642-1687 and to international callers at (706) 645-9291, with a passcode of 7541970.

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, 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.

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. Investors and others wishing to be notified of future news releases, SEC filings and 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 310 stand-alone La-Z-Boy Furniture Galleries® stores and 319 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. Additional information is available at www.la-z-boy.com.

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF INCOME

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

	Third Quarter Ended				
			% Over	Percent of Sales	
	1/25/03	1/26/02	(Under)	**1/25/03**	1/26/02
Sales	**$510,539**	$543,547	-6.1%	**100.0%**	100.0%
Cost of sales	**392,247**	416,295	-5.8%	**76.8%**	76.6%
Gross profit	**118,292**	127,252	-7.0%	**23.2%**	23.4%
Selling, general and administrative	**78,731**	89,894	-12.4%	**15.5%**	16.5%
Loss on divestiture	—	11,689	N/M	—	2.2%
Operating income	**39,561**	25,669	54.1%	**7.7%**	4.7%
Interest expense	**2,948**	3,004	-1.9%	**0.6%**	0.6%
Other income, net	**435**	946	-54.0%	**0.2%**	0.2%
Pretax income	**37,048**	23,611	56.9%	**7.3%**	4.3%
Tax expense	**13,887**	1,948	612.9%	**37.5%** *	8.3% *
Net income	**$23,161**	$21,663	6.9%	**4.5%**	4.0%
Basic average shares	**56,444**	60,827			
Basic net income per share	**$0.41**	$0.36			
Diluted average shares	**56,765**	61,062			
Diluted net income per share	**$0.41**	$0.35			
Dividends paid per share	**$0.10**	$0.09			

* As a percent of pretax income, not sales.

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF INCOME

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

	Nine Months Ended				
			% Over	Percent of Sales	
	1/25/03	1/26/02	(Under)	**1/25/03**	1/26/02
Sales	**$1,571,501**	$1,557,890	0.9%	**100.0%**	100.0%
Cost of sales	**1,203,960**	1,232,129	-2.3%	**76.6%**	79.1%
Gross profit	**367,541**	325,761	12.8%	**23.4%**	20.9%
Selling, general and administrative	**247,857**	259,820	-4.6%	**15.8%**	16.7%
Loss on divestiture	**—**	11,689	N/M	**—**	0.7%
Operating income	**119,684**	54,252	120.6%	**7.6%**	3.5%
Interest expense	**7,128**	8,004	-10.9%	**0.5%**	0.5%
Other income, net	**1,945**	2,317	-16.1%	**0.2%**	0.1%
Pretax income	**114,501**	48,565	135.8%	**7.3%**	3.1%
Tax expense	**43,512**	11,680	272.5%	**38.0%** *	24.1% *
Income before cumulative effect of accounting change	**70,989**	36,885	92.5%	**4.5%**	2.4%
Cumulative effect of accounting change (net of tax of $17,920)	**(59,782)**	—	N/M	**-3.8%**	—
Net income	**$11,207**	$36,885	-69.6%	**0.7%**	2.4%
Basic average shares	**57,652**	60,837			
Basic net income per share before cumulative effect of accounting change	**$1.23**	$0.61			
Cumulative effect of accounting change per share	**(1.04)**	—			
Basic net income per share	**$0.19**	$0.61			
Diluted average shares	**58,076**	61,000			
Diluted net income per share before cumulative effect of accounting change	**$1.22**	$0.60			
Cumulative effect of accounting change per share	**(1.03)**	—			
Diluted net income per share	**$0.19**	$0.60			
Dividends paid per share	**$0.30**	$0.27			

* As a percent of pretax income, not sales.

LA-Z-BOY INCORPORATED
CONSOLIDATED BALANCE SHEET
(Unaudited, amounts in thousands)

			Increase/(Decrease)		
	1/25/03	1/26/02	Dollars	Percent	4/27/02
Current assets					
Cash and equivalents	**$23,817**	$26,781	($2,964)	-11.1%	$26,771
Receivables, net	**337,553**	352,522	(14,969)	-4.2%	382,843
Inventories, net	**251,867**	227,138	24,729	10.9%	208,657
Deferred income taxes	**33,834**	27,251	6,583	24.2%	35,035
Other current assets	**19,841**	18,368	1,473	8.0%	18,386
Total current assets	**666,912**	652,060	14,852	2.3%	671,692
Property, plant and equipment, net	**211,639**	214,952	(3,313)	-1.5%	205,463
Goodwill	**78,807**	109,371	(30,564)	-27.9%	108,244
Trade names	**71,144**	117,824	(46,680)	-39.6%	116,745
Other long-term assets	**69,409**	57,808	11,601	20.1%	58,632
Total assets	**$1,097,911**	$1,152,015	($54,104)	-4.7%	$1,160,776
Current liabilities					
Lines of credit	**$ —**	$700	($700)	N/M	$ —
Current portion of long-term debt and capital leases	**2,130**	1,184	946	79.9%	2,276
Accounts payable	**74,070**	73,198	872	1.2%	68,497
Accrued expenses and other current liabilities	**125,504**	129,416	(3,912)	-3.0%	156,120
Total current liabilities	**201,704**	204,498	(2,794)	-1.4%	226,893
Long-term debt	**221,759**	141,451	80,308	56.8%	137,444
Capital leases	**1,512**	2,083	(571)	-27.4%	1,942
Deferred income taxes	**28,513**	46,545	(18,032)	-38.7%	46,145
Other long-term liabilities	**38,327**	41,365	(3,038)	-7.3%	34,830
Contingencies and commitments					
Shareholders' equity					
Common shares, $1 par value	**55,974**	60,870	(4,896)	-8.0%	59,953
Capital in excess of par value	**215,267**	211,375	3,892	1.8%	215,060
Retained earnings	**339,365**	451,793	(112,428)	-24.9%	444,173
Accumulated other comprehensive loss	**(4,510)**	(7,965)	3,455	-43.4%	(5,664)
Total shareholders' equity	**606,096**	716,073	(109,977)	-15.4%	713,522
Total liabilities and shareholders' equity	**$1,097,911**	$1,152,015	($54,104)	-4.7%	$1,160,776

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited, amounts in thousands)

	Third Quarter Ended		Nine Months Ended	
	1/25/03	1/26/02	**1/25/03**	1/26/02
Cash flows from operating activities				
Net income	**$23,161**	$21,663	**$11,207**	$36,885
Adjustments to reconcile net income to cash provided by operating activities				
Cumulative effect of accounting change - net of income taxes	—	—	**59,782**	—
Loss on divestiture	—	11,689	—	11,689
Depreciation and amortization	**7,714**	11,122	**22,840**	32,743
Change in receivables	**21,386**	20,008	**45,290**	23,610
Change in inventories	**(5,515)**	7,936	**(40,441)**	21,368
Change in payables	**(11,834)**	(14,409)	**5,066**	(18,635)
Change in other assets and liabilities	**(13,278)**	(7,709)	**(27,601)**	(7,631)
Change in deferred taxes	**(1,702)**	(7,171)	**1,489**	(247)
Total adjustments	**(3,229)**	21,466	**66,425**	62,897
Net cash provided by operating activities	**19,932**	43,129	**77,632**	99,782
Cash flows from investing activities				
Proceeds from disposals of assets	**85**	1,365	**1,232**	2,208
Capital expenditures	**(7,011)**	(11,386)	**(25,777)**	(23,342)
Acquisitions, net of cash acquired	—	—	**(3,089)**	—
Proceeds from divestiture	—	6,048	—	6,048
Change in other long-term assets	**(641)**	2,617	**(14,920)**	1,879
Net cash used for investing activities	**(7,567)**	(1,356)	**(42,554)**	(13,207)
Cash flows from financing activities				
Proceeds from debt	**109,435**	50,700	**187,162**	92,276
Payments on debt	**(97,706)**	(85,947)	**(105,333)**	(162,094)
Capital leases	**(146)**	(137)	**(430)**	(408)
Stock issued for stock option & 401(k) plans	**2,707**	2,070	**11,273**	11,598
Repurchase of common stock	**(21,390)**	(473)	**(113,694)**	(7,059)
Dividends paid	**(5,681)**	(5,471)	**(17,366)**	(16,427)
Net cash used for financing activities	**(12,781)**	(39,258)	**(38,388)**	(82,114)
Effect of exchange rate changes on cash and equivalents	**510**	(531)	**356**	(1,245)
Net increase (decrease) in cash and equivalents	**94**	1,984	**(2,954)**	3,216
Cash and equivalents at beginning of period	**23,723**	24,797	**26,771**	23,565
Cash and equivalents at end of period	**$23,817**	$26,781	**$23,817**	$26,781
Cash paid during period -Income taxes	**$20,778**	$14,366	**$54,197**	$22,866
-Interest	**$1,974**	$1,822	**$5,136**	$7,038