LA-Z-BOY® INCORPORATED

NEWS RELEASE

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LA-Z-BOY THIRD QUARTER OPERATING RESULTS

MONROE, MI. February 10, 2004 – La-Z-Boy Incorporated **(NYSE, PCX: LZB)** today reported operating results for its third fiscal quarter ended January 24, 2004. Net sales for the quarter declined 3.6% from a year earlier**,** to $492 million, from $511 million in the same period of fiscal 2003. Earnings per fully diluted share for the quarter were $0.29 – including a $0.01 per share restructuring charge on an after-tax basis – which was within management's previously announced guidance range. This compares to $0.41 per fully diluted share earned in the January 2003 quarter.

For the nine months ended January 24, 2004, net sales declined 7.4%, to $1.455 billion from $1.572 billion in fiscal 2003's first nine months. Diluted earnings per share for the nine months totaled $0.67, including restructuring charges of $0.11 per share on an after-tax basis. This compares to $1.22 per diluted share earned in the same period of fiscal 2003 – before the cumulative effect of an accounting change related to goodwill and trade names. After the cumulative effect of the accounting change, net income for last year's first nine months was $0.19 per diluted share.

Consolidated operating margin for the most recent quarter was 5.3%, down from 7.7% a year earlier, while the nine-month operating margin was 4.4% this year, compared to 7.6% in the same period of fiscal 2003. La-Z-Boy Incorporated president and CEO Kurt L. Darrow said, "This quarter's operating profit margins were weakened by lower capacity utilization, continued price competition and discounting pressures, particularly in the casegoods (wood) segment of our business, as well as certain specific product-related cost issues. While our current operating margins remain below our expectations, particularly in the casegoods segment, we believe a modest volume increase will provide meaningful upside margin leverage. Meanwhile, we are encouraged by stronger incoming upholstery orders during the most recent quarter, representing a continuation of the positive trend we noted in mid-November. This improved order trend produced a higher upholstery backlog at quarter-end, which should contribute to improved performance during our fourth fiscal quarter."

Upholstery segment

Upholstery segment sales were virtually flat for the January quarter compared to the same period of fiscal 2003, and were down 5.2% through the first nine months of the fiscal year. Darrow said, "Our year-over-year upholstery sales comparisons have shown relative improvement quarter by quarter this year, moving from a decline of 8.5% in the July quarter to unchanged in the just-ended January quarter."

The January quarter operating margin for the upholstery segment was 8.4%, down from 9.9% in the year-earlier quarter, while nine-month operating margin declined to 7.9% from 9.5% a year earlier. Despite flat sales during the quarter margins dropped due to a number of factors including a change in product mix combined with minor increases in certain selling, general and administrative expenses. Additionally, our margins for the quarter were negatively impacted by the additional rent and advertising expense without the benefit of offsetting revenues from the opening of several new company-owned La-Z-Boy Furniture Galleries retail locations. For the year-to-date period, the upholstery group's margin decline additionally reflected lower sales volume, as well as substantial plant downtime in the first quarter and higher promotional expenses in the first two quarters of the current year period.

Darrow noted that four free-standing 'New Generation' La-Z-Boy Furniture Galleries® stores were opened during the January quarter and two other stores were remodeled to the more productive New Generation format. At quarter-end, the total Furniture Galleries store count stood at 322, including 65 stores featuring the New Generation format. Darrow commented, "As we have previously indicated, we have a comprehensive plan to aggressively expand La-Z-Boy's mostly independently-owned Furniture Galleries store system and accelerate the pace at which old format stores are converted to the New Generation format. This entails opening as many as 20 or more new stores per year and relocating or remodeling an equal number of stores annually for the next 4-5 years."

Darrow added, "Subsequent to quarter end, we reached an agreement in principle with our independent licensee to acquire four La-Z-Boy Furniture Galleries stores in the Baltimore, Maryland area, which will bring the total number of company-owned stores to 35. The Washington-Baltimore corridor represents the second largest home furnishings market in the country, and is also one of the most underserved major metropolitan areas in terms of retail furnishings outlets. This strategic acquisition will complement our existing infrastructure in Washington, D.C. and quickly be accretive to our earnings. With this acquisition, La-Z-Boy will have a total of 12 company-owned stores in the Washington-Baltimore market, with 5 of the stores featuring the New Generation format. In order to quickly maximize our store productivity within this exciting market, we are planning to upgrade or relocate a substantial number of the remaining stores."

Casegoods Segment

Casegoods segment sales for the January quarter declined 14.0% from a year earlier and were down 13.9% through the first nine months. Darrow noted, "Most of the companies comprising this group continue to face challenges to effectively compete against imported products being directly sourced by large retailers. However, the major element of the quarter's sales decline was the group's hospitality business which caters to the hotel industry, where sales comparison for the quarter were hurt by continuing weakness in the lodging market. The U.S. hospitality market has continued to remain under steady pressure since the September 11th terrorist attacks and is just beginning to show signs of rebounding. Absent the hospitality business in our casegoods group, we have slowed down the negative trends of the last two years and are optimistic we will begin to grow this business by strengthening the service, delivery and quality aspects of this highly competitive business segment."

Casegoods margins for both periods were sharply below those of a year earlier, primarily reflecting the lower sales, increased plant downtime, continued promotional activity and some disruptions resulting from recent plant closures. For the January quarter, the casegoods segment's operating margin was (1.5)% including restructuring charges, down from 5.7% a year earlier – while the nine-month operating margin fell to (2.0)% including restructuring, from 6.5% in the same period of fiscal 2003. All of this year's third quarter and nine-month restructuring charges related to the casegoods segment.

Darrow said, "As we continue to source product internationally, we are mindful of the critical balance between our domestic production and sourcing capabilities, while striving to maximize our casegoods manufacturing utilization. We will continue our blended strategy of both sourced and domestic product and will closely examine two key elements, quality and delivery times, which are important to the success of our retail partners. We have five casegoods manufacturing facilities for our five companies producing domestic product and with the uncertainty surrounding the antidumping petition on Chinese bedroom furniture, we are unlikely to take further plant rationalization action until the result of the antidumping action is known. However, we actively continue to evaluate other means to grow our volume and reduce costs in these businesses."

Casegoods Group restructuring charge

The closure of three casegoods group manufacturing facilities, announced last June, will result in total pre-tax charges of approximately $10 million, or $0.11 per diluted share on an after-tax basis. The first largely non-cash charge of $6.3 million was incurred during the July 2003 first quarter, and was taken to cover the write-down of certain fixed assets and inventories. In the October 2003 and January 2004 quarters, respectively, pre-tax expense of $2.0 million, or $0.02 per diluted share on an after-tax basis, and $1.0 million or $0.01 per diluted share on an after-tax basis was recorded – primarily for severance and relocation costs related to the plant closures. The balance will be incurred in the fiscal fourth quarter.

Balance sheet

Total inventories were reduced by $8.7 million during the three months ended January 24, 2004 and by $23.6 million for the nine months ended on the same date. Total debt at the end of the third quarter stood at $194 million, down from $207 million at mid-year, and the debt-to-capital ratio at quarter-end was 24.9%, compared to 26.1% three months earlier, and 26.9% at the end of fiscal 2003.

During the quarter, La-Z-Boy repurchased 840,000 of its common shares for a total of $17.2 million and, through the first nine months, 2.8 million shares were repurchased for a total of $59.4 million. As of January 24, 2004, 1.4 million shares remained available under the company's existing stock repurchase authorization. Darrow remarked, "Today our board of directors authorized the addition of 6 million shares to our stock repurchase program bringing the total to 7.4 million shares. This increase reflects the continued belief that the company will generate significant positive cash flows in the future and that over the long term our operating margins will strengthen. We will continue to target a debt-to-capital ratio in the mid-twenties."

Business outlook

Commenting on the current business outlook, Darrow said, "We are encouraged by the recent pickup in our incoming order rate and other external signs that our industry is currently in the midst of a recovery process. Although U.S. employment growth has thus far been agonizingly slow, an increasing number of indicators show the U.S. economy continuing to gain strength, and most observers believe that jobs growth will inevitably follow. Within this context, we currently expect our April fourth quarter sales to be up in the low-single digit range compared to the prior year period, and we anticipate reported earnings for the fourth quarter to be in the range of $0.40 - $0.45 per diluted share. This would compare to the $0.45 we earned per diluted share in fiscal 2003's final quarter, and would bring full year fiscal 2004 earnings per diluted share to $1.07 - $1.12, including $0.11 of restructuring charges, compared to fiscal 2003's $1.67 – before a cumulative accounting change charge of $1.04."

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 outcome of the antidumping investigation by the United States Department of Commerce and potential disruptions from Chinese imports, the availability and cost of capital, the impact of imports as it relates to continued domestic production, 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 domestic or international regulatory environment, not fully realizing cost reductions through restructurings, ability to implement new global sourcing organization strategies, the impact of new manufacturing technologies, fair value changes to our intangible assets due to actual results differing from projected, 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.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 http://www.la-z-boy.com/about/ir_confcalls.asp. A telephone replay will remain available for a week to callers from the U.S. and Canada at (800) 642-1687 and to international callers at (706) 645-9291. The passcode for the replay is 5050375.

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 and Sam Moore. 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 322 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 fourth largest U.S. furniture retailer and the second largest single source furniture retailer. Additional information is available at http://www.la-z-boy.com.

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LA-Z-BOY INCORPORATED

CONSOLIDATED STATEMENT OF INCOME

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

	Third Quarter Ended				
			% Over	Percent of Sales	
	1/24/2004	1/25/2003	(Under)	1/24/2004	1/25/2003
Sales	$ 492,167	$ 510,539	-3.6 %	100.0 %	100.0 %
Cost of sales	384,109	392,247	-2.1 %	78.0 %	76.8 %
Gross profit	108,058	118,292	-8.7 %	22.0 %	23.2 %
Selling, general and administrative	82,018	78,731	4.2 %	16.7 %	15.5 %
Operating profit	26,040	39,561	-34.2 %	5.3 %	7.7 %
Interest expense	2,697	2,948	-8.5 %	0.5 %	0.6 %
Other income, net	1,301	435	199.1 %	0.2 %	0.2 %
Pre-tax income	24,644	37,048	-33.5 %	5.0 %	7.3 %
Income tax expense	9,365	13,887	-32.6 %	38.0 %*	37.5 %*
Net income	$ 15,279	$ 23,161	-34.0 %	3.1 %	4.5 %
Basic average shares	52,825	56,444			
Basic net income per share	$ 0.29	$ 0.41			
Diluted average shares	52,931	56,765			
Diluted net income per share	$ 0.29	$ 0.41			
Dividends paid per share	$ 0.10	$ 0.10			

*As a percent of pre-tax 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	
	1/24/2004	1/25/2003	(Under)	1/24/2004	1/25/2003
Sales	$ 1,454,657	$ 1,571,501	-7.4 %	100.0 %	100.0 %
Cost of sales	1,139,096	1,203,960	-5.4 %	78.3 %	76.6 %
Gross profit	315,561	367,541	-14.1 %	21.7 %	23.4 %
Selling, general and administrative	251,164	247,857	1.3 %	17.3 %	15.8 %
Operating profit	64,397	119,684	-46.2 %	4.4 %	7.6 %
Interest expense	8,936	7,128	25.4 %	0.6 %	0.5 %
Other income, net	3,021	1,945	55.3 %	0.2 %	0.2 %
Pre-tax income	58,482	114,501	-48.9 %	4.0 %	7.3 %
Income tax expense	22,223	43,512	-48.9 %	38.0 %*	38.0 %*
Income before cumulative effect of accounting change	36,259	70,989	-48.9 %	2.5 %	4.5 %
Cumulative effect of accounting change (net of tax of $17,920)	--	(59,782)	100.0 %	0.0 %	-3.8 %
Net income	$ 36,259	$ 11,207	223.5 %	2.5 %	0.7 %
Basic average shares	53,904	57,652			
Basic net income per share before cumulative effect of accounting change	$ 0.67	$ 1.23			
Cumulative effect of accounting change per share	--	(1.04)			
Basic net income per share	$ 0.67	$ 0.19			
Diluted average shares	54,066	58,076			
Diluted net income per share before cumulative effect of accounting change	$ 0.67	$ 1.22			
Cumulative effect of accounting change per share	--	(1.03)			
Diluted net income per share	$ 0.67	$ 0.19			
Dividends paid per share	$ 0.30	$ 0.30			

*As a percent of pre-tax income, not sales.

LA-Z-BOY INCORPORATED

CONSOLIDATED BALANCE SHEET

(Unaudited, amounts in thousands)

	1/24/2004	1/25/2003	Increase/(Decrease) Dollars	Increase/(Decrease) Percent	4/26/2003
Current assets					
Cash and equivalents	$ 25,774	$ 23,817	$ 1,957	8.2 %	$ 28,817
Receivables, net	295,148	337,553	(42,405)	-12.6 %	340,467
Inventories, net	228,954	251,867	(22,913)	-9.1 %	252,537
Deferred income taxes	35,897	33,834	2,063	6.1 %	37,734
Other current assets	16,880	19,841	(2,961)	-14.9 %	19,939
Total current assets	602,653	666,912	(64,259)	-9.6 %	679,494
Property, plant and equipment, net	201,398	211,639	(10,241)	-4.8 %	209,411
Goodwill	78,807	78,807	--	0.0 %	78,807
Trade names	71,144	71,144	--	0.0 %	71,144
Other long-term assets	89,498	69,409	20,089	28.9 %	84,210
Total assets	$ 1,043,500	$ 1,097,911	$ (54,411)	-5.0 %	$ 1,123,066
Current liabilities					
Lines of credit	$ 3,000	$ --	$ 3,000	N/M	$ --
Current portion of long-term debt and capital leases	4,893	2,130	2,763	129.7 %	1,619
Accounts payable	69,475	74,070	(4,595)	-6.2 %	78,931
Accrued expenses and other current liabilities	121,017	125,504	(4,487)	-3.6 %	134,037
Total current liabilities	198,385	201,704	(3,319)	-1.6 %	214,587
Long-term debt	185,077	221,759	(36,682)	-16.5 %	221,099
Capital leases	826	1,512	(686)	-45.4 %	1,272
Deferred income taxes	38,154	28,513	9,641	33.8 %	36,928
Other long-term liabilities	37,641	38,327	(686)	-1.8 %	39,241
Contingencies and commitments					
Shareholders' equity					
Common shares, $1 par value	52,584	55,974	(3,390)	-6.1 %	55,027
Capital in excess of par value	215,738	215,267	471	0.2 %	216,081
Retained earnings	312,287	339,365	(27,078)	-8.0 %	342,628
Accumulated other comprehensive income (loss)	2,808	(4,510)	7,318	162.3 %	(3,797)
Total shareholders' equity	583,417	606,096	(22,679)	-3.7 %	609,939
Total liabilities and shareholders' equity	$ 1,043,500	$ 1,097,911	$ (54,411)	-5.0 %	$ 1,123,066

LA-Z-BOY INCORPORATED

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited, amounts in thousands)

	Third Quarter Ended		Nine Months Ended	
	1/24/2004	1/25/2003	1/24/2004	1/25/2003
Cash flows from operating activities				
Net income	$ 15,279	$ 23,161	$ 36,259	$ 11,207
Adjustments to reconcile net income to cash provided by operating activities				
Cumulative effect of accounting change - net of income taxes	--	--	--	59,782
Depreciation and amortization	7,193	7,714	21,830	22,840
Change in receivables	23,833	21,386	44,862	45,290
Change in inventories	8,701	(5,515)	23,583	(40,441)
Change in payables	(11,784)	(11,834)	(9,456)	5,066
Change in other assets and liabilities	(2,012)	(13,278)	(5,339)	(27,601)
Change in deferred taxes	1,820	(1,702)	3,063	1,489
Total adjustments	27,751	(3,229)	78,543	66,425
Net cash provided by operating activities	43,030	19,932	114,802	77,632
Cash flows from investing activities				
Proceeds from disposals of assets	196	85	1,968	1,232
Capital expenditures	(6,409)	(7,011)	(21,035)	(25,777)
Acquisitions, net of cash acquired	--	--	--	(3,089)
Change in other long-term assets	15	(641)	(732)	(14,920)
Net cash used for investing activities	(6,198)	(7,567)	(19,799)	(42,554)
Cash flows from financing activities				
Proceeds from debt	5,544	109,435	12,466	187,162
Payments on debt	(18,680)	(97,706)	(42,175)	(105,333)
Capital leases	(145)	(146)	(486)	(430)
Stock issued for stock option & 401(k) plans	246	2,367	6,258	10,109
Repurchase of common stock	(17,158)	(21,050)	(59,378)	(112,530)
Dividends paid	(5,279)	(5,681)	(16,266)	(17,366)
Net cash used for financing activities	(35,472)	(12,781)	(99,581)	(38,388)
Effect of exchange rate changes on cash and equivalents	(173)	510	1,535	356
Net increase (decrease) in cash and equivalents	1,187	94	(3,043)	(2,954)
Cash and equivalents at beginning of period	24,587	23,723	28,817	26,771
Cash and equivalents at end of period	$ 25,774	$ 23,817	$ 25,774	$ 23,817
Cash paid during period - income taxes	$ 11,150	$ 20,778	$ 21,643	$ 54,197
- interest	$ 3,567	$ 1,974	$ 10,007	$ 5,136