NEWS RELEASE

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LA-Z-BOY REPORTS FOURTH-QUARTER PROFIT

MONROE, MI. June 15, 2009—La-Z-Boy Incorporated (NYSE: LZB) today reported its operating results for the fiscal fourth quarter and full year ended April 25, 2009.

Fiscal 2009 fourth quarter highlights:

- Income from continuing operations was $0.10 per share versus a loss of $0.09 per share in last year's fourth quarter, despite a 23% decline in net sales, reflecting ongoing macroeconomic challenges
- The company generated $34 million in cash from operating activities and reduced debt by $28 million
- Net debt at year end was less than $44 million – the lowest level the company experienced in this decade
- The retail segment's performance improved – operating loss reduced by $5 million on a 21% sales decline

Net sales for the fourth quarter were $284.5 million, down 23% compared with the prior year's fourth quarter. The company reported income from continuing operations of $5.3 million, or $0.10 per share, compared with a loss of $4.5 million, or a loss of $0.09 per share in the same period of fiscal 2008. The 2009 fourth-quarter results include a $0.01 per share impairment of long-lived assets related to its retail operation, a $0.01 restructuring charge, primarily related to store closures within the company's retail segment and a $0.05 tax benefit. The company's 2008 fourth-quarter results include a $0.04 restructuring charge, primarily related to the closing of its Tremonton, UT manufacturing facility.

Kurt L. Darrow, President and Chief Executive Officer of La-Z-Boy, said, "We were profitable during the quarter on a sales decline of $84 million as the operating environment continues to be very difficult. This is the direct result of the decisive actions taken and the significant changes made to our cost structure over the past year, coupled with the ongoing execution of strategic initiatives that will continue to increase the company's operating efficiencies. Additionally, during the quarter, we generated $34 million in cash from operating activities. We remained focused on improving our liquidity by paying down debt by $27.8 million, bringing our net debt at year end to less than $44 million. Additionally, subsequent to year end, restricted cash of about $18 million became available to be used for operations due to a change in our captive insurance company. We also reduced our losses in the retail segment by $5 million when

compared with the previous year's fourth quarter, even on declining volume. Going forward, we will maintain our aggressive stance in managing our business and, with our new infrastructure, I am confident La-Z-Boy Incorporated will emerge from this difficult macroeconomic period as a stronger and more competitive entity."

For the full fiscal 2009 year, La-Z-Boy Incorporated reported sales of $1.2 billion, down 15.5% from $1.5 billion in the prior-year period. The company posted a loss from continuing operations of $121.3 million, or $2.36 per share, versus a loss of $7.5 million, or a loss of $0.15 per share. The 2009 full-year results include income of $0.16 per share related to anti-dumping monies received on bedroom furniture imported from China, a restructuring charge of $0.24 per share related to various plant, warehouse facilities and retail store closures, a non-cash intangible write-down of $0.85 per share relating to goodwill and trade names and a $0.15 per share non-cash impairment of long-lived assets relating to the company's retail operation. The company's full-year results also include a non-cash $0.74 per-share charge recognized in the second quarter of fiscal 2009 for a valuation allowance against the company's deferred tax assets.

Wholesale Segments

For the fiscal 2009 fourth quarter, sales in the company's upholstery segment decreased 22.5% to $215.0 million compared with $277.5 million in the prior year's fourth quarter. On the $62.5 million decline in sales, the segment's operating margin increased to 9.0% from 8.3% in the prior year's quarter. In the casegoods segment, sales for the fiscal fourth quarter were $39.3 million, down 19.4% from $48.8 million in the prior year's fourth quarter. The segment's operating margin decreased to (3.2%) from 3.6% in last year's comparable period.

Darrow commented, "Our operating margin performance in our upholstery segment demonstrates the efficiencies with which we are running our business. On a significant decline in volume, we not only operated with a 9% margin, but improved our operating performance quarter over quarter. This is a testament to the number of changes we have made to our manufacturing structure. In addition to the benefits derived from cellular production at our La-Z-Boy branded facilities, we are also achieving similar lean benefits at our other upholstery companies. And, with the transition to our new Mexican cut-and-sew facility in progress and on schedule, we look forward to achieving further cost savings and efficiencies, as planned. However, we are currently running dual cut-and-sew operations as we go through the transition process and are not yet realizing the anticipated cost benefits from the Mexican operation. We expect to start seeing benefits in early calendar 2010."

Darrow continued, "In our casegoods business, we made the decision to consolidate our two separate manufacturing operations into one facility in Hudson, NC. We will close our plant in North Wilkesboro, NC and convert it to a finished-goods warehouse and vacate a leased warehouse operation in Statesville, NC. These moves will take place over a nine-month period and, when completed, will provide an annual cost savings of approximately $5 to $6 million, based on current volume. Additionally, we are narrowing the number of collections we offer to focus on our best sellers and a core group of products. As a result, during the quarter, the operating margin for the segment was negatively impacted by higher-than-usual discounting of certain product to reduce inventory levels and generate cash."

In fiscal 2009, the La-Z-Boy Furniture Galleries® store system, which includes both company-owned and independent-licensed stores, opened six new stores, relocated and/or remodeled nine and closed 21, bringing the total store count to 320, of which 224 are in the New Generation

format. For fiscal 2010, the network plans to be opportunistic in opening or relocating stores and anticipates closing five to 10 stores.

System-wide, for the fiscal 2009 fourth quarter, including company-owned and independent-licensed stores, same-store written sales, which the company tracks as an indicator of retail activity, were down 16.4%. Total written sales, which include new and closed stores, were down 20.6%.

Retail

For the quarter, retail sales were $38.4 million, down 21.4% compared with the prior-year period. The retail group posted an operating loss for the quarter, and its operating margin was (19.1%). Darrow stated, "Although our retail business continues to be impacted by the weak demand environment, I am pleased with the progress our team is making in stemming the losses in the segment. In spite of the sales decline, we decreased our operating loss for the quarter by $5 million compared with last year's fourth quarter, reflecting the numerous changes made to the business over the previous six-month period. Those changes include structural improvements within each store, more efficient and effective marketing, higher gross margins and lower warehousing costs due to the shift we instituted last quarter. Going forward, working within the confines of a difficult macroeconomic environment and associated lower traffic levels, our sales team is focused on improving the customer shopping experience, leveraging new selling strategies and improving on the execution of our In-Home Design capabilities. We believe that even in the lower-volume environment, we can continue to improve the segment's operating performance."

Balance Sheet

During the fourth quarter, La-Z-Boy generated $34 million in cash from operating activities and paid down its debt by $27.8 million. La-Z-Boy's debt-to-capitalization ratio was 16.6% compared with 18.8% a year ago and to 22% at the end of the third quarter. During the quarter, the company's inventory was reduced by 18.6%, or $32 million. Darrow stated, "In addition to managing all facets of our business aggressively, we are focused on improving our liquidity. In a difficult sales environment, we were able to generate cash, pay down debt and increase our availability under our revolving line of credit by $7.8 million to $65 million."

Business Outlook

Darrow stated, "We anticipate business conditions to remain difficult throughout the year and are structuring our business accordingly. Should conditions change in either direction, we will react swiftly and make the necessary changes to our operating structure. Due to seasonality factors and plant shutdowns for vacation and maintenance, the summer period is usually the slowest for the furniture industry and, historically, our first quarter, which ends in July, is typically the weakest in terms of sales and profits."

Conference Call

La-Z-Boy will hold a conference call with the investment community on Tuesday, 16 June 2009, at 8:30 a.m. eastern time. The toll-free dial-in number is 877.407.0778; international callers may use 201.689.8565.

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: (a) changes in consumer confidence; (b) continued economic recession and decline in our stock price; (c) changes in demographics; (d) further changes in residential housing and commercial real estate market; (e) the impact of terrorism or war; (f) continued energy and other commodity price changes; (g) the impact of logistics on imports; (h) the impact of interest rate changes; (i) changes in currency exchange rates; (j) competitive factors; (k) operating factors, such as supply, labor or distribution disruptions including changes in operating conditions or costs; (l) effects of restructuring actions; (m) changes in the domestic or international regulatory environment; (n) ability to implement global sourcing organization strategies; (o) the impact of adopting new accounting principles; (p) the impact from natural events such as hurricanes, earthquakes and tornadoes; (q) the ability to procure fabric rolls and leather hides or cut and sewn fabric and leather sets domestically or abroad; (r) continued decline in the credit market and potential impacts on our customers and suppliers; (s) unanticipated labor/industrial actions; (t) those matters discussed in Item 1A of our fiscal 2009 Annual Report and factors relating to acquisitions and other factors identified from time-to-time in our reports filed with the Securities and Exchange Commission. We undertake 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/about/InvestorRelations/sec_filings.aspx. 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://www.la-z-boy.com/about/investorRelations/IR_email_alerts.aspx.

Background Information

La-Z-Boy Incorporated is one of the world's leading residential furniture producers, marketing furniture for every room of the home. The La-Z-Boy Upholstery Group companies are Bauhaus, England and La-Z-Boy. The La-Z-Boy Casegoods Group companies are American Drew/Lea, Hammary and Kincaid.

The corporation's proprietary distribution network is dedicated exclusively to selling La-Z-Boy Incorporated products and brands, and includes 320 stand-alone La-Z-Boy Furniture Galleries® stores and 466 Comfort Studios, in addition to in-store gallery programs at the company's Kincaid, England and Lea operating units. According to industry trade publication *In Furniture*, the La-Z-Boy Furniture Galleries retail network is North America's largest single-brand furniture retailer. Additional information is available at http://www.la-z-boy.com/.

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LA-Z-BOY INCORPORATED

CONSOLIDATED STATEMENT OF OPERATIONS

(Amounts in thousands, except per share data)	Unaudited For the Quarter Ended 4/25/2009 (13 weeks)	Unaudited For the Quarter Ended 4/26/2008 (13 weeks)	Unaudited For the Year Ended 4/25/2009 (52 weeks)	Unaudited For the Year Ended 4/26/2008 (52 weeks)
Sales	$284,498	$368,030	$1,226,674	$1,450,941
Cost of sales				
Cost of goods sold	192,937	260,777	$878,089	1,051,656
Restructuring	123	2,610	9,818	5,057
Total cost of sales	193,060	263,387	887,907	1,056,713
Gross profit	91,438	104,643	338,767	394,228
Selling, general and administrative	87,140	102,192	375,011	399,470
Restructuring	433	632	2,642	3,078
Write-down of long-lived assets	467	—	7,503	—
Write-down of intangibles	—	2,617	47,677	8,426
Operating income (loss)	3,398	(798)	(94,066)	(16,746)
Interest expense	1,049	7,534	5,581	13,899
Income from Continued Dumping and Subsidy Offset Act, net	—	—	8,124	7,147
Interest income	619	575	2,504	3,614
Other income (expense), net	(23)	691	(7,998)	5,393
Income (loss) from continuing operations before income taxes	2,945	(7,066)	(97,017)	(14,491)
Income tax (benefit) expense	(2,378)	(2,595)	24,330	(6,954)
Income (loss) from continuing operations	5,323	(4,471)	(121,347)	(7,537)
Income (loss) from discontinued operations (net of tax)	—	50	—	(6,000)
Net income (loss)	$5,323	$(4,421)	$(121,347)	$(13,537)
Basic average shares	52,035	51,425	51,460	51,408
Basic income (loss) from continuing operations per share	$0.10	$(0.09)	$(2.36)	$(0.15)
Discontinued operations per share (net of tax)	—	—	—	(0.11)
Basic net income (loss) per share	$0.10	$(0.09)	$(2.36)	$(0.26)
Diluted average shares	52,035	51,425	51,460	51,408
Diluted income (loss) from continuing operations per share	$0.10	$(0.09)	$(2.36)	$(0.15)
Discontinued operations per share (net of tax)	—	—	—	(0.11)
Diluted net income (loss) per share	$0.10	$(0.09)	$(2.36)	$(0.26)
Dividends paid per share	$—	$0.04	$0.10	$0.40

LA-Z-BOY INCORPORATED
CONSOLIDATED BALANCE SHEET

(Amounts in thousands, except par value)	As of 4/25/2009	4/26/2008
Current assets		
Cash and equivalents	$17,364	$14,476
Restricted cash	18,713	506
Receivables, net of allowance of $28,385 in 2009 and $17,942 in 2008	147,858	200,422
Inventories, net	140,178	178,361
Deferred income taxes – current	795	12,398
Other current assets	22,872	21,325
Total current assets	347,780	427,488
Property, plant and equipment, net	150,234	171,001
Deferred income taxes – long term	—	26,922
Goodwill	—	47,233
Trade names	3,100	9,006
Other long-term assets, net of allowance of $4,309 in 2009 and $2,801 in 2008	51,431	87,220
Total assets	$552,545	$768,870
Current liabilities		
Current portion of long-term debt	$8,724	$4,792
Accounts payable	41,571	56,421
Accrued expenses and other current liabilities	75,733	102,700
Total current liabilities	126,028	163,913
Long-term debt	52,148	99,578
Deferred income taxes	724	—
Other long-term liabilities	67,912	54,783
Contingencies and commitments	—	—
Shareholders' equity		
Common shares, $1 par value – 150,000 authorized; 51,478 outstanding in 2009 and 51,428 outstanding in 2008	51,478	51,428
Capital in excess of par value	205,945	209,388
Retained earnings	70,769	190,215
Accumulated other comprehensive (loss)	(22,459)	(435)
Total shareholders' equity	305,733	450,596
Total liabilities and shareholders' equity	$552,545	$768,870

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands)	Unaudited Quarter Ended		Unaudited Year Ended	
	4/25/2009	**4/26/2008**	**4/25/2009**	**4/26/2008**
Cash flows from operating activities				
Net income (loss)	$5,323	$(4,421)	$(121,347)	$(13,537)
Adjustments to reconcile net income (loss) to cash provided by operating activities				
(Gain) loss on sale of assets	(106)	270	(2,813)	270
Write-down of investments	—	—	5,140	—
Write-down of intangibles	—	2,617	47,677	8,426
Write-down of long-lived assets	467		7,503	—
Write-down of assets from businesses held for sale (net of tax)	—	—	—	2,159
(Gain) loss on sale of discontinued operations (net of tax)	—	(198)	—	3,696
Restructuring	556	3,242	12,460	8,135
Provision for doubtful accounts	6,815	2,177	25,254	8,550
Depreciation and amortization	5,709	6,190	23,479	24,696
Stock-based compensation expense	952	1,362	3,819	4,527
Change in receivables	3,909	11,715	27,223	20,956
Change in inventories	29,615	5,574	36,995	23,471
Change in payables	(8,120)	(5,287)	(14,544)	(10,394)
Change in other assets and liabilities	(12,076)	(7,038)	(37,961)	(25,689)
Change in deferred taxes	623	(3,557)	38,803	(6,027)
Total adjustments	28,344	17,067	173,035	62,776
Net cash provided by operating activities	33,667	12,646	51,688	49,239
Cash flows from investing activities				
Proceeds from disposals of assets	1,229	1,023	9,060	8,761
Proceeds from sale of discontinued operations	—	—	—	4,169
Capital expenditures	(1,546)	(6,548)	(15,625)	(27,386)
Purchases of investments	(735)	(5,485)	(11,330)	(34,562)
Proceeds from sales of investments	12,794	5,338	34,675	35,580
Change in restricted cash	(10,543)	1,321	(18,207)	160
Change in other long-term assets	(235)	(2,791)	(581)	(705)
Net cash provided by (used for) investing activities	964	(7,142)	(2,008)	(13,983)
Cash flows from financing activities				
Proceeds from debt	336	92,470	50,794	93,861
Payments on debt	(28,100)	(142,578)	(92,139)	(144,790)
Stock issued/(canceled) for stock and employee benefit plans	—	(140)	—	(269)
Dividends paid	11	(2,076)	(5,177)	(20,746)
Net cash used for financing activities	(27,753)	(52,324)	(46,522)	(71,944)
Effect of exchange rate changes on cash and equivalents	(30)	(52)	(901)	109
Change in cash and equivalents	6,848	(46,872)	2,257	(36,579)
Cash acquired from consolidation of VIEs	—	—	631	—

Cash and equivalents at beginning of period	10,516	61,348	14,476	51,055
Cash and equivalents at end of period	$17,364	$14,476	$17,364	$14,476

LA-Z-BOY INCORPORATED
Segment Information

	Unaudited For the Quarter Ended		Unaudited For the Year Ended	
(Amounts in thousands)	**4/25/2009 (13 weeks)**	**4/26/2008 (13 weeks)**	**4/25/2009 (52 weeks)**	**4/26/2008 (52 weeks)**
Sales				
Upholstery Group	$214,952	$277,458	$899,204	$1,084,418
Casegoods Group	39,290	48,770	178,000	213,896
Retail Group	38,430	48,902	160,838	190,180
VIEs/Eliminations	(8,174)	(7,100)	(11,368)	(37,553)
Consolidated	$284,498	$368,030	$1,226,674	$1,450,941
Operating income (loss)				
Upholstery Group	$19,373	$22,961	$35,410	$70,332
Casegoods Group	(1,265)	1,752	554	10,151
Retail Group	(7,332)	(12,565)	(34,841)	(40,265)
Corporate and Other*	(6,355)	(7,087)	(27,549)	(40,403)
Restructuring	(556)	(3,242)	(12,460)	(8,135)
Long-lived asset write-down	(467)	—	(7,503)	—
Intangible write-down	—	(2,617)	(47,677)	(8,426)
Consolidated	$3,398	$(798)	$(94,066)	$(16,746)

* Variable Interest Entities ("VIEs") are included in corporate and other.

LA-Z-BOY INCORPORATED

Unaudited Quarterly Financial Data

(Dollar amounts in thousands, except per share data) **Fiscal Quarter Ended**	**7/26/2008** (13 weeks)	**10/25/2008** (13 weeks)	**1/24/2009** (13 weeks)	**4/25/2009** (13 weeks)
Sales	$321,652	$331,948	$288,576	$284,498
Cost of sales				
Cost of goods sold	235,115	242,681	207,356	192,937
Restructuring	5,795	2,236	1,664	123
Total cost of sales	240,910	244,917	209,020	193,060
Gross profit	80,742	87,031	79,556	91,438
Selling, general and administrative	91,837	101,942	94,092	87,140
Restructuring	781	687	741	433
Write-down of long-lived assets	—	—	7,036	467
Write-down of intangibles	1,292	408	45,977	—
Operating income (loss)	(13,168)	(16,006)	(68,290)	3,398
Interest expense	1,495	1,651	1,386	1,049
Income from Continued Dumping and Subsidy Offset Act, net	—	—	8,124	—
Interest income	932	630	323	619
Other income (expense), net	143	(685)	(7,433)	(23)
Pretax income (loss)	(13,588)	(17,712)	(68,662)	2,945
Income tax expense (benefit)	(5,044)	36,032	(4,280)	(2,378)
Net income (loss)	$(8,544)	$(53,744)	$(64,382)	$5,323
Diluted weighted average shares outstanding	51,428	51,458	51,475	52,035
Diluted net income (loss) per share	$(0.17)	$(1.04)	$(1.25)	$0.10

LA-Z-BOY INCORPORATED

Unaudited Quarterly Financial Data

(Dollar amounts in thousands, except per share data)	7/28/2007	10/27/2007	1/26/2008	4/26/2008
Fiscal Quarter Ended	(13 weeks)	(13 weeks)	(13 weeks)	(13 weeks)
Sales	$344,396	$365,434	$373,081	$368,030
Cost of sales				
Cost of goods sold	259,143	266,658	265,078	260,777
Restructuring	2,561	518	(632)	2,610
Total cost of sales	261,704	267,176	264,446	263,387
Gross profit	82,692	98,258	108,635	104,643
Selling, general and administrative	94,508	98,098	104,672	102,192
Restructuring	1,120	449	877	632
Write-down of intangibles	—	5,809	—	2,617
Operating income (loss)	(12,936)	(6,098)	3,086	(798)
Interest expense	2,097	2,120	2,148	7,534
Income from Continued Dumping and Subsidy Offset Act, net	—	—	7,147	—
Interest income	882	1,023	1,134	575
Other income, net	566	351	3,785	691
Income (loss) from continuing operations before income taxes	(13,585)	(6,844)	13,004	(7,066)
Income tax expense (benefit)	(5,043)	(3,192)	3,876	(2,595)
Income (loss) from continuing operations	(8,542)	(3,652)	9,128	(4,471)
Income (loss) from discontinued operations (net of tax)	(152)	(6,282)	384	50
Net income (loss)	$(8,694)	$(9,934)	$9,512	$(4,421)
Diluted weighted average shares outstanding	51,380	51,410	51,590	51,425
Diluted income (loss) from continuing operations per share	$(0.17)	$(0.07)	$0.18	$(0.09)
Diluted net income (loss) per share	$(0.17)	$(0.19)	$0.18	$(0.09)