

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549-1004

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)  
of the Securities Exchange Act of 1934

FOR QUARTER ENDED July 29, 1995 COMMISSION FILE NUMBER 1-9656

LA-Z-BOY CHAIR COMPANY  
(Exact name of registrant as specified in its charter)

MICHIGAN 38-0751137  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

1284 North Telegraph Road, Monroe, Michigan 48162-3390  
(Address of principal executive offices) (Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (313) 241-4414

None  
Former name, former address and former fiscal year, if changed since  
last report.

Indicate by check mark whether the registrant (1) has filed all reports  
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of  
1934 during the preceding 12 months and (2) has been subject to such filing  
requirements for the past 90 days.

YES [X] NO [ ]

Indicate the number of shares outstanding of each issuer's classes of  
common stock, as of the last practicable date:

Class	Outstanding at July 29, 1995
Common Shares, \$1.00 par value	18,461,367

Part I. Financial Information

The Consolidated Balance Sheet and Consolidated Statement of Income required  
for Part I are contained in the Registrant's Financial Information Release  
dated August 17, 1995 and are incorporated herein by reference.

LA-Z-BOY CHAIR COMPANY CONSOLIDATED STATEMENTS OF CASH FLOWS  
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS  
(Unaudited, dollar amounts in thousands)

	Three Months Ended	
	July 29, 1995	July 30, 1994
Cash Flows from Operating Activities		
Net income	\$3,175	\$4,270
Adjustments to reconcile net income		

to net cash provided by operating activities		
Depreciation and amortization	4,684	3,732
Change in receivables	37,849	33,909
Change in inventories	(4,393)	(9,192)
Change in other assets and liab.	(15,846)	(12,093)
Change in deferred taxes	0	0
	-----	-----
Total adjustments	22,294	16,356
	-----	-----
Cash Provided by Operating Activities	25,469	20,626
Cash Flows from Investing Activities		
Proceeds from disposals of assets	133	24
Capital expenditures	(3,160)	(5,990)
Change in other investments	959	(459)
	-----	-----
Cash Used for Investing Activities	(2,068)	(6,425)
Cash Flows from Financing Activities		
Long-term debt	0	7,500
Change in unexpended IRB funds	0	(2,566)
Retirements of debt	(4,072)	(4,750)
Capital lease principal payments	(517)	0
Sale of stock under stock option plans	1,268	203
Stock for 401(k) employee plans	305	401
Purchase of La-Z-Boy stock	(4,392)	(6,609)
Payment of cash dividends	(3,155)	(3,109)
	-----	-----
Cash Used for Financing Activities	(10,563)	(8,930)
Effect of exch. rate changes on cash	(78)	(17)
	-----	-----
Net change in cash and equivalents	12,760	5,254
Cash and equiv. at beginning of period	27,048	25,926
	-----	-----
Cash and equiv. at end of period	\$39,808	\$31,180
	=====	=====
Cash paid during period - Income taxes	\$1,657	\$2,873
- Interest	\$1,110	\$602

For purposes of the Statement of Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

#### LA-Z-BOY CHAIR COMPANY AND OPERATING DIVISIONS

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

##### 1. Basis of Presentation

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The financial information is prepared in conformity with generally accepted accounting principles and such principles are applied on a basis consistent with those reflected in the 1995 Annual Report filed with the Securities and Exchange Commission. The financial information included herein, other than the consolidated condensed balance sheet as of April 29, 1995, has been prepared by management without audit by independent certified public accountants who do not express an opinion thereon. The consolidated condensed balance sheet as of July 29, 1995 has been derived from, but does not include all the disclosures contained in, the

audited consolidated financial statements for the year ended April 29, 1995. The information furnished includes all adjustments and accruals consisting only of normal recurring accrual adjustments which are, in the opinion of management, necessary for a fair presentation of results for the interim period.

2. Interim Results  
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The foregoing interim results are not necessarily indicative of the results of operations for the full fiscal year ending April 27, 1996.

3. Commitments and Contingencies  
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There has been no significant change from the prior fiscal year end audited financial statements.

LA-Z-BOY CHAIR COMPANY AND OPERATING DIVISIONS  
MANAGEMENT DISCUSSION

La-Z-Boy's sales and profits historically have been weakest in the first quarter of the fiscal year due to the Company's two-week vacation shutdown which coincides with the slowest sales period. Therefore, first quarter comparison to the prior year's first quarter may not be indicative of trends that will continue in the remaining quarters of the fiscal year.

Due to the cyclical nature of the Company's business, comparison of operations between the most recently completed quarter and the immediate preceding quarter would not be meaningful and could be misleading to the reader of these financial statements.

For further Management Discussion, see attached Exhibit 99.

The Company's strong financial position is reflected in the debt to capital percentage of 20% and a current ratio of 4.0 to 1 at the end of the first quarter. At April 29, 1995, the debt to capital percentage was 20% and the current ratio was 3.7 to 1. At the end of the preceding year's first quarter, the debt to capital percentage was 17% and the current ratio was 4.4 to 1. As of July 29, 1995, there was \$63 million of unused lines of credit available under several credit arrangements.

Approximately 15% of the 2 million shares of Company stock authorized for purchase on the open market are still available for purchase by the Company. The Company plans to be in the market for its shares as changes in its stock price and other factors present appropriate opportunities.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders  
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The Annual Meeting of Stockholders of La-Z-Boy Chair Company was held on July 31, 1995, for the purposes of electing four members to the board of directors. Proxies for the meeting were solicited pursuant to Section 14(a) of the Securities and Exchange Act of 1934 and there was no solicitation in opposition of Management's solicitations. All of Management's nominees for directors as listed in the proxy statement were elected.

Item 6. Exhibits and Reports on Form 8-K.  
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(a) (27) Financial Data Schedule (EDGAR only)

(99) News Release and Financial Information Release: re Actual first quarter results and Management Discussion dated August 17, 1995.

(b) An 8-K was filed on May 1, 1995 relating to the acquisition of England/Corsair. An 8-K/A was filed May 10, 1995 amending this 8-K.

An 8-K was filed June 1, 1995 releasing fourth quarter and full year financial results. This release also included the financial section of the 1995 Annual Report.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q for the quarter ended July 29, 1995 to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY CHAIR COMPANY  
(Registrant)

Date: August 17, 1995

James J. Korsnack  
Corporate Controller

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News Release

SOFT FURNITURE DEMAND DAMPENS LA-Z-BOY'S FIRST QUARTER

MONROE, MI., August 17, 1995: La-Z-Boy Chair Company's reported sales rose 12% during the company's 1996 first quarter that ended July 29, 1995. As expected, comparable sales (which includes a recently acquired company's sales as if they were in last year's results) declined slightly for the period due to industrywide softness in residential furniture sales. Earnings were lower primarily because of fixed costs and other previously committed to expenses. La-Z-Boy management expects improved results in the second quarter.

Financial Details

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First quarter sales were \$195.8 million, up 12% from sales of \$174.4 million in the 1995 fiscal first quarter. The '96 first quarter was the first in which results of recently acquired England/Corsair, Inc. (E/C) were included with those of La-Z-Boy. Comparable sales -- that is, including E/C on a pro forma basis in last year's sales -- decreased 1%. Sales were down slightly at the company's four U.S. residential furniture divisions, while Canadian sales and contract furniture sales increased.

NET PROFITS were \$3.2 million compared to last year's first quarter profits of \$4.3 million. Per share profits were \$0.17 vs. last year's \$0.23. Profits were affected by soft residential demand, higher interest expenses and higher national TV advertising expenditures.

Chairman Comments

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La-Z-Boy Chairman and President Charles T. Knabusch said the company's 1% comparable sales decline was "modest" compared to soft sales for the U.S. furniture industry as a whole. "La-Z-Boy's new national TV advertising campaign and improvements in the strength of our nationwide dealer organization are two reasons why our sales performance remains ahead of the industry average."

Mr. Knabusch said sales in the '96 second quarter ending in October, "could exceed last year's strong second quarter" after adjusting for E/C's noncomparable sales. "We base this positive view on economic statistics related to the furniture industry and the favorable outlook expressed by our dealers," he said.

More

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On July 31, 1995, La-Z-Boy increased its dividend per share 12% or \$.02 from \$0.17 to \$0.19 for shareholders of record as of today.

In general, incoming sales orders and backlogs, as of this press release date, are slightly behind the levels of a year ago and significantly greater than three months ago.

For more details please see La-Z-Boy's Form 10-Q filed with the SEC (available on EDGAR) which includes, among other things, the full P&L, balance sheet, cash flow statement and more management discussion.

NYSE & PSE: LZB

Contact: Jim Korsnack (313) 241-4208

La-Z-Boy Chair Company Financial Information Release  
CONSOLIDATED SUMMARY OF OPERATIONS

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08/17/95

(Amounts in thousands, except per share data)

THIRD QUARTER ENDED (UNAUDITED)

	Amounts			Percent of Sales	
	July 29, 1995	July 30, 1994	% Over (Under)	1995	1994
Sales	\$195,757	\$174,387	12%	100.0%	100.0%
Cost of sales	151,378	133,654	13%	77.3%	76.6%
Gross profit	44,379	40,733	9%	22.7%	23.4%
S, G & A	37,937	33,032	15%	19.4%	19.0%
Operating profit	6,442	7,701	-16%	3.3%	4.4%
Interest expense	1,464	662	121%	0.7%	0.4%
Interest income	456	273	67%	0.2%	0.2%
Other income	375	273	37%	0.2%	0.1%
Pretax income	5,809	7,585	-23%	3.0%	4.3%
Income taxes	2,634	3,315	-21%	45.3%*	43.7%*
Net income	\$3,175	\$4,270	-26%	1.6%	2.4%
Average shares	18,494	18,253	1%		
Earnings per share	\$0.17	\$0.23	-26%		
Dividends per share	\$0.17	\$0.17	0%		

\* As a percent of pretax income, not sales.

Acquisition amortization of \$260 for the first quarter ended July 30, 1994 has been reclassified from other income to selling, general and administrative.

Overall:

Refer to today's news release for additional comments. England/Corsair (E/C) is included in the quarter ended July 29, 1995 results, but not in the quarter ended July 30, 1994 results.

Gross Profit:

Gross profit declined from 23.4% of sales last year to 22.7% of sales this year primarily due to the historically lower than average gross profit of E/C. This impact is expected to continue throughout the year.

S,G & A:

The increase in S,G, & A from 19.0% of sales last year to 19.4% of sales this year was primarily due to higher national TV advertising expenditures.

Interest Expense:

The increase in interest expense was due to the inclusion of E/C along with interest on notes issued to purchase E/C.

Income Taxes:

The increase in income tax as a percent of pretax income increased from 43.7% last year to 45.3% this year primarily due to the amortization of non-deductible goodwill relating to the purchase of E/C. To a lesser extent, the rate increase was also due to the amortization of other non-deductible

goodwill.

La-Z-Boy Chair Company Financial Information Release  
CONSOLIDATED BALANCE SHEET

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08/17/95

(Dollars in thousands)

	Unaudited		Increase (Decrease)		Audited April 29, 1995
	July 29, 1995	July 30, 1994	Dollars	Percent	
Current Assets					
Cash & equivalents	\$39,808	\$31,180	\$8,628	28%	\$27,048
Receivables	155,089	149,206	5,883	4%	192,938
Inventories					
Raw materials	38,968	36,451	2,517	7%	39,604
Work-in-process	35,570	30,621	4,949	16%	35,036
Finished goods	33,742	30,137	3,605	12%	29,051
FIFO inventories	108,280	97,209	11,071	11%	103,691
Excess of FIFO over LIFO	(22,795)	(20,781)	(2,014)	-10%	(22,600)
Total inventories	85,485	76,428	9,057	12%	81,091
Deferred income taxes	18,242	15,160	3,082	20%	18,242
Other current assets	8,246	6,419	1,827	28%	6,081
Total Current Assets	306,870	278,393	28,477	10%	325,400
Property, plant & equipment	115,848	96,770	19,078	20%	117,175
Goodwill	41,414	20,529	20,885	102%	41,701
Other long-term assets	18,891	22,456	(3,565)	-16%	19,542
Total Assets	\$483,023	\$418,148	\$64,875	16%	\$503,818

	Unaudited		Increase (Decrease)		Audited April 29, 1995
	July 29, 1995	July 30, 1994	Dollars	Percent	
Current Liabilities					
Current portion of l/t debt	\$5,676	\$1,875	\$3,801	203%	\$4,676
Current portion - captl leases	2,078	-	2,078	N/M	2,078
Accounts payable	29,169	24,160	5,009	21%	29,323
Payroll/benefits	18,549	16,475	2,074	13%	31,845
Estimated income taxes	5,854	4,293	1,561	36%	4,855
Other current liabilities	14,777	16,238	(1,461)	-9%	15,343
Total Current Liabilities	76,103	63,041	13,062	21%	88,120
Long-term debt	66,077	56,245	9,832	17%	71,149
Capital leases	5,141	-	5,141	N/M	5,298
Deferred income taxes	6,610	6,949	(339)	-5%	6,610
Other long-term liabilities	8,318	8,933	(615)	-7%	9,001
Shareholders' Equity					
18,461,367 shares, \$1.00 par	18,461	18,011	450	2%	18,562



Capital in excess of par	28,130	10,237	17,893	175%	28,085
Retained earnings	274,995	255,627	19,368	8%	277,738
Currency translation	(812)	(895)	83	9%	(745)
	-----	-----	-----	-----	-----
Total Shareholders' Equity	320,774	282,980	37,794	13%	323,640
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Total Liabilities and Shareholders' Equity	\$483,023	\$418,148	\$64,875	16%	\$503,818
	=====	=====	=====	=====	=====

The July 29, 1995 and the April 29, 1995 balance sheets include E/C's assets and liabilities. The July 30, 1994 balance sheet does not include E/C and is not comparable to the other periods.