

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 30, 1994 COMMISSION FILE NUMBER 0-5091

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

MICHIGAN
(State or other jurisdiction of
incorporation or organization)

38-0751137
(I.R.S. Employer
Identification No.)

1284 North Telegraph Road, Monroe, Michigan
(Address of principal executive offices)

48161-3390
(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 30, 1994
Common Shares, \$1.00 par value	18,010,860

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 22, 1994 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 30, 1994	July 24, 1993
Cash Flows from Operating Activities		
Net income	\$4,270	\$7,326
Adjustments to reconcile net income		

to net cash provided by operating activities		
Accounting change	0	(3,352)
Depreciation and amortization	3,732	3,299
Change in receivables	33,909	30,984
Change in inventories	(9,192)	(12,331)
Change in other assets and liab.	(12,093)	(15,239)
Change in deferred taxes	0	358
	-----	-----
Total adjustments	16,356	3,719
	-----	-----
Cash Provided by Operating Activities	20,626	11,045
Cash Flows from Investing Activities		
Proceeds from disposals of assets	24	11
Capital expenditures	(5,990)	(3,320)
Change in other investments	(459)	(1,064)
	-----	-----
Cash Used for Investing Activities	(6,425)	(4,373)
Cash Flows from Financing Activities		
Short-term debt	0	0
Long-term debt	7,500	0
Change in unexpended IRB funds	(2,566)	0
Retirements of debt	(4,750)	(89)
Sale of stock under stock option plans	203	643
Stock for 401(k) employee plans	401	759
Purchase of La-Z-Boy stock	(6,609)	(517)
Payment of cash dividends	(3,109)	(2,730)
	-----	-----
Cash Used for Financing Activities	(8,930)	(1,934)
Effect of exch. rate changes on cash	(17)	(125)
	-----	-----
Net change in cash and equivalents	5,254	4,613
Cash and equiv. - beginning of period	25,926	28,808
	-----	-----
Cash and equiv. - end of period	\$31,180	\$33,421
	=====	=====
Cash paid during period - Income taxes	\$2,873	\$3,407
- Interest	602	674

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.

Certain July 24, 1993 balance sheet items have been reclassified for comparability to July 30, 1994.

LA-Z-BOY CHAIR COMPANY AND OPERATING DIVISIONS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

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 1994 Annual Report filed with the Securities and Exchange Commission. The financial information included

herein, other than the consolidated condensed balance sheet as of April 30, 1994, 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 30, 1994 has been derived from, but does not include all the disclosures contained in, the audited consolidated financial statements for the year ended April 30, 1994. 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

The foregoing interim results are not necessarily indicative of the results of operations for the full fiscal year ending April 29, 1995.

3. Commitments and Contingencies

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 I.

The Company's strong financial position is reflected in the debt to capital percentage of 17% and a current ratio of 4.4 to 1 at the end of the first quarter. At April 30, 1994, the debt to capital percentage was 17% and the current ratio was 4.1 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 30, 1994, there was \$60 million of unused lines of credit available under several credit arrangements.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company has been named as defendant in various lawsuits arising in the normal course of business. It is not possible at the present time to estimate the ultimate outcome of these actions; however, management believes that the resultant liability, if any, will not be material to the Company's consolidated financial position.

Item 2. Changes in Securities

None.

Item 3. Default Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Shareholders of La-Z-Boy Chair Company was held on July 25, 1994, for the purposes of electing three 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 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

Exhibit I News Release and Financial Information Release: re Actual first quarter results and Management Discussion dated August 22, 1994.

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 30, 1994 to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY CHAIR COMPANY
(Registrant)

Date: August 22, 1994

James J. Korsnack
Corporate Controller

LA-Z-BOY'S FIRST QUARTER SALES AND EARNINGS IMPROVE

MONROE, MI., August 22, 1994: La-Z-Boy Chair Company's fiscal first quarter that ended July 30, 1994 recorded sales up 8%, operating profit up 17% and net income up 7% compared to last year's first quarter. Both sales and earnings were record highs for a first quarter (excluding the effect of an accounting change).

Financial Details

First quarter sales grew to \$174 million vs. \$162 million, an increase of 8%.

Net income for the quarter (before an accounting change) improved 7% to \$4.3 million (\$.23 per share) vs. \$4.0 million (\$.22 per share) in last year's first quarter. (Last year there was an \$.18 per share earnings gain due to a tax accounting change which increased net income to \$.40 per share.) Income tax expense was higher than last year as a percent of pretax income due primarily to an unfavorable mix of tax rates across tax divisions.

Chairman Comments

La-Z-Boy Chairman and President Charles T. Knabusch said, "First quarter sales were good and we look forward to an historically strong fall season. The consumer magazine advertising campaign that proved highly successful this spring will run again in September and October."

After six consecutive quarters of double-digit sales increases compared to the prior year, the first quarter's 8% increase indicates a slower rate of growth. Mr. Knabusch said, "Over the past two year period, La-Z-Boy has experienced a 25% increase in first quarter sales, achieved through internal growth and with few price increases. The full year [FY 95] could look similar to the first quarter in that our sales increases might be less than double-digit percentages but would be strong nevertheless."

More

La-Z-Boy's first quarter health-care costs were higher than anticipated. Costs for health care also had been higher than expected in the preceding four months. On August 1, La-Z-Boy enacted changes in its health-care plan to help offset these increases.

During the month of July, La-Z-Boy bought back 300,000 shares of its own stock in a privately negotiated transaction. This represented less than 2% of the roughly 18,300,000 shares outstanding at the time. There are about 660,000 shares of company stock remaining of the 2,000,000 shares that the Board has authorized management to repurchase. La-Z-Boy has no set timetable for future buybacks.

(Amounts in thousands, except per share data)

FIRST QUARTER ENDED (UNAUDITED)	

Amounts	Percent of Sales
-----	-----

	July 30, 1994	July 24, 1993	% Over (Under)	----- 1994	----- 1993
Sales	\$174,387	\$162,096	8%	100.0%	100.0%
Cost of sales	133,654	123,047	9%	76.6%	75.9%
Gross profit	40,733	39,049	4%	23.4%	24.1%
S,G & A	32,772	32,249	2%	18.8%	19.9%
Operating profit	7,961	6,800	17%	4.6%	4.2%
Interest expense	662	720	-8%	0.4%	0.4%
Other income	286	457	-37%	0.1%	0.2%
Pretax income	7,585	6,537	16%	4.3%	4.0%
Income taxes	3,315	2,563	29%	43.7%**	39.2%**
Income before acctg. change	4,270	3,974	7%	2.4%	2.4%
Accounting change	-	3,352	N/A	-	2.1%
Net income	\$4,270	\$7,326	-42%	2.4%	4.5%
Average shares	18,253	18,214	0%		
Earnings per share:					
Income before acctg. change	\$0.23	\$0.22	5%		
Accounting change	-	0.18	N/A		
Net income	\$0.23	\$0.40	-43%		
Dividends per share	\$0.17	\$0.15	13%		

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

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

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(Dollars in thousands)

	Unaudited		Increase (Decrease)		Audited April 30, 1994
	July 30, 1994	July 24, 1993	Dollars	Percent	
Current Assets					
Cash & equivalents	\$31,180	\$33,421	(\$2,241)	-7%	\$25,926
Receivables	149,206	138,966	10,240	7%	183,115
Inventories					
Raw materials	36,451	33,833	2,618	8%	31,867
Work-in-process	30,621	30,998	(377)	-1%	29,325
Finished goods	30,137	25,843	4,294	17%	26,676
FIFO inventories	97,209	90,674	6,535	7%	87,868
Excess of FIFO over LIFO	(20,781)	(17,856)	(2,925)	-16%	(20,632)
Total inventories	76,428	72,818	3,610	5%	67,236
Deferred income taxes	15,160	13,719	1,441	11%	15,160
Other current assets	6,419	6,422	(3)	-0%	4,148

Total Current Assets	278,393	265,346	13,047	5%	295,585
Property, plant & equipment	96,770	90,677	6,093	7%	94,277
Goodwill	20,529	21,436	(907)	-4%	20,752
Other long-term assets	22,456	17,707	4,749	27%	19,639
	-----	-----	-----	-----	-----
Total Assets	\$418,148	\$395,166	\$22,982	6%	\$430,253
	=====	=====	=====	=====	=====

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

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(Dollars in thousands)

Current Liabilities					
Current portion of L/T debt	\$1,875	\$3,328	(\$1,453)	-44%	\$2,875
Accounts payable	24,160	20,851	3,309	16%	21,552
Payroll/benefits	16,475	16,267	208	1%	29,453
Estimated income taxes	4,293	7,859	(3,566)	-45%	3,882
Other current liabilities	16,238	12,454	3,784	30%	13,701
	-----	-----	-----	-----	-----
Total Current Liabilities	63,041	60,759	2,282	4%	71,463
Long-term debt	56,245	52,495	3,750	7%	52,495
Deferred income taxes	6,949	6,430	519	8%	6,949
Other long-term liabilities	8,933	6,776	2,157	32%	8,435
Shareholders' Equity					
18,010,860 shares, \$1.00 par	18,011	18,242	(231)	-1%	18,287
Capital in excess of par	10,237	8,770	1,467	17%	10,147
Retained earnings	255,627	241,999	13,628	6%	263,348
Currency translation	(895)	(305)	(590)	-193%	(871)
	-----	-----	-----	-----	-----
Total Shareholders' Equity	282,980	268,706	14,274	5%	290,911
	-----	-----	-----	-----	-----
Total Liabilities and Shareholders' Equity	\$418,148	\$395,166	\$22,982	6%	\$430,253
	=====	=====	=====	=====	=====

Certain July 24, 1993 balance sheet items have been reclassified for comparability to July 30, 1994.

La-Z-Boy Chair Company Financial Information Release

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Overall:

Refer to today's news release for additional comments.

Gross Profit:

Gross profit declined from 24.1% of sales last year to 23.4% of sales this year primarily due to lower sales in Canada, changes in freight programs and plant expansion start-up costs.

S, G & A:

The S, G & A expense decreased from 19.9% of sales last year to 18.8% of sales

this year largely due to changes in freight programs, lower bonus expense, and lower bad debt expense.

Other Income:

- - -----

The decrease in other income was related to pensions. The discount rate and rate of return on assets were reduced in the third quarter last year. In addition, the rate of return was further reduced in this year's first quarter.

Other Long-Term Assets and Debt:

- - -----

An Industrial Revenue Bond (IRB) loan of \$7.5 million relating to the new Siloam Springs plant was obtained in the first quarter of this year. The Company made scheduled debt payments of \$2.9 million, and an early payment of \$1.9 million in the first quarter this year, therefore the net increase in debt from April was \$2.7 million. Other long-term assets increased \$2.6 million relating to unexpended funds for the Siloam Springs IRB.

Other Current Liabilities:

- - -----

The increase in other current liabilities over last year was primarily due to declaring a dividend in the first quarter of fiscal year 1995 vs. early in the second quarter of fiscal 1994.