



La-Z-Boy Completes Sale of Clayton Marcus to Rowe Fine Furniture

10/02/07

MONROE, Mich., Oct. 2 /PRNewswire-FirstCall/ -- La-Z-Boy Incorporated (NYSE: LZB) today announced that it completed the sale of its subsidiary, Clayton-Marcus Company, Inc., to Rowe Fine Furniture, Inc. ("Rowe"). Terms of the transaction, which closed on September 29, 2007, were not disclosed. However, the company will record an approximate \$5.5 million pre-tax loss from this transaction, of which about \$3.4 million is related to the intangible assets of Clayton Marcus. The loss will be included in "income (loss) from discontinued operations (net of tax)" line of La-Z-Boy's Statement of Operations.

Headquartered in Hickory, North Carolina and founded in 1960, Clayton Marcus is a well-established, niche manufacturer of medium to upper-medium priced upholstered furniture.

Kurt Darrow, President and Chief Executive Officer of La-Z-Boy Incorporated, said, "We are pleased to have finalized the sale of Clayton Marcus to Rowe. We are confident that Rowe will be a solid new owner for Clayton Marcus and that its customers will continue to be well serviced. We wish both our customers and our employees all the best going forward."

Rowe, a manufacturer of upholstered furniture, is under new ownership by an affiliate of Sun Capital Partners, Inc.

Please refer to Rowe Fine Furniture's news release for further information (<http://www.rowefurniture.com>).

Background Information

La-Z-Boy Incorporated is one of the world's leading residential furniture producers, distributors and retailers, marketing furniture for every room of the home. The La-Z-Boy Upholstery Group companies are Bauhaus, England, La-Z- Boy and La-Z-Boy, U.K. The La-Z-Boy Caseloads Group companies are American Drew, Hammary, Kincaid and Lea. The La-Z-Boy Retail Group consists of 69 stores operating in eight metropolitan markets.

The corporation's proprietary distribution network is dedicated exclusively to selling La-Z-Boy Incorporated products and brands, and includes 333 stand-alone La-Z-Boy Furniture Galleries(R) stores and 281 La-Z-Boy In- Store Galleries, 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> /.

SOURCE La-Z-Boy Incorporated

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(LZB)

CO: La-Z-Boy Incorporated; Rowe Fine Furniture, Inc.; Clayton Marcus Company,
Inc.

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