



Hooker Furniture to Purchase Sam Moore from La-Z-Boy

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MARTINSVILLE, Va. and MONROE, Mich., Feb. 13 /PRNewswire-FirstCall/ -- Hooker Furniture Corporation (Nasdaq: HOFT) and La-Z-Boy Incorporated (NYSE: LZB) today announced they signed a letter of intent for Hooker to purchase Sam Moore Furniture, a Bedford, Va.-based manufacturer of upscale occasional chairs with an emphasis on fabric-to-frame customization, from La-Z-Boy.

Sam Moore, a 63-year-old company owned since 1998 by La-Z-Boy, is positioned in the upper-medium price range, has a similar dealer base and is a niche- and item-oriented line like Hooker, making the proposed acquisition a "great fit," according to Paul B. Toms Jr., chairman, chief executive officer and president of Hooker.

"This acquisition would help us attain one of our strategic goals to further diversify into fabric upholstery," Toms said. In 2003, Hooker acquired upscale leather seating company Bradington-Young, and the combination of the two seating resources under the Hooker Furniture umbrella "would create approximately \$100 million in annual upholstery sales for the Company, and also would take our total revenues closer to the \$400 million mark," he said.

Kurt L. Darrow, president and chief executive officer of La-Z-Boy, said, "Sam Moore is a great company with an excellent product line and customer base; however, it doesn't fit with our long-term strategic direction. Hooker is a natural partner for this business and we are confident our customers would be well serviced. We'd like to express our gratitude to our employees and customers for their dedication to both Sam Moore and La-Z-Boy and look forward to their assistance during the transition period."

Toms added, "We believe there is a good future for domestically-produced upholstery, especially for a company that offers customization, and 60% of Sam Moore's business is special order." He added, "Sam Moore is well positioned with the interior design trade, which would further another Hooker strategic goal to strengthen business with the designer distribution channel."

According to the terms of the letter of intent, the acquisition would be a cash purchase of all the Sam Moore assets, which include property, plant, equipment, inventories and accounts receivable. Sam Moore's assets include an approximately 325,000 square-foot production facility and corporate offices in Bedford.

Also under the terms of the letter, Sam Moore President Mike Moldenhauer would continue with the company. Moldenhauer said, "We are delighted at the prospect of becoming part of a Virginia-based company that is growth focused and enjoys the same fine tradition of high-quality furniture as Sam Moore. This is a very positive announcement for our employees, customers and suppliers."

"Sam Moore is a strong company with a good name, a great work force and management team," said Toms. "While we think we can help to ramp up sales at Sam Moore, we expect the company would operate autonomously on a day to day basis."

Other marketing and merchandising synergies the transaction would offer include rounding out the product assortment for Hooker's SmartLiving ShowPlace retail galleries and complementing Hooker's import accent chair business. "We already have an \$8.5 million business with our imported decorative chairs that are sold from our warehouse or through our container direct program," Toms said. "We can visualize taking some of the best selling frames in our current line and offering them with special order fabrics utilizing the expertise of Sam Moore."

The transaction is expected to close some time in the second quarter of the 2007 calendar year, subject to, among other things, completion of due diligence and negotiation of a definitive acquisition agreement.

Ranked among the nation's top 10 largest publicly traded furniture providers based on 2005 shipments to U.S. retailers, Hooker Furniture is an 82-year old importer and manufacturer of residential wood, metal and upholstered furniture. The Company's principal customers are home furnishings retailers who are broadly dispersed throughout North America. Major furniture categories include home entertainment and wall units, home office, casual and formal dining, bedroom, bath furnishings, accent, occasional and motion and stationary leather and fabric upholstered furniture. With approximately 1,000 employees, the Company operates manufacturing plants and supply plants, several distribution centers, warehouses and showrooms and a corporate office in Virginia and North Carolina. Please visit our websites at www.hookerfurniture.com and www.bradington-young.com

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, Centurion, England and La-Z-Boy. The La-Z-Boy Casegoods Group companies are American Drew, Hammery, Kincaid, Lea, Clayton Marcus, and Pennsylvania House.

La-Z-Boy's proprietary distribution network is dedicated exclusively to selling La-Z-Boy Incorporated products and brands, and includes 340 stand-alone La-Z-Boy Furniture Galleries(R) stores and 307 La-Z-Boy In-Store Galleries, in addition to in-store gallery programs at the company's Kincaid, Pennsylvania House, Clayton Marcus, England and Lea operating units. Additional information is available at <http://www.la-z-boy.com/>.

Statements made in this release, other than those concerning historical financial information, may be considered forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, including but not limited to: whether Hooker Furniture and La-Z-Boy will be able to consummate the proposed acquisition and whether Hooker Furniture will successfully integrate Sam Moore's business operations; domestic and international competition in the furniture industry; general economic or business conditions, both domestically and internationally; the cyclical nature of the furniture industry; achieving and managing growth and change and the risks associated with acquisitions, restructurings, strategic alliances and international operations; supply, transportation and distribution disruptions or delays affecting imported and domestically manufactured products; adverse political acts or developments in, or affecting, the international markets from which the Company imports products, including duties or tariffs imposed on products imported by the Company; changes in domestic and international monetary policies and fluctuations in foreign currency exchange rates affecting the price of the Company's

imported products; risks associated with distribution through retailers, such as non-binding dealership arrangements; risks associated with manufacturing operations, such as fluctuations in the price of key raw materials, including lumber and leather, and environmental matters; and capital requirements and costs.

SOURCE La-Z-Boy Incorporated

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