



## La-Z-Boy To Acquire La-Z-Boy Furniture Galleries® Stores In Southern Ohio Region

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MONROE, Mich., Aug. 14, 2012 /PRNewswire via COMTEX/ --La-Z-Boy Incorporated (NYSE: LZB) today announced it intends to acquire nine La-Z-Boy Furniture Galleries® stores and a supporting distribution center in southern Ohio. Included in the acquisition are four stores in Cincinnati, three in Columbus and two in Dayton, with combined revenue in calendar 2011 of approximately \$30 million. The transaction is a result of the planned retirements of two owners and the mutually agreed-upon decision that selling the stores to La-Z-Boy Incorporated would be in the best interest of their employees while providing for the greatest stability and continuity of the long-standing southern Ohio business. The nine stores and distribution center will become part of La-Z-Boy's retail operation and will bring the total company-owned store count to 94. The transaction is expected to close in October 2012, subject to customary closing conditions.

Kurt Darrow, Chairman, President and Chief Executive Officer, said, "We look forward to adding the southern Ohio market to our company-owned store portfolio. Throughout their tenure as part of the La-Z-Boy Furniture Galleries® system, the owners did an excellent job building the brand and business in their markets over more than 35 years. The enterprise has consistently been a solid performer, and we expect it to be accretive to our earnings. Additionally, with our long-range strategic initiative to service more stores from company-owned distribution centers, the location of the southern Ohio-based facility will fill a void in our current footprint, allowing us to provide distribution center resources for approximately 25 to 30 La-Z-Boy Furniture Galleries® stores over time, including the three new Pittsburgh, Pennsylvania stores we plan to open over the next 12 months."

Chuck Hausfeld, a 25-year veteran with the southern Ohio operation will become the Market Sales Manager for the area, reporting to Dan King, Vice President of La-Z-Boy's Retail business. Hausfeld will be responsible for overseeing sales, staffing and training for the nine-store operation, which will operate similarly to La-Z-Boy's company-owned retail markets in terms of roles and responsibilities.

Darrow added, "With a solid retail team in place, we anticipate a smooth transition of the business. Further, we expect it to be seamless to consumers who will continue to enjoy the pleasant, comfortable and professional shopping experience they have come to expect in a La-Z-Boy Furniture Galleries® store."

### **Forward-looking Information**

This news release contains, and oral statements made from time to time by representatives of La-Z-Boy may contain, "forward-looking statements." With respect to all forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Actual results could differ materially from those we anticipate or project due to a number of factors, including: (a) changes in consumer confidence and demographics; (b) speed of recovery from the recent economic recession or the emergence of a second wave of the recession; (c) changes in the real estate and credit markets and their effects on our customers and suppliers; (d) international political unrest, terrorism or war; (e) volatility in energy and other commodities prices; (f) the impact of logistics on imports; (g) interest rate and currency exchange rate changes; (h) operating factors, such as supply, labor or distribution disruptions; (i) any court actions requiring us to return our share of certain Continued Dumping and Subsidy Offset Act distributions; (j) changes in the domestic or international regulatory environment; (k) adoption of new accounting principles; (l) severe weather or other natural events such as hurricanes, earthquakes, flooding, tornadoes and tsunamis; (m) our ability to procure fabric rolls and leather hides or cut-and-sewn fabric and leather sets domestically or abroad; (n) fluctuations in our stock price; (o) information technology conversions or system failures; (p) effects of our brand awareness and marketing programs; (q) the discovery of defects in our products resulting in delays in manufacturing, recall campaigns, reputational damage, or increased warranty costs; (r) litigation arising out of alleged defects in our products; (s) our ability to locate new La-Z-Boy Furniture Galleries® stores owners and negotiate favorable lease terms for new or existing locations; and (t) those matters discussed in Item 1A of our fiscal 2012 Annual Report 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, whether to reflect new information or 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://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-sec>. 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://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-alerts&t=&id=&>.

### **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 operating units in the Casegoods Group consist of two groups, one including American Drew, Lea and Hammary, and the second being Kincaid. The company-owned retail segment includes 85 of the 312 La-Z-Boy Furniture Galleries® stores.

The corporation's proprietary distribution network is dedicated exclusively to selling La-Z-Boy Incorporated products and brands, and includes 312 stand-alone La-Z-Boy Furniture Galleries® stores and 553 independent Comfort Studios®, in addition to in-store gallery programs for the company's Kincaid, England and Lea operating units. Additional information is available at <http://www.la-z-boy.com/>.

SOURCE La-Z-Boy Incorporated