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 January 23, 1999 COMMISSION FILE NUMBER 1-9656

LA-Z-BOY INCORPORATED

(Exact name of registrant as specified in its charter)

MICHIGAN	38-0751137
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1284 North Telegraph Road, Monroe, Michigan	48162-3390
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (734) 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 January 23, 1999
Common Shares, $1.00 par value	52,396,805

Part 1. Financial Information

The Consolidated Balance Sheet and Consolidated Statement of Income required for Part 1 are contained in the Registrant's Financial Information Release dated February 2, 1999 and are incorporated herein by reference.

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

	Three Months Ended		Nine Months Ended	
	Jan 23, 1999	Jan 24, 1998	Jan 23, 1999	Jan 24, 1998
Cash Flows from Operating Activities				
Net income	$ 17,728	$ 11,459	$ 43,359	$ 30,007
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	5,709	5,140	17,062	15,208
Change in receivables	27,209	22,393	9,755	18,407
Change in inventories	(7,718)	(2,485)	(15,693)	(10,227)
Change in other assets and liabilities	(3,124)	(8,607)	18,300	2,137
Change in deferred taxes	465	(2,553)	(2,277)	(4,513)
Total adjustments	22,541	13,888	27,147	21,012
Cash Provided by Operating Activities	40,269	25,347	70,506	51,019
Cash Flows from Investing Activities				
Proceeds from disposals of assets	20	1,108	313	1,500
Capital expenditures	(6,749)	(4,218)	(14,982)	(15,561)
Change in other investments	700	(419)	(1,727)	(707)

Cash Used for Investing Activities	(6,029)	(3,529)	(16,396)	(14,768)
Cash Flows from Financing Activities				
Retirements of debt	(119)	(2,428)	(3,330)	(4,469)
Capital lease principal payments	(96)	(507)	(899)	(1,547)
Stock for stock option plans	226	2,299	4,914	5,402
Stock for 401(k) employee plans	545	417	1,382	1,103
Purchase of La-Z-Boy stock	(8,931)	(3,086)	(27,694)	(12,483)
Payment of cash dividends	(4,216)	(3,749)	(12,222)	(11,292)
Cash Used for Financing Activities	(12,591)	(7,054)	(37,849)	(23,286)
Effect of exchange rate changes on cash	(333)	(233)	(924)	(135)
Net change in cash and equivalents	21,316	14,531	15,337	12,830
Cash and equivalents at beginning of period	22,721	23,681	28,700	25,382
Cash and equivalents at end of period	$ 44,037	$ 38,212	$ 44,037	$ 38,212
Cash paid during period -Income taxes	$ 10,620	$ 14,345	$ 18,498	$ 22,008
-Interest	$ 1,631	$ 1,016	$ 2,762	$ 2,810

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 INCORPORATED 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 1998 Annual Report filed with the Securities and Exchange Commission. The financial information included herein, other than the consolidated balance sheet as of April 25, 1998, has been prepared by management without audit by independent certified public accountants. The consolidated balance sheet as of January 23, 1999 has been prepared on a basis consistent with, but does not include all the disclosures contained in the audited consolidated financial statements for the year ended April 25, 1998. 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 24, 1999.

3. Forward-Looking Information
Any forward-looking statements contained in this report represent management's current expectations based on present information and current assumptions. These statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "should", or "anticipates". Forward-looking statements are inherently subject to risks and uncertainties. Actual results could differ materially from those which are anticipated or projected due to a number of factors. These factors include, but are not limited to, anticipated growth in sales; success of product introductions; fluctuations of interest rates, changes in consumer confidence/demand and other risks and factors identified from time to time in the Company's reports filed with the Securities and Exchange Commission.

4. Earnings per Share
Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share" requires both basic and diluted earnings per share to be presented. Basic earnings per share is computed using the weighted-average number of shares outstanding during the period. Diluted earnings per share uses the weighted-average number of shares outstanding during the period plus the additional common shares that would be outstanding if the dilutive potential common shares were issued. This includes employee stock options.

	Three Months Ended		Nine Months Ended	
(Amounts in thousands)	Jan. 23, 1999	Jan. 24, 1998	Jan. 23, 1999	Jan. 24, 1998
Weighted average common shares outstanding (basic)	52,680	53,630	53,061	53,716
Effect of options	245	425	270	344

Weighted average common shares outstanding (diluted)	52,925	54,055	53,331	54,060

LA-Z-BOY INCORPORATED MANAGEMENT'S DISCUSSION AND ANALYSIS

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.(a)

Financial Position
The Company's strong financial position is reflected in the debt to capital percentage of 15% and a current ratio of 3.3 to 1 at the end of the third quarter. At April 25, 1998, the debt to capital percentage was 16% and the current ratio was 3.5 to 1. At the end of the preceding year's third quarter, the debt to capital percentage was 13% and the current ratio was 3.3 to 1. As of January 23, 1999, there was $116 million of unused lines of credit available under several credit arrangements.

Stock Repurchase Program
Approximately 14% of the 12 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. Through the nine months ended January 23, 1999, the Company purchased $27.7 million, which is over double the $12.5 million in the prior year.

Year 2000
The Year 2000 issue arises from the use of two-digit date fields used in computer programs which may cause problems as the year changes from 1999 to 2000. These problems could cause disruptions of operations or processing of transactions.

To address the Year 2000 challenge, the Company established a Year 2000 Program Office guided by a steering committee consisting of senior executive management. This office serves as the central coordination point for all Year 2000 compliance efforts of the Company. The Company has included IT (Information Technologies) systems and non-IT systems as well as third party readiness in the scope of its Year 2000 project. The Company is on schedule with regards to its internal plan. Management believes that the Company is taking the steps necessary to minimize the impact of the Year 2000 challenge.

The challenges the Company faces with regards to its IT systems include upgrading of operating systems, hardware and software, and modifying order entry and invoicing programs. For the IT challenges, the Company has substantially completed the inventory, assessment and remediation phases. The Company expects to have its critical IT systems compliant and compatible, with the appropriate testing completed, by September, 1999.

The primary challenges the Company faces with regards to its non-IT systems include plant floor machinery and facility related items. For these systems, the inventory and assessment phases have been completed. The Company believes these systems to be compliant and compatible. The Company is presently in the testing phase of its non-IT project with expected completion by September, 1999.

With respect to third party readiness, the Company continues to work with customers, suppliers, and service providers in order to prevent disruption of business activities. Multiple approaches are being used to determine compliance based on the priority assigned to the third party. Based on communications with these third parties, the Company believes that all material third parties will be sufficiently prepared for the Year 2000. For critical third parties, testing will be performed as deemed necessary.

While the Company believes that it is preparing adequately for all Year 2000 concerns, there is no guarantee against internal or external systems failures. Such failures could have a material adverse effect on the Company's results of operations, liquidity and financial condition. The Company anticipates initiating an independent verification and assessment of the possible risks. The Company believes that its most likely worst case scenario would be business interruptions caused by third party failures. The Company expects to have contingency plans in place prior to the Year 2000 for IT and non-IT systems, as well as for areas of concern with relation to third parties.

At the present time, the total Year 2000 related costs are estimated to be $12 to $16 million. To date, the Company has spent approximately $7.5 million. Included in the total estimated expenditures are both remediation and, in some cases, enhancement or improvement related costs that cannot easily be separated from remediation costs. Some of these enhancements or improvements were previously planned and were merely accelerated as a means to address Year 2000 challenges.

PART II. OTHER INFORMATION

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

(99) News Releases and Financial Information Release: re Actual third quarter results and Management Discussion dated February 2, 1999.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused the Quarterly Report on Form 10-Q for the quarter ended January 23, 1999 to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY INCORPORATED
(Registrant)

Date February 2, 1999

/s/Gene M. Hardy

Gene M. Hardy
Secretary and Treasurer
(Principal Accounting Officer)

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News Release
LA-Z-BOY REPORTS RECORD THIRD QUARTER

NYSE & PCX: LZB   Contact: Gene Hardy (734) 241-4306

MONROE, MI., February 2, 1999: La-Z-Boy Incorporated, one of the world's largest producers of furniture, continued reaching record levels of quarterly sales and profit.

Financial Details

For the third quarter ended 1/23/99 of La-Z-Boy's 1999 fiscal year, sales reached $318.1 million, up 13% from last year's third quarter of $280.5 million. Net income was up 55% to $17.7 million vs. $11.5 million. Diluted EPS (Earnings Per Share) increased 57% to $0.33 vs. $0.21.

For the nine months ended 1/23/99 of La-Z-Boy's 1999 fiscal year, sales reached $921.8 million, up 17% from last year's $786.1 million. Net income was up 44% to $43.4 million vs. $30.0 million. Diluted EPS was up 45% to $0.81 vs. $0.56.

President Comments

La-Z-Boy President and Chief Operating Officer, Gerald L. Kiser said, "An improvement in gross margin over last year's third quarter resulted from more efficient plant operations as well as higher sales volume. With plant productivity rising, current capacity can meet forecasted demand, at least for the near-term. However, we are expanding our Residential division and England/Corsair plants in Tennessee, and installing a new finishing facility at the Sam Moore division in Virginia.

"We don't expect the exceptional 13% third quarter sales growth rate to continue into the fourth quarter. La-Z-Boy's fourth quarter sales could rise 4% to 6% above last year's record-setting final quarter."

Marketing

This month, the Residential division launches its third "Instant Win" Sweepstakes in Parade and USA Weekend magazines. We expect to reach 57 million readers. This "Picture Yourself in America's Favorite Recliner" campaign features a special 800 phone number to help consumers locate their most convenient La-Z-Boy participating dealers. Over 4,000 La-Z-Boy locations are taking part in this sweepstakes, marking the highest level of dealer support ever for this type of program.

The La-Z-Boy Furniture Galleries program continues to expand with recent openings in Madrid, Spain and two new Canadian stores in Burlington and Ottawa, Ontario.

Time Magazine recognized La-Z-Boy chairs and our founders in a special edition commemorating the 100 most influential inventions of the 20th century. And the La-Z-Boy Maxim massage chair was featured in Parade magazine, demonstrated by the cast of the popular Drew Carey Show and in the January issue of House Beautiful, in an article by the editor of the magazine.

Company Overview

La-Z-Boy manufactures quality upholstered and casegoods home furniture as well as office furniture. In addition to the La-Z-Boy brand name, which is the most recognized home furniture brand name in North America, four other major brands are part of La-Z-Boy Incorporated: Kincaid, England/Corsair, Hammary and Sam Moore.

More Information

La-Z-Boy Incorporated's third quarter 10-Q filing including an income statement, balance sheet, cash flow statement and additional management discussion is available now at the Company's internet site (www.lazboy.com). This press release is just one part of La-Z-Boy Incorporated's disclosures and should be read in conjunction with all other 10-Q information. About 48 hours after this release, this third quarter 10-Q information should be available on the SEC's internet site (www.sec.gov).

La-Z-Boy Incorporated Financial Information Release
CONSOLIDATED STATEMENT OF INCOME
(Amounts in thousands, except per share data)

THIRD QUARTER ENDED (UNAUDITED)				
January 23,	January 24,	% Over	Percent of Sales	
1999	1998	(Under)	1999	1998

Sales	$318,105	$280,520	13%	100.0%	100.0%
Cost of sales	230,923	211,688	9%	72.6%	75.5%
Gross profit	87,182	68,832	27%	27.4%	24.5%
S, G & A	58,758	50,189	17%	18.5%	17.9%
Operating profit	28,424	18,643	52%	8.9%	6.6%
Interest expense	1,110	1,048	6%	0.3%	0.4%
Interest income	430	568	-24%	0.1%	0.2%
Other income	962	240	301%	0.3%	0.2%
Pretax income	28,706	18,403	56%	9.0%	6.6%
Income tax expense	10,978	6,944	58%	38.2% *	37.7% *
Net income	$17,728	$11,459	55%	5.6%	4.1%
Diluted average shares	52,925	54,055	-2%		
Diluted EPS	$0.33	$0.21	57%		
Basic EPS	$0.34	$0.22	55%		
Dividends per share	$0.08	$0.07	14%		

	NINE MONTHS ENDED (UNAUDITED)				
	January 23, 1999	January 24, 1998	% Over (Under)	Percent of Sales 1999	Percent of Sales 1998
Sales	$921,816	$786,054	17%	100.0%	100.0%
Cost of sales	681,416	591,242	15%	73.9%	75.2%
Gross profit	240,400	194,812	23%	26.1%	24.8%
S, G & A	169,556	145,946	16%	18.4%	18.6%
Operating profit	70,844	48,866	45%	7.7%	6.2%
Interest expense	3,461	3,099	12%	0.4%	0.4%
Interest income	1,478	1,562	-5%	0.2%	0.2%
Other income	2,182	1,517	44%	0.2%	0.2%
Pretax income	71,043	48,846	45%	7.7%	6.2%
Income tax expense	27,684	18,839	47%	39.0% *	38.6% *
Net income	$43,359	$30,007	44%	4.7%	3.8%
Diluted average shares	53,331	54,060	-1%		
Diluted EPS	$0.81	$0.56	45%		
Basic EPS	$0.82	$0.56	46%		
Dividends per share	$0.23	$0.21	10%		

* As a percent of pretax income, not sales.

CONSOLIDATED BALANCE SHEET
(Amounts in thousands, except par value)

	Unaudited January 23, 1999	Unaudited January 24, 1998	Increase (Decrease) Dollars	Increase (Decrease) Percent	Audited Apr. 25, 1998
Current assets					
Cash & equivalents	$ 44,037	$ 38,473	$ 5,564	14%	$ 28,700
Receivables	228,820	196,879	31,941	16%	238,260
Inventories					
Raw materials	52,122	44,478	7,644	17%	43,883
Work-in-process	41,271	37,726	3,545	9%	40,640
Finished goods	36,984	30,511	6,473	21%	30,193
FIFO inventories	130,377	112,715	17,662	16%	114,716
Excess of FIFO over LIFO	(22,780)	(21,550)	(1,230)	-6%	(22,812)
Total inventories .	107,597	91,165	16,432	18%	91,904
Deferred income taxes	18,936	24,761	(5,825)	-24%	16,679
Income taxes	--	--	N/M	N/M	936
Other current assets	4,672	4,086	586	14%	6,549
Total current assets	404,062	355,364	48,698	14%	383,028
Property, plant & equipment	121,135	117,627	3,508	3%	121,762
Goodwill	47,501	40,974	6,527	16%	49,413
Other long-term assets	29,139	29,953	(814)	-3%	26,148
Total assets	$ 601,837	$ 543,918	$ 57,919	11%	$ 580,351
Current liabilities					
Current portion - l/t debt	$ 4,647	$ 5,107	($ 460)	-9%	$ 4,822
Current portion - capital leases	1,099	1,561	(462)	-30%	1,383
Accounts payable	48,952	38,714	10,238	26%	36,703
Payroll/other comp	39,316	33,315	6,001	18%	39,617
Income taxes	4,596	4,469	127	3%	--
Other current liabilities	24,917	23,858	1,059	4%	25,764
Total current liabilities ..	123,527	107,024	16,503	15%	108,289
Long-term debt	63,279	49,723	13,556	27%	66,434
Capital leases	204	1,111	(907)	-82%	819
Deferred income taxes	5,459	5,627	(168)	-3%	5,478
Other long-term liabilities	12,551	10,468	2,083	20%	11,122
Commitments & contingencies	--	--	N/M	N/M	--
Shareholders' equity					
Common shares, $1 par *	52,397	53,569	(1,172)	-2%	53,551
Capital in excess of par	30,441	28,239	2,202	8%	29,262
Retained earnings *	316,158	289,425	26,733	9%	306,445
Currency translation	(2,179)	(1,268)	(911)	-72%	(1,049)
Total shareholders' equity .	396,817	369,965	26,852	7%	388,209
Total liabilities and shareholders' equity ...	$ 601,837	$ 543,918	$ 57,919	11%	$ 580,351

* Restated to reflect three-for-one stock split, in the form of a 200% stock dividend effective September 1998.

La-Z-Boy Incorporated Financial Information Release
COMMENTS AND ANALYSIS

Overall:
Refer to today's press release for additional information.

Gross profit margins:

The gross profit margin increased to 27.4% of sales from 24.5% of sales in last year's third quarter on a 13% increase in sales and a 9% increase in unit volume. The absence of production disruptions associated with hardwood and plywood part delivery problems, costs associated with casegood manufacturing consolidations, and inclement weather conditions all favorably affected the gross profit margin. In addition, similar to the second quarter, favorable volume related cost reductions and unfavorable Canadian currency exchange effects were also realized.

Sales in the fourth quarter is expected to increase roughly 4% to 6% over the prior year's fourth quarter, and the gross profit margin as a percentage of sales is expected to approximate last year.

Inventories:

Finished goods inventories were up 21% over the same period last year primarily as a result of two new casegood product line introductions increasing stock inventory levels, and increased daily production volume resulting in more finished product being staged for shipment. The stock inventory build-up for the larger of the two product line introductions is expected to be short-term. Finished goods inventory levels at the end of the upcoming fourth quarter are expected to be higher than the prior year, but not as high as at the end of the third quarter.

S,G & A:

Third quarter S, G & A increased to 18.5% of sales vs. 17.9% last year. The largest cause was due to an increase in Information Technology (IT) expenses relating to Year 2000 projects. As expected, performance bonus related expenses increased due to higher sales and profits. La-Z-Boy held many other S, G & A expenses at a growth rate consistent with or lower than the sales growth rate, thus somewhat offsetting the higher IT related and performance bonus increases. For the fourth quarter, IT expenses are expected to be slightly higher than last year. Higher bonus related expenses are expected to continue through the fourth quarter.

Other income:

Other income is volatile by nature and fluctuates from one period to another. Last year's fourth quarter included an income item related to tax refund claims. Looking forward, this is not expected to occur in this year's fourth quarter.

Income tax expense:

The third quarter tax rate increased to 38.2% of pretax income from 37.7% last year. This is due in part to Canadian division profit impacts creating unfavorable tax impacts. This is somewhat offset by several favorable items. This trend is expected to continue for the fourth quarter.