UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A
(Amendment Number 1)
to
Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
FOR THE FISCAL YEAR ENDED APRIL 24, 1999
Commission File No. 1-9656

LA-Z-BOY INCORPORATED
1284 N. Telegraph Road, Monroe, MI 48162
(734) 242-1444
Incorporated in Michigan I.R.S. Employer Identification Number 38-0751137

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Exchanges on Which Registered
Common Stock, $1.00 Par Value	New York Stock Exchange
	Pacific Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

Based on the closing price of June 18, 1999, the aggregate market value of common stock held by nonaffiliates of the registrant was $1.2 billion.

The number of common shares outstanding of the Registrant was 52,262,722 as of June 18, 1999.

DOCUMENTS INCORPORATED BY REFERENCE:

(1) Portions of the 1999 Annual Report to Shareholders for the year ended April 24, 1999
are incorporated by reference in Part I, II and IV.

(2) Portions of the Annual Proxy Statement filed with the Securities and Exchange Commission on June 25, 1999 are incorporated by reference into Part III.

The Form 10-K Annual Report of La-Z-Boy Incorporated ("Registrant")for the fiscal year ended April 24, 1999, hereby is amended as follows:

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES AND REPORTS ON FORM 8-K.

(a) The following documents are filed as part of this report:

(1) Financial Statements	Page(s) in the 1999 Annual Report to Shareholders
Report of Management Responsibilities	17
Report of Independent Accountants	17
Consolidated Balance Sheet	18

Financial statement schedules not included in this Form 10-K Annual Report have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(3) Exhibits (Note 1)

Exhibit Number	Description of Exhibit
(3.1)	La-Z-Boy Incorporated Restated Articles of Incorporation (Note 13)
(3.2)	La-Z-Boy Incorporated Amendment to the Articles of Incorporation (Note 13)
(3.3)	La-Z-Boy Incorporated By-laws as amended and restated (Note 2)
(4)	Instruments defining the rights of holders of long-term debt are not filed herewith, pursuant to paragraph (4)(iii) of Regulation S-K, Item 601. The Registrant will furnish all such documents to the Securities and Exchange Commission (the "SEC") upon its request.
*(10.1)	La-Z-Boy Incorporated Amended and Restated 1993 Performance Based Stock Plan (Note 7)
*(10.2)	La-Z-Boy Incorporated Restricted Stock Plan for Non-Employee Directors (Note 10)
*(10.3)	La-Z-Boy Incorporated Executive Incentive Compensation Plan Description (Note 5)
*(10.4)	La-Z-Boy Incorporated Supplemental Executive Retirement Plan (as revised in 1995) (Note 8)
*(10.5)	La-Z-Boy Incorporated Amended and Restated 1997 Restricted Share Plan (Note 4)
*(10.6)	La-Z-Boy Incorporated 1997 Incentive Stock Option Plan (Note 4)
*(10.7)	Form of Change in Control Agreement (Note 8) and list of employees who are parties to the Change in Control Agreement (Note 3)
*(10.8)	Form of Indemnification Agreement (Note 9)
*(10.9)	Summary Plan Description and Partial Plan Document for the La-Z-Boy Incorporated Personal Executive Life Insurance Program (the "Summary")(Note 5). (In the case of one executive officer, Gene M. Hardy, the Personal Executive Life Insurance Program operates differently from the manner described in the Summary, in that: (a) Mr. Hardy does not benefit from Unscheduled Premium payments, so information therein relating to such payments does not apply to him, and (b) "gross up"

payments to him are not repayable to the Company out of policy death benefits or otherwise.)

*(10.10) The La-Z-Boy Incorporated 1986 Incentive Stock Option Plan (Note 11)

*(10.11) The La-Z-Boy Incorporated 1989 Restricted Share Plan (Note 10)

(13) Portions of the 1999 Annual Report to Shareholders (Note 13)

(21) List of subsidiaries of La-Z-Boy Incorporated (Note 12)

(23) Consent of PricewaterhouseCoopers LLP (Note 13)

(27) Financial Data Schedule (Note 12)

NOTES TO EXHIBITS

* Indicates a contract or benefit plan under which one or more executive officers or directors may receive benefits.

1. Copies of exhibits will be supplied upon request. All necessary annual and quarterly reports are electronically filed with the SEC. Copies of the exhibits are available through the SEC site on the Internet. (http://www.sec.gov/cgi-bin/srch-edgar).

2. Incorporated by reference to an exhibit to the La-Z-Boy Incorporated Form 8-K dated June 11, 1999.

3. Incorporated by reference to an exhibit to the La-Z-Boy Incorporated Form 10-K for the fiscal year ended April 25, 1998.

4. Incorporated by reference to an exhibit to La-Z-Boy Incorporated's definitive Proxy Statement dated June 27, 1997.

5. Incorporated by reference to an exhibit to the La-Z-Boy Incorporated Form 10-K for the fiscal year ended April 26, 1997.

6. Incorporated by reference to an exhibit to the La-Z-Boy Incorporated Form 10-Q for the quarter ended October 26, 1996.

7. Incorporated by reference to an exhibit to La-Z-Boy Incorporated's definitive Proxy Statement dated June 27, 1996.

8. Incorporated by reference to an exhibit to the La-Z-Boy Incorporated Form 8-K dated February 6, 1995.

9. Incorporated by reference to an exhibit to the La-Z-Boy Incorporated Form 8, Amendment No. 1, dated November 3, 1989.

10. Incorporated by reference to an exhibit to La-Z-Boy Incorporated's definitive Proxy Statement dated July 6, 1989.

11. Incorporated by reference to an exhibit to La-Z-Boy Incorporated's definitive Proxy Statement dated June 26, 1986.

12. Filed with the Form 10-K (Exhibit 27 is included in the EDGAR version only).

13. This document is filed with this Form 10-K/A.

(b) Reports on Form 8-k

A Form 8-K dated March 10, 1999, which reported on a press release, was filed with the SEC on March 10, 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized.

LA-Z-BOY INCORPORATED

BY /s/Patrick H. Norton September 24, 1999

P.H. Norton

Chairman of the Board

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(27)	Financial Data Schedule (Note 3)

NOTES

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(1) Filed with this Form 10-K/A.

(2) Incorporated by reference to prior filing (see Item 14(a)(3) of this Form 10-K/A).

(3) Filed with the Form 10-K that this form amends.

Exhibit 3.1

LA-Z-BOY INCORPORATED RESTATED ARTICLES OF INCORPORATION

ARTICLE I

The name of this corporation is La-Z-Boy Incorporated

ARTICLE II

The purpose or purposes of this corporation are as follows: To manufacture, purchase, and sell at wholesale or retail, furniture, household appliances, tools, dies, machinery and metal stampings, to buy, sell and license the use of patents; to purchase, mortgage, improve, develop, hold, lease or sell real estate; to borrow and loan money or its equivalent; to hold, sell or buy notes, mortgages and other evidences of indebtedness; to finance installment sales; to discount and re-discount notes and other installment paper; to buy bonds and stocks and to hold or sell the same; to develop patents and patented products; to develop, investigate and have patented any patentable ideas, designs, products or gadgets.

(In general to carry on any business in connection therewith and incident thereto not forbidden by the laws of the State of Michigan and with all the powers conferred upon corporations by the laws of the State of Michigan.)

ARTICLE III

Location of the corporation is Monroe, in the County of Monroe, State of Michigan.

Post Office address of registered office in Michigan is 1284 North Telegraph Road, Monroe, Michigan.

ARTICLE IV

(1) The aggregate number of shares which the Corporation has authority to issue is: (a) 40,000,000 shares of Common Stock, $1.00 par value per share; and

(b) 5,000,000 shares of Preferred Stock.

(2) The relative rights, preferences, and limitations of the shares of each class of shares shall be as follows:

PART I: COMMON STOCK

(a) Except as otherwise required by law or by an amendment to these Articles of Incorporation, each holder of shares of Common Stock shall have one vote for each share of Common Stock held by him of record on the books of the corporation on all matters voted upon by the shareholders.

(b) Subject to the preferential dividend rights, if any, applicable to shares of Preferred Stock and subject to applicable requirements, if any, with respect to the setting aside of sums for purchase, retirement or sinking funds for Preferred Stock, the holders of shares of Common Stock shall be entitled to receive, to the extent permitted by law, such dividends as may be declared from time to time by the Board of Directors.

(c) In the event of the voluntary or involuntary liquidation, dissolution, distribution, of assets or winding up of the corporation, after distribution in full of the preferential amounts, if any, to be distributed to the holders of shares of Preferred Stock, holders of shares of Common Stock shall be entitled to receive all of the remaining assets of the Corporation of whatever kind available for distribution to shareholders ratably in proportion to the number of shares of Common Stock held by them respectively. The Board of Directors may distribute in kind to the holders of shares of Common Stock such remaining assets of the Corporation or may sell, transfer, or otherwise dispose of all or any part of such remaining assets to any other corporation, trust or entity, or any combination thereof, and may sell all or any part of the consideration so received and distribute any balance thereof in kind to holders of shares of Common Stock. The merger of the Corporation into or with any other corporation, or the merger of any other corporation into it, or any purchase or redemption of shares of stock of the Corporation of any class, or the exchange of shares of any class of stock of the Corporation for shares or other securities of any other corporation, shall not be deemed to be a dissolution, liquidation, or winding up of the Corporation for the purposes of this paragraph (c).

(d) Such numbers of shares of Common Stock as may from time to time be required for such purpose shall be reserved for issuance (i) upon conversion of any shares of Preferred Stock or any obligation of the Corporation convertible into shares of Common Stock which is at the time outstanding or issuable upon exercise of any options or warrants at the time outstanding and (ii) upon exercise of any options, warrants, or rights at the time outstanding to purchase shares of Common Stock.

(e) No holder of shares of Common Stock shall have any pre-emptive right to subscribe for or to purchase any shares of the Corporation of any class or series (including, for this purpose, any other securities convertible into or carrying any right to subscribe for or acquire any such shares), whether such shares or such class or series be now or hereafter authorized.

PART II: PREFERRED STOCK

(a) Shares of Preferred Stock may be issued in one or more series at such time or times and for such consideration or considerations as the Board of Directors may determine.

(b) The Board of Directors is expressly authorized at any time, and from time to time, to divide the class of Preferred Stock into, and to provide for the issuance of shares of Preferred Stock in, one or more series, with such voting powers, full or limited, or without voting powers, and with such designations, relative rights, preferences and limitations as stated and expressed in the resolution or resolutions providing for the issue thereof adopted by the Board of Directors, including (but without limiting the generality of the foregoing) the following:

(i) The designation of such series and number of shares comprising such series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors.

(ii) The dividend rate or rates on the shares of such series and the preference or relation which such dividends shall bear to the dividends payable on any other class of stock of the Corporation or on any other series of Preferred Stock, the terms and conditions upon which and the periods in respect of which dividends shall be payable, whether and upon what condition such dividends shall be cumulative, and, if cumulative, the date or dates from which dividends shall accumulate.

(iii) Whether the shares of such series shall be redeemable, in whole or in part, and if redeemable, whether redeemable for cash, bonds, securities or other property, at the option of the Corporation, the holder or upon the happening of a specified event, the limitations and restrictions with respect to such redemption, the time or times when, or periods during which, the price or prices or rate or rates at which, the adjustments with which and the manner in which such shares shall be redeemable, including the manner of selecting shares of such series for redemption if less than all shares are to be redeemed.

(iv) The rights to which the holders of shares of such series shall be entitled, and the preferences if any, over any other series (or of any other series over such series), upon the voluntary or involuntary liquidation, dissolution, distribution, or winding up of the corporation, which rights may vary depending on whether such liquidation, dissolution, distribution or winding up is voluntary or involuntary, and, if voluntary, may vary at different dates.

(v) Whether the shares of such series shall be subject to the operation of a purchase, retirement or sinking fund, the extent to which and the manner in which such fund shall be applied to the purchase or redemption of the shares of such series for retirement or to other corporate purposes and the terms and provisions relative to the operation thereof.

(vi) Whether the shares of such series shall be convertible into, or exchangeable for, at the option of either the holder or the Corporation or upon the happening of a specified event, shares of any class or any series of any class, or bonds, and, if so convertible or exchangeable, the times, prices, rates, adjustments, and other terms and conditions of such conversion or exchange.

(vii) The voting powers, full and/or limited, if any, of the shares of such series, and whether and under what conditions the shares of such series (alone or together with the shares of one or more other series having similar provisions) shall be entitled to vote separately as a single class, for the election of one or more directors, or additional directors, of the corporation in the case of dividend arrearages or other specified events, or upon other matters.

(viii) Whether the issuance of any additional shares of such series, or of any shares of any other series, shall be subject to restrictions as to issuance or as to the powers, preferences or rights of any such other series.

(ix) Any other preferences, privileges and powers and relative, participating, optional, or other special rights and qualifications, limitations, or restrictions of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of these Articles of Incorporation

(c) Whenever the Board of Directors shall adopt such resolution or resolutions so establishing and designating one or more series of Preferred Stock and prescribing the relative rights, preferences and limitations of such series, a certificate containing such resolution or resolutions shall be filed as contemplated by Section 302(4) of the Michigan Business Corporation Act, as amended, superseded or redesignated, and when filed shall constitute an amendment to these Articles of Incorporation.

(d) Except as expressly provided in said resolution or resolutions of the Board of Directors, no holder of shares of any series of Preferred Stock shall have any pre-emptive right to subscribe for or to purchase any shares of the Corporation of any class or series (including, for this purpose, any other securities convertible into or carrying any right to subscribe for or acquire any such shares), whether such shares or such class or series be now or hereafter authorized.

ARTICLE V

The names and places of residence or business of each of the incorporators and the number and class of shares subscribed for by cash are as follows:

Names	Residence or Business Address	Common
Floral City Furniture Company	- 1314 N. Telegraph Rd. Monroe, Michigan	195,500
Edwin J. Shoemaker	- 1028 Bentley Drive Monroe, Michigan	1,000
E.M. Knabusch	- 1396 N. Telegraph Rd. Monroe, Michigan	1,000
H.F. Gertz	- 1016 N. Monroe Street Monroe, Michigan	1,000
Otto C. Uecker	- 408 So. Macomb Street Monroe, Michigan	1,000
Ora H. Sessions	- 445 Riverview Avenue Monroe, Michigan	500

ARTICLE VI

The names and addresses of the First Board of Directors are as follows:

Name	Address
Edwin J. Shoemaker	1028 Bentley Drive, Monroe, Michigan

E.M. Knabusch 1396 North Telegraph Rd., Monroe, Mich.
H.F. Gertz 1016 North Monroe Street, Monroe, Mich.
Otto C. Uecker 408 South Macomb Street, Monroe, Mich.
Ora H. Sessions 445 Riverview Avenue, Monroe, Mich.

ARTICLE VII

The term of the corporate existence is perpetual.

ARTICLE VIII

(1) Notwithstanding any other provisions of the Articles of Incorporation or the Bylaws of the Corporation to the contrary, the Corporation shall not be authorized to take any of the following actions or engage in any of the following transactions, unless and until a proposal authorizing such action or transaction shall have been approved by the affirmative vote of the holders of not less than sixty-seven (67%) percent of all shares of stock of the Corporation entitled to vote in elections of directors:

(a) The merger or consolidation of the Corporation with or into any other corporation, person or entity; or

(b) The sale, exchange or lease by the Corporation of all or any substantial part of the assets of the Corporation to any other corporation, person or entity; or

(c) The issuance or transfer by the Corporation of (i) any voting securities of the Corporation, or (ii) any options or warrants which carry the right to acquire voting securities of the Corporation which are convertible into, or exchangeable for, voting securities of the Corporation, if such securities are issued or transferred in exchange or payment for any securities or other property, including cash, or any corporation, person or entity;

if, in any case, as of the record date for the determination of stockholders entitled to notice thereof and to vote thereon or consent thereto, such other corporation, person or entity described in (a), (b) or (c) above (hereinafter referred to as the "Related Entity") is the beneficial owner, directly or indirectly, of ten (10%) percent or more of the sum of (i) the outstanding shares of stock of the Corporation entitled to vote in elections of directors, and (ii) any unissued shares of stock of the Corporation of which the Related Entity is the beneficial owner for purposes of this Article by virtue of its beneficial ownership of conversion rights, options, warrants or otherwise (such status hereinafter referred to as "10% Stock Ownership").

(2) The provisions of this Article shall not be applicable to, and the provisions of Michigan law relating to the percentage of stockholder approval required, if any, shall apply to any action or transaction referred to in Paragraph (1) of this Article (such actions and transactions being sometimes individually referred to herein as a "Business Combination") if:

(a) all of the following three conditions shall have been satisfied:

(i) The aggregate amount of cash and the fair market value of other consideration to be received per share by holders of Voting Stock in such Business Combination is not less than the highest per share price (including brokerage commissions, transfer taxes and soliciting dealers' fees) paid by such Related Entity in acquiring any of its holdings of that class of Voting Stock;

(ii) the consideration to be received by the holders of Voting Stock in such Business Combination shall be in the same form and of the same kind as the consideration paid by the Related Entity in previously acquiring shares or Voting Stock;

(iii) prior to the consummation of such Business Combination, such Related Entity shall not have received the benefit, directly or indirectly (except proportionately as a shareholder), of any loans, advances, guarantees, pledges or other financial assistance or tax credits provided by the Corporation.

(b) prior to the time that such Related Entity shall have acquired a 10% Stock Ownership, a majority of directors of the Corporation shall have approved a memorandum of understanding with such Related Entity with respect to, and substantially consistent with, such Business Combination; or

(c) subsequent to the acquisition by such Related Entity of a 10% Stock Ownership, a majority of the Continuing Directors of the Corporation, as in hereinafter defined, shall have approved such Business Combination; or

(d) such Business Combination relates to, or is with, a corporation of which a majority of the outstanding shares of each class of equity security is owned of record or beneficially by the Corporation and where following the consummation of such action or transaction stockholders of the Corporation other than the Related Entity will retain their proportionate voting and equity interests in the Corporation or the resulting combined entity.

(3) For purposes of this Article:

(a) Such related Entity shall be deemed to be the beneficial owner of any shares of stock of the Corporation, whether issued or unissued, which (i) the Related Entity, its affiliates and associates, as defined below, own directly or indirectly, or have the right to acquire pursuant to any agreement or upon exercise of conversion rights, warrants or options or otherwise, or (ii) are beneficially owned, directly or indirectly, by any other corporation, person or entity with which the Related Entity, its affiliates or associates have any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of stock of the Corporation;

(b) The terms "affiliate" and "associate" are defined in this Article as set forth in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect at the date of adoption of this Article by the stockholders of the Corporation;

(c) The term "Continuing Director" shall mean and include each director of the Corporation (i) who was a member of the Board of Directors of the Corporation on the date of the adoption of this Article by the stockholders of the Corporation, or (ii) who was thereafter elected a director of the Corporation by the Stockholders prior to the time that such Related Entity acquired a 10% Stock Ownership, or (iii) who was elected a director of the Corporation by the stockholders following the time such Related Entity acquired a 10% Stock Ownership upon the recommendation of a majority of the then Continuing Directors in office to succeed a Continuing Director.

(4) A majority of the Continuing Directors of the Board shall have the power and duty to determine, for purposes of this Article and on the basis of information known to the Corporation, whether:

(a) a corporation, person or entity holds a 10% Stock Ownership;

(b) a corporation, person or entity is an "affiliate" or "associate" of another corporation, person or entity;

(c) a memorandum of understanding referred to in subparagraph 2(b) above is substantially consistent with the transaction covered thereby: and

(d) each of the conditions specified in subparagraph 2(a) hereof has been satisfied.

Any such determination shall be conclusive and binding for all purposes of this Article.

ARTICLE IX

Whenever a compromise or arrangement or any plan of reorganization of this corporation is proposed between this corporation and its creditors or any class of them and/or between this corporation and its shareholders or any class of them, any court of equity jurisdiction within the state of Michigan, may on the application of this corporation or of any creditor or any shareholder thereof, or on the application of any receiver or receivers appointed for this corporation, order a meeting of the creditors or class of creditors, and/or of the shareholders or class of shareholders, as the case may be, to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as said court directs. If a majority in number representing three-fourths (3/4) in value of the creditors or class of creditors, and/or of the shareholders or class of shareholders, as the case may be, to be affected by the proposed compromise or arrangement or re-organization, agree to any compromise or arrangement or to any reorganization of this corporation as a consequence of such compromise or arrangement, said compromise or arrangement and said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the shareholders or class of shareholders, as the case may be, and also on this corporation.

ARTICLE X

(1) Any adoption, alteration or repeal of the By-laws of the Corporation by the stockholders shall require the affirmative vote or consent of the holders of not less than 67% of all shares of the stock of the Corporation entitled to vote in elections of directors.

(2) The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; provided, however, any amendment or repeal of any provisions of Articles VIII and/or X of these Articles of Incorporation shall require the affirmative vote or consent of the holders of not less than 67% of all shares of the Corporation entitled to vote with respect thereto unless such amendment or repeal is approved by and recommended to the stockholders by a majority of those members of the Board of Directors of the Corporation who would qualify as Continuing Directors within the meaning of Article VIII of these Articles of Incorporation.

ARTICLE XI

Section 1. Limitation of Liability. A director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director. However, this provision does not eliminate or limit the liability of a director for any of the following: (i) any breach of the director's duty of loyalty to the Corporation or its shareholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or knowing violations of law, (iii) a violation of Section 551(1) of the Michigan Business Corporation Act, as amended (the "Act"), (iv) a transaction from which the director derived an improper personal benefit, or (v) an act or omission occurring before the date that the amendment to the Articles of Incorporation adding this Section 1 becomes effective in accordance with the pertinent provisions of the Act. Any repeal, amendment or other modification of this Section 1 shall not increase the liability or alleged liability of any director of the Corporation then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or there after brought or threatened based in whole or in part upon any such state of facts.

Section 2. Indemnification. The Corporation shall indemnify any of its directors and officers and may indemnify any of its employees and agents (in each case including such person's heirs, executors, administrators and legal representatives) who are made or threatened to be made a party to an action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation or serves or served at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, to the fullest extent authorized or permitted under the Act or other applicable law, as the same presently exist or may hereafter be amended, but in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than authorized or permitted before such amendment. Without limiting the generality of the foregoing, the following provisions, except to the extent they limit the indemnity which may be provided pursuant to the foregoing, shall apply:

2.1 - Indemnification of Directors and Officers: Claims by Third Parties. The Corporation shall to the fullest extent authorized or permitted by the Act or other applicable law, as the same presently exist or may hereafter be amended, but, in the case of any such amendment, only to the extent such amendment permits the Corporation to provide broader indemnification rights than before such amendment, indemnify a director or officer (the "Indemnitee") who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the Corporation, by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including attorneys' fees, judgements, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders, and with respect to a criminal action or proceeding, if the Indemnitee had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgement, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders, and with respect to a criminal action or proceeding, has reasonable cause to believe that his or her conduct was unlawful.

2.2 - Indemnification of Directors and Officers: Claims Brought By or In the Right of the Corporation. The Corporation shall, to the fullest extent authorized or permitted by the Act or other applicable law, as the same presently exist or may hereafter be amended, but, in the case of any such amendment, only to the extent such amendment permits the Corporation to provide broader indemnification rights than before such amendment, indemnify a director or officer (the "Indemnitee") who was or is a party to or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the Indemnitee in connection with the action or suit, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders. However, indemnification shall not be made under this subsection 2.2 for claim, issue, or matter in which the Indemnitee has been found liable to the Corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

2.3 - Actions Brought by the Indemnitee. Notwithstanding the provisions of subsections 2.1 and 2.2 the Corporation shall not be required to indemnify an Indemnitee in connection with an action, suit, proceeding or claim (or part thereof) brought or made by such Indemnitee, unless such action, suit, proceeding or claim (or part thereof): (i) was authorized by the Board of Directors of the Corporation: or (ii) was brought or made to enforce this Section 2 and the Indemnitee has been successful in such action, suit, proceeding or claim (or part thereof).

2.4 - Approval of Indemnification. An indemnification under subsections 2.1 or 2.2 hereof, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because such Indemnitee has met the applicable standard of conduct set forth in subsections 2.1 or 2.2 as the case may be. This determination shall be made in any of the following ways:

(a) By a majority vote of a quorum of the Board consisting of directors who were not parties to the action, suit, or proceeding.

(b) If the quorum described in subdivision (a) is not obtainable, then by a majority vote of a committee of directors who are not parties to the action. The committee shall consist of not less than three (3) disinterested directors.

(c) By independent legal counsel in a written opinion.

(d) By the shareholders.

2.5 - Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in subsections 2.1 or 2.2 above shall be paid by the Corporation in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay the expenses if it is ultimately determined that the Indemnitee is not entitled to be indemnified by the Corporation. The under taking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

2.6 - Partial Indemnification. If an Indemnitee is entitled to indemnification under subsections 2.1 or 2.2 for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Corporation shall indemnify the Indemnitee for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the Indemnitee is entitled to be indemnified.

2.7 - Indemnification of Employees and Agents. Any person who is not covered by the foregoing provisions of this Section 2 and who is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, may be indemnified to the fullest extent authorized or permitted by the Act or other applicable law, as the same exist or may hereafter be amended, but, in the case of any such amendment, only to the extent such amendment permits the Corporation to provide broader indemnification rights than before such amendment, but in any event only to the extent authorized at any time or from time to time by the Board of Directors.

2.8 - Other Rights of Indemnification. The indemnification or advancement of expenses provided under subsections 2.1 through 2.7 is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation or Bylaws, or an agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in subsections 2.1 through 2.7 continues as to a person who ceases to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

2.9 - Definitions. "Other enterprise" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the Corporation" shall include any service as a director, officer, employee, or agent of the Corporation which imposes duties on, or involves services by, the director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Corporation or its shareholders" as referred to in subsections 2.1 and 2.2.

2.10 - Liability Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against any liability asserted against and incurred by such person in any such capacity or arising out of such person's status as such, regardless of whether or not the Corporation would have the power to indemnify such person against such liability under the pertinent provisions of the Act.

2.11 - Enforcement. If a claim under this Section 2 is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which makes it permissible under the Act for the Corporation to indemnify the claimant for the amount claimed, but the burden of providing such defense shall be on the Corporation. Neither failure of the Corporation (including the Board of Directors, a committee thereof, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because such claimant has met the applicable standard of conduct set forth in the Act nor an actual determination by the Corporation (including the Board of Directors, a committee thereof, independent legal counsel or its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

2.12 - Contract with the Corporation. The right to indemnification conferred in this Section 2 shall be deemed to be a contract right between the Corporation and each director or officer who serves in any such capacity at any time while this Section 2 is in effect and any repeal or modification of this Section 2 shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

2.13 - Application to a Resulting or Surviving Corporation or Constituent Corporation. The definition for "corporation" found in Section 569 of the Act, as the same exists or may hereafter be amended is, and shall be, specifically excluded form application to this Section 2. The indemnification and other obligations set forth in this Section 2 of the Corporation shall be binding upon any resulting or surviving corporation after any merger of consolidation with the Corporation. Notwithstanding any thing to the contrary contained herein or in Section 569 of the Act, no person shall be entitled to the indemnification and other rights set forth in this Section 2 for acting as a director or officer of another corporation prior to such other corporation entering into a merger or consolidation with the Corporation.

2.14 - Severability. Each and every paragraph, sentence, term and provision of this Section 2 shall be considered severable in that, in the event that a court finds any paragraph, sentence, term or provision to be invalid or unenforceable, the validity and enforceability, operation, or effect of the remaining paragraphs, sentences, terms or provisions shall not be affected, and this Section 2 shall be construed in all respects as if such invalid or unenforceable matter had been omitted.

Exhibit (3.2)

AMENDMENT TO THE LA-Z-BOY INCORPORATED RESTATED ARTICLES OF INCORPORATION

Article IV

(1) The aggregate number of shares which the Corporation has authority to issue is:

(a) 150,000,000 shares of Common Stock, $1.00 par value per share; and

[the rest of Article IV remains the same]
of Article IV remains the same]

Exhibit (13)
Financial Report

Report of Management Responsibilities

La-Z-Boy Incorporated

The management of La-Z-Boy Incorporated is responsible for the preparation of the accompanying consolidated financial statements, related financial data and all other information included in the following pages. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts based on management's estimates and judgements where appropriate.

Management is further responsible for maintaining the adequacy and effectiveness of established internal controls. These controls provide reasonable assurance that the assets of La-Z-Boy Incorporated are safeguarded and that transactions are executed in accordance with management's authorization and are recorded properly for the preparation of financial statements. The internal control system is supported by written policies and procedures, the careful selection and training of qualified personnel and a program of internal auditing.

The accompanying report of the Company's independent accountants states their opinion on the Company's financial statements, based on audits conducted in accordance with generally accepted auditing standards. The Board of Directors, through its Audit Committee composed exclusively of outside directors, is responsible for reviewing and monitoring the financial statements and accounting practices. The Audit Committee meets periodically with the internal auditors, management and the independent accountants to ensure that each is meeting its responsibilities. The Audit Committee and the independent accountants have free access to each other with or without management being present.

/s/ Gerald L. Kiser
Gerald L. Kiser
President and Chief Operating Officer

/s/Frederick H. Jackson
Frederick H. Jackson
Chief Financial Officer

Report of Independent Accountants

PricewaterhouseCoopers

To the Board of Directors and Shareholders of La-Z-Boy Incorporated:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of cash flows and of changes in shareholders' equity, including pages 18 through 27, present fairly, in all material respects, the financial position of La-Z-Boy Incorporated and its subsidiaries (the "Company") at April 24, 1999 and April 25, 1998, and the results of their operations and their cash flows for each of the three fiscal years in the period ended April 24, 1999, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Toledo, Ohio
May 20, 1999

Consolidated Balance Sheet

(Amounts in thousands, except par value) As of	4/24/99	4/25/98
Assets		
Current assets		
Cash and equivalents	$ 33,550	$ 28,700
Receivables, less allowance of $19,550 in 1999 and $16,605 in 1998	265,157	238,260
Inventories		
Raw materials	47,197	43,883
Work-in-process	37,447	40,640
Finished goods	34,920	30,193
FIFO inventories	119,564	114,716
Excess of FIFO over LIFO	(23,053)	(22,812)
Total inventories	96,511	91,904
Deferred income taxes	20,028	16,679
Income taxes	--	936
Other current assets	10,342	6,549
Total current assets	425,588	383,028
Property, plant and equipment, net	125,989	121,762
Goodwill, less accumulated amortization of $13,583 in 1999 and $11,523 in 1998	46,985	49,413
Other long-term assets, less allowance of $6,077 in 1999 and $4,034 in 1998	31,230	26,148
Total assets	$ 629,792	$ 580,351
Liabilities and shareholders' equity		
Current liabilities		
Current portion of long-term debt	$ 2,001	$ 4,822
Current portion of capital leases	784	1,383
Accounts payable	45,419	36,703
Payroll/other compensation	53,697	39,617
Income taxes	4,103	--
Other current liabilities	26,424	25,764
Total current liabilities	132,428	108,289
Long-term debt	62,469	66,434
Capital leases	219	819
Deferred income taxes	5,697	5,478
Other long-term liabilities	14,064	11,122
Commitments and contingencies	--	--
Shareholders' equity		
Preferred shares-5,000 authorized; 0 issued	--	--
Common shares, $1 par value-150,000 authorized; 52,340 issued in 1999 and 53,551 in 1998*	52,340	53,551
Capital in excess of par value	31,582	29,262
Retained earnings*	332,934	306,445
Currency translation adjustments	(1,941)	(1,049)
Total shareholders' equity	414,915	388,209
Total liabilities and shareholders' equity	$ 629,792	$ 580,351

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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

Consolidated Statement of Income

(Amounts in thousands, except per share data) Fiscal year ended	4/24/99	4/25/98	4/26/97
Sales	$ 1,287,645	$ 1,108,038	$ 1,005,825
Cost of sales	946,731	825,312	744,662
Gross profit	340,914	282,726	261,163
Selling, general and administrative	234,075	205,523	187,230
Operating profit	106,839	77,203	73,933
Interest expense	4,440	4,157	4,376
Interest income	2,181	2,021	1,770
Other income	2,658	4,207	2,508
Pretax income	107,238	79,274	73,835
Income tax expense			
Federal-current	41,286	28,467	26,247
-deferred	(4,727)	(2,046)	(1,699)
State -current	5,114	3,287	4,304
-deferred	(577)	(354)	(314)
Total tax expense	41,096	29,354	28,538
Net income	$ 66,142	$ 49,920	$ 45,297
Diluted weighted average shares*	53,148	53,821	54,575
Diluted net income per share*	$ 1.24	$ 0.93	$ 0.83
Basic average shares*	52,890	53,654	54,324
Basic net income per share*	$ 1.25	$ 0.93	$ 0.83

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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

Consolidated Statement of Cash Flows

(Amounts in thousands) Fiscal year ended	4/24/99	4/25/98	4/26/97
Cash flows from operating activities			
Net income	$ 66,142	$ 49,920	$ 45,297
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	22,081	21,021	20,382
Change in receivables	(26,875)	(14,090)	(8,178)
Change in inventories	(4,607)	(6,918)	421
Change in other assets and liabilities	28,287	2,374	4,254
Change in deferred taxes	(3,130)	3,177	(2,014)
Total adjustments	15,756	5,564	14,865
Cash provided by operating activities	81,898	55,484	60,162
Cash flows from investing activities			
Proceeds from disposals of assets	401	1,585	1,527
Capital expenditures	(25,316)	(22,016)	(17,778)
Change in other investments	(4,895)	(16,066)	(8,596)
Cash used for investing activities	(29,810)	(36,497)	(24,847)
Cash flows from financing activities			
Long-term debt	--	35,000	--
Retirements of debt	(6,786)	(24,653)	(5,640)
Capital leases	204	--	--
Capital lease principal payments	(1,403)	(2,017)	(2,114)
Stock for stock option plans	6,431	5,748	4,213
Stock for 401(k) employee plans	1,902	1,704	1,568
Purchases of La-Z-Boy stock	(30,460)	(16,391)	(20,751)
Payment of cash dividends	(16,417)	(15,029)	(14,142)
Cash used for financing activities	(46,529)	(15,638)	(36,866)
Effect of exchange rate changes on cash	(709)	(31)	(127)
Net change in cash and equivalents	4,850	3,318	(1,678)
Cash and equivalents at beginning of the year	28,700	25,382	27,060
Cash and equivalents at end of the year	$ 33,550	$ 28,700	$ 25,382
Cash paid during the year			
- Income taxes	$ 44,842	$ 29,025	$ 28,670
- Interest	$ 4,340	$ 4,235	$ 4,437

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statement of Changes in Shareholders' Equity

(Amounts in thousands)	Common shares	Capital in excess of par value	Retained earnings	Currency translation adjustments	Total
At April 27, 1996	$ 18,385	$ 28,016	$ 297,750	($ 775)	$343,376
Purchases of La-Z-Boy stock ..	(693)		(20,058)		(20,751)
Currency translation				(223)	(223)
Stock options/401(k)	216	(319)	5,884		5,781
Dividends paid			(14,142)		(14,142)
Net income			45,297		45,297
At April 26, 1997	17,908	27,697	314,731	(998)	359,338
Purchases of La-Z-Boy stock ..	(484)		(15,907)		(16,391)
Currency translation				(51)	(51)
Stock options/401(k)	333	1,110	6,008		7,451
Acquisition related	93	455	2,423		2,971
Dividends paid			(15,029)		(15,029)
Net income			49,920		49,920
At April 25, 1998	17,850	29,262	342,146	(1,049)	388,209
Three-for-one stock split.....	35,700		(35,700)		--
Purchases of La-Z-Boy stock ..	(1,700)		(28,760)		(30,460)
Currency translation				(892)	(892)
Stock options/401(k)	490	2,320	5,523		8,333
Dividends paid			(16,417)		(16,417)
Net income			66,142		66,142
At April 24, 1999	$ 52,340	$ 31,582	$ 332,934	($1,941)	$414,915

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Notes to Consolidated Financial Statements

Note 1: Accounting Policies

The Company operates primarily in the U.S. furniture industry. The following is a summary of significant accounting policies followed in the preparation of these financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of La-Z-Boy Incorporated and its subsidiaries. All significant intercompany transactions have been eliminated. Certain non-U.S. subsidiaries are consolidated on a one-month lag.

Risks and Uncertainties

The consolidated financial statements are prepared in conformity with generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales and expenses for the reporting periods. Actual results could differ from those estimates.

Cash and Equivalents

For purposes of the consolidated statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined on the last-in, first-out (LIFO) basis.

Property, Plant and Equipment

Items capitalized, including significant betterments to existing facilities, are recorded at cost. Depreciation is computed using primarily accelerated methods over the estimated useful lives of the assets.

Goodwill

The excess of the cost of operating companies acquired over the value of their net tangible assets is amortized on a straight-line basis over 30 years from the date of acquisition.

Goodwill is evaluated periodically as events or circumstances indicate a possible inability to recover its carrying amount. Such evaluation is based on profitability projections and cash flow analysis. If future expected undiscounted cash flows are insufficient to recover the carrying amount of the asset, then the asset is written down to fair value.

Revenue Recognition

Revenue is recognized upon shipment of product.

Income Taxes

Income tax expense is provided on all revenue and expense items included in the consolidated statement of income, regardless of the period such items are recognized for income tax purposes.

Earnings per Share

Basic net income per share is computed using the weighted-average number of shares outstanding during the period. Diluted net income per share uses the weighted-average number of shares outstanding during the period plus the additional common shares that would have been outstanding if the dilutive potential common shares had been issued. This includes employee stock options. The information below has been restated for a three-for-one stock split.

(Amounts in thousands) Fiscal year ended	4/24/99	4/25/98	4/26/97
Weighted average common shares outstanding (Basic)..	52,890	53,654	54,324
Effect of options	258	167	251
Weighted average common shares outstanding (Diluted)	53,148	53,821	54,575

Note 2: Acquisitions

On April 1, 1998, the Company acquired all of the capital stock of Sam Moore Furniture Industries, Incorporated, a manufacturer of upholstered furniture. For the year ended December 31, 1997, Sam Moore Furniture Industries' sales were $33 million.

During fiscal year 1998, La-Z-Boy acquired the remaining 25% of the ordinary share capital of Centurion Furniture plc, a furniture manufacturer located in England. Sales for their year ended March 31, 1997 were $12 million.

The consolidated April 1998 financial statements include the operations of Distincion Muebles, a furniture manufacturer located in Mexico. Annual sales for the year ended March 30, 1998 were $1.9 million.

Note 3: Cash and Equivalents

(Amounts in thousands)	4/24/99	4/25/98
Certificates of deposit	$19,900	$13,000
Cash in bank	10,704	10,714
Commercial paper	1,878	3,963
Marketable securities	1,068	1,023
Total cash and equivalents.....	$33,550	$28,700

The Company invests in certificates of deposit with a bank whose board of directors includes two members of the Company's board of directors. At the end of fiscal years 1999 and 1998, $15 million and $13 million, respectively, was invested in this bank's certificates.

Note 4: Property, Plant and Equipment

(Amounts in thousands)	Life in years	Depreciation method	4/24/99	4/25/98
Machinery and equipment	10	200%DB	$124,835	$114,502
Buildings and building fixtures ..	15-30	150%DB	116,601	116,145
Information systems	3-5	150-200%DB	23,228	20,738
Transportation equipment	5	SL	15,685	15,606
Land and land improvements	0-20	150%DB	13,514	12,937
Network and production tracking systems	5-10	SL	4,881	2,407
Other	3-10	Various	23,923	18,048
			322,667	300,383
Less: accumulated depreciation			196,678	178,621
Property, plant and equipment, net			$125,989	$121,762

DB= Declining Balance   SL= Straight Line

Note 5: Debt and Capital Lease Obligations

(Amounts in thousands)	Interest rates	Maturities	4/24/99	4/25/98
Private placement	6.5%-8.8%	1999-08	$36,875	$38,750
Industrial revenue bonds	3.1%-3.9%	2000-14	27,400	28,500
La-Z-Boy notes....................	----	----	--	2,492
Other debt	5.0%-7.0%	1999-00	195	1,514
Total debt			64,470	71,256
Less: current portion ...			2,001	4,822
Long-term debt ...			$62,469	$66,434
Weighted average interest rate...			5.3%	5.8%
Fair value of debt ...			$65,522	$71,352

The Company has a $75 million unsecured revolving credit line through August 2002, requiring interest only payments through August 2002 and requiring principal payment in August 2002. The credit agreement also includes covenants that, among other things, require the Company to maintain certain financial statement ratios. There were no draws outstanding at April 24, 1999 and April 25, 1998.

On April 22, 1998, the Company obtained $35 million through the sale of unsecured senior notes in a private placement. The principal on the notes is payable at the end of 10 years and has an interest rate of 6.47%. The agreement also includes covenants that, among other things, require the Company to maintain certain financial statement ratios.

Proceeds from industrial revenue bonds were used to finance the construction of manufacturing facilities. These arrangements require the Company to insure and maintain the facilities and make annual payments that include interest. The bonds are secured by the facilities constructed from the bond proceeds.

The Company leases equipment (primarily trucks used as transportation equipment) under capital leases expiring at various dates through fiscal year 2004. The majority of the leases include bargain purchase options.

Maturities of debt and lease obligations for the five years subsequent to April 24, 1999 are $3 million, $1 million, $5 million, $0 and $0, respectively. As of April 24, 1999, the Company had remaining unused lines of credit and commitments of $113 million under several credit arrangements.

Note 6: Financial Guarantees

La-Z-Boy has provided financial guarantees relating to loans and leases in connection with some proprietary stores. The amounts of the unsecured guarantees are shown in the following table. Because almost all guarantees are expected to retire without being funded, the contract amounts are not estimates of future cash flows.

(Contract amounts in thousands)	4/24/99	4/25/98
Loan guarantees	$17,193	$23,567
Lease guarantees	$ 5,649	$ 5,122

Most guarantees require periodic payments to the Company in exchange for the guarantee. Terms of current guarantees generally range from one to five years.

The guarantees have off-balance-sheet credit risk because only the periodic payments and accruals for probable losses are recognized until the guarantee expires. Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed to perform completely as contracted. The credit risk amounts are equal to the contractual amounts, assuming that the amounts are fully advanced and that no amounts could be recovered from other parties.

Note 7: Stock Option Plans

The Company's shareholders adopted an employee Incentive Stock Option Plan that provides grants to certain employees to purchase common shares of the Company at not less than their fair market value at the date of grant. Options are for five years and become exercisable at 25% per year beginning one year from the date of grant. The Company is authorized to grant options for up to 7,500,000 common shares.

	Number of shares	Weighted average exercise price
Outstanding at April 27, 1996	1,597,650	$ 9.01
Granted	--	--
Exercised	(362,142)	7.61
Expired or cancelled	(10,977)	9.04
Outstanding at April 26, 1997	1,224,531	9.43
Granted	860,865	11.60
Exercised	(677,316)	9.36
Expired or cancelled	(67,521)	10.42
Outstanding at April 25, 1998	1,340,559	10.87
Granted	422,220	17.58
Exercised	(314,814)	9.86
Expired or cancelled	(43,779)	13.82
Outstanding at April 24, 1999	1,404,186	13.02
Exercisable at April 24, 1999	499,761	$ 10.51
Shares available for grants at April 24, 1999	6,132,000	

The options outstanding at April 24, 1999 have exercise prices ranging from \$9.00 - \$13.23 for 996,726 shares and \$17.58 for 407,460 shares and a weighted-average remaining contractual live of 2.9 years.

The Company's shareholders have also adopted Restricted Share Plans. Under one plan, the Compensation Committee of the Board of Directors is authorized to offer for sale up to an aggregate of 750,000 common shares to certain employees. Under a second plan, up to an aggregate of 150,000 common shares are authorized for sale to non-employee directors. Under the Restricted Share Plans, shares are offered at 25% of the fair market value at the date of grant. The plans require that all shares be held in an escrow account for a period of three years in the case of an employee, or until the participant's service as a director ceases in the case of a director. In the event of an employee's termination during the escrow period, the shares must be sold back to the Company at the employee's cost.

Shares aggregating 3,000 were granted and issued during both fiscal year 1999 and 1998, under the directors' plan. Shares remaining for future grants under the directors' plans amounted to 96,000 at April 24, 1999. Shares aggregating 67,350 and 69,180 were granted and issued during the fiscal years 1999 and 1998, respectively, under the employee Restricted Share Plan. Shares remaining for future grants under the above plan amounted to 613,470 at April 24, 1999.

The Company's shareholders have also adopted a Performance-Based Restricted Stock Plan. This plan authorizes the Compensation Committee of the Board of Directors to award up to an aggregate of 1,200,000 shares to key employees. Grants of shares are based on achievement of goals over a three-year performance period. Any award made under the plan will be at the sole discretion of the committee after judging all relevant factors. At April 24, 1999, performance awards were outstanding pursuant to which up to approximately 327,000 shares may be issued in fiscal years 2000 through 2002 for the three outstanding target awards, depending on the extent to which certain specified performance objectives are met. The cost of performance awards are expensed over the performance period. In 1999, 48,945 shares were issued.

As permitted by Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," the Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations.

Had the Company elected to recognize compensation cost for incentive stock options based on the fair value method of accounting prescribed by SFAS No. 123, the after tax expense relating to the stock options would have been \$0.7 million in 1999, \$0.3 million in 1998 and \$0.2 million in 1997. Pro forma net income and earnings per share would have been as follows:

(Amounts in thousands, except per share data)	4/24/99	4/25/98	4/26/97
Net income	$ 65,424	$ 49,575	$ 45,104
Diluted net income per share	$ 1.23	$ 0.92	$ 0.83
Basic net income per share .	$ 1.24	$ 0.92	$ 0.83

The pro forma effect on net income is not representative of the pro forma effect on net income that will be disclosed in future years as required by SFAS No. 123 because it does not take into consideration pro forma compensation expense relating to grants made prior to 1996.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes model with the following assumptions:

	4/24/99	4/25/98	4/26/97
Risk free interest rate..	5.15%	5.6%	6.4%
Dividend rate	1.6%	1.6%	2.4%
Expected life in years...	4.4	4.6	4.6
Stock price volatility...	39%	23%	25%

Note 8: Retirement/Welfare

The Company has contributory and non-contributory retirement plans covering substantially all factory employees.

Eligible salaried employees are covered under a trusteed profit sharing retirement plan. Cash contributions to a trust are made annually based on profits.

The Company has established a non-qualified deferred compensation plan for eligible highly compensated employees called a SERP (Supplemental Executive Retirement Plan).

The Company provides executive life insurance to certain highly compensated employees. Such employees are not eligible for current contributions to the profit sharing plan or the SERP.

The Company offers voluntary 401(k) retirement plans to eligible employees within U.S. operating divisions. Currently over 60% of eligible employees are participating in the plans. The Company makes matching contributions based on specific formulas. For most divisions, this match is made in La-Z-Boy stock.

The Company maintains defined benefit pension plans for eligible factory hourly employees.

The funded status of the pension was as follows (for the fiscal years ended):

(Amounts in thousands)	4/24/99	4/25/98
Change in benefit obligation		
Benefit obligation at beginning of year	$ 39,948	$ 32,011
Service cost	2,785	1,903
Interest cost	3,739	2,508
Amendments and new plans....................	5,889	474
Benefits paid	(2,051)	(1,663)
Acquisition of Sam Moore	--	4,715
Benefit obligation at end of year	50,310	39,948
Change in plan assets		
Fair value of plan assets at beginning of year ...	53,545	41,568
Actual return on plan assets	5,458	9,439
Employer contribution	1,214	--
Benefits paid	(2,051)	(1,663)
Acquisition of Sam Moore	--	4,201
Fair value of plan assets at end of year	58,166	53,545
Funded status	7,856	13,597
Unrecognized actuarial gain.......................	(3,133)	(9,218)
Unamortized prior service cost	795	724
Prepaid benefit cost........................	$ 5,518	$ 5,103

The actuarially determined net periodic pension cost and retirement costs are computed as follows (for the fiscal years ended):

(Amounts in thousands)	4/24/99	4/25/98	4/26/97
Service cost	$ 2,785	$ 1,903	$ 1,767
Interest cost	3,739	2,508	2,270
Actual return on plan assets .	(5,458)	(9,439)	(5,475)
Net amortization and deferral	(278)	5,843	2,381
Net periodic pension cost	788	815	943
Profit sharing/SERP	6,851	6,035	5,999
401(k)........................	2,174	1,661	1,625
Other	652	968	882
Total retirement costs ..	$10,465	$ 9,479	$ 9,449

The expected long-term rate of return on plan assets was 8.0% for fiscal years 1999, 1998 and 1997. The weighted-average discount rate used in determining the actuarial present value of projected benefit obligations was 6.8% for fiscal year 1999 and 7.5% for fiscal years 1998 and 1997. Vested benefits included in the projected benefit obligation were $40 million and $32 million at April 24, 1999 and April 25, 1998, respectively. Plan assets are invested in a diversified portfolio that consists primarily of debt and equity securities.

The Company's pension plan funding policy is to contribute annually at least the amount necessary so that the plan assets exceed the projected benefit obligation.

While in total the Company is overfunded, at April 24, 1999, there are two plans with pension benefit obligations of $6.7 million and pension plan assets of $5.5 million which are included in the tables shown.

Note 9: Health Care

The Company offers eligible employees an opportunity to participate in group health plans. Participating employees make required premium payments through pretax payroll deductions. Health-care expenses were as follows (for the fiscal years ended):

(Amounts in thousands)	4/24/99	4/25/98	4/26/97
Gross health care	$ 37,698	$ 32,020	$ 30,831
Participant payments ..	(9,406)	(7,531)	(6,393)
Net health care	$ 28,292	$ 24,489	$ 24,438

The Company makes annual provisions for any current and future retirement health-care costs which may not be covered by retirees' collected premiums.

Note 10: Income Taxes

The primary components of the Company's deferred tax assets and liabilities were as follows:

(Amounts in thousands)	4/24/99	4/25/98
Current		
Deferred income tax assets/(liabilities)		
Bad debt	$ 10,942	$ 9,393
Warranty	6,054	4,938
Workers' compensation	1,662	1,838
SERP/other	1,626	1,794
Inventory	1,429	1,795
State income tax	1,366	926
Stock options	1,653	1,069
Receivables-mark to market	(7,904)	(8,700)
Other	3,382	3,813
Valuation allowance	(182)	(187)
Total current deferred tax assets	20,028	16,679
Noncurrent		
Deferred income tax assets/(liabilities)		
Pension	(2,985)	(2,506)
Property, plant and equipment	(2,943)	(3,110)
Net operating losses	907	842
Other	360	246
Valuation allowance	(1,036)	(950)
Total noncurrent deferred tax liabilities	(5,697)	(5,478)
Net deferred tax asset	$ 14,331	$ 11,201

The differences between the provision for income taxes and income taxes computed using the U.S. federal statutory rate are as follows (for the fiscal years ended):

(% of pretax income)	4/24/99	4/25/98	4/26/97
Statutory tax rate	35.0%	35.0%	35.0%
Increase (reduction) in taxes resulting from:			
State income taxes net of federal benefit	2.7	2.4	3.5
Tax credits	(0.1)	(0.2)	(0.4)
Goodwill	0.7	0.8	0.9
Unutilized loss carryforwards	0.1	(0.5)	0.1
Miscellaneous items	(0.1)	(0.5)	(0.4)
Effective tax rate	38.3%	37.0%	38.7%

Note 11: Segments

The Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," effective April 26, 1998. Following the provisions of SFAS No. 131, La-Z-Boy Incorporated is reporting segment sales and operating income in the same format reviewed by the Company's management (the "management approach"). La-Z-Boy Incorporated has two reportable segments: Residential upholstery and Residential casegoods.

The Residential upholstery segment is comprised of operating divisions that primarily manufacture and sell upholstered furniture to dealers. Upholstered furniture includes recliners, sofas, occasional chairs and reclining sofas that are mostly or fully covered with fabric, leather or vinyl. The operating divisions included in the Residential upholstery segment are La-Z-Boy Residential, England/Corsair, Sam Moore, Centurion and Distincion Muebles.

The Residential casegoods segment is comprised of operating divisions that primarily manufacture and sell hardwood or hardwood veneer furniture to dealers. Casegoods furniture includes dining room tables and chairs, bed frames and bed boards, dressers, coffee tables and end tables that are mostly constructed of hardwoods or veneers. The operating divisions included in the Residential casegoods segment are Kincaid and Hammary.

The primary difference between the upholstery and the casegoods segments is in the manufacturing area. In general, upholstery manufacturing requires lower capital expenditures per dollar of sales than casegoods but higher labor costs. Equipment needs and manufacturing processes are different in many key areas and product costs reflect these significant differences. Upholstery typically uses plywood or other "frame" (not exposed) wood which requires less detailing and uses some different manufacturing methods than casegoods wood processing. Casegoods requires more extensive automated equipment for drying, processing, cutting, sanding and finishing exposed hardwood and veneer products. Wood and related wood processing costs for upholstery (or total frame costs) are a much smaller percentage of total unit costs in upholstery than casegoods. Upholstery's largest costs are related to the purchased cost of fabric (or leather, vinyl, etc.), cutting fabric, sewing the fabric and upholstering the fabric and other materials to the frame; whereas casegoods manufacturing typically has none of these costs or processes. Upholstery also extensively uses filler materials such as polyurethane foam for cushioning and appearance whereas casegoods manufacturing typically has none of these costs or processes. Also, in "motion" upholstery products, which are a large portion of La-Z-Boy's total upholstery sales, there are metal mechanism processes and costs vs. none in casegoods.

The Other category is comprised of additional operating divisions reviewed for performance by management including business furniture operations, logistics operations, financing, retail and other operations.

The Company's largest customer is less than 3% of consolidated sales.

The accounting policies of the operating segments are the same as those described in Note 1. Segment operating profit is based on profit or loss from operations before interest income and expense, other income and income taxes. Certain corporate costs are allocated to the segments based on revenues and identifiable assets. Identifiable assets are cash and cash equivalents, notes and accounts receivable, FIFO inventories and net property, plant and equipment. Segment information used to evaluate segments is as follows (for the fiscal years ended):

(Amounts in thousands)	4/24/99	4/25/98	4/26/97
Net revenues			
Residential upholstery	$1,015,162	$ 850,495	$ 772,049
Residential casegoods	198,969	186,968	170,561
Other	150,435	90,849	78,670
Eliminations	(76,921)	(20,274)	(15,455)
Consolidated	1,287,645	1,108,038	1,005,825
Operating profit			
Residential upholstery	99,542	70,462	63,872
Residential casegoods	11,787	7,425	8,143
Other	(802)	2,754	2,883
Unallocated corporate costs & eliminations	(3,688)	(3,438)	(965)
Consolidated	106,839	77,203	73,933
Depreciation and amortization			
Residential upholstery	13,995	12,196	11,465
Residential casegoods	3,806	3,992	3,925
Other	2,999	3,334	3,383
Corporate & eliminations...	1,281	1,499	1,609
Consolidated	22,081	21,021	20,382
Capital expenditures			
Residential upholstery	19,388	16,556	10,714
Residential casegoods	4,248	3,420	6,032
Other	3,609	2,263	1,032
Corporate & eliminations...	(1,929)	(223)	--
Consolidated	25,316	22,016	17,778
Assets			
Residential upholstery	399,803	363,160	313,492
Residential casegoods	97,804	94,019	96,064
Other	54,900	48,839	45,670
Corporate & eliminations...	(8,252)	(2,580)	(164)
Unallocated assets	85,537	76,913	73,345
Consolidated	$ 629,792	$ 580,351	$ 528,407
Sales by country			
United States	93%	94%	94%
Canada and other	7%	6%	6%
	100%	100%	100%

Note 12: Contingencies

The Company has been named as a defendant in various lawsuits arising in the ordinary 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 based on the Company's previous experience with lawsuits of these types.

The Company has been named as a potentially responsible party (PRP) at six environmental clean-up sites. Based on a review of all currently known facts and the Company's experience with previous environmental clean-up sites, management does not anticipate that future expenditures for environmental clean-up sites will have a material adverse effect on the Company.

Note 13: Subsequent Events

On March 10, 1999, the Company entered into a letter of intent to acquire privately held Bauhaus USA, Inc. The transaction is expected to be completed on or shortly after June 1, 1999. General terms of the transaction call for La-Z-Boy to acquire 100 percent of the outstanding shares of Bauhaus. Sales for their fiscal year ended August, 1998 were about $85 million.

Additionally, on April 12, 1999 the Company entered into a letter of intent to acquire privately held Alexvale Furniture, Inc. This transaction is expected to be completed in the first quarter of fiscal year 2000. Sales for their fiscal year ended April, 1999 were about $62 million.

Both transactions are subject to regulatory approval.

Management's Discussion and Analysis

Management's Discussion and Analysis, as required by the Securities and Exchange Commission, should be read in conjunction with the Report of Management Responsibilities, the Report of Independent Accountants, the Consolidated Financial Statements and related Notes and all other pages that follow them in the annual report.

La-Z-Boy is the third largest furniture maker in the U.S., the largest reclining-chair manufacturer in the world and America's largest manufacturer of upholstered furniture.

La-Z-Boy's largest division is La-Z-Boy Residential, which accounts for the majority of the upholstery segment. Sales by dealer type are as follows:

La-Z-Boy Residential division	1999	1998	1997
Galleries/proprietary.	53%	51%	51%
General dealers.......	34	35	36
Dept. stores/chains...	13	14	13
	100%	100%	100%

Analysis of Operations
Year Ended April 24, 1999
(1999 compared with 1998)

The 1999 sales of $1.3 billion were 16% greater than 1998. About 80% of the increase was due to internal growth of existing divisions and the remainder was due to acquisitions. La-Z-Boy believes that its 1999 internal growth rate of about 13% exceeded the U.S. industry average for comparable time periods. Selling price increases per unit were small, but a product mix that favored higher priced products did yield a favorable impact of approximately 3 - 4%. No major new product lines were introduced in 1999 although new styles and new collections of styles occurred across all divisions throughout the year. Of particular note was the joint introduction of the Thomas Kinkade Home Furnishings Collection by the La-Z-Boy Residential and Kincaid divisions. In addition, new fabrics were added (replacing slower moving fabrics) throughout the year. No major new dealers were added in 1999 and no significant dealers were dropped.

La-Z-Boy's gross profit margin (gross profit dollars as a percent of sales dollars) increased to 26.5% in 1999 from 25.5% in 1998. An approximate 11% increase in unit volume had a favorable impact on the gross margin percentage as fixed manufacturing costs were absorbed more efficiently than in the prior year. The absence of hardwood and plywood supply chain disruptions and casegood manufacturing plant consolidations also favorably affected the gross profit margin percentage. Currency exchange impacts associated with inventory movements between supply center plants and Residential division plants in the U.S. to a Residential division plant in Canada had a negative impact on the gross profit margin percentage. Similar to 1998, labor wage rates rose moderately and purchased material prices were generally flat as decreased prices for cardboard, batting and poly were offset by increased prices for other materials.

S,G&A expense decreased to 18.2% of sales in 1999 from 18.5% in 1998. Bonus related expense was significantly higher in fiscal 1999 as compared to fiscal 1998 in addition to increased information technology (IT) expenses. The increased IT expenses were mainly due to Year 2000 related issues. These increases were more than offset by selling and advertising expenses being lower as a percent of sales in fiscal 1999.

Analysis of Operations
Year Ended April 25, 1998
(1998 compared with 1997)

The 1998 sales of $1.1 billion were 10% greater than 1997. About 85% of the increase was due to internal growth of existing divisions and the remainder was due to acquisitions. Internal division growth rates ranged from a low of 6% to a high of 19%. In addition, strength in sales occurred in almost all product lines within each division. La-Z-Boy believes that its 1998 internal growth rate of about 8.5% slightly exceeded the U.S. industry average for comparable time periods. Selling price increases per unit were small and there were no significant shifts to higher or lower priced products. No major new product lines were introduced in 1998 although new styles and new collections of styles occurred across all divisions throughout the year. In addition, new fabrics were added (replacing slower moving fabrics) throughout the year. No major new dealers were added in 1998 and no significant dealers were dropped. No one dealer accounted for 3% or more of sales in 1998.

La-Z-Boy's gross profit margin (gross profit dollars as a percent of sales dollars) declined to 25.5% in 1998 from 26.0% in 1997. Hardwood and plywood parts production and delivery problems and related assembly site production disruptions adversely affected gross margins. The elimination of three manufacturing assembly sites also adversely affected gross margins. Additionally, cost problems were encountered at multiple sites trying to gear up quickly to meet unexpectedly high product demand primarily in the second half of the year. The above items mostly affected plant overhead costs and unfavorable plant labor variances. 1998 labor wage rates rose a moderate 2%. Purchased materials prices were about flat compared to 1997. Increased sales volumes, increased selling prices and lower frame parts costs favorably impacted gross margins.

S,G&A expense decreased to 18.5% of sales in 1998 from 18.6% in 1997. A decline in bonus expense and small increases to some selling expenses more than offset increased (greater than the rate of sales) professional related expenses, bad debts and IT expenses which include Year 2000 costs.

Income tax expense as a percent of pretax income declined to 37.0% in 1998 from 38.7% in 1997, reflecting a favorable shift of earnings to entities with lower effective tax rates and the settlement of an IRS audit.

Liquidity and Financial Condition

Cash flows from operations amounted to $82 million in 1999, $55 million in 1998 and $60 million in 1997 and have been adequate for day-to-day expenditures, dividends to shareholders and capital expenditures. Capital expenditures were $25.3 million in 1999, $22.0 million in 1998 and $17.8 million in 1997.

Total FIFO inventory increased 4% over the prior year with raw materials increasing 8%, work-in-process decreasing 8% and finished goods increasing 16%. The absence of hardwood and plywood supply chain disruptions resulting from improved supply plant production throughput has permitted work-in-process inventory to be significantly reduced. Finished goods inventory levels are higher primarily due to increased daily production volumes resulting in more finished product being staged for shipment.

The Company had unused lines of credit and commitments of $113 million under several credit arrangements as of April 24, 1999. The primary credit arrangement is a $75 million unsecured revolving credit line through August 2002, requiring interest only payments through August 2002 and a payment of principal in August 2002. The credit agreement includes covenants that, among other things, require the Company to maintain certain financial statement ratios. The Company has complied with all of the requirements.

Bonus accruals for the year are significantly higher than the past year, thus driving the increase in payroll/other compensation liability.

In September 1998, the Company declared a three-for-one stock split in the form of a 200% stock dividend.

The La-Z-Boy Board of Directors has authorized the repurchase of Company stock. Shares acquired in 1999, 1998 and 1997 totaled 1,643,000, 1,253,000 and 1,941,000, respectively. As of April 24, 1999, 1,526,000 shares were available for repurchase. Due to repurchases during the year, the Company was able to increase the diluted earnings per share by $0.02 for the fiscal year. The Company plans to be in the market for its shares as its stock price changes and other financial opportunities arise.

The financial strength of the Company is reflected in two commonly used ratios, the current ratio (current assets divided by current liabilities) and the debt-to-capital ratio (total debt divided by shareholders' equity plus total debt). The current ratio at the end of 1999 and 1998 was 3.2:1 and 3.5:1, respectively. The debt to capital ratio was 13.7% at the end of 1999 and 15.9% at the end of 1998.

Continuing compliance with existing federal, state and local provisions dealing with protection of the environment is not expected to have a material effect upon the Company's capital expenditures, earnings, competitive position or liquidity. The Company will continue its program of conducting voluntary compliance audits at its facilities. The Company has also taken steps to assure compliance with provisions of Titles III and V of the 1990 Clean Air Act Amendments. Refer to Note 12: Contingencies, in the Notes to Consolidated Financial Statements.

Outlook

Statements in this Outlook section are forward looking within the meaning of the Private Securities Litigation Reform Act of 1995. As conditions change in the future, actual results may not match these expectations. In particular, sales and profits can be materially impacted in any quarter by changes in interest rates or changes in consumer confidence/demand.

La-Z-Boy's fiscal year ending April 29, 2000 will include 53 weeks compared to fiscal year 1999 which included 52 weeks. This is approximately a 2% increase in the length of the year which will affect sales and other financial comparisons from year to year.

One of the up and coming challenges that is currently facing businesses is the need to respond to "e-commerce", which refers to the electronic exchange of information. Consumers are doing more and more business via this global form of communication. The Company recognizes that there are significant potential rewards and risks associated with e-commerce and that the e-commerce environment is changing rapidly. The Company has recently begun formal efforts to clarify its e-commerce strategies.

One of La-Z-Boy's financial goals is to increase sales of existing operations greater than the furniture industry with a benchmark of at least 10% per year. For 1999, La-Z-Boy sales increased 16% from 1998. On a comparable basis, excluding Sam Moore which was only included for one month of fiscal 1998, the sales increase was equal to 13%, which the Company believes was better than the industry average. Some furniture industry reports for calendar year 1998 over 1997 showed industry sales increases in the 6-9% range.

At the end of April 1999, the backlog of orders was much higher than at the end of April 1998. La-Z-Boy primarily builds "to order" and does not carry large amounts of finished warehouse goods. The expected acquisition of

Bauhaus and Alexvale in the first quarter of fiscal year 2000 are expected to result in measurable sales gains for all quarters in fiscal year 2000. La-Z-Boy, without Bauhaus and Alexvale, is expected to realize first quarter sales increases as a result of a favorable order backlog situation. Expectations are for a slow-down in sales growth rates in the second half of 2000 based on industry economic projections and the high rate of actual sales achieved in that period in 1999 which will make fiscal year 2000 comparisons more difficult. Some furniture industry forecasts for calendar year 1999 over 1998 are estimating that sales increases will be in the 4-6% range.

The Company's major residential efforts and opportunities for U.S. sales growth greater than industry averages are focused outside the recliner market segment, e.g., stationary upholstery (single and multi-seat), reclining sofas and modulars, wood occasional and wall units and wood bedroom and dining room furniture.

The number of dealer owned and operated proprietary stores is expected to continue increasing. These stores are a major contributor to La-Z-Boy's ability to achieve its sales goal.

Existing manufacturing capacity can support unit volume increases of 10 - 15% should they materialize.

La-Z-Boy's second financial goal is for operating profit to exceed the current fiscal year's 8.3%. For 2000 it is expected that various management initiatives, economic events and other items will occur such that the net effect of these items will result in the second financial goal being achieved. Increased sales volume should help improve operating margins. Operating margins benefit from improved investments and machinery and other productivity enhancements. Capital expenditures are expected to be about $30 million in 2000 compared to $25 million in 1999. IT expenses and bad debts expense are expected to slightly decrease as a percent of sales.

A third financial goal is to achieve return on capital of greater than 20%. La-Z-Boy defines return on capital as operating profit + interest income + other income as a percent of beginning-of-year capital (capital is defined as shareholders' equity + debt + capital leases + net deferred taxes). For 1999, return on capital was 24.8% compared to 20.5% in 1998. La-Z-Boy enhances shareholder value and reduces capital employed through stock repurchases, dividends and debt reductions.

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 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 regard 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 regard 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 completed the inventory and assessment phases and substantially completed the remediation phase. The Company currently is in the testing and implementation phases. Critical operating systems, hardware and software and in-house developed programs have been renovated, replaced or upgraded and implemented. Year 2000 testing is on schedule with regards to the internal plan. 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 and the testing phase is substantially complete. The Company believes these systems to be compliant and compatible. The Company is presently completing the testing phase of its non-IT projects 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 or the Company will make alternative plans. 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 system failures. Such failures could have a material adverse effect on the Company's results of operations, liquidity and financial condition. The Company, utilizing independent consultants, has initiated an assessment of the operational risks related to the Year 2000 issue. To the extent such risks are identified, the Company has or will devise contingency plans to minimize such 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 $9 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.

In June, 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," which will be effective for the Company's fiscal year 2001. SFAS No. 133 requires a company to recognize all derivative instruments as assets or liabilities in its balance sheet and measure them at fair value. The Company has not yet determined when it will implement SFAS No. 133 or what impact implementation will have on its financial position or results of operations.

Consolidated Six Year Summary of Selected Financial Data

(Dollar amounts in thousands, except per share data) Fiscal year ended	1999 (52 weeks)	1998 (52 weeks)	1997 (52 weeks)	1996 (52 weeks)	1995 (52 weeks)	1994 (53 weeks)
Sales	$1,287,645	$1,108,038	$1,005,825	$947,263	$850,271	$ 804,898
Cost of sales	946,731	825,312	744,662	705,379	629,222	593,890
Gross profit	340,914	282,726	261,163	241,884	221,049	211,008
Selling, general and administrative	234,075	205,523	187,230	174,376	158,551	151,756
Operating profit	106,839	77,203	73,933	67,508	62,498	59,252
Interest expense	4,440	4,157	4,376	5,306	3,334	2,822
Interest income	2,181	2,021	1,770	1,975	1,628	1,076
Other income	2,658	4,207	2,508	2,023	1,229	649
Pretax income	107,238	79,274	73,835	66,200	62,021	58,155
Income tax expense	41,096	29,354	28,538	26,947	25,719	23,438
Net income	$ 66,142	$ 49,920	$ 45,297	$ 39,253	$ 36,302	$ 34,717**
Diluted weighted average shares outstanding (`000s) ***	53,148	53,821	54,575	55,596	54,303	54,085
Per common share outstanding						
Diluted net income***	$ 1.24	$ 0.93	$ 0.83	$ 0.71	$ 0.67	$ 0.63
Basic net income***	$ 1.25	$ 0.93	$ 0.83	$ 0.71	$ 0.67	$ 0.63**
Cash dividends paid***	$ 0.31	$ 0.28	$ 0.26	$ 0.25	$ 0.23	$ 0.21
Book value on year end shares outstanding***	$ 7.93	$ 7.25	$ 6.69	$ 6.23	$ 5.81	$ 5.30
Return on average shareholders' equity	16.5%	13.4%	12.9%	11.8%	12.2%*	12.5%**
Gross profit as a percent of sales	26.5%	25.5%	26.0%	25.5%	26.0%	26.2%
Operating profit as a percent of sales	8.3%	7.0%	7.4%	7.1%	7.4%	7.4%
Operating profit, interest income and other income as a percent of beginning-of-year capital	24.8%	20.5%	19.6%	18.1%	19.3%	19.4%
Net income as a percent of sales	5.1%	4.5%	4.5%	4.1%	4.3%	4.3%**
Income tax expense as a percent of pretax income	38.3%	37.0%	38.7%	40.7%	41.5%	40.3%
Depreciation and amortization	$ 22,081	$ 21,021	$ 20,382	$ 20,147	$ 15,156	$ 14,014
Capital expenditures	$ 25,316	$ 22,016	$ 17,778	$ 18,168	$ 18,980	$ 17,485
Property, plant and equipment (net)	$ 125,989	$ 121,762	$ 114,658	$116,199	$117,175	$ 94,277
Working capital	$ 293,160	$ 274,739	$ 245,106	$240,583	$237,280	$ 224,122
Current ratio	3.2 to 1	3.5 to 1	3.5 to 1	3.5 to 1	3.7 to 1	4.1 to 1
Total assets	$ 629,792	$ 580,351	$ 528,407	$517,546	$503,818	$ 430,253
Debt and capital leases	$ 65,473	$ 73,458	$ 61,279	$ 69,033	$ 83,201	$ 55,370
Shareholders' equity	$ 414,915	$ 388,209	$ 359,338	$343,376	$323,640	$ 290,911
Ending capital	$ 466,017	$ 450,466	$ 405,996	$399,801	$395,209	$ 338,070
Ratio of debt to equity	15.8%	18.9%	17.1%	20.1%	25.7%	19.0%
Ratio of debt to capital	13.6%	15.9%	14.6%	16.7%	20.5%	16.0%
Shareholders	16,329	13,592	12,729	12,293	12,665	12,615
Employees	12,796	12,155	11,236	10,733	11,149	9,370

*April 1995 shareholders' equity used in this calculation excludes $18,004 relating to stock issued on the last day of the fiscal year for the acquisition of an operating division.
**Excludes the income effect of adopting SFAS No. 109 in May 1993 of $3,352 or $0.06 per share.
***Restated to reflect a three-for one stock split, in the form of a 200% stock dividend effective September, 1998.

Dividend and Market Information

Fiscal 1999 quarter ended	Dividends paid	Market price High	Low	Close
July 25	$0.07	$19 11/24	$16 1/3	$17 23/24
Oct. 24	0.08	22 1/2	15 5/8	18 1/2
Jan. 23	0.08	20 7/16	15 1/4	16 15/16
April 24	0.08	$22 1/4	$17	$19
	$0.31			

Fiscal 1998 quarter ended	Dividends paid	Market price High	Low	Close
July 26	$0.07	$12 31/48	$10 7/12	$12 13/24
Oct. 25	0.07	12 47/48	11 5/12	12 5/8
Jan. 24	0.07	14 15/16	12 19/48	14 5/8
April 25	0.07	$17 5/6	$14 5/16	$17 5/6
	$0.28			

Fiscal year	Dividends paid	Dividend yield	Dividend payout ratio	Market price High	Low	Close	Diluted net income per share	P/E ratio High	Low
1999	$0.31	1.6%	24.8%	$22 1/2	$15 1/4	$19	$1.24	18	12
1998	0.28	1.6%	30.1%	17 5/6	10 7/12	17 5/6	0.93	19	11
1997	0.26	2.4%	31.2%	12 7/24	9 5/12	10 3/4	0.83	15	11
1996	0.25	2.5%	34.9%	11 1/4	8 13/24	10 1/24	0.71	16	12
1995	0.23	2.5%	33.8%	11 1/4	8 11/24	9	0.67	17	13
1994	$0.21	1.9%	33.7%*	$13 1/3	$8 1/2	$11 1/6	$0.63*	21*	13*

La-Z-Boy Incorporated common shares are traded on the NYSE and the PCX (symbol LZB).

Unaudited Quarterly Financial Information

(Amounts in thousands, except per share data) Quarter ended	7/25/98	10/24/98	1/23/99	4/24/99	Fiscal year 1999
Sales	$268,880	$334,831	$318,105	$365,829	$1,287,645
Cost of sales	205,431	245,062	230,923	265,315	946,731
Gross profit	63,449	89,769	87,182	100,514	340,914
Selling, general and administrative	51,288	59,510	58,758	64,519	234,075
Operating profit	12,161	30,259	28,424	35,995	106,839
Interest expense	1,187	1,164	1,110	979	4,440
Interest income	577	471	430	703	2,181
Other income	355	865	962	476	2,658
Pretax income	11,906	30,431	28,706	36,195	107,238
Income tax expense	4,722	11,984	10,978	13,412	41,096
Net income	$ 7,184	$ 18,447	$ 17,728	$ 22,783	$ 66,142
Diluted EPS	$ 0.13	$ 0.35	$ 0.34	$ 0.43	$ 1.24

Quarter ended	7/26/97	10/25/97	1/24/98	4/25/98	Fiscal year 1998
Sales	$212,326	$293,208	$280,520	$321,984	$1,108,038
Cost of sales	164,184	215,370	211,688	234,070	825,312
Gross profit	48,142	77,838	68,832	87,914	282,726
Selling, general and administrative	45,357	50,400	50,189	59,577	205,523
Operating profit	2,785	27,438	18,643	28,337	77,203
Interest expense	1,024	1,027	1,048	1,058	4,157
Interest income	482	512	568	459	2,021
Other income	750	527	240	2,690	4,207
Pretax income	2,993	27,450	18,403	30,428	79,274
Income tax expense	1,267	10,628	6,944	10,515	29,354
Net income	$ 1,726	$ 16,822	$ 11,459	$19,913	$ 49,920
Diluted EPS	$ 0.03	$ 0.31	$ 0.21	$0.37	$ 0.93

*Excludes the income effect of adopting SFAS 109 in May 1993 of $3,352 or $0.06 per share.

Various data has been restated to reflect a three-for-one stock split.

Exhibit (23)

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-34155, 333-34157, 33-8997, 333-03097 and 33-54743) of La-Z-Boy Incorporated of our report dated May 20, 1999 relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K/A. We also consent to the incorporation by reference of our report dated May 20, 1999 relating to the financial statement schedule, which appears in this Form 10-K/A.

/s/PricewaterhouseCoopers LLP
PRICEWATERHOUSECOOPERS LLP

Toledo, Ohio
September 24, 1999