

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549-1004

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

FOR QUARTER ENDED January 22, 1994 COMMISSION FILE NUMBER 0-5091

LA-Z-BOY CHAIR COMPANY
(Exact name of registrant as specified in its charter)

MICHIGAN
(State or other jurisdiction of
incorporation or organization)

38-0751137
(I.R.S. Employer
Identification No.)

1284 North Telegraph Road, Monroe, Michigan
(Address of principal executive offices)

48161-3390
(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (313) 241-4414

None
Former name, former address and former fiscal year, if changed since
last report.

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act
of 1934 during the preceding 12 months and (2) has been subject to such filing
requirements for the past 90 days.

YES [X] NO []

Indicate the number of shares outstanding of each issuer's classes of common
stock, as of the last practicable date:

Class	Outstanding at January 22, 1994
Common Shares, \$1.00 par value	18,320,185

Part I. Financial Information

The Consolidated Balance Sheet and Consolidated Statement of Income required for Part I are contained in the Registrant's Financial Information Release dated February 14, 1994 and are incorporated herein by reference.

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

	Three Months Ended		Nine Months Ended	
	Jan. 22, 1994	Jan. 23, 1993	Jan. 22, 1994	Jan. 23, 1993
Cash Flows from Operating Activities:				
Net income	\$ 7,988	\$ 6,391	\$25,729	\$15,681
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	3,580	4,406	10,254	11,458
Change in receivables	28,195	17,598	16,826	14,201
Change in inventories	(1,460)	357	(16,364)	(4,241)
Change in other assets and liab.	(7,331)	567	(7,001)	6,110
Change in deferred taxes	3	281	(2,970)	280
Total adjustments	22,987	23,209	745	27,808
Cash Provided by Operations	30,975	29,600	26,474	43,489
Cash Flows from Investing Activities:				
Proceeds from disposals of assets	79	176	146	228
Capital expenditures	(4,069)	(3,190)	(13,283)	(8,341)
Change in other investments	(234)	(157)	(3,311)	(2,470)
Cash Used for Investing Activities:	(4,224)	(3,171)	(16,448)	(10,583)
Cash Flows from Financing Activities:				
Short-term debt	0	486	441	1,767
Retirements of debt	(530)	(1,456)	(983)	(3,907)
Sale of Stock under stock option plans	456	350	1,683	962
Stock for 401(k) employee plans	707	636	2,073	1,895
Purchase of La-Z-Boy stock	(261)	(33)	(857)	(1,246)
Payment of cash dividends	(3,109)	(2,723)	(8,576)	(8,172)
Cash Used for Financing Activities:	(2,737)	(2,740)	(6,219)	(8,701)
Effect of exch. rate changes on cash	23	(176)	(213)	(489)
Net change in cash and equivalents	24,037	23,513	3,594	23,716
Cash and equiv. - beginning of period	8,365	21,940	28,808	21,737
Cash and equiv. - end of period	\$32,402	\$45,453	\$32,402	\$45,453
	=====	=====	=====	=====
Cash paid during period - Income tax	\$ 6,542	\$ 4,323	\$20,269	\$12,353
- Interest	522	554	1,945	2,246

For purposes of the Statement of Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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

LA-Z-BOY CHAIR COMPANY AND OPERATING DIVISIONS

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The financial information is prepared in conformity with generally accepted accounting principles and such principles are applied on a basis consistent with those reflected in the 1993 Annual Report filed with the Securities and Exchange Commission. The financial information included herein, other than the consolidated condensed balance sheet as of April 24, 1993, has been prepared by management without audit by independent certified public accountants who do not express an opinion thereon. The consolidated condensed balance sheet as of January 22, 1994 has been derived from, but does not include all the disclosures contained in, the audited consolidated financial statements for the year ended April 24, 1993. The information furnished includes all adjustments and accruals consisting only of normal recurring accrual adjustments which are in the opinion of management, necessary for a fair presentation of results for the interim period.

2. Interim Results

The foregoing interim results are not necessarily indicative of the results of operations for the full fiscal year ending April 30, 1994.

3. Income Taxes

Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes", was issued by the Financial Accounting Standards Board (FASB) in February 1992. The Company elected to adopt the new standard effective April 25, 1993. The Company's first quarter 10-Q report dated August 17, 1993 includes notes which more fully discuss the adoption of this new standard.

4. Commitments and Contingencies

There has been no significant change from the prior fiscal year end audited financial statements.

LA-Z-BOY CHAIR COMPANY AND OPERATING DIVISIONS
MANAGEMENT DISCUSSION

Due to the cyclical nature of the Company's business, comparison of operations between the most recently completed quarter and the immediate preceding quarter would not be meaningful and could be misleading to the reader of these financial statements.

For further Management Discussion, see attached Exhibit I.

The Company's strong financial position is reflected in the debt to capital percentage of 16% and a current ratio of 3.8 to 1 at the end of the third quarter. At April 24, 1993, the debt to capital percentage was 17% and the current ratio was 3.6 to 1. At the end of the preceding year's third quarter, the debt to capital percentage was 19% and the current ratio was 3.7 to 1. As of January 22, 1994, there was \$61 million of unused lines of credit available under several credit arrangements.

The Company is authorized to purchase up to 2 million shares of Company stock on the open market. Approximately 47% of the shares have been purchased to date. The Company plans to be in the market for its shares as changes in its stock price and other factors present appropriate opportunities.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company has been named as defendant in various lawsuits arising in the normal 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 to the Company's consolidated financial position.

Item 2. Changes in Securities

None.

Item 3. Default Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K.

Exhibit I News Release and Financial Information Release: re Actual third quarter results and Management Discussion dated February 14, 1994.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q for the quarter ended January 22, 1994 to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY CHAIR COMPANY
(Registrant)

Date: February 14, 1994

James J. Korsnack
Corporate Controller

THIRD QUARTER LA-Z-BOY SALES UP 13%, EARNINGS UP 25%

MONROE, MI., February 14, 1994: La-Z-Boy Chair Company's third quarter that ended on January 22, 1994 recorded sales up 13% and net income up 25% vs. last year's third quarter. Both sales and earnings were record highs for a third quarter.

Details of Financial Results

Third quarter sales grew to \$193 million vs. \$170 million, an increase of 13%, while net income improved 25% to \$8.0 million(\$.44 per share) from \$6.4 million (\$.35 per share) in last year's third quarter. Cash dividends paid rose 13%.

For the nine months ended January, sales were \$564 million, 16% more than last year's \$486 million, and net income before an accounting change for income taxes was \$22.4 million (\$1.23 per share) vs. \$15.7 million (\$.86 per share) last year. After the accounting change, net income was \$1.41 per share vs. \$.86 last year.

Chairman Comments

Charles T. Knabusch, La-Z-Boy Chairman and President, said, "Sales volume was strong again across all five of our operating divisions, particularly at Hammary [which primarily produces occasional tables]. La-Z-Boy modulars, sofas, sleepers and reclining sofas continue to have much higher than average rates of sales increases. Operating profit improved 28% even though many of our plants had extra costs and problems due to the bad weather in late December and early January."

Regarding the near future, Mr. Knabusch was generally optimistic. "Last year's fourth quarter had very strong sales and profits. Even so, it looks like we can do better this year although the percentage improvements probably won't be as strong as the last two quarters."

New Manufacturing Facility

Earlier this quarter La-Z-Boy announced that it will begin construction on a new upholstery factory in Arkansas. The plant will be over 350,000 square feet and will replace an existing older 200,000 square foot plant. It is expected to cost roughly \$7 million (including equipment) and generate new jobs within the first two years of operation.

(Amounts in thousands, except per share data)

	THIRD QUARTER ENDED (UNAUDITED)				
	Amounts			Percent of Sales	
	Jan. 22, 1994	Jan. 23, 1993	% Over (Under)	1994	1993
Sales	\$192,648	\$169,810	13%	100.0%	100.0%
Cost of sales	141,771	125,677	13%	73.6%	74.0%
Gross profit	50,877	44,133	15%	26.4%	26.0%
S, G & A	36,877	33,210	11%	19.1%	19.6%
Operating profit	14,000	10,923	28%	7.3%	6.4%
Interest expense	682	765	-11%	0.4%	0.5%
Other income	153	346	-56%	0.1%	0.3%
Pretax income	13,471	10,504	28%	7.0%	6.2%
Income taxes *	5,483	4,113	33%	40.7%	39.2%
Net income	\$ 7,988	\$ 6,391	25%	4.1%	3.8%
Average shares	18,302	18,175	1%		
Earnings per share	\$0.44	\$0.35	26%		
Dividends per share	\$0.17	\$0.15	13%		

* Percent of sales column is calculated as a percent of pretax income.

(Amounts in thousands, except per share data)

	NINE MONTHS ENDED (UNAUDITED)				
	Amounts			Percent of Sales	
	Jan. 22, 1994	Jan. 23, 1993	% Over (Under)	1994	1993
Sales	\$563,788	\$485,690	16%	100.0%	100.0%
Cost of sales	416,978	363,144	15%	74.0%	74.8%
Gross profit	146,810	122,546	20%	26.0%	25.2%
S,G & A	108,330	95,557	13%	19.2%	19.6%
Operating profit	38,480	26,989	43%	6.8%	5.6%
Interest expense	2,178	2,473	-12%	0.4%	0.5%
Other income	1,021	1,295	-21%	0.2%	0.2%
Pretax income	37,323	25,811	45%	6.6%	5.3%
Income taxes *	14,946	10,130	48%	40.0%	39.2%
Income before acctg. change	22,377	15,681	43%	4.0%	3.2%
Accounting change	3,352	-	N/A	0.6%	N/A
Net income	\$ 25,729	\$ 15,681	64%	4.6%	3.2%
Average shares	18,257	18,168	0%		
Earnings per share:					
Income before acctg. change	\$1.23	\$0.86	43%		
Accounting change	0.18	-	N/A		
Net income	\$1.41	\$0.86	64%		
Dividends per share	\$0.47	\$0.45	4%		

* Percent of sales column is calculated as a percent of pretax income.

La-Z-Boy Chair Company Financial Information Release
CONSOLIDATED BALANCE SHEET

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02/14/94

(Dollars in thousands)

	Unaudited		Increase (Decrease)		Audited April 24, 1993
	Jan. 22, 1994	Jan. 23, 1993	Dollars	Percent	
Current Assets					
Cash & cash equivalents	\$ 32,402	\$ 45,453	(\$13,051)	-29%	\$ 28,808
Receivables	158,280	146,430	11,850	8%	175,106
Inventories					
Raw materials	33,259	25,394	7,865	31%	27,555
Work-in-process	32,063	28,687	3,376	12%	30,598
Finished goods	29,698	22,227	7,471	34%	20,135
Total FIFO	95,020	76,308	18,712	25%	78,288
LIFO reserve	(18,170)	(14,258)	(3,912)	-27%	(17,801)
Total LIFO inventories	76,850	62,050	14,800	24%	60,487
Deferred income taxes	13,720	7,389	6,331	86%	9,152
Other current assets	5,956	644	5,312	825%	5,423
Total Current Assets	287,208	261,966	25,242	10%	278,976
Property, plant & equipment	93,889	90,596	3,293	4%	90,407
Goodwill	20,991	22,228	(1,237)	-6%	21,658
Other long-term assets	12,922	8,387	4,535	54%	10,023
Total Assets	\$415,010	\$383,177	\$31,833	8%	\$401,064
Current Liabilities					
Short-term debt	\$ 0	\$ 1,400	(\$ 1,400)	-100%	\$ 0
Current portion of L/T debt	2,875	1,727	1,148	66%	542
Accounts payable	22,740	21,765	975	4%	20,010
Payroll/benefits related	26,913	22,840	4,073	18%	30,842
Estimated income taxes	3,148	3,329	(181)	-5%	9,011
Other current liabilities	20,460	19,451	1,009	5%	17,046
Total Current Liabilities	76,136	70,512	5,624	8%	77,451
Long-term debt	52,495	55,459	(2,964)	-5%	55,370
Deferred income taxes	6,455	5,339	1,116	21%	4,857
Shareholders' equity					
18,320,185 shares, \$1.00 par	18,320	18,200	120	1%	18,195
Capital in excess of par	9,596	8,227	1,369	17%	8,494
Retained earnings	252,550	225,911	26,639	12%	236,842
Currency translation	(542)	(471)	(71)	-15%	(145)
Total Shareholders' Equity	279,924	251,867	28,057	11%	263,386
Total Liabilities and Shareholders' Equity	\$415,010	\$383,177	\$31,833	8%	\$401,064

Overall:

Refer to today's press release for additional comments.

Other Income:

The \$193 (56%) decline in other income for the quarter was due to changes in pension-related assumptions. The expected long-term rate of return and the discount rate were each lowered .5 points. In addition, a 16 year amortization of the unrecognized net loss of the plan was started. The fourth quarter should show a similar decline compared to the prior year.

Accounting Change:

During the first quarter of fiscal year 1994, the Company recorded a change in accounting principle in connection with the issuance of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", by the Financial Accounting Standards Board. This change in accounting principle increased net income and the net deferred tax asset by \$3.4 million or \$.18 per share.

Cash:

The decrease in cash from \$45 million last January to \$32 million this year was largely due to the increase in inventories, capital expenditures and receivables. Raw materials were up 31% primarily in the area of fabric, wood and leather. The availability of wood has been better this year than last year. Most of the increase in finished goods inventories was due to plans to better fill dealer orders at LZB's two largest divisions that offer shipments from stock as opposed to build-to-order. The capital expenditure increase was planned as expenditures last year were below average. The receivables increase was largely due to the 13% increase in sales for the quarter.

Other Current Assets:

The \$5 million increase from last year was due to increased VEBA funding, increased prepaid selling expenses, better estimating of expected health-care expenses and changes in the timing of health-care payments.

Extra Week in Fourth Quarter:

The fourth quarter to end April 30, 1994 will have 14 weeks in it compared to 13 weeks in the prior year's fourth quarter. The full year ending April 30, 1994 will have 53 weeks compared to 52 weeks last year.