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 25, 2003 COMMISSION FILE NUMBER 1-9656

LA-Z-BOY INCORPORATED

(Exact name of registrant as specified in its charter)

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

Registrant's telephone number, including area code (734) 241-4414

None

(Former name, former address and former fiscal year, if changed since last report.)

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

Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

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 25, 2003
Common Shares, $1.00 par value	55,974,225

LA-Z-BOY INCORPORATED
FORM 10-Q THIRD QUARTER OF FISCAL 2003

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LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF INCOME
(Unaudited, amounts in thousands, except per share data)

	Third Quarter Ended			Percent of Sales	
	1/25/03	1/26/02	% Over (Under)	1/25/03	1/26/02
Sales	$510,539	$543,547	-6.1%	100.0%	100.0%
Cost of sales	392,247	416,295	-5.8%	76.8%	76.6%
Gross profit	118,292	127,252	-7.0%	23.2%	23.4%
Selling, general and administrative	78,731	89,894	-12.4%	15.5%	16.5%
Loss on divestiture	--	11,689	N/M	--	2.2%
Operating income	39,561	25,669	54.1%	7.7%	4.7%
Interest expense	2,948	3,004	-1.9%	0.6%	0.6%
Other income, net	435	946	-54.0%	0.2%	0.2%
Pretax income	37,048	23,611			

~~56.9% 7.3% 4.3% Tax expense 13,887 1,948 612.9% 37.5%* 8.3%* -------- ------------- ------------- ------------- -------------~~

~~Net income $23,161 $21,663 6.9% 4.5% 4.0% =========== =========== ========== ============ ===========~~

~~Basic average shares 56,444 60,827 Basic net income per share $0.41 $0.36 Diluted average shares 56,765 61,062 Diluted net income per share $0.41 $0.35 Dividends paid per share $0.10 $0.09 * As a percent of pretax income, not sales. The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.~~

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF INCOME
(Unaudited, amounts in thousands, except per share data)

	Nine Months Ended			Percent of Sales	
	1/25/03	1/26/02	% Over (Under)	1/25/03	1/26/02
Sales	$1,571,501	$1,557,890	0.9%	100.0%	100.0%
Cost of sales	1,203,960	1,232,129	-2.3%	76.6%	79.1%
Gross profit	367,541	325,761	12.8%	23.4%	20.9%
Selling, general and administrative	247,857	259,820	-4.6%	15.8%	16.7%
Loss on divestiture	-	11,689	N/M	-	0.7%
Operating income	119,684	54,252	120.6%	7.6%	3.5%
Interest expense	7,128	8,004	-10.9%	0.5%	0.5%
Other income, net	1,945	2,317	-16.1%	0.2%	0.1%

~~Pretax income 114,501 48,565 135.8% 7.3% 3.1% Tax expense 43,512 11,680 272.5% 38.0%* 24.1%*~~

~~Income before cumulative effect of accounting change 70,989 36,885 92.5% 4.5% 2.4% Cumulative effect of accounting change (net of tax of $17,920) (59,782) N/M 3.8%~~

~~Net income $11,207 $36,885 -69.6% 0.7% 2.4%~~

~~Basic average shares 57,652 60,837~~

~~Basic net income per share before cumulative effect of accounting change $1.23 $0.61 Cumulative effect of accounting change per share (1.04)~~

~~Basic net income per share $0.19 $0.61~~

~~Diluted average shares 58,076 61,000~~

~~Diluted net income per share before cumulative effect of accounting~~

~~change $1.22 $0.60 Cumulative effect of accounting change per share (1.03) ------------------------- - Diluted net income per share $0.19 $0.60 ====================== Dividends paid per share $0.30 $0.27 * As a percent of pretax income, not sales. The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.~~

LA-Z-BOY INCORPORATED CONSOLIDATED BALANCE SHEET (Unaudited, amounts in thousands) Increase/(Decrease) 1/25/03 1/26/02 Dollars Percent 4/27/02 ------------- ------------- ---------- --------- ------------

~~Current assets Cash and equivalents $23,817 $26,781 ($2,964) -11.1% $26,771 Receivables, net 337,553 352,522 (14,969) -4.2% 382,843 Inventories, net 251,867 227,138 24,729 10.9% 208,657 Deferred income taxes 33,834 27,251 6,583 24.2% 35,035 Other current assets 19,841 18,368 1,473 8.0% 18,386~~

~~Total current assets 666,912 652,060 14,852 2.3% 671,692 Property, plant and equipment, net 211,639 214,952 (3,313) -1.5% 205,463 Goodwill 78,807 109,371 (30,564) -27.9% 108,244 Trade names 71,144 117,824 (46,680) -39.6% 116,745 Other long-term assets 69,409 57,808 11,601 20.1% 58,632 -- Total assets $1,097,911 $1,152,015 ($54,104) -4.7% $1,160,776 ============= ============= =========== ========== =============== Current liabilities Lines of credit $ -- $700 ($700) N/M $ -- Current portion of long-term debt and capital leases 2,130 1,184 946 79.9% 2,276 Accounts payable 74,070 73,198 872 1.2% 68,497 Accrued expenses and other current liabilities 125,504 129,416 (3,912) -3.0% 156,120~~

~~Total current liabilities 201,704 204,498 (2,794) -1.4% 226,893 Long-term debt 221,759 141,451 80,308 56.8% 137,444 Capital leases 1,512 2,083 (571) -27.4% 1,942 Deferred income taxes 28,513 46,545 (18,032) -38.7% 46,145 Other long-term liabilities 38,327 41,365 (3,038) -7.3% 34,830 Contingencies and commitments Shareholders' equity Common shares, $1 par value 55,974 60,870 (4,896) -8.0% 59,953 Capital in excess of par value 215,267 211,375 3,892 1.8% 215,060 Retained earnings 339,365 451,793 (112,428) -24.9% 444,173 Accumulated other comprehensive loss (4,510) (7,965) 3,455 -43.4% (5,664)~~

~~Total shareholders' equity 606,096 716,073 (109,977) -15.4% 713,522~~

~~Total liabilities and shareholders' equity $1,097,911 $1,152,015 ($54,104) -4.7% $1,160,776 ============= ============= =========== ========== =============== The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.~~

~~LA-Z-BOY INCORPORATED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited, amounts in thousands) Third Quarter Ended Nine Months Ended~~

~~1/25/03 1/26/02 1/25/03 1/26/02~~

~~Cash flows from operating activities Net income $23,161~~

~~$21,663~~
~~$11,207~~
~~$36,885~~
~~Adjustments to reconcile net income to cash provided by operating activities~~
~~Cumulative effect of accounting change - net of income taxes -- --~~
~~59,782 --~~
~~Loss on divestiture~~
~~-- 11,689 --~~
~~11,689~~
~~Depreciation and amortization~~
~~7,714 11,122~~
~~22,840~~
~~32,743~~
~~Change in receivables~~
~~21,386~~
~~20,008~~
~~45,290~~
~~23,610~~
~~Change in inventories~~
~~(5,515)~~
~~7,936~~
~~(40,441)~~
~~21,368~~
~~Change in payables~~
~~(11,834)~~
~~(14,409)~~
~~5,066~~
~~(18,635)~~
~~Change in other assets and liabilities~~
~~(13,278)~~
~~(7,709)~~
~~(27,601)~~
~~(7,631)~~
~~Change in deferred taxes~~
~~(1,702)~~
~~(7,171)~~
~~1,489 (247)~~

~~Total adjustments~~
~~(3,229)~~
~~21,466~~
~~66,425~~
~~62,897~~

~~Net cash provided by operating activities~~
~~19,932~~
~~43,129~~
~~77,632~~
~~99,782 Cash~~

~~flows from investing activities Proceeds from disposals of assets 85 1,365 1,232 2,208 Capital expenditures (7,011) (11,386) (25,777) (23,342) Acquisitions, net of cash acquired -- -- (3,089) -- Proceeds from divestiture -- 6,048 -- 6,048 Change in other long-term assets (641) 2,617 (14,920) 1,879 ---------- ---------- ---------- ---------- Net cash used for investing activities (7,567) (1,356) (42,554) (13,207) Cash flows from financing activities Proceeds from debt 109,435 50,700 187,162 92,276 Payments on debt (97,706) (85,947) (105,333) (162,094) Capital leases (146) (137) (430) (408) Stock issued for stock option & 401(k) plans 2,707 2,070 11,273 11,598 Repurchase of common stock (21,390) (473) (113,694) (7,059) Dividends paid (5,681) (5,471) (17,366) (16,427) ---------- ----------~~

~~Net cash used for financing activities (12,781) (39,258) (38,388) (82,114)~~

~~Effect of exchange rate changes on cash and equivalents 510 (531) 356 (1,245)~~

~~Net increase (decrease) in cash and equivalents 94 1,984 (2,954) 3,216~~

~~Cash and equivalents at beginning of period 23,723 24,797 26,771 23,565~~

~~Cash and equivalents at end of period $23,817 $26,781 $23,817 $26,781~~

~~Cash paid during period -~~

~~Income taxes $20,778 $14,366 $54,197 $22,866~~

~~Interest $1,974 $1,822 $5,136 $7,038~~

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

~~LA-Z-BOY INCORPORATED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited, amounts in thousands) Accumulated Capital in other com- Common excess of Retained prehensive shares par value~~

~~earnings loss Total~~

~~At April 28, 2001...................... $60,501 $210,924 $427,616 ($3,895) $695,146 Repurchases of common stock...................... (1,849) (40,523) (42,372) Stock issued for stock options/401(k)........... 1,301 4,136 17,215 22,652 Dividends paid.................................. (21,886) (21,886) Comprehensive income Net income.................................. 61,751 Unrealized loss on marketable securities, net of taxes................. (482) Realization of losses on marketable securities, net of taxes................. 1,250 Translation adjustment...................... (378) Change in fair value of interest rate swap agreements, net of taxes............ (2,159) Total comprehensive income.................. 59,982~~

~~At April 27, 2002...................... 59,953 215,060 444,173 (5,664) 713,522 Repurchases of common stock...................... (4,584) (109,110) (113,694) Stock issued for stock options/401(k)........... 605 207 10,461 11,273 Dividends paid.................................. (17,366) (17,366) Comprehensive income Net income.................................. 11,207 Unrealized loss on marketable securities, net of taxes.................. (1,018) Realization of losses on marketable securities, net of taxes.................. 218 Translation adjustment....................... 1,773 Change in fair value of interest rate swap agreements, net of taxes........ 181 Total comprehensive income.................. 12,361~~

~~At January 25, 2003.................... $55,974 $215,267 $339,365 ($4,510) $606,096~~

~~The accompanying Notes to Consolidated Financial Statements are an integral part of these statements. Page 7 of 25 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Note 1: Basis of Presentation The interim financial information is prepared in conformity with accounting principles generally accepted in the United States of America and, except as indicated in Note 9, such principles are applied on a basis consistent with those reflected in our 2002 Annual Report on Form 10-K, filed with the Securities and Exchange Commission, but does not include all the disclosures required by generally accepted accounting principles. In the opinion of management, the interim financial information includes all adjustments and accruals, consisting only of normal recurring adjustments other than the adoption of Statement of Financial Accounting Standards (SFAS) No. 142 discussed in Note 9, which are, in our opinion, necessary for a fair presentation of results for the respective interim period. Note 2: Interim Results The foregoing interim results are not necessarily indicative of the results of operations for the full fiscal year ending April 26, 2003. Note 3: Reclassification Certain prior period information has been reclassified to be comparable to the current year presentation. Note 4: Earnings per Share Basic earnings per share is computed using the weighted average number of shares outstanding during the period. Diluted earnings per share uses the weighted average number of shares outstanding during the period plus the additional common shares that would be outstanding if the dilutive potential common shares issuable under employee stock options were issued. (Unaudited) Third Quarter Ended Nine Months Ended~~

~~(Amounts in thousands) 1/25/03 1/26/02 1/25/03 1/26/02~~

~~Weighted average common shares outstanding (basic) 56,444 60,827 57,652 60,837 Effect of options 321 235 424 163~~

~~Weighted average common shares outstanding (diluted) 56,765 61,062 58,076 61,000 ======== ======== ======== ========~~

Note 5: Inventories A summary of inventory follows: (Unaudited) -- (Amounts in thousands) 1/25/03 1/26/02 4/27/02 -- Raw materials $80,584 $79,539 $72,389 Work in progress 51,742 59,544 53,947 Finished goods 131,567 100,535 94,062 -- FIFO inventories 263,893 239,618 220,398 Excess of FIFO over LIFO (12,026) (12,480) (11,741) -- Inventories, net $251,867 $227,138 $208,657 ============ ============ ============

Note 6: Restructuring In fiscal years 2002 and 2001, we recorded restructuring charges of $22.2 million and $11.2 million, respectively. The $22.2 million, which was recorded in cost of sales, was the result of closing down three manufacturing facilities and converting two others to warehousing, sub-assembly and import service operations. Of the $22.2 million, $3.7 million was attributable to the Upholstery segment and $18.5 million was attributable to the Casegoods segment. The total restructuring charges were comprised of $13.2 million in the second quarter and $9.0 million in the fourth quarter. As of January 25, 2003, substantially all of the 1,132 employees expected to be terminated as a result of these plans are no longer employed by the company. Restructuring liabilities along with charges to expense, cash payments or asset write-offs were as follows: Fiscal 2003 -- Cash Charges Payments 4/27/02 to or Asset 1/25/03 (Amounts in thousands) Balance Expense Write-offs Balance -- Severance and benefit-related costs $1,500 -- ($1,416) $84 Other 3,100 -- (2,342) 758 -- Total restructuring $4,600 -- ($3,758) $842 ========= ========= ============= ======= Fiscal 2002 -- Cash Charges Payments 4/28/01 to or Asset 4/27/02 (Amounts in thousands) Balance Expense Write-offs Balance -- Fixed asset write-downs -- $11,000 ($11,000) -- Severance and benefit-related costs $1,200 4,600 (4,300) $1,500 Inventory write-downs -- 3,500 (3,500) -- Other 2,700 3,100 (2,700) 3,100 -- Total restructuring $3,900 $22,200 ($21,500) $4,600 ========= ========= =========== =======

Note 7: Divestiture On November 30, 2001, we sold the operations of our Pilliod Furniture unit. We acquired Pilliod, which produces promotionally priced bedroom and occasional furniture at its manufacturing facility in Nichols, S.C., as part of our January, 2000 acquisition of LADD Furniture, Inc. The product line produced by Pilliod did not strategically align with our other product lines. The transaction generated a pretax loss of $11.7 million. A tax benefit of $11.8 million was generated, resulting in a small net gain with no earnings per share effect.

Note 8: Segment Information Our reportable operating segments are the Upholstery segment and the Casegoods segment. Operating income for the quarter and nine months ended January 26, 2002 is net of $2.3 million and $6.9 million, respectively, of goodwill and trade name amortization expense. See Note 9 for additional information.

(Unaudited)
Third Quarter
Ended Nine
Months Ended

(Amounts in
thousands)
1/25/03 1/26/02
1/25/03 1/26/02

Sales
Upholstery

~~segment $386,170~~
~~$396,553~~
~~$1,175,392~~
~~$1,094,190~~
~~Casegoods~~
~~segment 125,483~~
~~147,274 399,535~~
~~464,398~~
~~Eliminations~~
~~(1,114) (280)~~
~~(3,426) (698) --~~
~~----------------~~
~~----------------~~
~~----------------~~
~~-------~~
~~Consolidated~~
~~$510,539~~
~~$543,547~~
~~$1,571,501~~
~~$1,557,890~~
~~=============~~
~~=============~~
~~==============~~
~~==============~~
~~Operating income~~
~~Upholstery~~
~~segment $38,202~~
~~$37,277 $111,951~~
~~$85,193~~
~~Restructuring --~~
~~-- -- (3,735) --~~
~~----------------~~
~~----------------~~
~~----------------~~
~~---------- Net~~
~~Upholstery~~
~~segment 38,202~~
~~37,277 111,951~~
~~81,458 Casegoods~~
~~segment 7,164~~
~~7,441 26,079~~
~~11,847~~
~~Restructuring --~~
~~-- -- (9,452)~~
~~Loss on~~
~~divestiture --~~
~~(11,689) --~~
~~(11,689) -------~~
~~----------------~~
~~----------------~~
~~----------------~~
~~-- Net Casegoods~~
~~segment 7,164~~
~~(4,248) 26,079~~
~~(9,294)~~
~~Corporate and~~
~~other (5,805)~~
~~(7,360) (18,346)~~
~~(17,912) -------~~
~~----------------~~
~~----------------~~
~~----------------~~
~~-- Consolidated~~
~~39,561 37,358~~
~~119,684 79,128~~
~~Restructuring~~
~~and divestiture~~
~~-- (11,689) --~~
~~(24,876) -------~~
~~----------------~~
~~----------------~~
~~----------------~~
~~----- Net~~
~~Consolidated~~
~~$39,561 $25,669~~
~~$119,684 $54,252~~
~~=============~~
~~=============~~
~~==============~~
~~================~~

~~Page 10 of 25 Note 9: New Accounting Pronouncement Effective April 28, 2002, we adopted Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 eliminates the amortization of goodwill and indefinite lived intangible assets and requires a review at least annually for impairment. We have determined that our trade names are indefinite lived assets, as defined by SFAS No. 142, and therefore not subject to amortization beginning in fiscal 2003. Amortization expense for goodwill and trade names was $9.3 million ($7.5 million after tax) in fiscal 2002. Of this $9.3 million, $3.3 million was attributable to the Upholstery segment and $6.0 million was attributable to the Casegoods segment. Excluding the effect of amortization, our reported net income for the third quarter of fiscal 2002 would have been increased to $23.6 million from $21.7 million and our diluted net income per common share would have been increased to $0.38 from $0.35 per common share. Excluding the effect of amortization, our reported net income for the first nine months of fiscal 2002 would have been increased to $42.5 million from $36.9 million and our diluted net income per common share would have been increased to $0.69 from $0.60 per common share. In accordance with SFAS No. 142, trade names were tested for impairment by comparing their fair value to their carrying values. As of April 28, 2002, the carrying value of trade names exceeded their fair value creating an impairment loss of $48.3 million. Additionally, goodwill was tested for impairment by comparing the fair value of our operating units to their carrying values. As of April 28, 2002, the carrying value of goodwill exceeded its fair value creating an impairment loss of $29.4 million. Of the pre tax impairment loss, $17.1 million is attributable to the Upholstery segment and $60.6 million is attributable to the Casegoods segment. The after tax effect of $59.8 million for these impairment losses is included in the "Cumulative effect of accounting change" in the Consolidated Statement of Income. The following table summarizes changes to goodwill and trade names in fiscal 2003: Upholstery Casegoods (Amounts in thousands) Group Group ------------------------------ Goodwill Balance as of 4/27/02 $70,265 $37,979 Effect of adopting SFAS No. 142 (17,062) (12,349) Dispositions (26) ------------------------------ Balance at 1/25/03 $53,177 $25,630 ============== ============= Trade names Balance as of 4/27/02 $14,255 $102,490 Effect of adopting SFAS No. 142 -- (48,291) Acquisitions 2,690 -- ------------------------------ Balance at 1/25/03 $16,945 $54,199 ============== ============= Page 11 of 25 Note 10: Share Repurchases The company is authorized to repurchase common stock under the repurchase program approved by our Board of Directors, the Incentive Stock Option Plan and the Restricted Share Plans. At January 25, 2003 approximately 5.1 million additional shares can be repurchased pursuant to the repurchase program. Our repurchases were as follows: (Unaudited) Third Quarter Ended Nine Months Ended ------------------------------ (Amounts in thousands) 1/25/03 1/26/02 1/25/03 1/26/02 ------------------------------ Shares repurchased 892 94 4,584 569 Cash used for repurchases $21,390 $473 $113,694 $7,059 Note 11: Financial Guarantees and Product Warranties Effective for the third quarter of fiscal 2003, we adopted FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." The Interpretation elaborates on the existing disclosure requirements for most guarantees, including loan guarantees. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under that guarantee and must disclose that information in its interim and annual financial statements. The initial recognition and initial measurement provisions apply on a prospective basis to guarantees~~

~~issued or modified after December 31, 2002. We have had no new guarantees since December 31, 2002, and therefore we have not recognized any liability related to guarantees subject to this Interpretation in our financial statements as of January 25, 2003. Prior to December 31, 2002 we provided secured and unsecured financial guarantees relating to loans and leases in connection with certain La-Z-Boy Furniture Galleries (R) which are not owned by the company. Loan guarantees are generally for real estate mortgages and have terms lasting from 1 to 5 years. Lease guarantees are generally for real estate leases and have terms lasting from 1 to 5 years. These loan and lease guarantees arose to facilitate the credit of the related dealer. The guaranteed party is required to make periodic fee payments to us in exchange for the guarantees. We would be required to perform under these agreements only if the dealer were to default on the loan or lease. The maximum potential amount of future payments under loan guarantees and lease guarantees were $12.6 million and $5.4 million, respectively, as of January 25, 2003. Should a dealer default on a loan, we expect to be able to liquidate the mortgaged property, the proceeds of which we anticipate would cover most of the maximum potential amount of future payments under these guarantees.~~

~~We have from time to time entered into agreements which resulted in indemnifying third parties against certain liabilities, mainly environmental. We believe that judgments, if any, against us related to such agreements would not have a material effect on our business or financial condition. Our accounting policy for product warranties is to accrue an estimated liability at the time the revenue is recognized. This estimate is based on historical claims. A reconciliation of the changes in our product warranty liability is as follows: (Unaudited) ------------ (Amounts in thousands) 1/25/03 ----------- - Balance as of the beginning of the year $23,038 Accruals for warranties issued during the period 5,886 Settlements made during the period (8,450) ----------- Balance as of the end of the period $20,474 =========== Note 12: Debt In addition to our previously existing credit facilities, on December 19, 2002 we completed a private placement of $86.0 million in La-Z-Boy Incorporated unsecured notes with $36.0 million of these notes having a maturity of seven years and the remaining $50.0 million having a maturity of ten years. The fixed rate on the seven year notes is 4.56% and on the ten year notes is 5.25%. The proceeds from this debt issuance were used to reduce $71.0 million of the company's bank borrowings and for general corporate purposes. This financing strengthened the financial flexibility of our overall capital structure by staggering our debt maturities. As of January 25, 2003, unused lines of credit and commitments were $323.1 million under several credit arrangements. ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS Cautionary Statement Concerning Forward-Looking Statements We are making forward-looking statements in this item. Generally, forward-looking statements include information concerning possible or assumed future actions, events or results of operations. More specifically, forward-looking statements include the information in this document regarding: future income and margins future economic performance future growth industry trends adequacy and cost of financial resources management plans Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes," "plans," "intends" and "expects" or similar expressions. With respect to all forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Page 13 of 25 Many important factors, including, but not limited to, future economic, political and industry conditions (for example, changes in interest rates, changes in consumer demand, changes in currency exchange rates, changes in demographics and consumer sentiment, changes in housing sales, energy price changes, terrorism impacts, war and changes in the availability and cost of capital); competitive factors (such as the competitiveness of foreign-made products, new manufacturing technologies, or other actions taken by current or new competitors); operating factors (for example, supply, labor, or distribution disruptions including logistics of imports, changes in operating conditions or costs, effects of restructuring actions and changes in regulatory environment); and factors relating to acquisitions, could affect our future results and could cause those results or other outcomes to differ materially from what may be expressed or implied in our forward-looking statements. We undertake no obligation to update or revise any forward-looking statements for new developments or otherwise. Results of Operations Third Quarter Ended January 25, 2003 Compared to Third Quarter Ended January 26, 2002. See page 3 for the consolidated statement of income with analysis of percentages and calculations. Our results for the third quarter of fiscal 2002 included the operations of our former Pilliod subsidiary, which is included in the Casegoods segment and which we~~

divested effective November 30, 2001. Third quarter sales decreased 6.1% from the prior year third quarter to $510.5 million. On a comparable basis, excluding Pilliod's sales, the cessation of operations by HickoryMark during the second quarter of fiscal 2003, and the acquisition of five retail stores in our Retail division during the first half of fiscal 2003, the decrease in sales totaled 4.1%. After eliminating the effects of the Retail acquisitions and HickoryMark, the Upholstery segment had a 0.7% decrease in sales, while the Casegoods segment had a 12.7% decline in sales after taking into account the Pilliod 2002 third quarter sales. Page 14 of 25 The following table shows the impact of dispositions, acquisitions and cessations of operations on our third quarter sales: Upholstery Casegoods (Amounts in thousands) 1/25/03 1/26/02 1/25/02 1/26/02 -- Sales as reported $386,170 $396,553 $125,483 $147,274 Year over year change (2.6%) (14.8%) Dispositions, acquisitions and cessations (2,033) (9,729) (3,458) -- Adjusted sales 384,137 386,824 125,483 143,816 Adjusted year over year change (0.7%) (12.7%) Consolidated 1/25/03 1/26/02 ---------------------- Sales as reported $510,539 $543,547 Year over year change (6.1%) Dispositions, acquisitions and cessations (2,033) (13,187) ---------------------- Adjusted sales 508,506 530,360 Adjusted year over year change (4.1%) The major factor contributing to the decrease in sales was the weak sales in the Casegoods segment. The Casegoods segment decrease in sales was partially the result of our decision to not sacrifice margin for the sake of generating sales. Our long term goal is to deliver style and quality at a competitive price with shortened delivery times to regain market share at acceptable margins. Additionally, three of our Casegoods companies are in the upper middle price points, and this price point has seen a more dramatic decline in customer demand than in the lower price points. Our Upholstery segment's decrease was due to a softening in business at retail during the current quarter combined with a very strong sales quarter last year. Gross profit as a percent of sales decreased slightly to 23.2% as compared to 23.4% in the fiscal 2002 third quarter. The main reason for the consistency in gross profit percentage was that our decrease in sales was somewhat offset by better absorption of overhead in the factories, relating to management's continued efforts to adjust capacity of the plants to production requirements. The restructurings announced in both fiscal 2001 and 2002 continued to positively impact the current year gross margins as we better matched domestic production requirements and plant manufacturing capacity, which somewhat offset the margin effect of the declining Casegoods volume. Selling, general & administrative (S, G & A) expenses as a percent of sales declined from 16.5% in third quarter fiscal 2002 to 15.5% in the current quarter. On a comparable basis, excluding amortization expense from the prior year quarter, S, G & A as a percent of sales would have been 16.1% for the Page 15 of 25 fiscal 2002 third quarter. The decline was attributable to the Casegoods segment's continued cost cutting efforts and efficiencies created by restructurings in both fiscal 2001 and 2002, as well as an overall decline in warranty costs for the current year quarter. Operating income as a percent of sales increased to 7.7% from 4.7% in the previous year's third quarter. Excluding the divestiture and amortization expense in the 2002 fiscal quarter, operating margins would have been 7.3% in the previous year's quarter. The Casegoods margin went from 6.1% in the 2002 fiscal quarter to an operating margin of 5.7% in the current year quarter, excluding divestiture and amortization expense. With the closing of four Casegoods plants and converting two other plants to warehouse, sub-assembly and import service operations, as well as divesting Pilliod, the Casegoods segment was able to offset a majority of

~~its margin reduction due to the sales decline. In addition, the Upholstery segment, benefiting from better gross margins, increased its margins to 9.9% from 9.6% in the previous year's quarter, excluding amortization expense. The interest expense remained at a comparable level with last year. We expect interest expense in future periods to be higher due to the higher debt levels. Our income tax rate of 37.5% was higher than the 8.3% rate of last year's third quarter due to the effects of the Pilliod divestiture. Without the $11.8 million divestiture tax benefit, in the prior year the third quarter income tax rate would have been 39.0%. The annual effective income tax rate is expected to be 38.0% for fiscal year 2003. This has been lowered from the 38.25% provided for the first six months of fiscal year 2003. Nine Months Ended January 25, 2003 Compared to Nine Months Ended January 26, 2002. See page 4 for the consolidated statement of income with analysis of percentages and calculations. Our results for the nine months ended January 26, 2002 included the operations of our former Pilliod subsidiary, which was included in the Casegoods segment and which we divested effective November 30, 2001. Nine months sales increased 0.9% to $1,571.5 million from the prior year comparable period. On a comparable basis, excluding Pilliod's sales, the cessation of operations by HickoryMark during the second quarter of 2003, and the acquisition of five retail stores, during the first half of 2003, the increase in sales totaled 3.2%. Page 16 of 25 The following table shows the impact of dispositions, acquisitions and cessations of operations on our nine month's ended sales: Upholstery Casegoods (Amounts in thousands) 1/25/03 1/26/02 1/25/03 1/26/02 -- Sales as reported $1,175,392 $1,094,190 $399,535 $464,398 Year over year change 7.4% (14.0%) Dispositions, acquisitions and cessations (19,241) (29,614) -- (24,203) -- Adjusted sales 1,156,151 1,064,576 399,535 440,195 Adjusted year over year change 8.6% (9.2%) Consolidated 1/25/03 1/26/02 ---------------------- Sales as reported $1,571,501 $1,557,890 Year over year change 0.9% Dispositions, acquisitions and cessations (19,241) (53,817) ---------------------- Adjusted sales 1,552,260 1,504,073 Adjusted year over year change 3.2% The major factor contributing to the increased sales was the ongoing strength of the La-Z-Boy Furniture Galleries(R) proprietary store system. Our previously mentioned acquisition of five retail stores also contributed to our sales growth for the first nine months. Excluding the sales relating to HickoryMark and the sales relating to the five retail stores, the Upholstery segment had an 8.6% increase in sales while the Casegoods segment had a 9.2% decline in sales after taking into account the Pilliod 2002 nine months sales. Our Casegoods segment nine month sales were affected by the weak sales activity in the hospitality sector and the fact that three of our Casegoods companies are in the upper middle price points, and this price point has seen a more dramatic decline in customer demand than in the lower price points. Gross profit as a percent of sales increased to 23.4% as compared to 20.9% in the fiscal 2002 nine months. On a comparable basis, excluding restructuring expense from the prior year, gross profit as a percent of sales would have been 21.8% for the fiscal 2002 nine months. Although the increased Upholstery sales volume contributed to the increased gross margins through better absorption of overhead in the factories, the main reason for the increase was management's continued efforts to adjust capacity of the plants to production requirements. The restructurings announced in both fiscal 2001 and 2002 continued to positively impact the current year gross margins as we better matched domestic production requirements and plant manufacturing capacity. Additionally, the Casegoods segment margins have shown improvement during the current nine months due to our increased sales of imported goods, which~~

~~we are able to sell at higher margins than comparable products manufactured domestically. Page 17 of 25 Selling, general & administrative (S, G & A) expenses as a percent of sales declined from 16.7% in first nine months of fiscal 2002 to 15.8% in the first nine months of the current fiscal year. On a comparable basis, excluding amortization expense from the prior year nine months, S, G & A as a percent of sales would have been 16.2% for the fiscal 2002 nine months. This comparable decline was attributable to the continued cost cutting efforts and efficiencies created by restructurings in both fiscal 2001 and 2002, as well as lower warranty costs in the current nine month period. Operating income as a percent of sales increased to 7.6% from 3.5% in the previous year's first nine months. Excluding the restructuring, divestiture and amortization expense in the first nine months of fiscal 2002, operating margins were 5.5%. The Casegoods operating margin went from 3.5% in the first nine months of 2002, to 6.5% in the current nine months, excluding restructuring, divestiture and amortization expense. With the closing of four Casegoods plants and converting two other plants to warehouse, sub-assembly and import service operations, as well as divesting Pilliod, the Casegoods segment was able to reduce its overhead at a faster rate than the sales decline. In addition, the Upholstery segment, benefiting from its strong nine months sales growth, increased its margins from 8.0% to 9.5% in the current year's first nine months, excluding restructuring and amortization expense. The decline in interest expense was attributable to a slight decline in average debt over the first nine months of fiscal 2003 as compared to the first nine months of fiscal 2002. In addition, the average interest rate declined during the first nine months of fiscal 2003. We expect interest expense in future periods to be higher due to the higher debt levels. Our income tax rate of 38.0% was higher than the 24.1% rate of last year's first nine months due to the effects on the prior year of the Pilliod divestiture. Without the $11.8 million divestiture tax benefit, the prior year's nine month income tax rate would have been 39.0%. The annual effective income tax rate is expected to be 38.0% for fiscal year 2003. This has been lowered from the 38.25% provided for the first six months of fiscal year 2003. Liquidity and Capital Resources See pages 3 through 7 for our Consolidated Statement of Income, Consolidated Balance Sheet, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Shareholders' Equity. Cash flows from operations amounted to $77.6 million in the first nine months of fiscal year 2003 compared to $99.8 million in the prior year. Capital expenditures were $25.8 million during the first nine months ended January 25, 2003 compared to prior year's $23.3 million. In the aggregate, capital expenditures, dividends and stock repurchases totaled approximately $156.8 million during the first nine months of fiscal 2003, which was up from about $46.8 million in the first nine months of fiscal 2002. This increase was primarily attributable to stock repurchase expenditures, which were $106.6 million higher than the previous year's nine months. Page 18 of 25 During the first nine months of the current fiscal year, we used $113.7 million to repurchase common stock under the following three plans: (i) repurchase program approved by our Board of Directors; (ii) the Incentive Stock Option Plan; and (iii) the Restricted Share Plans. We used $7.1 million to repurchase common stock during the first nine months last year. As of January 25, 2003, approximately 5.1 million additional shares can be repurchased pursuant to the repurchase program. Our debt-to-total-capitalization percentage (total debt divided by shareholders' equity plus total debt) was 27.1% at January 25, 2003, 16.6% at April 27, 2002, and 16.9% at January 26, 2002. Our third quarter is generally our lowest cash generation period, due to the normal seasonal sales trends of our business, therefore causing~~

~~higher borrowings and our higher debt to capital percentage at the end of the third quarter. Additionally, the debt to capital percentage was significantly impacted by the stock repurchases in the current year quarter. We do not expect our debt-to-total-capitalization ratio to exceed 30.0%. In addition to our previously existing credit facilities, on December 19, 2002 we completed a private placement of $86.0 million in La-Z-Boy Incorporated unsecured notes with $36.0 million of these notes having a maturity of seven years and the remaining $50.0 million having a maturity of ten years. The fixed rate on the seven year notes is 4.56% and on the ten year notes is 5.25%. The proceeds from this debt issuance were used to reduce $71.0 million of the company's bank borrowings and for general corporate purposes. This financing strengthened the financial flexibility of our overall capital structure by staggering our debt maturities. As of January 25, 2003, unused lines of credit and commitments were $323.1 million under several credit arrangements. Outlook The current outlook for our industry is very different in each of our two operating segments. The upholstery segment of the industry is expected to perform better than the casegoods segment, particularly in the middle price points, because upholstery tends to be influenced by changing styles and colors, typically can be bought as a single item, typically has a moderate wear life cycle and is not a "big ticket" purchase. On the contrary, casegoods are often a multiple item, lifetime "big ticket" purchase with styles that change less. The factors that currently are impacting the industry include the stimulative impact of housing turnover, new home sales, and low interest rate refinancings, all of which should benefit the industry. However, this has been offset by a waning consumer confidence caused by the threat of war and terrorist alerts, higher unemployment and a declining stock market. Additionally, U.S. furniture manufacturers continue to face the competitive threat of imports as many retailers consider sourcing product direct, particularly casegoods. We believe the longer-term outlook for our industry remains positive - especially for a company such as La-Z-Boy, operating under the umbrella of a powerful consumer brand name and a strong and growing proprietary distribution Page 19 of 25 system. We expect the recent declines in U.S. interest rates to ultimately rejuvenate consumer spending and strengthen housing turnover and home remodeling - - both strong drivers of retail furniture demand. We expect interest expense for the remainder of fiscal 2003 to be more than last year's comparable period. We are anticipating our fiscal 2003 full year income tax rate to be approximately 38.0% down from 39.0%, excluding the tax benefit of the Pilliod divestiture, mainly due to the elimination of goodwill amortization. We estimate that our diluted net income per share for the fourth quarter ending April 26, 2003 will be between $0.43 - $0.48 with sales to be down in the mid- single digit range - excluding the impact of HickoryMark. Diluted net income per share before cumulative effect of accounting change is expected to be $1.65 - $1.70 for our full fiscal year ending April 26, 2003 with flat sales or a slight increase for the second half of the year. This compares to earnings per diluted share in fiscal year 2002 of $1.01. Prior to restructuring charges of $0.22 in fiscal 2002, earnings per diluted share were $1.23. We expect total capital expenditures to be between $32.0 million and $37.0 million for fiscal 2003. This compares to $33.0 million of capital expenditures in fiscal 2002. We expect to continue to be in the open market for purchasing our shares from time to time as changes in our stock price and other factors present appropriate opportunities, but we have no commitments for repurchases. It is not anticipated that our leverage, as measured by debt to capitalization, would exceed 30.0% in fiscal 2003. We expect to meet our cash needs for capital~~

~~expenditures, stock repurchases and dividends for the remainder of fiscal year 2003 and fiscal year 2004 from cash generated by operations and borrowings under available lines of credit. Recently the Financial Accounting Standards Board issued SFAS No. 143, "Accounting for Asset Retirement Obligations," SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections" and SFAS No. 146, "Accounting for Costs Associated with Exit and Disposal Activities." SFAS No. 146 is effective for activities occurring after December 31, 2002, and SFAS No. 143 and 145 must be implemented during our next fiscal year. We have not yet determined the impact, if any, of these standards on our financial statements. In December 2002, the Financial Accounting Standards Board issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." SFAS No. 148 amends SFAS No. 123, "Accounting for Stock-Based Compensation" to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock based employee compensation. In addition, this Statement amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock based employee compensation and the effect of the method used on reported results. SFAS 148 is effective for periods beginning after December 15, 2002. Page 20 of 25 ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK We are exposed to market risk from changes in interest rates. Our exposure to interest rate risk results from our floating rate $300.0 million revolving credit facility under which we had $70.0 million borrowed at January 25, 2003. We have entered into several interest rate swap agreements with counter-parties that are participants in the revolving credit facility to reduce the impact of changes in interest rates on a portion of this floating rate debt. We believe that potential credit loss from counter-party non-performance is minimal. The purpose of these swaps is to fix interest rates on a notional amount of $70.0 million for a three year period at 6.095% plus our applicable borrowing spread under the revolving credit facility, which can range from 0.475% to 0.800%. Management estimates that a 1.0% change in interest rates would not have a material impact on the results of operations for fiscal 2003 based upon the year end levels of exposed liabilities. We are exposed to market risk from changes in the value of foreign currencies. Our exposure to changes in the value of foreign currencies is reduced through our use of foreign currency forward contracts from time to time. Substantially all of our imported purchased parts and finished goods are denominated in U.S. dollars. Thus, we believe that gains or losses resulting from changes in the value of foreign currencies will not be material to our results from operations in fiscal year 2003. Page 21 of 25~~

~~ITEM 4. CONTROLS AND PROCEDURES Our Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have evaluated our disclosure controls and procedures, as defined in the rules of the SEC, within 90 days of the filing date of this report and have determined that such controls and procedures were effective in ensuring that information required to be disclosed by us in the reports we file under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. There were no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to the date of the CEO's and CFO's most recent evaluation. PART II - OTHER INFORMATION ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (a) Exhibits (4) Instruments defining the rights of holders of privately-placed unsecured notes issued during quarter omitted pursuant to paragraphs (iii) (A) and (v) of Item 601(b)(4) of Regulation S-K. Registrant hereby agrees to furnish a copy of each such instrument to the SEC upon its request. (11) Statement of Computation of Per Share Earnings See note 4 to the financial statements included in this report. (99.1) Press Release dated February 11, 2003 (99.2) Certifications Pursuant to 18 U.S.C. Section 1350 (b) Reports on Form 8-K We filed a Form 8-K on December 19, 2002 containing a press release with respect to private debt placement. We filed a Form 8-K on January 14, 2003 containing a press release with respect to La-Z-Boy Incorporated Comments on January Quarter Guidance.~~

SIGNATURE Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. LA Z BOY INCORPORATED ______________________________ (Registrant)

Date: February 11, 2003 /s/ Louis M. Riccio, Jr. ______________________________ Louis M. Riccio, Jr. On behalf of the registrant and as Chief Accounting Officer

~~CERTIFICATION OF CHIEF EXECUTIVE OFFICER PER SECTION 302 OF THE SARBANES-OXLEY ACT I, Gerald L. Kiser, certify that: 1. I have reviewed this quarterly report on Form 10-Q of La-Z-Boy Incorporated; 2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; 3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flow of the registrant as of, and for, the periods presented in this quarterly report; 4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have: a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared; b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date; 5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function): a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and 6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses. Date: February 11, 2003 /s/Gerald L. Kiser -------------------- Gerald L. Kiser Chief Executive Officer~~

~~CERTIFICATION OF CHIEF FINANCIAL OFFICER PER SECTION 302 OF THE SARBANES OXLEY ACT I, David M. Risley, certify that: 1. I have reviewed this quarterly report on Form 10 Q of La Z Boy Incorporated; 2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; 3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flow of the registrant as of, and for, the periods presented in this quarterly report; 4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a 14 and 15d 14) for the registrant and we have: a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared; b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date; 5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function): a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and 6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses. Date: February 11, 2003 /s/David M. Risley -------------------- David M. Risley Chief Financial Officer Page 25 of 25~~

~~Exhibit 99.1 LA-Z-BOY REPORTS THIRD QUARTER RESULTS -- MONROE, MI. February 11, 2003 - La-Z-Boy Incorporated (NYSE, PCX: LZB) today reported results for its third fiscal quarter ended January 25, 2003. Net sales for the quarter totaled $511 million, a 6% decrease compared to the year earlier quarter. For the first nine months, net sales increased 1% compared to the same period of fiscal 2002. Adjusted to exclude the divestiture of Pilliod in November 2001, the cessation of operations by HickoryMark, announced in August 2002, and the acquisition of five retail stores in Boston and Kansas City, net sales were down 4% for the third quarter and up 3% for the first nine months. Diluted earnings per share for the January quarter were $0.41 - which is in line with the company's most recent revised guidance. This compares to $0.35 per diluted share in the same quarter of fiscal 2002. Earnings for the first nine months of fiscal 2003 totaled $1.22 per diluted share before the cumulative effect of a change in accounting principle for goodwill and intangible assets resulting from the company's adoption of Statement of Financial Accounting Standards No. 142 ("SFAS 142"). In comparison, the company earned $0.82 per diluted share in the first nine months of fiscal 2002, prior to a $0.13 restructuring charge and adjusted for discontinued amortization expense. The elimination of goodwill and trade name amortization under SFAS 142 would have added $0.03 and $0.09, respectively, to diluted earnings per share for last year's third quarter and first nine months, had SFAS 142 been in effect then. Including the cumulative effect of the change in accounting principle, net income for the nine months ended January 25, 2003 was $0.19 per diluted share. Despite the lower sales, the company's operating margin increased to 7.7% in the January 2003 quarter, from 7.3% in the same period a year earlier, adjusted for discontinued amortization expense and the above mentioned divestiture of Pilliod. This represented the fifth consecutive quarter of improvement in operating margin, as "normalized" to exclude discontinued amortization and the various restructuring and divestiture expenses recorded during fiscal year 2002. President and CEO Jerry Kiser said, "Although we were pleased with our ability to generate an operating margin increase for the latest quarter, we were disappointed by the period's sales trends - particularly the continuing decline in our casegoods (wood furniture) segment. Upholstery sales for the quarter were essentially flat compared to the year earlier quarter, which was primarily the result of a slowing retail sales environment and the comparison against extremely strong gains recorded in the January 2002 quarter, especially in the La-Z-Boy Residential division." Business segments - ------------------ Third quarter upholstery segment sales declined 3% from a year earlier in total, and were down 1% excluding the phase out of the HickoryMark brand and the company's acquisition of five retail stores mentioned earlier. The upholstery operating margin for the quarter was 9.9%, compared to a normalized 9.6% a year earlier. For the first nine months, upholstery sales rose 9% on a comparable basis, and the nine month operating margin increased to 9.5% in the current fiscal year, from an 8.0% normalized margin in the same period of fiscal 2002. Kiser noted, "The continued softening in business at retail that began in December and continues, combined with a very strong sales quarter last year, made meeting comparisons difficult. In fact, last year our third quarter upholstery sales were up 7% compared to the same period of fiscal 2001, while the majority of the industry was still seeing declining revenues. In light of these conditions, we were not that disappointed with this performance." Casegoods sales for the third quarter declined 15% from the year earlier period, and were down 13% excluding Pilliod, while nine month sales were lower by 14% and 9%, respectively. Despite these~~

sales declines, the casegoods segment's operating margin remained fairly steady at 5.7% from a normalized 6.1% for the prior year quarter and was 6.5% for the first nine months, up from 3.5% in the same period of fiscal 2002. Commenting on the performance of the casegoods group, Kiser said "This quarter's sales decline for our casegoods group was partially the result of our decision to not sacrifice margin for the sake of generating sales. We continue to believe that long-term our ability to deliver style and quality at a competitive price with shortened delivery times will enable us to regain this market share at acceptable margins. Additionally, American Drew, Kincaid and Pennsylvania House, which are in the upper middle price points, have seen a more dramatic pullback in customer demand than in the lower price point categories. Our casegoods group is being refocused to compete in today's truly global marketplace and continues to make progress as evidenced by the increasing margins during the year in the face of declining sales." He added, "We continued to strengthen our proprietary distribution networks during the most recent quarter, both at the La-Z-Boy Residential division and at several other La-Z-Boy companies. During the last three months, we added five new generation La-Z-Boy Furniture Galleries(R) stores to our network, in five different states. We also relocated two existing Furniture Galleries(R) stores, renovated a third and closed three older locations, for a two store net addition to the system. Of the 310 Furniture Galleries(R) stores we had open at the end of our January quarter, 39 have the more productive New Generation format. In addition, our England division added 11 new locations to its independently owned Custom Comfort Center network, and ended the quarter with 121 in-store Custom Comfort Center galleries and four stand alone stores. Also during the quarter Lea continued to add La-Z-Boy Youth Collections by Lea dedicated space with nearly 50 new openings, bringing the total to 285 galleries." Balance sheet

Inventories increased slightly during the January quarter as the result of the combination of the timing of shipments of imported inventories and lower than expected sales. During the third quarter, the company repurchased 875,000 shares of La-Z-Boy Incorporated's outstanding common stock for $21.1 million. Through the first nine months of fiscal 2003, 4.5 million shares, or approximately 7.5% of the company's total shares outstanding at the year ended April 27, 2002, were repurchased for $113 million. As of January 25, 2003, 5.1 million shares remained available under the company's stock repurchase authorization. Total debt rose 5% during the quarter, to $225 million. During the quarter, the company privately placed $86 million in 7 and 10 year La-Z-Boy Incorporated notes at fixed interest rates of 4.56% and 5.25%, respectively. Kiser commented "The private placement of debt we completed in the third quarter significantly strengthened the financial flexibility of our overall capital structure by laddering our debt maturities and allowed us to take advantage of what are historically very attractive interest rates. Our total debt at the end of the most recent quarter represented 27.1% of the company's capitalization, compared with 26.1% at the start of the quarter and is within our targeted range." Business outlook

Commenting on the outlook, Kiser said, "Coupled with the current unsettled condition of the economy, including continuing consumer caution, weak retail sales, rising energy costs and the uncertainties posed by the threat of a conflict in Iraq, and the strong upholstery sales comparisons in last year's fourth quarter, we now expect our 2003 fiscal fourth quarter sales to be down in the mid single digit percentage range, excluding the impact of HickoryMark. Diluted earnings per share for the quarter are anticipated to be in the range of $.43 - $.48." This guidance would result in sales for the 2003 fiscal year being flat to slightly down,

~~excluding Pilliod and HickoryMark, with full year earnings in the $1.65 - $1.70 range per diluted share, excluding the cumulative effect of the company's adoption of SFAS 142. In comparison, fiscal 2002's normalized earnings were $1.35 per diluted share. Conference Call Information ---------------------------- The dial-in phone number for the February 12th conference call at 11 a.m. E.S.T. will be (800) 374-1298 for persons calling from within the U.S. or Canada, and (706) 634-5855 for international callers. The call will also be webcast live and archived on the Internet, with both accessible at www.la-z-boy.com. A telephone replay will be available for a week following the live call. This replay will be available to callers from the U.S. and Canada at (800) 642-1687 and to international callers at (706) 645-9291, with a passcode of 7541970. Forward-looking Information ---------------------------- Any forward-looking statements contained in this news release are based on current information and assumptions and represent management's best judgment at the present time. Actual results could differ materially from those anticipated or projected due to a number of factors. These factors include, but are not limited to: changes in consumer sentiment or demand, changes in demographics, changes in housing sales, the impact of terrorism or war, energy price changes, the impact of logistics on imports, the impact of interest rate changes, the availability and cost of capital, the impact of imports, changes in currency rates, competitive factors, operating factors, such as supply, labor, or distribution disruptions including changes in operating conditions or costs, effects of restructuring actions, changes in the regulatory environment, the impact of new manufacturing technologies, factors relating to acquisitions and other factors identified from time to time in the company's reports filed with the Securities and Exchange Commission. The company undertakes no obligation to update or revise any forward-looking statements, either to reflect new developments, or for any other reason. Additional Information ----------------------- This news release is just one part of La-Z-Boy's financial disclosures and should be read in conjunction with other information filed with the Securities and Exchange Commission, which is available at http://www.la-z-boy.com. Investors and others wishing to be notified of future news releases, SEC filings and conference calls may sign up at: http://my.lazboy.com/mygallery/investor_relations.cfm. Background Information ---------------------- With annual sales in excess of $2 billion, La-Z-Boy Incorporated is one of the world's leading residential furniture producers, marketing furniture for every room of the home and office, as well as for the hospitality, health care and assisted living industries. The La-Z-Boy Upholstery Group companies are Bauhaus, Centurion, Clayton Marcus, England, La-Z-Boy, La-Z-Boy Contract Furniture Group and Sam Moore, and the La-Z-Boy Casegoods Group companies are Alexvale, American Drew, American of Martinsville, Hammary, Kincaid, Lea and Pennsylvania House. The corporation's vast proprietary distribution network is dedicated exclusively to selling La-Z-Boy Incorporated products and brands, and includes 310 stand-alone La-Z-Boy Furniture Galleries(R) stores and 319 La-Z-Boy In-Store Gallerys, in addition to in-store gallery programs at the company's Kincaid, Pennsylvania House, Clayton Marcus, England and Lea operating units. According to industry trade publication Furniture/Today, the La-Z-Boy Furniture Galleries retail network by itself represents the industry's fifth largest U.S. furniture retailer. Additional information is available at www.la-z-boy.com.~~

~~Exhibit 99.2 CERTIFICATION OF EXECUTIVE OFFICER Pursuant to 18 U.S.C. section 1350, the undersigned officer of La Z Boy Incorporated (the "Company") hereby certifies, to such officer's knowledge, that the Company's Quarterly Report on Form 10 Q for the period ended January 25, 2003 (the "Report") fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company. /s/David M. Risley ------------------------------------- David M. Risley Senior Vice President and Chief Financial Officer February 11, 2003 The foregoing certification is being furnished solely pursuant to 18 U.S.C. section 1350 and is not being filed as part of the Report or as a separate disclosure document.~~

~~CERTIFICATION OF EXECUTIVE OFFICER Pursuant to 18 U.S.C. section 1350, the undersigned officer of La-Z-Boy Incorporated (the "Company") hereby certifies, to such officer's knowledge, that the Company's Quarterly Report on Form 10-Q for the period ended January 25, 2003 (the "Report") fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company. /s/Gerald L. Kiser ------------------------------------ Gerald L. Kiser President and Chief Executive Officer February 11, 2003 The foregoing certification is being furnished solely pursuant to 18 U.S.C. section 1350 and is not being filed as part of the Report or as a separate disclosure document.~~