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 July 29, 2000 COMMISSION FILE NUMBER 1-9656

LA-Z-BOY INCORPORATED

(Exact name of registrant as specified in its charter)

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

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (734) 241-4414

None

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

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

Yes X No

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

Class	Outstanding at July 29, 2000
Common Shares, $1.00 par value	60,653,059

LA-Z-BOY INCORPORATED
FORM 10-Q FIRST QUARTER OF FISCAL 2001

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LA-Z-BOY INCORPORATED
CONSOLIDATED BALANCE SHEET
(Amounts in thousands, except par value)

	Unaudited July 29, 2000	Unaudited July 24, 1999	Increase (Decrease) Dollars	Increase (Decrease) Percent	Audited Apr. 29, 2000
Current assets					
Cash & equivalents	$18,025	$48,104	($30,079)	-63%	$14,353
Receivables	348,067	223,782	124,285	56%	394,453
Inventories					
Raw materials	100,033	56,888	43,145	76%	91,018
Work-in-process	67,813	40,799	27,014	66%	63,635
Finished goods	105,762	38,672	67,090	173%	98,623
FIFO inventories	273,608	136,359	137,249	101%	253,276
Excess of FIFO over LIFO	(7,637)	(23,146)	15,509	67%	(7,473)
Total inventories	265,971	113,213	152,758	135%	245,803
Deferred income taxes	21,005	20,685	320	2%	22,374
Other current assets	15,545	10,116	5,429	54%	15,386
Total current assets	668,613	415,900	252,713	61%	692,369
Property, plant & equipment, net	226,810	140,381	86,429	62%	227,883
Goodwill	117,362	90,554	26,808	30%	116,668
Trade names	134,854	-	134,854	N/M	135,340
Other long-term assets	45,029	35,943	9,086	25%	46,037
Total assets	$1,192,668	$682,778	$509,890	75%	$1,218,297
Current liabilities					
Current portion - long-term debt	$9,404	$1,687	$7,717	457%	$13,119
Current portion - capital leases	457	773	(316)	-41%	457
Accounts payable	83,207	46,673	36,534	78%	90,392
Payroll/other compensation	54,935	33,401	21,534	64%	74,724
Income taxes	5,492	10,347	(4,855)	-47%	5,002
Other current liabilities	51,635	29,969	21,666	72%	53,312
Total current liabilities	205,130	122,850	82,280	67%	237,006
Long-term debt	240,893	120,187	120,706	100%	233,938
Capital leases	3,002	144	2,858	N/M	2,156
Deferred income taxes	52,317	5,595	46,722	835%	50,280
Other long-term liabilities	29,905	13,687	16,218	118%	31,825

Commitments & contingencies					
Shareholders' equity					
Common shares, $1 par	60,652	52,234	8,418	16%	61,328
Capital in excess of par	211,633	32,117	179,516	559%	211,450
Retained earnings	391,460	338,326	53,134	16%	392,458
Currency translation	(2,324)	(2,362)	38	2%	(2,144)
Total shareholders' equity	661,421	420,315	241,106	57%	663,092
Total liabilities and shareholders' equity	$1,192,668	$682,778	$509,890	75%	$1,218,297

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

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

	(Unaudited) FIRST QUARTER ENDED				
				Percent of Sales	
	July 29, 2000	July 24, 1999	% Over (Under)	2000	1999
Sales	$498,282	$321,659	55%	100.0%	100.0%
Cost of sales	382,446	241,026	59%	76.8%	74.9%
Gross profit	115,836	80,633	44%	23.2%	25.1%
S, G & A	91,256	58,976	55%	18.3%	18.4%
Operating profit	24,580	21,657	13%	4.9%	6.7%
Interest expense	4,352	1,439	202%	0.9%	0.4%
Interest income	453	596	-24%	0.1%	0.2%
Other income	616	781	-21%	0.2%	0.2%
Pretax income	21,297	21,595	-1%	4.3%	6.7%
Income tax expense	8,294	8,302	0%	38.9% *	38.4% *
Net income	$13,003	$13,293	-2%	2.6%	4.1%
Basic EPS	$0.21	$0.25	-16%		
Diluted average shares	61,280	52,627	16%		
Diluted EPS	$0.21	$0.25	-16%		
Dividends paid per share	$0.08	$0.08	0%		

* 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 CASH FLOWS
(Amounts in thousands)

	(Unaudited) First Quarter Ended July 29, 2000	(Unaudited) First Quarter Ended July 24, 1999
Cash flows from operating activities		
Net income	$13,003	$13,293
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	10,565	5,780
Change in receivables	45,616	50,000
Change in inventories	(20,168)	(11,614)
Change in other assets and liabilities	(34,173)	(17,396)
Change in deferred taxes	3,406	21
Total adjustments	5,246	26,791
Cash provided by operating activities	18,249	40,084
Cash flows from investing activities		
Proceeds from disposals of assets	186	67
Capital expenditures	(7,395)	(13,568)
Acquisition of operating division, net of cash acquired	-	(58,316)
Change in other investments	3,148	(166)
Cash used by investing activities	(4,061)	(71,983)
Cash flows from financing activities		
Long term debt	62,000	57,000
Retirements of debt	(58,760)	(2,704)
Capital leases	1,027	-
Capital lease principal payments	(181)	(86)
Stock for stock option plans	1,788	2,171
Stock for 401(k) employee plans	632	687
Purchase of La-Z-Boy stock	(12,008)	(6,142)
Payment of cash dividends	(4,906)	(4,185)
Cash provided/(used) by financing activities	(10,408)	46,741
Effect of exchange rate changes on cash	(108)	(288)
Net change in cash and equivalents	3,672	14,554
Cash and equivalents at beginning of period	14,353	33,550
Cash and equivalents at end of period	$18,025	$48,104
Cash paid during period -Income taxes	$6,448	$2,289
-Interest	$2,257	$486

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation
The interim financial information is prepared in conformity with generally accepted accounting principles and such principles are applied on a basis consistent with those reflected in our 2000 Annual Report on Form 10-K, filed with the Securities and Exchange Commission. The financial information included in these financial statements, other than the

consolidated balance sheet as of April 29, 2000, has been prepared by management without audit by independent certified public accountants. The interim financial information as of and for the interim periods ended July 29, 2000 and July 24, 1999 have been prepared on a basis consistent with, but do not include all the disclosures contained in, the audited consolidated financial statements for the year ended April 29, 2000. The interim financial information includes all adjustments and accruals consisting only of normal recurring adjustments which are, in our opinion, necessary for a fair presentation of results for the respective 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 28, 2001.

3. Recent Acquisitions
On January 29, 2000, we acquired LADD Furniture, Inc., then a publicly traded furniture manufacturer, in a stock-for-stock merger, at which time LADD became a wholly owned subsidiary of the Company. The holders of LADD stock received approximately 9.2 million shares of La-Z-Boy common stock in consideration for their LADD shares. In addition, LADD employee stock options then outstanding were replaced by about 1 million La-Z-Boy stock options. Total consideration, including acquisition costs, was about $190 million. Annual sales for LADD's 1999 calendar year were over $600 million. Additional information about the LADD acquisition is contained in the Form S-4 registration statement that we filed with the SEC to register the stock issued to LADD shareholders as merger consideration.

On December 28, 1999, we acquired all of the outstanding equity securities of the business now comprising Alexvale Furniture, Inc., a manufacturer of medium-priced upholstered furniture, for a combination of cash and La-Z-Boy common stock totaling about $17 million. Alexvale's calendar year 1999 sales were about $60 million.

We acquired Bauhaus USA, Inc., a manufacturer of upholstered furniture primarily marketed to department stores, on June 1, 1999 for approximately $59 million in cash. Bauhaus' annual calendar year 1999 sales were in excess of $100 million.

The above acquisitions have been accounted for as purchases. The operations of the above companies were included in our financial statements following the acquisition dates.

The following unaudited pro forma financial information presents combined results of operations of the above companies with us as if the acquisitions had occurred as of the beginning of fiscal 2000. The pro forma financial information gives effect to certain adjustments resulting from the acquisitions and related financing. The pro forma financial information does not necessarily reflect the results of operations that would have occurred had the separate operations of each company constituted a single entity during the periods presented.

	(Unaudited) First Quarter Ended	
(Amounts in thousands, except per share data)	Actual July 29, 2000	Pro forma July 24, 1999
Net sales	$498,282	$490,104
Net income	$13,003	$17,130
Earnings per share	$0.21	$0.27

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) First Quarter Ended	
(Amounts in thousands)	July 29, 2000	July 24, 1999
Weighted average common shares outstanding (basic)	61,077	52,286
Effect of options	203	341
Weighted average common		

shares outstanding (diluted)	61,280	52,627

5. Segment Information

Our reportable operating segments are Residential upholstery, Residential casegoods, and Contract. Financial results of our operating segments are as follows:

(Amounts in thousands)	(Unaudited) First Quarter Ended July 29, 2000	July 24, 1999
Net sales		
Residential upholstery	$311,699	$255,088
Residential casegoods	134,928	50,253
Contract	51,655	16,318
Consolidated	$498,282	$321,659
Operating profit		
Residential upholstery	$20,968	$18,592
Residential casegoods	6,524	5,094
Contract	2,997	63
Unallocated corporate costs & other	(5,909)	(2,092)
Consolidated	$24,580	$21,657

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

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 item regarding:

- future income and margins
- growth
- adequacy and cost of financial resources
- future economic performance
- industry trends
- 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.

You should understand that many important factors, including future economic and industry conditions (for example, changes in interest rates, changes in demographics and consumer preferences, e-commerce developments, 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, changes in operating conditions or costs, and changes in regulatory environment), and factors relating to recent or future acquisitions, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in forward-looking statements.

LADD Effects

As a result of the LADD acquisition, most of our assets, liabilities and results of operations for our first, second and third quarters of this fiscal year will differ substantially from those in comparable prior periods.

Results of Operations

First Quarter Ended July 29, 2000 Compared to First Quarter Ended July 24, 1999

See page 4 for the consolidated statement of income with analysis of percentages and calculations. In addition, see page 7 for pro forma analysis and notes.

(Unaudited)
Segment Analysis
First Quarter Ended

	Net Sales			Operating Profit		
	FY01 Over (Under) FY00	Percent of Total FY01	Percent of Total FY00	FY01 Over (Under) FY00	Percent of Sales FY01	Percent of Sales FY00
Residential upholstery	22%	63%	79%	13%	6.7%	7.3%
Residential casegoods	169%	27%	16%	28%	4.8%	10.1%
Contract	217%	10%	5%	N/M	5.8%	0.4%
Unallocated corporate costs & eliminations	N/A	N/A	N/A	(183%)	(1.2%)	(0.7%)
Consolidated	55%	100%	100%	13%	4.9%	6.7%

First quarter sales were up 55% over the prior year's first quarter. However, sales were up just 2% compared to last year's pro forma sales. Therefore, the sales growth in all three of our operating segments and on a consolidated basis that is shown in the table above in each case was due primarily to acquisitions.

Gross profit as a percent of sales decreased to 23.2% from 25.1% in last year's first quarter. The primary reason for the drop was higher factory costs, primarily labor and overhead, which were not absorbed as anticipated due to the small 2% pro forma sales increase. During this period of time we did not lay off employees since they will be needed for the expected cyclical second, third and fourth quarters' higher sales. It is very difficult to hire and train skilled factory furniture employees in the short run; especially given today's low unemployment environment we are facing at most of our locations. A secondary reason for the drop in gross margin was relatively lower gross margins of some companies acquired during fiscal 2000.

Operating profit as a percent of sales decreased to 4.9% from 6.7% in last year's first quarter which was a record first quarter. As we mentioned in our 2000 annual report, we expected our recent acquisitions would cause a consolidated decline in margin this year, and we experienced some of this effect during the first quarter. However, acquisitions were only a minor cause of the margin drop this quarter. Residential upholstery's operating margin decreased to 6.7% from 7.3%, primarily due to the items mentioned in the above gross profit paragraph. We were able to slightly reduce our selling, general and administrative costs in the Residential upholstery segment to adjust for the lower than expected sales volume. Residential casegoods' operating margin decreased to 4.8% from 10.1%, primarily because one division had a higher than normal profitability last year compared to a lower than normal quarter this year. The casegoods segment was much smaller last year, which means that these types of individual division effects are amplified when compared to the current year where we have many more casegoods operating divisions due to our fiscal 2000 acquisitions. A secondary reason for the Residential casegoods operating margin decline was the effect of these acquisitions. Contract operating margin improved to 5.8% of sales from 0.4% last year due to acquiring LADD's American of Martinsville division, which was more profitable than our Contract operations of last year.

Interest expense as a percent of sales increased to 0.9% from 0.4% last year due to an increased debt load as a result of the financing obtained in connection with the acquisition of LADD.

Liquidity and Capital Resources

See pages 3 through 5 for our Consolidated Balance Sheet, Consolidated Statement of Income, and Consolidated Statement of Cash Flows with analysis and calculations.

Cash flows from operations amounted to $18 million in the first three months of fiscal year 2001 compared to $40 million in the prior year. In the aggregate, capital expenditures, dividends and stock repurchases totaled approximately $24 million during the three month period, which was about the same as in the first three months of fiscal 2000. Cash and cash equivalents decreased by $30 million.

Our financial strength 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 plus net deferred taxes). Total debt is defined as current portion of long-term debt plus current portion of capital leases plus long-term debt plus capital leases. Our current ratio was 3.3 to 1 at July 29, 2000, 2.9 to 1 at the end of fiscal 2000 and 3.4 to 1 at the end of last year's first quarter. At July 29, 2000, the debt to capital ratio was 26.8%, compared to 26.5% at the end of fiscal 2000 and 23.3% at the end of last year's first quarter.

As of July 29, 2000, we had a line of credit availability of approximately $176 million under several credit agreements. On May 12, 2000, a new $300 million unsecured revolving credit facility was entered into with a group of banks with a performance based interest rate grid with pricing between LIBOR plus .475% to LIBOR plus .80% based on our consolidated debt to capital ratio and utilization under the agreement. The current pricing under the facility is LIBOR plus .550%. This facility was used to retire the company's unsecured $150 million bridge loan facility, which had been put in place to finance the acquisition of LADD, and to also retire the company's $75 million unsecured revolving line of credit.

Capital expenditures during the three months ended July 29, 2000 were about $7 million.

As of July 29, 2000, approximately 2 million of the 12 million La-Z-Boy shares authorized for purchase on the open market were still available for purchase by the Company.

Outlook

Our pro forma sales growth is moderating. We believe the North American furniture industry as a whole is slowing in growth due to macroeconomic factors and that this slower pro forma growth will likely continue into our second quarter.

As we mentioned in our 2000 annual report, we expect our operating profit margin for the next two quarters to be lower than in the comparable quarters last year due to our fiscal 2000 acquisitions. Even though LADD, our largest acquisition, has improved its margins measurably over the last five years from an operating loss condition, and we expect that 2001 will be better than 2000, LADD margins are lower than the average margins that we have historically achieved.

We expect interest expense to remain substantially higher than in fiscal 2000 through the end of our third quarter.

We expect capital expenditures of approximately $45 million during fiscal 2001 down from the $55 million we estimated at May 31, 2000. This compares to $38 million in 2000. The large increase is primarily due to acquisitions. We have a commitment to purchase about $5 million of equipment by the end of fiscal 2002.

We expect to continue to be in the open market purchasing our shares from time to time as changes in our stock price and other factors present appropriate opportunities.

We expect to meet our cash needs for capital expenditures, stock repurchases and dividends during fiscal year 2001 from cash generated by operations and borrowings under available lines of credit.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

No information is presented in response to this item because we have no material market risk relating to derivative financial instruments, derivative commodity instruments, or other financial instruments.

PART II - OTHER INFORMATION

ITEM 5. OTHER INFORMATION

The Annual Meeting of Shareholders of La-Z-Boy Incorporated was held on July 31, 2000. The shareholders elected three directors for three-year terms expiring in

2003.

Election of Directors:	Shares Voted In Favor	Percent Shares In Favor	Shares Withheld
Patrick H. Norton	53,931,718	97%	1,810,589
Fredrick H. Jackson	53,958,681	97%	1,783,626
Helen O. Petrauskas	54,064,106	97%	1,678,198

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

(27) Financial Data Schedule (EDGAR only)

(b) Reports on Form 8-K

A Form 8-K containing a press release about our expected first quarter financial results filed with the SEC on July 7, 2000.

A Form 8-K concerning our fiscal year end financial results filed with the SEC on May 31, 2000.

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 August 9, 2000

/s/James J. Korsnack

James J. Korsnack
Chief Accounting Officer

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