



## La-Z-Boy Combines Pennsylvania House and Clayton Marcus

08/02/06

MONROE, Mich., Aug. 2 /PRNewswire-FirstCall/ -- La-Z-Boy Incorporated (NYSE: LZB; PCX) today announced that it will combine Pennsylvania House and Clayton Marcus into one operating company, effective immediately. Mac McCall, President of Clayton Marcus, will become President of the collective entity with each retaining a separate and distinct product offering with their own independent sales and marketing teams.

La-Z-Boy President and CEO Kurt L. Darrow said, "There are a number of synergies between Clayton Marcus and Pennsylvania House. Operating at the higher end of the market, they have a similar product line focus and customer base. The combination of these two companies will enable us to leverage the best of marketing, merchandising and manufacturing within each and will improve our product offering to our dealers and consumers. At the same time, the new entity will benefit from combining a number of back-office operations while making our entire enterprise more efficient."

Pennsylvania House, a member of the La-Z-Boy Incorporated family of companies, markets fine wood residential furniture and custom-made upholstery under one of the best-known consumer brand names in the industry. Pennsylvania House specializes in solid wood and veneered traditional designs. The company was established in the late 1800s as the Lewisburg Chair Company and renamed Pennsylvania House in 1933.

Based in Hickory, North Carolina, Clayton Marcus is a leading manufacturer of medium-to-higher end residential upholstery as well as occasional product which marries with its upholstery offering. Products include eight-way hand tied sofas, sleeper sofas, loveseats, chairs and ottomans in traditional, casual and transitional styles.

### 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: (a) changes in consumer confidence; (b) changes in demographics; (c) changes in housing sales; (d) the impact of terrorism or war; (e) continued energy price changes; (f) the impact of logistics on imports; (g) the impact of interest rate changes; (h) the potential disruptions from Chinese imports; (i) inventory supply price fluctuations; (j) the impact of imports as it relates to continued domestic production; (k) changes in currency exchange rates; (l) competitive factors; (m) operating factors, such as supply, labor, or distribution disruptions including changes in operating conditions or costs; (n) effects of restructuring actions; (o) changes in the domestic or international regulatory environment; (p) not fully realizing cost reductions through restructurings; (q) ability to implement global sourcing organization strategies; (r) the impact of new manufacturing technologies; (s) the future financial performance and condition of independently operated dealers that we are required to consolidate into our financial statements or changes requiring us to consolidate additional independently operated dealers; (t) fair value changes to our intangible assets due to actual results differing from projected; (u) the impact of adopting new accounting principles; (v) the impact from severe weather such as hurricanes and tornadoes; (w) the ability to turn around under-performing retail stores; (x) the impact of retail store relocation costs, the success of new stores or the timing of converting stores to the New Generation format; (y) the ability to procure fabric rolls or cut-and-sewn sets domestically or abroad; and (z) factors relating to acquisitions and other factors identified from time to time in our reports filed with the Securities and Exchange Commission. We undertake 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/about/investorRelations/sec\\_filings.aspx](http://www.la-z-boy.com/about/investorRelations/sec_filings.aspx). Investors and others wishing to be notified of future La-Z-Boy news releases, SEC filings and quarterly investor conference calls may sign up at: [http://www.la-z-boy.com/about/investorRelations/IR\\_email\\_alerts.aspx](http://www.la-z-boy.com/about/investorRelations/IR_email_alerts.aspx).

### Background Information

La-Z-Boy Incorporated is one of the world's leading residential furniture producers, marketing furniture for every room of the home. The La-Z-Boy Upholstery Group companies are Bauhaus, Centurion, Clayton Marcus, England, La-Z-Boy, and Sam Moore. The La-Z-Boy Casegoods Group companies are American Drew, 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 337 stand-alone La-Z-Boy Furniture Galleries(R) stores, of which 63 are company owned, and 340 La-Z-Boy In-Store Galleries, 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 In Furniture, the La-Z-Boy Furniture Galleries retail network is North America's largest single-brand furniture retailer. Additional information is available at <http://www.la-z-boy.com/>.

SOURCE La-Z-Boy Incorporated

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08/02/2006

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4558 08/02/2006 11:45 EDT <http://www.prnewswire.com>