



La-Z-Boy Sells American of Martinsville

07/31/06

MONROE, Mich., July 31 /PRNewswire-FirstCall/ -- La-Z-Boy Incorporated (NYSE: LZB; PCX) today announced that it has completed the sale of its American of Martinsville subsidiary, to Hancock Park Associates, a Los Angeles-based private equity firm. Terms of the transaction were not immediately disclosed, although the company expects it will result in a small gain which will be reported when the company issues its fiscal 2007 first-quarter results on August 15, 2006. American of Martinsville's net sales for fiscal 2006 represented approximately 5% of La-Z-Boy Incorporated's total revenue.

La-Z-Boy President and CEO Kurt L. Darrow said, "Our business model and long-term strategy are focused on providing comfortable and stylish furnishings for the home and, therefore, we have made a number of changes over the past two years to better align our company's business units with that model. While American of Martinsville is a great company and a leader in the hospitality arena, it is not core to our strategy as a residential company. We are confident American of Martinsville will maintain its leadership position in the hospitality industry under its new ownership with its customers continuing to be offered premium custom furniture with quick delivery and excellent service. Over the years, we have had a dedicated staff of employees at American of Martinsville and I would like to take this opportunity to thank them for their hard work and commitment and wish them well as they move with the company to join Hancock Park's operations."

American of Martinsville is one of the world's leading manufacturers and suppliers of contract furnishings to the hospitality, senior living and government markets. The company's wood furniture, upholstery products, and related accessories can be found in hotels and motels around the world as well as assisted living facilities and government installations.

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. 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.

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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CO: La-Z-Boy Incorporated; American of Martinsville; Hancock Park Associates
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