



La-Z-Boy Purchases Furniture Galleries Operations in Pittsburgh and Connecticut

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MONROE, Mich., May 4 /PRNewswire-FirstCall/ -- La-Z-Boy Incorporated (NYSE: LZB; PCX) today announced that it has acquired the Pittsburgh and Connecticut La-Z-Boy Furniture Galleries operations consisting of a combined total of eight stores. Terms of the transactions were not disclosed. The Pittsburgh store system was purchased from previous owner Paul Teplitz and the Connecticut operation from Tom Greene.

La-Z-Boy Incorporated President and CEO Kurt L. Darrow said, "The addition of these markets to our corporate-owned system will provide us with further growth opportunities. They fit well with our strategy of playing a larger corporate role when necessary in order to achieve appropriate market penetration levels in the largest 25 North American furniture markets. Also, with these two acquisitions we have fulfilled our objective of transitioning out of all of our initial poor performing VIE (Variable Interest Entities) dealers. Though there is significant work necessary to reposition these markets in order to achieve our expected operating levels, we are confident that our retail team is up to the challenge."

He continued, "These operations were developed by two long-time dealers of La-Z-Boy, Mr. Teplitz and Mr. Greene. We thank them for their contributions to the development of our system and wish them well in all of their future activities."

The Pittsburgh system consists of four stores, all of which are in the old store format. The stores are located in McMurray, Monroeville, Pittsburgh and Wexford. The Connecticut operation is comprised of four stores located in Brookfield, Clinton, Orange and Waterbury. The Brookfield store is in the new generation format.

The company plans to develop the two markets through conversion of existing stores to the new generation format, as well as opening new stores, particularly in the Hartford, CT market. During this transition period, the company also anticipates closing some non-productive stores. This increases the company's corporate-owned store count to 61, out of 332 total La-Z-Boy Furniture Galleries stores in North America.

Background Information

With annual sales 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, and Sam Moore. The La-Z-Boy Casegoods Group companies are 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 332 stand-alone La-Z-Boy Furniture Galleries(R) stores and 335 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 Furniture/Today, the La-Z-Boy Furniture Galleries retail network by itself represents the industry's fourth largest U.S. furniture retailer and the second largest single source furniture retailer. Additional information is available at <http://www.la-z-boy.com/>.

SOURCE La-Z-Boy Incorporated

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(LZB)

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