



La-Z-Boy Acquires Chicago-Area Furniture Galleries Stores

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MONROE, Mich., Feb 21, 2005 /PRNewswire-FirstCall via COMTEX/ -- La-Z-Boy Incorporated (NYSE: LZB; PCX) today announced that it acquired the Chicagoland-area La-Z-Boy Furniture Galleries operation consisting of 13 stores. Terms of the transaction were not disclosed. The Hammond, Indiana based store system was purchased from previous owner Chuck Forcey and the management transition was effective on Saturday, February 19.

La-Z-Boy Incorporated President and CEO Kurt L. Darrow said, "We are very pleased to be able to acquire a system of stores in one of the most dynamic home furnishings markets in North America. This acquisition fits well with our strategy of playing a larger corporate role, where necessary, in obtaining greater market penetration in the 25 largest markets, of which Chicago is certainly near the top of the list. Not only are we purchasing a growing existing business with 13 stores, but we see significant opportunity for growth through the rapid opening of new stores and the conversion of the remaining stores to our successful new generation format over the next couple of years."

He continued, "The operation was developed and grown into its current state over the past 30 plus years by Mr. Forcey, whose decision to sell was based upon succession and estate planning considerations. He was one of the pioneers of the original Showcase Shoppe concept and we wish him and his family well in their future endeavors."

The Chicago operation consists of 13 stores, 4 of which are in the new generation format with 9 in the previous format. The stores are located throughout the Chicagoland area, including Arlington Heights, Batavia, Bloomingdale, Chicago, Crystal Lake, Gurnee, Joliet, Lombard, Naperville, Orland Park, Schaumburg and Vernon Hills, all in Illinois. There is also a store in Merrillville, IN, as well as warehouse operations in Hammond, IN. In addition, there will be a new store opening in Glenview, IL in April 2005.

The company estimates the market to represent a potential of over 20 stores, which will be developed over the next few years. This acquisition increases La-Z-Boy's corporate-owned store count from 39 to 52, out of 328 total Furniture Galleries stores.

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, La-Z-Boy Contract 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 328 stand-alone La-Z-Boy Furniture Galleries(R) stores and 334 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 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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