



La-Z-Boy Comments On Business Outlook

10/10/03

MONROE, Mich., Oct. 10 /PRNewswire-FirstCall/ -- La-Z-Boy Incorporated (NYSE: LZB; PCX) said today it now expects earnings per share for its second fiscal quarter ending October 25, 2003 to be in the range of \$0.26 - \$0.29 per diluted share, compared to its previously announced range of \$0.38 - \$0.43. These results will include approximately \$0.03 per diluted share of expense relating to the previously-announced closure of three La-Z-Boy casegoods manufacturing facilities.

La-Z-Boy president and CEO Kurt Darrow noted that the reduced earnings guidance is due to a shortfall in sales for the quarter compared to the company's August estimate. "As has been widely reported," Darrow said, "Labor Day weekend was a generally strong period for retail furniture sales throughout the country. Unfortunately, this improved business trend did not continue and we have seen a declining incoming order rate in recent weeks. Contributing to the slowdown in sales at retail was the impact and after-effects of Hurricane Isabel, which disrupted retail sales throughout much of the East Coast. We now expect our year-over-year sales decline for the October quarter to be in the upper single digit percentage range, compared to the mid-single digit percentage decline we had been anticipating back in August."

Darrow continued, "The relatively large impact on our earnings compared to the sales shortfall is primarily the result of heavier promotional pricing activities and overcapacity resulting from anticipation of a seasonal increase in demand, which has not materialized to date."

In the October 2002 second fiscal quarter, La-Z-Boy Incorporated earned \$0.50 per diluted share on total sales of \$564 million. The company plans to report this year's fiscal second quarter operating results after the market close Monday, November 10, 2003 and will conduct its regular quarterly investor conference call the following morning, Tuesday, November 11, 2003 at 8 a.m. EST.

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: changes in consumer sentiment or demand, changes in demographics, changes in housing sales, the impact of terrorism or war, energy price changes, the impact of logistics on imports, the impact of interest rate changes, potential impact of anti-dumping actions, the availability and cost of capital, the impact of imports, changes in currency rates, competitive factors, operating factors, such as supply, labor, or distribution disruptions including changes in operating conditions or costs, effects of restructuring actions, changes in the regulatory environment, the impact of new manufacturing technologies, factors relating to acquisitions and other factors identified from time to time in the company's reports filed with the Securities and Exchange Commission. The company undertakes 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/ir_sec.asp. Investors and others wishing to receive e-mail of future La-Z-Boy news releases, SEC filings and quarterly investor conference calls may sign up at: http://my.lazboy.com/mygallery/investor_relations.cfm.

Background Information

With annual sales in excess 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 Furniture Group and Sam Moore, and the La-Z-Boy Casegoods Group companies are Alexvale, 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 317 stand-alone La-Z-Boy Furniture Galleries(R) stores and 320 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 fifth 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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