



La-Z-Boy Reports Fiscal 2015 Year-End and Fourth-Quarter Results

06/16/15

MONROE, Mich., June 16, 2015 /PRNewswire/ -- La-Z-Boy Incorporated (NYSE: LZB) today reported its operating results for the fiscal 2015 full year and fourth quarter ended April 25, 2015.

Fiscal 2015 full-year highlights for continuing operations:

- Consolidated sales for the full fiscal 2015 year increased 5.0%, or \$68.1 million, compared with fiscal 2014;
- Same-store written sales for the La-Z-Boy Furniture Galleries® store network increased 3.0% for the full fiscal 2015 year in addition to a 6.0% increase in fiscal 2014;
- Consolidated operating income increased to \$103.2 million from \$89.3 million in fiscal 2014 with the consolidated operating margin increasing to 7.2% from 6.6% in fiscal 2014;
- The company reported earnings per share of \$1.28 from continuing operations attributable to La-Z-Boy Incorporated, a 17% increase from fiscal 2014;
- The company generated cash from operations of \$86.8 million for the year; and
- The company returned \$66.4 million to shareholders through an increased dividend and share purchases, up 56% over the prior year.

Fiscal 2015 fourth-quarter highlights for continuing operations:

- Consolidated sales for the fourth quarter increased 6.2% compared with the fiscal 2014 fourth quarter;
- Consolidated operating income for the fiscal 2015 fourth quarter increased 31% to \$29.6 million, with the consolidated operating margin increasing to 7.9% from 6.4% in the fiscal 2014 fourth quarter;
- The company reported earnings per share of \$0.38 from continuing operations attributable to La-Z-Boy Incorporated, a 41% increase from the fiscal 2014 fourth quarter;
- The company generated cash from operations of \$31.7 million during the quarter; and
- The upholstery segment posted an 11.6% operating margin compared to 10.9% in last year's fourth quarter.

Sales for the fiscal 2015 fourth quarter were \$374.9 million, up 6.2% compared with the prior year's fourth quarter. The company reported income from continuing operations attributable to La-Z-Boy Incorporated of \$19.8 million, or \$0.38 per share, including a \$0.01 per share restructuring charge and \$0.01 in antidumping income related to the company's casegoods segment. This compares with last year's fourth-quarter results of \$14.6 million, or \$0.27 per diluted share, including a \$0.06 per share restructuring charge related to the company's casegoods segment. Adjusted income from continuing operations attributable to La-Z-Boy Incorporated per share was \$0.38 per share in the fourth quarter of fiscal 2015 versus \$0.33 in the fourth quarter of fiscal 2014.

Sales for the fiscal 2015 full year were \$1.43 billion, an increase of 5.0% over fiscal 2014. The company reported income from continuing operations attributable to La-Z-Boy Incorporated of \$67.5 million, or \$1.28 per diluted share, versus \$58.9 million, or \$1.09 per diluted share in fiscal 2014. The fiscal 2015 results include antidumping income of \$0.02 per share related to the company's casegoods segment. The fiscal 2014 results include a \$0.05 per share restructuring charge related to the casegoods segment and a \$0.02 per share benefit for income taxes related to deferred tax valuation allowances. Adjusted income from continuing operations attributable to La-Z-Boy Incorporated per share was \$1.26 in fiscal 2015, versus \$1.12 in fiscal 2014.

The following table provides a reconciliation of our adjusted income from continuing operations attributable to La-Z-Boy Incorporated to income from continuing operations attributable to La-Z-Boy Incorporated.

Reconciliation of Non-GAAP Financial Information

<i>(Amounts in thousands, except per share data)</i>	<u>Fourth Quarter Ended</u>		<u>Fiscal Year Ended</u>	
	<u>4/25/2015</u>	<u>4/26/2014</u>	<u>4/25/2015</u>	<u>4/26/2014</u>
Income from continuing operations attributable to La-Z-Boy Incorporated	\$19,815	\$14,642	\$67,476	\$58,852
Adjustment for special items (after-tax impact):				
Restructuring	484	3,146	(241)	3,179
Income from CDSOA	(784)	-	(788)	-
Tax benefit – deferred tax valuation allowance reversal	-	(281)	-	(1,162)
Adjusted income from continuing operations attributable to La-Z-Boy Incorporated	<u>\$19,515</u>	<u>\$17,507</u>	<u>\$66,447</u>	<u>\$60,869</u>

Diluted net income attributable to La-Z-Boy Incorporated per share:

Income from continuing operations attributable to La-Z-Boy Incorporated	\$0.38	\$0.27	\$1.28	\$1.09
Adjustment for special items:				
Restructuring	0.01	0.06	-	0.05
Income from CDSOA	(0.01)	-	(0.02)	-
Tax benefit – deferred tax valuation allowance reversal	-	-	-	(0.02)
Adjusted income from continuing operations attributable to La-Z-Boy Incorporated	<u>\$0.38</u>	<u>\$0.33</u>	<u>\$1.26</u>	<u>\$1.12</u>

Kurt L. Darrow, Chairman, President and Chief Executive Officer, of La-Z-Boy, said, "We are pleased with our results for the full fiscal 2015 year. We increased sales across all three operating segments, and increased our consolidated operating profit, earnings per share and dividend. Our La-Z-Boy Furniture Galleries® network posted a 3.0% increase in written same-store sales and the company as a whole generated strong cash flow, allowing us to return \$66.4 million to shareholders through dividends and share purchases, an increase of 56% from fiscal 2014. Our balance sheet remains strong, providing us with the financial flexibility to continue to make strategic investments in the business to drive profitable growth. With a focus on the branded distribution channel, we made excellent progress throughout the year with the execution of our 4-4-5 store growth strategy and laid the groundwork for robust activity in fiscal 2016. Additionally, during the year, we successfully implemented our new ERP system in four of the five domestic La-Z-Boy branded facilities and strengthened our casegoods business with the move to a pure-import model. Going forward, we are well positioned to capitalize on the strength of our brand, store build-out strategy and integrated retail model to achieve our growth objectives."

Wholesale Segments

For the fiscal 2015 fourth quarter, sales in the company's upholstery segment increased 6.9% to \$305.3 million versus the prior year's fourth quarter. In the casegoods segment, sales for the fiscal 2015 fourth quarter were \$25.9 million, down 4.9% from last year's fourth quarter.

Darrow commented, "We achieved an 11.6% operating margin in the upholstery segment for the quarter. Even with additional expenses associated with the ongoing rollout of a new ERP system in our plants, we increased our operating margin from last year's level of 10.9%. This improvement was achieved through a combination of volume-related operating leverage and efficiencies gained from our supply chain initiative. This month we implemented the ERP system in our last and largest La-Z-Boy branded facility. We look forward to having this comprehensive initiative behind us at the plant level, with all La-Z-Boy branded facilities operating on one integrated system."

Darrow added, "On the merchandising side, our new power product and Urban Attitudes® collection are driving top-line growth. At the April furniture market in High Point, North Carolina, we introduced an expanded Urban Attitudes® line and the collection continues to perform well at retail. On the marketing side, our *Live Life Comfortably* advertising campaign is evolving. We plan to launch new commercials, featuring Brooke Shields, our brand ambassador, prior to the fall selling season, with the content building on the momentum we have established with the campaign to date. We believe the advertising platform continues to be relevant and is attracting a wider consumer base to our brand."

Darrow continued, "We made significant progress during the year in repositioning our casegoods business, and it is beginning to show in our financial performance. This year, we nearly doubled our operating income versus the prior year. We are near completion of our product refresh program across Kincaid and American Drew and believe the business is strategically positioned for more consistent performance going forward."

Retail Segment

Darrow stated, "Overall, we continue to make steady progress in the company-owned retail business. The segment posted a 3.4% operating margin for the full fiscal year despite the associated start-up costs for labor, pre-opening rent, advertising and technology for the eight new stores opened in fiscal 2015."

For the fourth quarter of fiscal 2015, retail delivered sales were \$86.7 million, up 10% from last year's comparable quarter. On the core base of 95 stores included in last year's fourth quarter, sales for the segment decreased 1.6%. The segment's operating margin for the quarter was 3.8% compared with 3.6% in the prior-year period. On lower traffic during the quarter, the company-owned stores experienced increases in ticket count, units per ticket and conversion.

Darrow continued, "Our integrated retail strategy, a key component to driving margin expansion, presents us with exciting opportunities. Sales through the company-owned La-Z-Boy Furniture Galleries® stores provide the company with the greatest level of profitability as we realize the benefit of a "stacked" margin, where we earn a profit on both the wholesale and retail sales. As our retail segment grows, we believe this model will transform the earnings power of the company. Early in the fourth quarter, we acquired four dealer stores in the southern California market and as we execute our 4-4-5 store growth strategy, we believe the company's store ownership will increase from today's level of approximately 33% to more than 40% through greenfield locations and strategic acquisitions of independent dealer markets."

La-Z-Boy Furniture Galleries® Store Network

System-wide, for the fourth quarter of fiscal 2015, including company-owned and independent-licensed stores, same-store written sales, which the company tracks as an indicator of retail activity, were up 0.5% versus last year's fourth quarter. As a broader indicator of performance, for calendar year 2015 to date (January through May), same-store written sales for the network increased 4.6%.

For the fourth quarter, total written sales, which include new and closed stores, increased 5.1% compared with the fiscal 2014 comparable period. At the end of the fourth quarter, the La-Z-Boy Furniture Galleries® store system was composed of 325 stand-alone stores, with 61 in the new concept design format.

Darrow commented, "We had 30 store projects in fiscal 2015 and are planning for 35 to 40 projects in fiscal 2016, including 22 new stores. In addition to adding to our store count, we are elevating the network by changing out old-format stores into the new concept design, which is performing at a higher level than our other formats. Converting these stores is a high priority and we anticipate having close to 100 stores in the new concept design

format by the end of fiscal 2016."

The tables below summarize the store projects for the network in 2015 and provide a projection for activity during fiscal 2016.

FISCAL 2015 STORE ACTIVITY

	Total FY14	New	Closed	Acquired	Total FY15	Remodel	Relocation
Company-owned	101	8	(4)	5	110	3	1
Dealer-owned	214	7	(1)	(5)	215	8	3
Total	315	15	(5)	-	325	11	4

FISCAL 2016 PROJECTED* STORE ACTIVITY

	Total FY15	New	Closed	Total FY16	Remodel	Relocation
Company-owned	110	7	(2)	115	3	-
Dealer-owned	215	15	(3)	227	11	1
Total	325	22	(5)	342	14	1

*Projects anticipated to be completed.

Balance Sheet and Cash Flow

During the quarter, the company generated \$31.7 million in cash from operating activities. La-Z-Boy ended the year with \$98.3 million in cash and cash equivalents, \$45.5 million in investments to enhance returns on cash, and \$9.6 million in restricted cash. During fiscal 2015, the company had \$70.3 million in capital expenditures, which included \$44.6 million for the company's new world headquarters, paid \$14.5 million in dividends, and spent \$51.9 million purchasing 2.1 million shares of stock in the open market under its existing authorized share purchase program, including 0.6 million in the fourth quarter, leaving 5.7 million shares remaining in the program.

Business Outlook

Darrow concluded, "We are optimistic about our positioning in the marketplace and growth prospects. Our brand is the most recognized in the industry, and our product, stores and marketing are more in sync than ever, providing us with a solid platform for profitable growth and market share gains. As our business increases, we have the ability to leverage the efficiencies of our operating platform while driving enhanced profitability through our integrated retail model. We will continue to make strategic investments in the business with the goal of delivering long-term profitable growth while enhancing returns to shareholders.

"As we move into the summer months, however, the furniture industry typically experiences weaker demand, and our plants shut down for one week of vacation and maintenance during the first quarter, which ends in July. Accordingly, the first quarter is usually our weakest in terms of sales and earnings. Additionally, as our fiscal year ends the last Saturday of April each year, fiscal 2016 is a 53-week year, with the extra week occurring in the fourth quarter."

Conference Call

La-Z-Boy will hold a conference call with the investment community on Wednesday, June 17, 2015, at 8:30 a.m. eastern time. The toll-free dial-in number is 877.407.0778; international callers may use 201.689.8565.

The call will be webcast live, with corresponding slides, and archived on the Internet. It will be available at <http://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-calendar>. A telephone replay will be available for a week following the call. This replay will be accessible to callers from the U.S. and Canada at 877.660.6853 and to international callers at 201.612.7415. Enter Conference ID #13610152.

Forward-looking Information

This news release contains, and oral statements made from time to time by representatives of La-Z-Boy may contain, "forward-looking statements." With respect to all forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Actual results could differ materially from those we anticipate or project due to a number of factors, including: (a) changes in consumer confidence and demographics; (b) the possibility of another recession; (c) changes in the real estate and credit markets and their effects on our customers, consumers and suppliers; (d) international political unrest, terrorism or war; (e) volatility in energy and other commodities prices; (f) the impact of logistics on imports; (g) interest rate and currency exchange rate changes; (h) operating factors, such as supply, labor or distribution disruptions (i.e. port strikes); (i) changes in the domestic or international regulatory environment; (j) adoption of new accounting principles; (k) severe weather or other natural events such as hurricanes, earthquakes, flooding, tornadoes and tsunamis; (l) our ability to procure fabric rolls and leather hides or cut-and-sewn fabric and leather sets domestically or abroad; (m) information technology conversions or system failures; (n) effects of our brand awareness and marketing programs; (o) the discovery of defects in our products resulting in delays in manufacturing, recall campaigns, reputational damage, or increased warranty costs; (p) litigation arising out of alleged defects in our products; (q) unusual or significant litigation; (r) our ability to locate new La-Z-Boy Furniture Galleries® stores (or store owners) and negotiate favorable lease terms for new or existing locations; (s) the results of our restructuring actions; (t) the impact of potential goodwill or intangible asset impairments; and (u) those matters discussed in Item 1A of our fiscal 2015 Annual Report on Form 10-K 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, whether to reflect new information or 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://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-sec>. 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://investors.la-z-boy.com>

Non-GAAP Financial Information

The information contained in this press release is intended to supplement, rather than to supersede, our consolidated financial statements. We report our financial results in accordance with accounting principles generally accepted in the United States ("GAAP"). However, management believes that certain non-GAAP financial measures provide users with additional meaningful financial information that should be considered when assessing our ongoing performance. This press release contains references to income from continuing operations attributable to La-Z-Boy Incorporated and income from continuing operations attributable to La-Z-Boy Incorporated per share, both adjusted to exclude restructuring, income from the Continued Dumping and Subsidy Offset Act of 2000, and the reversal of valuation allowances relating to our deferred tax assets. This press release includes a table reconciling these adjusted measures to the most directly comparable financial measures reported in accordance with GAAP.

Management does not expect the excluded items to significantly affect future operating results and believes that presenting income from continuing operations attributable to La-Z-Boy Incorporated and income from continuing operations attributable to La-Z-Boy Incorporated per share with those items excluded will help investors better understand our operating results for different periods on a comparable basis. The Reconciliation of Non-GAAP Financial Information table included in this press release presents the excluded items net of tax calculated using the effective tax rate from operations for the period in which the adjustment is presented.

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 segment companies are England and La-Z-Boy. The Casegoods segment consists of three brands: American Drew, Hammary, and Kincaid. The company-owned Retail segment includes 110 of the 325 La-Z-Boy Furniture Galleries® stores.

The corporation's branded distribution network is dedicated to selling La-Z-Boy Incorporated products and brands, and includes 325 stand-alone La-Z-Boy Furniture Galleries® stores and 573 independent Comfort Studio® locations, in addition to in-store gallery programs for the company's Kincaid and England operating units. Additional information is available at <http://www.la-z-boy.com/>.

LA-Z-BOY INCORPORATED CONSOLIDATED STATEMENT OF INCOME

<i>(Amounts in thousands, except per share data)</i>	Unaudited		Unaudited	
	For the Fiscal Quarter Ended	For the Fiscal Quarter Ended	For the Fiscal Year Ended	For the Fiscal Year Ended
	4/25/2015	4/26/2014	4/25/2015	4/26/2014
Sales	\$374,938	\$353,020	\$1,425,395	\$1,357,318
Cost of sales				
Cost of goods sold	241,269	229,563	921,142	888,025
Restructuring	137	4,954	(239)	4,839
Total cost of sales	241,406	234,517	920,903	892,864
Gross profit	133,532	118,503	504,492	464,454
Selling, general and administrative expense	103,368	95,974	401,459	375,158
Restructuring	610	—	(132)	—
Operating income	29,554	22,529	103,165	89,296
Interest expense	115	137	523	548
Interest income	363	222	1,030	761
Income from Continued Dumping and Subsidy Offset Act, net	1,212	—	1,212	—
Other income, net	45	943	744	2,050
Income from continuing operations before income taxes	31,059	23,557	105,628	91,559
Income tax expense	10,979	8,597	36,954	31,383
Income from continuing operations	20,080	14,960	68,674	60,176
Income (loss) from discontinued operations, net of tax	400	(2,403)	3,297	(3,796)
Net income	20,480	12,557	71,971	56,380
Net income attributable to noncontrolling interests	(265)	(318)	(1,198)	(1,324)
Net income attributable to La-Z-Boy Incorporated	\$20,215	\$12,239	\$70,773	\$55,056
Net income attributable to La-Z-Boy Incorporated:				
Income from continuing operations attributable to La-Z-Boy Incorporated	\$19,815	\$14,642	\$67,476	\$58,852
Income (loss) from discontinued operations	400	(2,403)	3,297	(3,796)
Net income attributable to La-Z-Boy Incorporated	\$20,215	\$12,239	\$70,773	\$55,056
Diluted weighted average shares	51,616	53,519	52,346	53,829

Diluted net income attributable to La-Z-Boy Incorporated per share:				
Income from continuing operations attributable to La-Z-Boy Incorporated	\$0.38	\$0.27	\$1.28	\$1.09
Income (loss) from discontinued operations	0.01	(0.04)	0.06	(0.07)
Diluted net income attributable to La-Z-Boy Incorporated per share	<u>\$0.39</u>	<u>\$0.23</u>	<u>\$1.34</u>	<u>\$1.02</u>
Dividends declared per share	\$0.08	\$0.06	\$0.28	\$0.20

**LA-Z-BOY INCORPORATED
CONSOLIDATED BALANCE SHEET**

<i>(Unaudited, amounts in thousands)</i>	Unaudited As of	
	4/25/2015	4/26/2014
Current assets		
Cash and equivalents	\$98,302	\$149,661
Restricted cash	9,636	12,572
Receivables, net of allowance of \$4,622 at 4/25/15 and \$12,368 at 4/26/14	158,548	152,614
Inventories, net	156,789	147,009
Deferred income taxes – current	11,255	15,037
Business held for sale	—	4,290
Other current assets	<u>41,921</u>	<u>41,490</u>
Total current assets	476,451	522,673
Property, plant and equipment, net	174,036	127,535
Goodwill	15,164	13,923
Other intangible assets	5,458	4,544
Deferred income taxes – long-term	35,072	32,430
Other long-term assets, net	<u>68,423</u>	<u>70,190</u>
Total assets	<u>\$774,604</u>	<u>\$771,295</u>
Current liabilities		
Current portion of long-term debt	\$397	\$7,497
Accounts payable	46,168	56,177
Business held for sale	—	832
Accrued expenses and other current liabilities	<u>108,326</u>	<u>102,876</u>
Total current liabilities	154,891	167,382
Long-term debt	433	277
Other long-term liabilities	86,180	73,918
Contingencies and commitments	—	—
Shareholders' equity		
Preferred shares – 5,000 authorized; none issued	—	—
Common shares, \$1 par value – 150,000 authorized; 50,747 outstanding at 4/25/15 and 51,981 outstanding at 4/26/14	50,747	51,981

Capital in excess of par value	270,032	262,901
Retained earnings	235,506	238,384
Accumulated other comprehensive loss	<u>(32,139)</u>	<u>(31,380)</u>
Total La-Z-Boy Incorporated shareholders' equity	524,146	521,886
Noncontrolling interests	<u>8,954</u>	<u>7,832</u>
Total equity	<u>533,100</u>	<u>529,718</u>
Total liabilities and equity	<u><u>\$774,604</u></u>	<u><u>\$771,295</u></u>

**LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>(Unaudited, amounts in thousands)</i>	Unaudited For the Fiscal Year Ended	
	<u>4/25/2015</u>	<u>4/26/2014</u>
Cash flows from operating activities		
Net income	\$71,971	\$56,380
Adjustments to reconcile net income to cash provided by operating activities		
(Gain) loss on disposal of assets	(499)	616
Gain on sale of investments	(214)	(300)
Write-down of long-lived assets	—	1,149
Deferred income tax expense (benefit)	1,030	(216)
Restructuring	(360)	8,071
Provision for doubtful accounts	(2,290)	(2,651)
Depreciation and amortization	22,283	23,182
Stock-based compensation expense	6,780	8,739
Change in receivables	(2,595)	3,337
Change in inventories	(7,644)	(9,444)
Change in other assets	4,154	(2,958)
Change in accounts payable	(5,206)	1,704
Change in other liabilities	<u>(659)</u>	<u>3,223</u>
Net cash provided by operating activities	86,751	90,832
Cash flows from investing activities		
Proceeds from disposals of assets	9,061	2,233
Proceeds from sale of business	—	6,844

Capital expenditures	(70,319)	(33,730)
Purchases of investments	(40,327)	(54,233)
Proceeds from sales of investments	33,750	34,557
Acquisitions, net of cash acquired	(1,774)	(801)
Change in restricted cash	<u>2,936</u>	<u>114</u>
Net cash used for investing activities	(66,673)	(45,016)
Cash flows from financing activities		
Payments on debt	(7,571)	(579)
Payments for debt issuance costs	(208)	—
Stock issued for stock and employee benefit plans	1,397	3,565
Excess tax benefit on stock option exercises	1,592	12,935
Purchases of common stock	(51,853)	(32,097)
Dividends paid	<u>(14,513)</u>	<u>(10,514)</u>
Net cash used for financing activities	(71,156)	(26,690)
Effect of exchange rate changes on cash and equivalents	<u>(281)</u>	<u>(550)</u>
Change in cash and equivalents	(51,359)	18,576
Cash and equivalents at beginning of period	<u>149,661</u>	<u>131,085</u>
Cash and equivalents at end of period	<u>\$98,302</u>	<u>\$149,661</u>
Supplemental disclosure of non-cash investing activities		
Capital expenditures included in payables	\$500	\$5,303

**LA-Z-BOY INCORPORATED
SEGMENT INFORMATION**

<i>(Amounts in thousands)</i>	Unaudited For the Fiscal Quarter Ended		Unaudited For the Fiscal Year Ended	
	4/25/2015	4/26/2014	4/25/2015	4/26/2014
Sales				
Upholstery segment:				
Sales to external customers	\$264,647	\$248,956	\$990,237	\$959,118
Intersegment sales	40,693	36,749	161,565	139,932
Upholstery segment sales	305,340	285,705	1,151,802	1,099,050
Casegoods segment:				
Sales to external customers	23,344	24,756	98,886	97,095
Intersegment sales	2,558	2,485	10,827	9,657
Casegoods segment sales	25,902	27,241	109,713	106,752
Retail segment sales	86,693	78,797	333,978	298,642
Corporate and Other	254	511	2,294	2,463
Eliminations	(43,251)	(39,234)	(172,392)	(149,589)
Consolidated sales	\$374,938	\$353,020	\$1,425,395	\$1,357,318
Operating Income (Loss)				
Upholstery segment	\$35,300	\$31,141	\$121,403	\$117,688
Casegoods segment	1,028	1,383	6,408	3,397
Retail segment	3,267	2,864	11,466	11,128

Restructuring	(747)	(4,954)	371	(4,839)
Corporate and Other	(9,294)	(7,905)	(36,483)	(38,078)
Consolidated operating income	<u>\$29,554</u>	<u>\$22,529</u>	<u>\$103,165</u>	<u>\$89,296</u>

LA-Z-BOY INCORPORATED
UNAUDITED QUARTERLY FINANCIAL DATA

(Dollar amounts in thousands, except per share data)

Fiscal Quarter Ended	7/26/2014	10/25/2014	1/24/2015	4/25/2015
Sales	\$326,980	\$365,601	\$357,876	\$374,938
Cost of sales				
Cost of goods sold	215,831	235,716	228,326	241,269
Restructuring	(357)	(10)	(9)	137
Total cost of sales	<u>215,474</u>	<u>235,706</u>	<u>228,317</u>	<u>241,406</u>
Gross profit	111,506	129,895	129,559	133,532
Selling, general and administrative expense	95,015	99,683	103,393	103,368
Restructuring	—	20	(762)	610
Operating income	16,491	30,192	26,928	29,554
Interest expense	132	145	131	115
Interest income	202	233	232	363
Income from Continued Dumping and Subsidy Offset Act, net	—	—	—	1,212
Other income (expense), net	(258)	152	805	45
Income from continuing operations before income taxes	16,303	30,432	27,834	31,059
Income tax expense	<u>5,755</u>	<u>10,743</u>	<u>9,477</u>	<u>10,979</u>
Income from continuing operations	10,548	19,689	18,357	20,080
Income from discontinued operations, net of tax	<u>2,497</u>	<u>285</u>	<u>115</u>	<u>400</u>
Net income	13,045	19,974	18,472	20,480
Net (income) loss attributable to noncontrolling interests	<u>36</u>	<u>(445)</u>	<u>(524)</u>	<u>(265)</u>
Net income attributable to La-Z-Boy Incorporated	<u>\$13,081</u>	<u>\$19,529</u>	<u>\$17,948</u>	<u>\$20,215</u>
Net income attributable to La-Z-Boy Incorporated:				
Income from continuing operations attributable to La-Z-Boy Incorporated	\$10,584	\$19,244	\$17,833	\$19,815
Income from discontinued operations	<u>2,497</u>	<u>285</u>	<u>115</u>	<u>400</u>
Net income attributable to La-Z-Boy Incorporated	<u>\$13,081</u>	<u>\$19,529</u>	<u>\$17,948</u>	<u>\$20,215</u>
Diluted weighted average common shares	52,627	52,723	52,139	51,616
Diluted net income attributable to La-Z-Boy Incorporated per share:				
Income from continuing operations attributable to La-Z-Boy Incorporated	\$0.20	\$0.36	\$0.34	\$0.38
Income from discontinued operations	<u>0.05</u>	<u>0.01</u>	<u>—</u>	<u>0.01</u>
Diluted net income attributable to La-Z-Boy Incorporated per share	<u>\$0.25</u>	<u>\$0.37</u>	<u>\$0.34</u>	<u>\$0.39</u>
Dividends declared per share	\$0.06	\$0.06	\$0.08	\$0.08

LA-Z-BOY INCORPORATED
UNAUDITED QUARTERLY FINANCIAL DATA

(Dollar amounts in thousands, except per share data)

Fiscal Quarter Ended	7/27/2013	10/26/2013	1/25/2014	4/26/2014
Sales	\$305,502	\$352,271	\$346,525	\$353,020
Cost of sales				
Cost of goods sold	203,949	229,727	224,786	229,563
Restructuring	87	(142)	(60)	4,954
Total cost of sales	204,036	229,585	224,726	234,517
Gross profit	101,466	122,686	121,799	118,503
Selling, general and administrative expense	86,701	96,568	95,915	95,974
Operating income	14,765	26,118	25,884	22,529
Interest expense	136	133	142	137
Interest income	180	176	183	222
Other income (expense), net	537	(279)	849	943
Income from continuing operations before income taxes	15,346	25,882	26,774	23,557
Income tax expense	5,445	8,425	8,916	8,597
Income from continuing operations	9,901	17,457	17,858	14,960
Income (loss) from discontinued operations, net of tax	34	(440)	(987)	(2,403)
Net income	9,935	17,017	16,871	12,557
Net income attributable to noncontrolling interests	(345)	(273)	(388)	(318)
Net income attributable to La-Z-Boy Incorporated	\$9,590	\$16,744	\$16,483	\$12,239
Net income attributable to La-Z-Boy Incorporated:				
Income from continuing operations attributable to La-Z-Boy Incorporated	\$9,556	\$17,184	\$17,470	\$14,642
Income (loss) from discontinued operations	34	(440)	(987)	(2,403)
Net income attributable to La-Z-Boy Incorporated	\$9,590	\$16,744	\$16,483	\$12,239
Diluted weighted average common shares	53,051	53,261	53,226	53,519
Diluted net income attributable to La-Z-Boy Incorporated per share:				
Income from continuing operations attributable to La-Z-Boy Incorporated	\$0.18	\$0.32	\$0.33	\$0.27
Loss from discontinued operations	—	(0.01)	(0.02)	(0.04)
Diluted net income attributable to La-Z-Boy Incorporated per share	\$0.18	\$0.31	\$0.31	\$0.23
Dividends declared per share	\$0.04	\$0.04	\$0.06	\$0.06

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/la-z-boy-reports-fiscal-2015-year-end-and-fourth-quarter-results-300100184.html>

SOURCE La-Z-Boy Incorporated

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