

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549-1004

FORM 8-K

**Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

February 17, 2016

(Date of Report (Date of Earliest Event Reported))

LA-Z-BOY INCORPORATED

(Exact name of registrant as specified in its charter)

MICHIGAN

(State or other jurisdiction of
incorporation)

1-9656

(Commission
File Number)

38-0751137

(IRS Employer
Identification Number)

One La-Z-Boy Drive, Monroe, Michigan

(Address of principal executive offices)

48162-5138

(Zip Code)

Registrant's telephone number, including area code **(734) 242-1444**

None

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On February 17, 2016, La-Z-Boy Incorporated issued a news release to report the company's financial results for the third quarter ended January 23, 2016. A copy of the news release is attached to this current report on Form 8-K as Exhibit 99.1. Exhibit 99.2 contains unaudited financial data.

The information in Item 2.02 of this report and the related exhibits (Exhibits 99.1 and 99.2) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) The following exhibits are furnished as part of this report:

	<u>Description</u>
99.1	News Release Dated February 17, 2016
99.2	Unaudited financial schedules

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY INCORPORATED
(Registrant)

Date: February 17, 2016

BY: /s/ Margaret L. Mueller
Margaret L. Mueller
Vice President of Finance



NEWS RELEASE

Contact: Kathy Liebmann (734) 241-2438 kathy.liebmann@la-z-boy.com

LA-Z-BOY REPORTS FISCAL 2016 THIRD-QUARTER RESULTS **Consolidated operating income increases 29%**

MONROE, Mich., February 17, 2016—La-Z-Boy Incorporated (NYSE: LZB) today reported its operating results for the fiscal 2016 third quarter ended January 23, 2016.

Fiscal 2016 third-quarter highlights for continuing operations:

- Sales increased 7.3% to \$384.0 million compared with the prior-year third quarter;
- The company reported earnings per diluted share of \$0.43 from continuing operations attributable to La-Z-Boy Incorporated, an increase of 26.5% over last year's third quarter;
- Consolidated operating income for the fiscal 2016 third quarter increased 29.2% to \$34.8 million, with consolidated operating margin increasing to 9.1%;
- Operating margin for the upholstery segment was 10.9%;
- Operating margin for the retail segment was 8.0% versus 4.7% in the prior-year quarter;
- Operating margin for the casegoods segment was 7.2% compared with 3.3% in last year's third quarter; and
- The company generated \$48.0 million in cash from operating activities.

Sales for the fiscal 2016 third quarter were \$384.0 million, up 7.3% compared with the prior year's third quarter. The company reported net income from continuing operations attributable to La-Z-Boy Incorporated of \$21.9 million, or \$0.43 per diluted share, versus \$17.8 million, or \$0.34 per diluted share, in last year's third quarter.

Kurt L. Darrow, Chairman, President and Chief Executive Officer, of La-Z-Boy, said, "We are very pleased with our results for the quarter. Across the business, we experienced a 7.3% increase in sales which translated to strong operating margin performance in all three business segments. Our consolidated operating margin was 9.1%, the highest the company has achieved in any quarter in more than 12 years. These results demonstrate solid execution across the business, including supply chain optimization, improved forecasting and planning, and more consistent service and delivery. Additionally, we are particularly pleased that just halfway through our 4-4-5 store build out initiative, we reached our \$4 million average-revenue-per-store objective, which, we believe, bodes well for future performance. During the quarter, we generated \$48.0 million in operating cash flow, more than double the operating cash flow generated in last year's comparable quarter. I am confident we have the right strategies in place to continue to grow our business and deliver consistent performance and value to shareholders."

Wholesale Segments

For the fiscal 2016 third quarter, sales in the company's upholstery segment increased 5.6% versus the prior year's third quarter to \$302.4 million. In the casegoods segment, sales for the fiscal 2016 third quarter were \$24.6 million, down 5.3% from last year's third quarter.

Darrow commented, "Our upholstery segment's operating margin performance of 10.9% was strong, particularly as last year's third quarter included a benefit of two percentage points to the gross margin resulting from legal settlements. During the period, our operating margin was driven by supply chain efficiencies relating to procurement and plant optimization. Additionally, the ERP system, which is operational across all branded facilities, is contributing to the improvement in our results, while the increased volume allows us to leverage the fixed-cost structure of our facilities. A positive product mix shift, driven primarily by the power category, also helped drive the gross margin improvement for the quarter."

Darrow added, "Our marketing programs are resonating with the consumer and she is reacting positively to our product offering. During the quarter, we experienced growth across a number of distribution channels. While branded distribution is our primary vehicle for growth, principally through our 4-4-5 store build-out strategy, we are planning on continued growth with our other retail partners and this quarter demonstrated the potential we have in this area. Moving forward, we see a lot of opportunity for our upholstery business. Our brand platform is strong, we are increasing our share in the stationary category, we continue to innovate with great product, and we have potential for expanding sales throughout all distribution outlets."

Darrow continued, "England, our other upholstery company, is expanding its product line and growing its customer base as it widens its geographical footprint, all while maintaining its best-in-class delivery performance. The restructuring undertaken in our casegoods business is also delivering results. For the quarter, we more than doubled our operating margin, reflecting the success of our move to a pure-import model. The majority of the casegoods sales decline for the period related to a higher percentage of sales of discounted products and collections sold in last year's third quarter following the closure of the Kincaid manufacturing facility in Hudson, North Carolina. Moving forward, we are continuing to work on shifting our product lines to include more lifestyle collections to appeal to today's consumer."

Retail Segment

For the fiscal 2016 third quarter, sales in the company's retail segment increased 22.7% to \$110.2 million versus the prior year's third quarter. On the core 101 stores included in last year's comparable quarter, delivered sales for the segment increased 6.6%, or \$5.6 million. The business posted an 8.0% operating

margin, a milestone for the business.

Darrow stated, “Our retail segment is continuing to grow and perform at a high level. Excellent planning and promotional cadence throughout the period drove sales, and the increased volume allowed us to leverage the fixed-cost structure of the business, which consists primarily of occupancy and distribution-related costs. We also improved the segment’s gross margin, fueled by an increase in In Home Design and custom orders as well as strong performance in the power category.”

Darrow added, “Expanding the size of the company-owned retail segment is one of our key strategies. As we increase the number of company-owned stores, we will further benefit from the stacked wholesale/retail margin associated with our integrated retail model. We are opening new stores as part of the 4-4-5 store build-out strategy and growing the company-owned retail business through strategic acquisitions of independent dealer stores. We quickly integrated into our portfolio the 10 stores we acquired in the fiscal 2016 second quarter, and they have been accretive from the start.”

La-Z-Boy Furniture Galleries® Store Network

For the third quarter of fiscal 2016, the La-Z-Boy store network, including both company-owned and independent-licensed stores, saw same-store written sales, which the company tracks as an indicator of retail activity, decrease 1.8% versus last year’s third quarter, when the company experienced a 6.5% increase over the prior year’s comparable quarter. Same-store written sales for the calendar 2015 period increased 2.9% over calendar 2014.

For the third quarter in fiscal 2016, total written sales, which include new and closed stores, decreased 0.3% compared with the fiscal 2015 comparable period. At the end of the third quarter, the La-Z-Boy Furniture Galleries® store system was composed of 331 stand-alone stores, with 82 in the new concept design format.

Darrow commented, “We are maintaining a steady cadence of store activity and plan to open more than 20 new stores over the next 12-month period. For fiscal 2016, we are on track to execute approximately 30 projects, including new stores, remodels and relocations, resulting in 13 net new stores. During the third quarter, the network opened four new stores, remodeled three and closed three. For the fourth quarter of fiscal 2016, we are planning for eight new stores and one closure throughout the network.”

FISCAL 2016 PROJECTED* STORE ACTIVITY

	Total FY15	New	Closed	Acquired	Total FY16	Remodel	Relocation
Company-owned	110	5	(2)	10	123	2	—
Dealer-owned	215	12	(2)	(10)	215	10	—
Total	325	17	(4)	—	338	12	—

*Projects anticipated to be completed.

Balance Sheet and Cash Flow

During the quarter, the company generated \$48.0 million in cash from operating activities. La-Z-Boy ended the fiscal 2016 third quarter with \$97.7 million in cash and cash equivalents, \$31.4 million in investments to enhance returns on cash, and \$9.0 million in restricted cash. During the quarter, the company had \$5.9 million in capital expenditures, paid \$5.0 million in dividends, and spent \$10.6 million purchasing 0.4 million shares of stock in the open market under its existing authorized share purchase program, with remaining authorization to purchase 4.6 million shares.

Dividend

The board of directors declared a regular quarterly cash dividend of \$0.10 per share on the company’s stock. The dividend will be paid on March 10, 2016, to shareholders of record as of February 29, 2016.

Business Outlook

Darrow concluded, “We remain optimistic about our positioning in the marketplace and about our prospects. Although the macroeconomic environment remains somewhat volatile, we believe we have solid strategies in place to deliver ongoing profitable growth throughout the enterprise. With a strong brand, relevant product offering, lean operating structure and vast distribution network, we are confident we will continue to return long-term value to shareholders.”

Conference Call

La-Z-Boy will hold a conference call with the investment community on Thursday, February 18, 2016, 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 #13629938.

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 and exports; (g) interest rate and currency exchange rate changes; (h) operating factors, such as supply, labor or distribution disruptions (e.g. 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 and our ability to recover from a system failure; (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/phoenix.zhtml?c=92596&p=irol-alerts&t=&id=&>.

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, Hammery, and Kincaid. The company-owned Retail segment includes 123 of the 331 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 331 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

(Unaudited, amounts in thousands, except per share data)	Quarter Ended	
	1/23/16	1/24/15
Sales	\$ 384,014	\$ 357,876
Cost of sales	236,024	228,317
Gross profit	147,990	129,559
Selling, general and administrative expense	113,206	102,631
Operating income	34,784	26,928
Interest expense	120	131
Interest income	204	232
Income from Continued Dumping and Subsidy Offset Act, net	102	—
Other income (expense), net	(93)	805
Income from continuing operations before income taxes	34,877	27,834
Income tax expense	12,643	9,477
Income from continuing operations	22,234	18,357
Income from discontinued operations, net of tax	—	115
Net income	22,234	18,472
Net income attributable to noncontrolling interests	(328)	(524)
Net income attributable to La-Z-Boy Incorporated	\$ 21,906	\$ 17,948
Net income attributable to La-Z-Boy Incorporated:		
Income from continuing operations attributable to La-Z-Boy Incorporated	\$ 21,906	\$ 17,833
Income from discontinued operations	—	115
Net income attributable to La-Z-Boy Incorporated	\$ 21,906	\$ 17,948
Basic weighted average common shares	50,038	51,576
Basic net income attributable to La-Z-Boy Incorporated per share:		
Income from continuing operations attributable to La-Z-Boy Incorporated	\$ 0.44	\$ 0.35
Income from discontinued operations	—	—
Basic net income attributable to La-Z-Boy Incorporated per share	\$ 0.44	\$ 0.35
Diluted weighted average common shares	50,539	52,139
Diluted net income attributable to La-Z-Boy Incorporated per share:		
Income from continuing operations attributable to La-Z-Boy Incorporated	\$ 0.43	\$ 0.34
Income from discontinued operations	—	—
Diluted net income attributable to La-Z-Boy Incorporated per share	\$ 0.43	\$ 0.34
Dividends declared per share	\$ 0.10	\$ 0.08

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF INCOME

(Unaudited, amounts in thousands, except per share data)	Nine Months Ended	
	1/23/16	1/24/15
Sales	\$ 1,108,328	\$ 1,050,457
Cost of sales	690,300	679,497
Gross profit	418,028	370,960
Selling, general and administrative expense	329,884	297,349
Operating income	88,144	73,611
Interest expense	365	408
Interest income	573	667
Income from Continued Dumping and Subsidy Offset Act, net	102	—
Other income, net	2,387	699
Income from continuing operations before income taxes	90,841	74,569
Income tax expense	32,825	25,975
Income from continuing operations	58,016	48,594
Income from discontinued operations, net of tax	—	2,897
Net income	58,016	51,491
Net income attributable to noncontrolling interests	(1,482)	(933)
Net income attributable to La-Z-Boy Incorporated	\$ 56,534	\$ 50,558
Net income attributable to La-Z-Boy Incorporated:		
Income from continuing operations attributable to La-Z-Boy Incorporated	\$ 56,534	\$ 47,661
Income from discontinued operations	—	2,897
Net income attributable to La-Z-Boy Incorporated	\$ 56,534	\$ 50,558
Basic weighted average common shares	50,371	52,015
Basic net income attributable to La-Z-Boy Incorporated per share:		

Income from continuing operations attributable to La-Z-Boy Incorporated	\$	1.12	\$	0.91
Income from discontinued operations		—		0.06
Basic net income attributable to La-Z-Boy Incorporated per share	\$	<u>1.12</u>	\$	<u>0.97</u>
Diluted weighted average common shares		50,880		52,540
Diluted net income attributable to La-Z-Boy Incorporated per share:				
Income from continuing operations attributable to La-Z-Boy Incorporated	\$	1.11	\$	0.90
Income from discontinued operations		—		0.06
Diluted net income attributable to La-Z-Boy Incorporated per share	\$	<u>1.11</u>	\$	<u>0.96</u>
Dividends declared per share	\$	0.26	\$	0.20

LA-Z-BOY INCORPORATED
CONSOLIDATED BALANCE SHEET

(Unaudited, amounts in thousands)	1/23/16	4/25/15
Current assets		
Cash and equivalents	\$ 97,698	\$ 98,302
Restricted cash	8,976	9,636
Receivables, net of allowance of \$3,118 at 1/23/16 and \$4,622 at 4/25/15	142,802	158,548
Inventories, net	183,245	156,789
Deferred income taxes — current	9,853	11,255
Other current assets	38,377	41,921
Total current assets	<u>480,951</u>	<u>476,451</u>
Property, plant and equipment, net	173,103	174,036
Goodwill	33,423	15,164
Other intangible assets	7,958	5,458
Deferred income taxes — long-term	31,594	35,072
Other long-term assets, net	60,173	68,423
Total assets	<u>\$ 787,202</u>	<u>\$ 774,604</u>
Current liabilities		
Current portion of long-term debt	\$ 300	\$ 397
Accounts payable	46,017	46,168
Accrued expenses and other current liabilities	108,683	108,326
Total current liabilities	<u>155,000</u>	<u>154,891</u>
Long-term debt	555	433
Other long-term liabilities	80,442	86,180
Contingencies and commitments	—	—
Shareholders' equity		
Preferred shares — 5,000 authorized; none issued	—	—
Common shares, \$1 par value — 150,000 authorized; 49,891 outstanding at 1/23/16 and 50,747 outstanding at 4/25/15	49,891	50,747
Capital in excess of par value	277,428	270,032
Retained earnings	249,036	235,506
Accumulated other comprehensive loss	(34,664)	(32,139)
Total La-Z-Boy Incorporated shareholders' equity	<u>541,691</u>	<u>524,146</u>
Noncontrolling interests	9,514	8,954
Total equity	<u>551,205</u>	<u>533,100</u>
Total liabilities and equity	<u>\$ 787,202</u>	<u>\$ 774,604</u>

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited, amounts in thousands)	Nine Months Ended	
	1/23/16	1/24/15
Cash flows from operating activities		
Net income	\$ 58,016	\$ 51,491
Adjustments to reconcile net income to cash provided by (used for) operating activities		
Restructuring	430	(1,106)
Deferred income tax expense (benefit)	5,000	(3,987)
Provision for doubtful accounts	(675)	(2,060)
Depreciation and amortization	19,308	16,297
Equity-based compensation expense	6,868	6,094
Pension plan contributions	(7,000)	—
Change in receivables	15,284	7,011
Change in inventories	(23,121)	(11,913)
Change in other assets	1,991	5,794
Change in payables	349	(7,659)

Change in other liabilities	(6,736)	(4,898)
Net cash provided by operating activities	69,714	55,064
Cash flows from investing activities		
Proceeds from disposal of assets	2,506	8,940
Capital expenditures	(19,825)	(56,512)
Purchases of investments	(15,816)	(30,544)
Proceeds from sales of investments	23,896	23,987
Acquisitions, net of cash acquired	(19,232)	(1,774)
Change in restricted cash	660	2,935
Net cash used for investing activities	(27,811)	(52,968)
Cash flows from financing activities		
Payments on debt	(415)	(7,413)
Payments for debt issuance costs	—	(164)
Stock issued for stock and employee benefit plans	253	496
Excess tax benefit on stock option exercises	774	234
Purchases of common stock	(29,096)	(35,752)
Dividends paid	(13,137)	(10,416)
Net cash used for financing activities	(41,621)	(53,015)
Effect of exchange rate changes on cash and equivalents	(886)	(332)
Change in cash and equivalents	(604)	(51,251)
Cash and equivalents at beginning of period	98,302	149,661
Cash and equivalents at end of period	\$ 97,698	\$ 98,410
Supplemental disclosure of non-cash investing activities		
Capital expenditures included in payables	\$ —	\$ 6,275

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

(Unaudited, amounts in thousands)	Quarter Ended		Nine Months Ended	
	1/23/16	1/24/15	1/23/16	1/24/15
Sales				
Upholstery segment:				
Sales to external customers	\$ 250,740	\$ 243,390	\$ 743,304	\$ 725,590
Intersegment sales	51,652	42,946	137,581	120,872
Upholstery segment sales	302,392	286,336	880,885	846,462
Casegoods segment:				
Sales to external customers	22,528	24,134	69,517	75,542
Intersegment sales	2,091	1,866	6,714	8,269
Casegoods segment sales	24,619	26,000	76,231	83,811
Retail segment sales	110,160	89,791	293,291	247,285
Corporate and Other:				
Sales to external customers	586	561	2,216	2,040
Intersegment sales	1,328	—	2,594	—
Corporate and Other sales	1,914	561	4,810	2,040
Eliminations				
Consolidated sales	(55,071)	(44,812)	(146,889)	(129,141)
Consolidated sales	\$ 384,014	\$ 357,876	\$ 1,108,328	\$ 1,050,457
Operating Income (Loss)				
Upholstery segment	\$ 33,022	\$ 31,479	\$ 94,656	\$ 86,103
Casegoods segment	1,768	860	6,092	5,380
Retail segment	8,834	4,202	19,279	8,199
Restructuring	(78)	771	(430)	1,118
Corporate and Other	(8,762)	(10,384)	(31,453)	(27,189)
Consolidated operating income	\$ 34,784	\$ 26,928	\$ 88,144	\$ 73,611