

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549-1004

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

FOR QUARTER ENDED January 27, 1996 COMMISSION FILE NUMBER 1-9656

LA-Z-BOY CHAIR COMPANY
(Exact name of registrant as specified in its charter)

MICHIGAN
(State or other jurisdiction of
incorporation or organization)

38-0751137
(I.R.S. Employer
Identification No.)

1284 North Telegraph Road, Monroe, Michigan
(Address of principal executive offices)

48162-3390
(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (313) 241-4414

None
Former name, former address and former fiscal year, if changed since
last report.

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of
1934 during the preceding 12 months and (2) has been subject to such filing
requirements for the past 90 days.

YES [X] NO []

Indicate the number of shares outstanding of each issuer's classes of
common stock, as of the last practicable date:

Class	Outstanding at Jan. 27, 1996
Common Shares, \$1.00 par value	18,537,880

Part I. Financial Information

The Consolidated Balance Sheet and Consolidated Statement of Income required
for Part I are contained in the Registrant's Financial Information Release
dated February 14, 1996 and are incorporated herein by reference.

LA-Z-BOY CHAIR COMPANY CONSOLIDATED STATEMENTS OF CASH FLOWS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 (Unaudited, dollar amounts in thousands)

	Three Months Ended		Nine Months Ended	
	Jan. 27, 1996	Jan. 28, 1995	Jan. 27, 1996	Jan. 28, 1995
Cash Flows from Operating Activities				
Net income	\$7,784	\$7,221	\$25,215	\$23,569
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	4,886	3,829	14,305	11,151
Change in receivables	36,039	26,498	22,362	16,609
Change in inventories	(4,871)	173	(8,101)	(8,398)
Change in other assets and liab.	(6,871)	(183)	(796)	2,858
Change in deferred taxes	(770)	(2,310)	(1,659)	(3,185)
Total adjustments	28,413	28,007	26,111	19,035
Cash Provided by Operating Activities	36,197	35,228	51,326	42,604
Cash Flows from Investing Activities				
Proceeds from disposals of assets	193	104	971	1,338
Capital expenditures	(3,351)	(4,691)	(12,590)	(15,179)
Change in other investments	(2,918)	1,607	(1,830)	1,073
Cash Used for Investing Activities	(6,076)	(2,980)	(13,449)	(12,768)
Cash Flows from Financing Activities				
Short-term debt	280	-	280	261
Long-term debt	-	-	-	7,500
Capital lease obligations	-	-	1,161	-
Change in unexpended IRB funds	-	680	-	(59)
Retirements of debt	(65)	-	(10,616)	(5,011)
Capital lease principal payments	(578)	-	(1,655)	-
Sale of stock under stock option plans	428	194	2,503	1,551
Stock for 401(k) employee plans	344	349	987	1,179
Purchase of La-Z-Boy stock	(52)	(994)	(4,485)	(10,345)
Payment of cash dividends	(3,523)	(3,056)	(10,183)	(9,232)
Cash Used for Financing Activities	(3,166)	(2,827)	(22,008)	(14,156)
Effect of exch. rate changes on cash	(69)	(168)	(87)	(54)
Net change in cash and equivalents	26,886	29,253	15,782	15,626
Cash and equiv. at beginning of period	15,944	12,299	27,048	25,926
Cash and equiv. at end of period	\$42,830	\$41,552	\$42,830	\$41,552
Cash paid during period - Income taxes	\$11,668	\$10,923	\$20,479	\$22,776
- Interest	(\$326)	\$944	\$3,434	\$2,362

For purposes of the Statement of Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

LA-Z-BOY CHAIR COMPANY AND OPERATING DIVISIONS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The financial information is prepared in conformity with generally accepted accounting principles and such principles are applied on a basis consistent with those reflected in the 1995 Annual Report filed with the Securities and Exchange Commission. The financial information included herein, other than the consolidated condensed balance sheet as of April 29, 1995, has been prepared by management without audit by independent certified public accountants who do not express an opinion thereon. The consolidated condensed balance sheet as of January 27, 1996 has been derived from, but does not include all the disclosures contained in, the audited consolidated financial statements for the year ended April 29, 1995. The information furnished includes all adjustments and accruals consisting only of normal recurring accrual adjustments which are, in the opinion of management, necessary for a fair presentation of results for the interim period.

2. Interim Results

The foregoing interim results are not necessarily indicative of the results of operations for the full fiscal year ending April 27, 1996.

3. Commitments and Contingencies

There has been no significant change from the prior fiscal year end audited financial statements.

LA-Z-BOY CHAIR COMPANY AND OPERATING DIVISIONS
MANAGEMENT DISCUSSION

Due to the cyclical nature of the Company's business, comparison of operations between the most recently completed quarter and the immediate preceding quarter would not be meaningful and could be misleading to the reader of these financial statements.

For further Management Discussion, see attached Exhibit 99.

The Company's strong financial position is reflected in the debt to capital percentage of 18% and a current ratio of 3.6 to 1 at the end of the third quarter. At April 29, 1995, the debt to capital percentage was 20% and the current ratio was 3.7 to 1. At the end of the preceding year's third quarter, the debt to capital percentage was 16% and the current ratio was 4.0 to 1. As of January 27, 1996, there was \$62 million of unused lines of credit available under several credit arrangements.

Approximately 43% of the 3 million shares of Company stock authorized for purchase on the open market are still available for purchase by the Company. The Company plans to be in the market for its shares as changes in its stock price and other factors present appropriate opportunities.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a)(27) Financial Data Schedule (EDGAR only)

(99) News Release and Financial Information Release: re Actual third quarter results and Management Discussion dated February 14, 1996.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused the Quarterly Report on Form 10-Q for the quarter ended January 27, 1996 to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY CHAIR COMPANY
(Registrant)

Date: February 14, 1996

James J. Korsnack
Corporate Controller

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9-MOS

APR-27-1996

JAN-27-1996

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Receivables are reported net of allowances for doubtful accounts on the Statement of Financial Position.

SALES AND EARNING IMPROVE FOR LA-Z-BOY

MONROE, MI., February 14, 1996: For its 1996 fiscal third quarter and nine months ended January 27, 1996, La-Z-Boy Chair Company continued to improve its sales and profits compared to last year. Third quarter sales rose 7% and earnings increased 8%. For the nine months, sales were up 10% and earnings were up 7%.

Financial Details

1996 THIRD QUARTER sales were \$226 million vs. last year's \$211 million, an increase of 7%. Comparable sales--that is, including England/Corsair's sales on a pro forma basis in last year's sales, declined 4%. England/Corsair was acquired at the beginning of fiscal 1996 and is a separate operating division. Third quarter net income rose 8% to \$7.8 million vs. last year's \$7.2 million. Net income per share increased to \$0.42 vs. \$0.40 last year.

1996 NINE MONTHS sales were \$680 million vs. last year's \$616 million, an increase of 10%. Comparable sales (including England/Corsair) were about 2% less than last year's level. Net income was up 7% to \$25.2 million vs. last year's \$23.6 million. Net income per share increased 5% to \$1.36 from \$1.30 in last year.

Chairman Comments

La-Z-Boy Chairman and President Charles T. Knabusch said, "Third quarter and nine month profits improved even though comparable sales decreased. Operating profit gains by our U.S. Residential Division, which accounts for about two-thirds of our total business, and higher sales of office seating and furniture by our Contract Division contributed to this improvement.

With respect to marketing and other non-financial items, Mr. Knabusch said, "The third flight of national advertising for La-Z-Boy ran in connection with the kickoff of the new television season in September and October. Response to the commercials continues to be strong with well over 270,000 consumer phone calls being generated during calendar year 1995. Those 270,000 consumers not only received a La-Z-Boy decorating guide, but also received the name of our nearest authorized La-Z-Boy dealer.

"The retail marketplace softened in December and January; however, incoming sales orders have been rising in recent weeks. The retail environment will continue to be challenging through our fourth fiscal quarter, but with modest improvement in consumer outlooks, we should be able to match or slightly exceed last year's fourth quarter sales on a comparable basis."

More

In general, sales backlogs, as of this press release date, were at a lower level than at a similar time a year ago. However, the rate of incoming sales orders in recent weeks has been about the same as the similar period of last year.

La-Z-Boy's Form 10-Q filed with the SEC (and available on EDGAR) includes a full income statement, balance sheet, cash flow statement and additional management discussion.

NYSE & PSE: LZB

Contact: Jim Korsnack (313) 241-4208

2/14/96 La-Z-Boy Chair Company Financial Information Release 1 of 3
 CONSOLIDATED STATEMENT OF INCOME
 (Amounts in thousands, except per share data)

	THIRD QUARTER ENDED (UNAUDITED)			Percent of Sales	
	Jan. 27, 1996	Jan. 28, 1995	% Over (Under)	1996	1995
Sales	\$226,354	\$210,814	7%	100.0%	100.0%
Cost of sales	170,602	157,767	8%	75.4%	74.8%
Gross profit	55,752	53,047	5%	24.6%	25.2%
S, G & A	41,783	39,616	5%	18.4%	18.8%
Operating profit	13,969	13,431	4%	6.2%	6.4%
Interest expense	1,217	1,041	17%	0.5%	0.5%
Interest income	390	374	4%	0.2%	0.2%

Other income	436	(76)	674%	0.1%	-0.1%
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Pretax income	13,578	12,688	7%	6.0%	6.0%
Income taxes	5,794	5,467	6%	42.7%*	43.1%*
	-----	-----	-----	-----	-----
Net income	\$7,784	\$7,221	8%	3.4%	3.4%
	=====	=====	=====	=====	=====
Average shares	18,533	17,968	3%		
Earnings per share	\$0.42	\$0.40	5%		
Dividends per share	\$0.19	\$0.17	12%		

NINE MONTHS ENDED (UNAUDITED)

	Jan. 27, 1996	Jan. 28, 1995	% Over (Under)	Percent of Sales	
				1996	1995
Sales	\$680,431	\$615,787	10%	100.0%	100.0%
Cost of sales	510,624	458,237	11%	75.0%	74.4%
Gross profit	169,807	157,550	8%	25.0%	25.6%
S, G & A	125,625	116,187	8%	18.5%	18.9%
Operating profit	44,182	41,363	7%	6.5%	6.7%
Interest expense	4,118	2,455	68%	0.6%	0.4%
Interest income	1,330	1,002	33%	0.2%	0.2%
Other income	1,287	703	83%	0.2%	0.1%
Pretax income	42,681	40,613	5%	6.3%	6.6%
Income taxes	17,466	17,044	2%	40.9%*	42.0%*
Net income	\$25,215	\$23,569	7%	3.7%	3.8%
Average shares	18,509	18,083	2%		
Earnings per share	\$1.36	\$1.30	5%		
Dividends per share	\$0.55	\$0.51	8%		

* As a percent of pretax income, not sales.

Acquisition amortization of \$259 for the third quarter and \$779 for the nine months ended January 28, 1995 has been reclassified from other income to selling, general and administrative.

England/Corsair was included in the third quarter and nine months ended January 27, 1996 results, but not in the third quarter and nine months ended January 28, 1995 results.

CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	Unaudited		Increase (Decrease)		Audited April 29, 1995
	Jan. 27, 1996	Jan. 28, 1995	Dollars	Percent	
Current assets					
Cash & equivalents	\$42,830	\$41,552	\$1,278	3%	\$27,048
Receivables	170,576	166,506	4,070	2%	192,938
Inventories					
Raw materials	42,623	36,362	6,261	17%	39,604
Work-in-process	37,071	33,574	3,497	10%	35,036
Finished goods	32,423	26,732	5,691	21%	29,051
FIFO inventories	112,117	96,668	15,449	16%	103,691
Excess of FIFO over LIFO	(22,925)	(21,034)	(1,891)	-9%	(22,600)
Total inventories	89,192	75,634	13,558	18%	81,091
Deferred income taxes	19,841	17,820	2,021	11%	18,242
Other current assets	4,160	5,084	(924)	-18%	6,081
Total current assets	326,599	306,596	20,003	7%	325,400
Property, plant & equipment	116,098	97,552	18,546	19%	117,175
Goodwill	40,688	20,085	20,603	103%	41,701
Other long-term assets	22,584	17,191	5,393	31%	19,542
Total assets	\$505,969	\$441,424	\$64,545	15%	\$503,818

	Unaudited		Increase (Decrease)		Audited April 29, 1995
	Jan. 27, 1996	Jan. 28, 1995	Dollars	Percent	
Current liabilities					
Credit lines	\$280	-	\$280	N/M	-
Current portion of l/t debt	5,658	\$1,875	3,783	202%	\$4,676
Current portion - captl leases	2,198	-	2,198	N/M	2,078
Accounts payable	33,187	29,761	3,426	12%	29,323
Payroll/other comp	26,945	26,750	195	1%	31,845
Estimated income taxes	3,361	803	2,558	319%	4,855
Other current liabilities	20,276	16,975	3,301	19%	15,343
Total current liabilities	91,905	76,164	15,741	21%	88,120
Long-term debt	59,551	56,245	3,306	6%	71,149
Capital leases	4,684	-	4,684	N/M	5,298
Deferred income taxes	6,550	6,424	126	2%	6,610
Other long-term liabilities	9,617	8,170	1,447	18%	9,001
Shareholders' equity					
18,537,880 shares, \$1.00 par	18,538	17,969	569	3%	18,562
Capital in excess of par	27,867	10,464	17,403	166%	28,085
Retained earnings	288,136	267,014	21,122	8%	277,738
Currency translation	(879)	(1,026)	147	14%	(745)
Total shareholders' equity	333,662	294,421	39,241	13%	323,640
Total liabilities and shareholders' equity	\$505,969	\$441,424	\$64,545	15%	\$503,818

The January 27, 1996 and the April 29, 1995 balance sheets include E/C's assets and liabilities. The January 28, 1995 balance sheet does not include E/C and is not comparable to the other periods.

Overall:

Refer to today's press release for additional information.

Sales:

As indicated in the press release, comparable sales declined 4% in the third fiscal quarter following a six month period during which comparable sales approximated those in the prior year. Much of the recent decline occurred in January, and was most pronounced in the Hammary and Canadian Divisions. Overall, the incoming order rate is rising again. During the quarter, Contract Division sales continued to exceed the prior year's level.

Gross profit:

Third quarter gross profit was 24.6% of sales vs. 25.2% of sales last year. The decline was primarily due to the inclusion of the historically lower than average gross profit of England/Corsair (E/C) and is expected to continue through the fourth quarter.

S, G & A:

Third quarter S, G & A was 18.4% of sales vs. 18.8% of sales last year. The decline was primarily due to the inclusion of the historically lower than average S, G & A of E/C and is expected to continue through the fourth quarter.

Other Income:

Other income last year was unfavorably affected by Canadian exchange impacts.

Inventories:

At the end of the third quarter, total FIFO inventories were 16% higher largely because E/C's inventories were not included in 1995 third quarter results. In addition, leather and fabric inventories were higher than at this time last year, but are likely to normalize by the end of the fourth quarter. Soft sales in January contributed to this increase and helped cause finished goods inventories to exceed last year's level, primarily in divisions that build wood furniture to stock.