UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
FOR THE FISCAL YEAR ENDED APRIL 29, 2000
Commission File No. 1-9656

LA-Z-BOY INCORPORATED
1284 N. Telegraph Road, Monroe, MI 48162
(734) 241-4414

Incorporated in Michigan   I.R.S. Employer Identification Number 38-0751137

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Exchanges on Which Registered
Common Stock, $1.00 Par Value	New York Stock Exchange
	Pacific Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.   X

Based on the closing price of June 23, 2000, the aggregate market value of common stock held by nonaffiliates of the Registrant was $924 million.

The number of common shares outstanding of the Registrant was 61,077,211 as of June 23, 2000.

DOCUMENTS INCORPORATED BY REFERENCE:

(1) Portions of the Registrant's 2000 Annual Report to Shareholders for the year ended April 29, 2000 are incorporated by reference into Parts I and II.

(2) Portions of the Registrant's Proxy Statement filed with the Securities and Exchange Commission on June 30, 2000 are incorporated by reference into Part III.

FORM 10-K ANNUAL REPORT - 2000
LA-Z-BOY INCORPORATED

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Cautionary Statement Concerning Forward-Looking Statements

We are making forward-looking statements in Parts I and II of this document and documents incorporated by reference in those Parts that are subject to risks and uncertainties. Generally, forward-looking statements include information concerning possible or assumed future actions, events or results of operations. More specifically, forward-looking statements include the information in this document regarding:

future income and margins	future economic performance
growth	industry trends
adequacy and cost of financial resources	management plans

Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes," "plans," "intends" and "expects" or similar expressions. 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.

The reader should understand that economic and industry conditions, competitive factors, operating factors and factors relating to recent acquisitions, as well as other important factors, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements.

PART I

ITEM 1. BUSINESS.

The successor to a business founded over 70 years ago, La-Z-Boy is one of the three largest residential furniture manufacturers in the United States. Within the last fiscal year, we acquired three other furniture manufacturers; Bauhaus USA, Inc., Alexvale Furniture, Inc. and LADD Furniture, Inc. These acquisitions, all of which were accounted for as purchases, increased our sales and the number of our employees by about 50 percent on an annualized basis. You can find more information about these acquisitions in Note 2 to our consolidated financial statements (pages 28 and 29) and the "Management's Discussion and Analysis" section (pages 35 through 38), both of which are included in Exhibit (13) to this report and are incorporated in this item by reference.

Principal Products and Industry Segments

"Residential" dealers are those who resell to individuals for their home use including upholstered furniture as well as casegoods. Our largest segment is the Residential upholstery segment which includes sofas, sleepers, recliners and modular units. Our second largest segment is Residential casegoods which includes primarily wood products such as dining room and living room tables, bedroom and youth furniture. "Contract" dealers are those who resell seating and casegood products to commercial users. With the addition of American of Martinsville operating division (a division of LADD), we greatly increased our business in the Contract segment such that the

Contract segment was separately disclosed in 2000. Additional detailed information regarding products and segments can be found in Note 13 to our consolidated financial statements (pages 33 and 34) and our "Management's Discussion and Analysis" section (pages 35 and 36), both of which are included in Exhibit (13) and are incorporated in this item by reference.

Raw Materials

The principal raw materials we use in the manufacture of our products are:

- leather, cotton, wool, synthetic and vinyl fabrics for covers
- hardwoods for solid wood dining room and bedroom furniture, occasional tables, business furniture and the frame components of seating units
- plywood and chipwood for internal parts
- veneers for wall units, occasional tables and casegoods
- water-based and liquid finishes (stains, sealant, lacquers) for external wood
- steel for motion mechanisms
- polyester batting and non-chlorofluorocarbonated polyurethane foam for cushioning and padding.

We generally purchase hardwoods, steel and padding parts from a number of sources, usually in the vicinity of the particular plant. We purchase product-covering fabrics, plywood and polyurethane from a lesser number of sources on a mostly centralized basis.

Raw material costs historically have been about 38 percent of sales in the Residential upholstery segment, a somewhat higher percentage in Residential casegoods and about 42 percent in our Contract segment. Price increases for raw materials have been slightly lower than the inflation rate in recent years and we expect them to continue at this rate.

Purchased cover (which includes leather) is our largest single upholstery raw material cost representing about 41 percent of total upholstery raw material costs.

Polyurethane (poly) is our next largest type of upholstery raw material cost. Poly is sensitive to changes in the price of oil.

Hardwood lumber is our largest single casegoods raw material cost representing over 60 percent of total casegoods raw material costs. Hardwood lumber historically has had measurable changes in prices over the short term. Hardwood lumber costs have not changed much recently.

Contract raw materials are similar to Residential casegoods and Residential upholstery materials but typically include additional types of purchased parts such as bases and swivels. These parts are available from a number of suppliers.

Seasonal Business

We generally experience our lowest level of sales during our first quarter. When possible, we schedule production to maintain generally uniform manufacturing activity throughout the year, except for mid-summer plant shutdowns, to coincide with slower sales.

Practices Regarding Working Capital Items

We do not carry significant amounts of upholstered finished goods in inventory. We build casegoods to inventory in order to provide for quicker delivery requirements of customers, which results in higher levels of finished casegoods product than upholstery products on hand at any period. Normal customer terms are net due within 45 days with either a 0 or 1 percent discount within 10 days. Extended dating is often offered as part of sales promotion programs.

Customers

We distribute to over 20,000 locations. We did not have any customer whose sales amounted to 5 percent or more of our fiscal year 2000 consolidated sales. Our 2000 dealer mix was about 48 percent "proprietary", 14 percent to major dealers (Montgomery Ward and other department stores) and 38 percent to general dealers. Because 2000 only included three months of LADD sales, we expect the 2001 dealer mix to have a higher percentage of sales to general dealers and major dealers and a lower percentage of sales to proprietary dealers.

"Proprietary" stores or galleries are those that have an agreement to sell products from one of La-Z-Boy's divisions or a company that we approve. La-Z-Boy companies in each of its business segments have proprietary distribution, which means square feet of selling space is totally dedicated to our products.

Orders and Backlog

Residential upholstery orders are primarily built to a specific dealer order or an end consumer order and are shipped between two to six weeks from receipt of the order. Orders in the Contract segment are consumer and dealer orders but shipment may be scheduled for longer time periods. Residential casegoods are primarily produced to a stock order (not a dealer or consumer order), which results in higher finished goods inventory on hand but quicker availability to ship to dealers and greater batch size manufacturing efficiencies.

As of May 31, 2000 and May 31, 1999, backlogs were approximately $242 million and $108 million, respectively. This increase in backlog was primarily due to our fiscal 2000 acquisitions. These amounts represent less than six weeks of sales. The measure of backlog at a point in time may not be indicative of future sales performance. We do not rely entirely on backlogs to predict future sales.

For most operating divisions, our cancellation policy is that an order cannot be canceled after it has been selected for production. Orders from pre-built stock, though, may be canceled up to the time of shipment.

Competitive Conditions

We rank in the top three in the United States in dollar volume of furniture manufacturing sales, which includes manufacturers of bedroom, dining room and living room furniture. Some of the larger companies that compete with our Residential upholstery and Residential casegoods segments are Bassett Furniture, Ethan Allen, Furniture Brands International, Lifestyle Furnishings International, Stanley and Natuzzi. We also have a substantial number of small and medium size competitors in all three of our operating segments.

We compete primarily by emphasis on the quality and styling of our products, dealer support, brand name, value, customer service and delivery.

Research and Development Activities

We spent $10.6 million in fiscal 2000 for new product development, existing product improvement, quality control, improvement of current manufacturing operations and research into the use of new materials in the construction of products. We spent $8.4 million in fiscal 1999 on such activities and $9.5 million on such activities in fiscal 1998. Our customers generally do not engage in research with respect to the products we manufacture. Most of our operating divisions develop and manage their own product lines. New product groups or styles are typically introduced at industry trade shows (markets), and based upon their acceptance at the markets, the products are either placed into production or withdrawn from the markets.

Patents, Licenses and Franchises

We hold several patents but we believe that the loss of any single or group of patents would not materially affect our business. We have no material licenses or franchises. Our agreements with our "proprietary" dealers are a key part of our marketing strategies. See customers section above for details of these customers.

Compliance with Environmental Regulations

We have been named as a potentially responsible party at six environmental clean-up sites. Based on a review of all currently known facts and our experience with previous environmental clean-up sites, we do not anticipate that future expenditures for environmental clean-up sites will have a material adverse effect on our financial condition or results of operations.

Employees

We employed approximately 21,600 persons as of July 1, 2000. Our Residential upholstery segment employed approximately 13,800 of those employees, Residential casegoods employed approximately 5,300 of them, Contract employed approximately 2,000 of them, and we employed approximately 500 non-segment personnel. Less than 10 percent of our employees are unionized. Substantially all of them were employed on a full-time basis.

Financial Information about Foreign and Domestic Operations and Export Sales

Less than 5 percent of our total sales are exports. We sell upholstered furniture to Canadian customers through a Canadian subsidiary and to European customers through a United Kingdom subsidiary. We also make a small amount of sales in Mexico through a Mexican subsidiary and we have entered into a joint venture in Thailand that has began making sales in Australia and the Far East.

We also derive a small amount of royalty revenues from the sale and licensing of trademarks, tradenames and patents to certain foreign manufacturers.

ITEM 2. PROPERTIES.

At April 29, 2000, we owned or leased approximately 19.0 million square feet of manufacturing, warehousing, office and showroom facilities. The Residential upholstery segment occupied approximately 9.8 million square feet, Residential casegoods occupied approximately 6.6 million square feet and Contract occupied approximately 2.6 million square feet. These facilities are mostly less than 30 years old, are well maintained and are insured. Major land or building additions are not expected to be needed to increase capacity. We own most of our plants and lease most of the others under long term industrial revenue bonds. For information on terms of operating leases for our properties see Note 5 to our consolidated financial statements (page 30), which is included in Exhibit (13) to this report and is incorporated in this item by reference.

In addition to the properties mentioned above, we owned or leased approximately 0.3 million square feet of retail selling, retail warehousing and retail office facilities.

Our facilities are located in Alabama, Arkansas, California, Michigan, Mississippi, Missouri, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Utah, Virginia, Washington D.C. and the countries of Canada, United Kingdom, Mexico and a joint venture in Thailand.

ITEM 3. LEGAL PROCEEDINGS.

We have been named as a defendant in various lawsuits arising in the ordinary course of business. It is not possible at the present time to estimate the ultimate outcome of these actions; however, based on our previous experience with lawsuits of these types, we believe that the resultant liability, if any, will not be material to our financial condition or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY.

No matters were voted upon by our shareholders during the fourth quarter of fiscal 2000.

EXECUTIVE OFFICERS OF REGISTRANT

Listed below are the names, ages and current positions of our executive officers and, if they have not held those positions for at least five years, their former positions during that period with us or other companies.

Patrick H. Norton, age 78
- Chairman of the Board since October 1997
- Formerly Senior Vice President Sales and Marketing

Gerald L. Kiser, age 53
- President and Chief Operating Officer since October 1997
- Formerly Executive Vice President and Chief Operating Officer (April - October 1997), Vice President-Operations (May 1996 - April 1997), and Vice President of Engineering and Development (May 1995 - April 1997)

Frederick H. Jackson, age 72
- Executive Vice President Finance and Chief Financial Officer since October 1997
- Formerly Vice President Finance

Mark A. Stegeman, age 38
- Treasurer since June 2000
- Account Vice President with Paine Webber (January 2000 - May 2000)
- Formerly Account Vice President with Salomon Smith Barney (three years), and Vice President and Manager-Large Corporate Group with Key Bank and its predecessor, Society Bank (ten years)

PART II

ITEM 5. MARKET PRICE FOR REGISTRANT'S COMMON EQUITY and RELATED STOCKHOLDER MATTERS.

We had 22,344 shareholders of record as of April 29, 2000.

All other information required to be reported under this item is contained in Exhibit (13) to this report (page 41) and is incorporated in this item by reference.

ITEM 6. SELECTED FINANCIAL DATA.

All information required to be reported under this item is included Exhibit (13) to this report (page 39) and is incorporated in this item by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

Our "Management's Discussion and Analysis" section included in Exhibit (13) of this report (pages 35 through 38) is incorporated by reference in response to this item.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Nothing material to report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Our consolidated financial statements and all other information required by this item are included in Exhibit (13) of this report (pages 23 through 34 and page 40), and all of that information is incorporated in this item by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

For information concerning executive officers, see Part I, under "Executive Officers of the Registrant." All other information required to be reported under this item is included in our proxy statement for our annual meeting of shareholders to be held on July 31, 2000 (filed with the SEC on June 30, 2000), and all of that information is incorporated in this item by reference.

ITEM 11. EXECUTIVE COMPENSATION.

All information required to be reported under this item is included in our proxy statement for our 2000 annual meeting, and all of that information is incorporated in this item by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

All information required to be reported under this item is included in our proxy statement for our 2000 annual meeting, and all of that information is incorporated in this item by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

All information required to be reported under this item is included in our proxy statement for our 2000 annual meeting, and all of that information is incorporated in this item by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a) The following documents are filed as part of this report:

1. Financial Statements:
   Report of Management Responsibilities
   Report of Independent Accountants
   Consolidated Balance Sheet
   Consolidated Statement of Income
   Consolidated Statement of Cash Flows
   Consolidated Statement of Changes in Shareholders' Equity
   Notes to Consolidated Financial Statements

The financial statements above are all included in Exhibit (13) of this report, and is incorporated in this item by reference.

2. Financial Statement Schedules:
   Report of Independent Accountants on Financial Statement Schedule
   Schedule II Valuation and Qualifying Accounts

Both immediately follow this item.

3. Exhibits
   The following exhibits are filed as part of this report:

Exhibit Number	Description of Exhibit (Note 1)
(1)	Not applicable
(2)	Not applicable
(3.1)	La-Z-Boy Incorporated Restated Articles of Incorporation (Note 2)
(3.2)	Amendment to Restated Articles of Incorporation (Note 3)
(3.3)	Current La-Z-Boy Incorporated Bylaws (Note 4)
(4)	$300 million dollar Credit Agreement dated as of May 12, 2000 among La-Z-Boy Incorporated, the banks listed therein, Comerica Bank, as Syndication Agent, Suntrust Bank, as Documentation Agent, and Wachovia Bank, N.A., as Administrative Agent (Note 5)
(5)	Not applicable
(8)	Not applicable
(9)	Not applicable
(10.1)*	La-Z-Boy Incorporated Amended and Restated 1993 Performance Based Stock Plan (Note 6)
(10.2)*	La-Z-Boy Incorporated Restricted Stock Plan for Non-Employee Directors (Note 7)
(10.3)*	La-Z-Boy Incorporated Executive Incentive Compensation Plan Description (Note 8)
(10.4)*	La-Z-Boy Incorporated Supplemental Executive Retirement Plan (as revised in 1995) (Note 9)
(10.5)*	La-Z-Boy Incorporated Amended and Restated 1997 Restricted Share Plan (Note 10)
(10.6)*	La-Z-Boy Incorporated 1997 Incentive Stock Option Plan (Note 10)
(10.7)*	Form of Change in Control Agreement (Note 11). Executive officers currently covered; Patrick H. Norton, Gerald L. Kiser, Frederick H. Jackson.
(10.8)*	Form of Indemnification Agreement (covering all directors, including employee-directors) (Note 12)
(10.9)*	Summary Plan Description and Partial Plan Document for the La-Z-Boy Incorporated Personal Executive Life Insurance Program (the "Summary")(Note 13). With respect to directors and executive officers, the only persons covered by this plan are Gerald L. Kiser and Mark A. Stegeman.
(10.10)*	La-Z-Boy Incorporated 1986 Incentive Stock Option Plan (Note 14)
(10.11)	$150 million dollar Credit Agreement dated as of January 28, 2000, among La-Z-Boy Incorporated, the Banks listed therein and Wachovia Bank, N.A., as Administrative Agent (Note 15)
(10.12)	Agreement and Plan of Merger, dated as of September 28, 1999, among La-Z-Boy Incorporated, LZB Acquisition Corp., and LADD Furniture, Inc. (Note 16)
(10.13)	Amendment No. 1, dated as of December 13, 1999, to Agreement and Plan of Merger among La-Z-Boy Incorporated, LZB Acquisition Corp., and LADD Furniture, Inc. (Note 17)
(11)	Statement re computation of per share earnings (see Note 11 to the Consolidated Financial Statements included in Exhibit (13))
(12)	Not applicable
(13)	Portions of the 2000 Annual Report to Shareholders (Note 18)
(15)	Not applicable
(16)	Not applicable

(17)	Not applicable
(18)	Not applicable
(19)	Not applicable
(20)	Not applicable
(21)	List of subsidiaries of La-Z-Boy Incorporated
(22)	Not applicable
(23)	Consent of PricewaterhouseCoopers LLP
(24)	Not applicable
(25)	Not applicable
(26)	Not applicable
(27)	Not applicable

Notes to Exhibits

*	Indicates a contract or benefit plan under which one or more executive officers or directors may receive benefits.
Note 1.	For all documents incorporated by reference, the SEC file number is 1-9656 unless otherwise indicated below. All exhibit description references to previous filings are references to filings by La-Z-Boy. Unless otherwise indicated, the described exhibit is being filed with this Report.
Note 2.	Incorporated by reference to an exhibit to Form 10-Q for the quarter ended October 26, 1996.
Note 3.	Incorporated by reference to an exhibit to Form 10-K/A filed September 27, 1999.
Note 4.	Incorporated by reference to an exhibit to Form 8-K dated June 11, 1999.
Note 5.	Incorporated by reference to an exhibit to Form 8-K dated May 31, 2000.
Note 6.	Incorporated by reference to an exhibit to definitive proxy statement dated June 27, 1996.
Note 7.	Incorporated by reference to an exhibit to definitive proxy statement dated July 6, 1989.
Note 8.	Incorporated by reference to an exhibit to Form 10-K for the fiscal year ended April 26, 1997.
Note 9.	Incorporated by reference to an exhibit to Form 8-K dated February 6, 1995.
Note 10.	Incorporated by reference to an exhibit to definitive proxy statement dated June 27, 1997.
Note 11.	Incorporated by reference to an exhibit to Form 8-K dated February 6, 1995.
Note 12.	Incorporated by reference to an exhibit to Form 8, Amendment No. 1, dated November 3, 1989.
Note 13.	Incorporated by reference to an exhibit to Form 10-K for the fiscal year ended April 26, 1997.
Note 14.	Incorporated by reference to an exhibit to definitive proxy statement dated June 26, 1986.
Note 15.	Incorporated by reference to an exhibit to Form 10-Q for the quarter ended January 22, 2000.
Note 16.	Incorporated by reference to an exhibit to Form 8-K dated September 28, 1999, and filed with the SEC on September 30, 1999.
Note 17.	Incorporated by reference to an exhibit to Form S-4 Registration Statement filed December 15, 1999; registration no. 333-92763.

Note 18. With the exception of the information incorporated in Parts I and II, this document is not deemed to be filed as part of the report on Form 10-K.

(b) Reports on Form 8-K

On February 14, 2000, we filed with the SEC a Report on Form 8-K, dated January 29, 2000, which reported on our acquisition of LADD Furniture, Inc.

Report of Independent Accountants on Financial Statement Schedule

To the Board of Directors
of La-Z-Boy Incorporated:

Our audits of the consolidated financial statements referred to in our report dated May 31, 2000 appearing in the 2000 Annual Report to Shareholders of La-Z-Boy Incorporated (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Toledo, Ohio
May 31, 2000

LA-Z-BOY INCORPORATED AND SUBSIDIARIES SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS
(Dollars in thousands)

Description	Balance at beginning of year	Additions from new Acquisitions	Additions charged to costs and expenses	Trade accounts receivable "written off" net of recoveries	Balance at end of year
Year ended April 29, 2000:					
Allowance for doubtful accounts and long-term notes	$25,628	$2,866	$5,551	$1,824	$32,221
Accrued Warranties	$14,575		$3,500		$18,075
Year ended April 24, 1999:					
Allowance for doubtful accounts and long-term notes	$20,639		$7,361	$2,372	$25,628
Accrued Warranties	$12,025		$2,550		$14,575
Year ended April 25, 1998:					
Allowance for doubtful accounts and long-term notes	$18,931		$7,333	$5,625	$20,639
Accrued Warranties	$10,775		$1,250		$12,025

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

DATE: July 28, 2000

LA-Z-BOY INCORPORATED

BY /s/Patrick H. Norton

P.H. Norton
Chairman of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below, as of July 28, 2000, by the following persons on behalf of the Registrant and in the capacities indicated.

/s/Patrick H. Norton	/s/J.F. Weaver
P.H. Norton Chairman of the Board	J.F. Weaver Director
/s/G.L. Kiser	/s/D.K. Hehl
G.L. Kiser President and Chief Operating Officer	D.K. Hehl Director
/s/F.H. Jackson	/s/R.E. Lipford
F.H. Jackson Executive VP Finance, Chief Financial Officer and Director	R.E. Lipford Director
/s/J.J. Korsnack	/s/H.G. Levy
J.J. Korsnack Chief Accounting Officer and Corporate Controller	H.G. Levy Director
/s/G.M. Hardy	
G.M. Hardy Director	J.W. Johnston Director
L.G. Stevens Director	

EXHIBIT INDEX

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(23)	Consent of PricewaterhouseCoopers LLP
(24)	Not applicable
(25)	Not applicable
(26)	Not applicable
(27)	Not applicable

Notes to Exhibits

*	Indicates a contract or benefit plan under which one or more executive officers or directors may receive benefits.
Note 1.	For all documents incorporated by reference, the SEC file number is 1-9656 unless otherwise indicated below. All exhibit description references to previous filings are references to filings by La-Z-Boy. Unless otherwise indicated, the described exhibit is being filed with this Report.
Note 2.	Incorporated by reference to an exhibit to Form 10-Q for the quarter ended October 26, 1996.
Note 3.	Incorporated by reference to an exhibit to Form 10-K/A filed September 27, 1999.
Note 4.	Incorporated by reference to an exhibit to Form 8-K dated June 11, 1999.
Note 5.	Incorporated by reference to an exhibit to Form 8-K dated May 31, 2000.
Note 6.	Incorporated by reference to an exhibit to definitive proxy statement dated June 27, 1996.
Note 7.	Incorporated by reference to an exhibit to definitive proxy statement dated July 6, 1989.
Note 8.	Incorporated by reference to an exhibit to Form 10-K for the fiscal year ended April 26, 1997.
Note 9.	Incorporated by reference to an exhibit to Form 8-K dated February 6, 1995.
Note 10.	Incorporated by reference to an exhibit to definitive proxy statement dated June 27, 1997.
Note 11.	Incorporated by reference to an exhibit to Form 8-K dated February 6, 1995.
Note 12.	Incorporated by reference to an exhibit to Form 8, Amendment No. 1, dated November 3, 1989.

Note 13.	Incorporated by reference to an exhibit to Form 10-K for the fiscal year ended April 26, 1997.
Note 14.	Incorporated by reference to an exhibit to definitive proxy statement dated June 26, 1986.
Note 15.	Incorporated by reference to an exhibit to Form 10-Q for the quarter ended January 22, 2000.
Note 16.	Incorporated by reference to an exhibit to Form 8-K dated September 28, 1999, and filed with the SEC on September 30, 1999.
Note 17.	Incorporated by reference to an exhibit to Form S-4 Registration Statement filed December 15, 1999; registration no. 333-92763.
Note 18.	With the exception of the information incorporated in Parts I and II, this document is not deemed to be filed as part of the report on Form 10-K.

Report of Management Responsibilities

La-Z-Boy Incorporated

The management of La-Z-Boy Incorporated is responsible for the preparation of the accompanying consolidated financial statements, related financial data and all other information included in the following pages. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts based on management's estimates and judgements where appropriate.

Management is further responsible for maintaining the adequacy and effectiveness of established internal controls. These controls provide reasonable assurance that the assets of La-Z-Boy Incorporated are safeguarded and that transactions are executed in accordance with management's authorization and are recorded properly for the preparation of financial statements. The internal control system is supported by written policies and procedures, the careful selection and training of qualified personnel and a program of internal auditing.

The accompanying report of the Company's independent accountants states their opinion on the Company's financial statements, based on audits conducted in accordance with generally accepted auditing standards. The Board of Directors, through its Audit Committee composed exclusively of outside directors, is responsible for reviewing and monitoring the financial statements and accounting practices. The Audit Committee meets periodically with the internal auditors, management and the independent accountants to ensure that each is meeting its responsibilities. The Audit Committee and the independent accountants have free access to each other with or without management being present.

/s/Gerald L. Kiser
Gerald L. Kiser
President and Chief Operating Officer

/s/Frederick H. Jackson
Frederick H. Jackson
Chief Financial Officer

Report of Independent Accountants

PricewaterhouseCoopers

To the Board of Directors and Shareholders of La-Z-Boy Incorporated:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of cash flows and of changes in shareholders' equity, including pages 9 through 20, present fairly, in all material respects, the financial position of La-Z-Boy Incorporated and its subsidiaries at April 29, 2000 and April 24, 1999, and the results of their operations and their cash flows for each of the three fiscal years in the period ended April 29, 2000, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Toledo, Ohio
May 31, 2000

Consolidated Balance Sheet

(Amounts in thousands, except par value) As of	4/29/00	4/24/99
Assets		
Current assets		
Cash and equivalents	$14,353	$33,550
Receivables, less allowance of $25,474 in 2000 and $19,550 in 1999	394,453	265,157
Inventories		
Raw materials	91,018	47,197
Work-in-progress	63,635	37,447
Finished goods	98,623	34,920
FIFO inventories	253,276	119,564
Excess of FIFO over LIFO	(7,473)	(23,053)
Total inventories	245,803	96,511
Deferred income taxes	22,374	20,028
Other current assets	15,386	10,342
Total current assets	692,369	425,588
Property, plant and equipment		
Buildings and building fixtures	189,588	116,601
Machinery and equipment	162,485	124,835
Information systems	27,836	23,228
Land and land improvements	25,173	13,514
Transportation equipment	17,454	15,685
Network and production tracking systems	6,080	4,881
Other	22,755	23,923
	451,371	322,667
Less: accumulated depreciation	223,488	196,678
Property, plant and equipment, net	227,883	125,989
Goodwill, less accumulated amortization of $17,360 in 2000 and $13,583 in 1999	116,668	46,985
Trade names, less accumulated amortization of $1,052 in 2000	135,340	--
Other long-term assets, less allowance of $6,747 in 2000 and $6,077 in 1999	46,037	31,230
Total assets	$1,218,297	$629,792

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

Consolidated Balance Sheet

(Amounts in thousands, except par value) As of	4/29/00	4/24/99
Liabilities and shareholders' equity		
Current liabilities		
Current portion of long-term debt	$13,119	$2,001
Current portion of capital leases	457	784
Accounts payable	90,392	45,419
Payroll/other compensation	74,724	53,697
Income taxes	5,002	4,103
Other current liabilities	53,312	26,424
Total current liabilities	237,006	132,428
Long-term debt	233,938	62,469
Capital leases	2,156	219
Deferred income taxes	50,280	5,697
Other long-term liabilities	31,825	14,064
Commitments and contingencies		
Shareholders' equity		
Preferred shares-5,000 authorized; none issued	--	--
Common shares, $1 par value-150,000 authorized; 61,328 issued in 2000 and 52,340 issued in 1999.	61,328	52,340
Capital in excess of par value	211,450	31,582
Retained earnings	392,458	332,934
Currency translation adjustments	(2,144)	(1,941)
Total shareholders' equity	663,092	414,915
Total liabilities and shareholders' equity	$1,218,297	$629,792

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

Consolidated Statement of Income

(Amounts in thousands, except per share data) Fiscal year ended	4/29/00	4/24/99	4/25/98
Sales	$1,717,420	$1,287,645	$1,108,038
Cost of sales	1,284,158	946,731	825,312
Gross profit	433,262	340,914	282,726
Selling, general and administrative	288,962	234,075	205,523
Operating profit	144,300	106,839	77,203
Interest expense	9,655	4,440	4,157
Interest income	1,976	2,181	2,021
Other income	3,692	2,658	4,207
Pretax income	140,313	107,238	79,274
Income tax expense			
Federal - current	49,491	41,286	28,467
- deferred	(3,288)	(4,727)	(2,046)
State - current	7,048	5,114	3,287
- deferred	(552)	(577)	(354)
Total tax expense	52,699	41,096	29,354
Net income	$87,614	$66,142	$49,920
Basic average shares*	54,488	52,890	53,654
Basic net income per share*	$1.61	$1.25	$0.93
Diluted weighted average shares*	54,860	53,148	53,821
Diluted net income per share*	$1.60	$1.24	$0.93

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

*Restated to reflect the September, 1998 three-for-one stock split, in the form of a 200% stock dividend.

Consolidated Statement of Cash Flows

(Amounts in thousands) Fiscal year ended	4/29/00	4/24/99	4/25/98
Cash flows from operating activities			
Net income	$87,614	$66,142	$49,920
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	30,342	22,081	21,021
Change in receivables	(42,595)	(26,875)	(14,090)
Change in inventories	(4,703)	(4,607)	(6,918)
Change in other assets and liabilities	(6,431)	28,287	2,374
Change in deferred taxes	(5,797)	(3,130)	3,177
Total adjustments	(29,184)	15,756	5,564
Cash provided by operating activities	58,430	81,898	55,484
Cash flows from investing activities			
Proceeds from disposals of assets	1,202	401	1,585
Capital expenditures	(37,968)	(25,316)	(22,016)
Acquisition of operating divisions, net of cash acquired	(57,952)	--	--
Change in other investments	(9,681)	(4,895)	(16,066)
Cash used for investing activities	(104,399)	(29,810)	(36,497)
Cash flows from financing activities			
Long-term debt	175,622	--	35,000
Retirements of debt	(110,319)	(6,786)	(24,653)
Capital leases	1,657	204	--
Capital lease principal payments	(856)	(1,403)	(2,017)
Stock for stock option plans	6,637	6,431	5,748
Stock for 401(k) employee plans	2,598	1,902	1,704
Purchases of La-Z-Boy stock	(31,046)	(30,460)	(16,391)
Payment of cash dividends	(17,447)	(16,417)	(15,029)
Cash provided by (used for) financing activities	26,846	(46,529)	(15,638)
Effect of exchange rate changes on cash	(74)	(709)	(31)
Net change in cash and equivalents	(19,197)	4,850	3,318
Cash and equivalents at beginning of the year	33,550	28,700	25,382
Cash and equivalents at end of the year	$14,353	$33,550	$28,700
Cash paid during the year			
- Income taxes	$52,210	$44,842	$29,025
- Interest	$7,128	$4,340	$4,235

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

Consolidated Statement of Changes in Shareholders' Equity

(Amounts in thousands)	Common shares	Capital in excess of par value	Retained earnings	Accumulated Other Comprehensive Loss	Total
At April 26, 1997	$ 17,908	$ 27,697	$ 314,731	($998)	$ 359,338
Purchases of La-Z-Boy stock	(484)		(15,907)		(16,391)
Stock options/401(k)	333	1,110	6,008		7,451
Acquisition related	93	455	2,423		2,971
Dividends paid			(15,029)		(15,029)
Comprehensive income					
Net income			49,920		
Translation adjustment..............				(51)	
Total comprehensive income........					49,869
At April 25, 1998	17,850	29,262	342,146	(1,049)	388,209
Three-for-one stock split	35,700		(35,700)		--
Purchases of La-Z-Boy stock	(1,700)		(28,760)		(30,460)
Stock options/401(k)	490	2,320	5,523		8,333
Dividends paid			(16,417)		(16,417)
Comprehensive income					
Net income			66,142		
Translation adjustment				(892)	
Total comprehensive income........					65,250
At April 24, 1999	52,340	31,582	332,934	(1,941)	414,915
Purchases of La-Z-Boy stock	(1,749)		(29,297)		(31,046)
Stock options/401(k)	609	1,139	7,487		9,235
Acquisition related........................	10,128	178,729	11,167		200,024
Dividends paid			(17,447)		(17,447)
Comprehensive income					
Net income			87,614		
Translation adjustment				(203)	
Total comprehensive income........					87,411
At April 29, 2000	$61,328	$211,450	$392,458	($2,144)	$663,092

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

Notes to Consolidated Financial Statements

Note 1: Accounting Policies

The Company operates primarily in the U.S. furniture industry. The following is a summary of significant accounting policies followed in the preparation of these financial statements. Fiscal year 2000 included 53 weeks, whereas fiscal years 1999 and 1998 included 52 weeks.

Principles of Consolidation

The consolidated financial statements include the accounts of La-Z-Boy Incorporated and its subsidiaries. All significant intercompany transactions have been eliminated. Certain non-U.S. subsidiaries are consolidated on a one-month lag.

Risks and Uncertainties

The consolidated financial statements are prepared in conformity with generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales and expenses for the reporting periods. Actual results could differ from those estimates.

Cash and Equivalents

For purposes of the consolidated statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined on the last-in, first-out (LIFO) basis. Excess of FIFO over LIFO at April 29, 2000 includes $17 million of inventory write-ups to fair value for 2000 acquisitions. This purchase accounting adjustment would reduce earnings in future periods if the related inventory is sold.

Property, Plant and Equipment

Items capitalized, including significant betterments to existing facilities, are recorded at cost. Depreciation is computed using accelerated and straight-line methods over the estimated useful lives of the assets.

Buildings, land improvements and buliding fixtures are depreciated over periods of 15-30 years. Machinery and equipment are depreciated over a period of 10 years. Information systems are depreciated over periods of 2-5 years. Transportation equipment is depreciated over 5 years. Network and production tracking systems are depreciated over periods of 5-10 years.

Goodwill

The excess of the cost of operating companies acquired over the value of their net tangible assets is amortized on a straight-line basis over 30 years from the date of acquisition. Goodwill is evaluated periodically for impairment.

Trade Names

Trade names are amortized on a straight-line basis over 30 years. Trade names are evaluated periodically for impairment.

Revenue Recognition

Revenue is recognized upon shipment of product.

Income Taxes

Income tax expense is provided on all revenue and expense items included in the consolidated statement of income, regardless of the period such items are recognized for income tax purposes.

Foreign Currency Translation

The functional currency of each foreign subsidiary is the respective local currency. Assets and liabilities are translated at the year end exchange rates and revenues and expenses are translated at average exchange rates for the period. Resulting translation adjustments are recorded as a component of shareholders' equity and in other comprehensive income.

Note 2: Acquisitions

On January 29, 2000, the Company acquired LADD Furniture, Inc., then a publicly traded furniture manufacturer, in a stock-for-stock merger, at which time LADD became a wholly owned subsidiary of the Company. The holders of LADD stock received approximately 9.2 million shares of La-Z-Boy common stock in consideration for their LADD shares. In addition, LADD employee stock options then outstanding were replaced by about 1 million La-Z-Boy stock options. Total consideration, including acquisition costs, was about $190 million.

On December 28, 1999, the Company acquired all of the outstanding stock of Alexvale Furniture, Inc., a manufacturer of medium-priced upholstered furniture, for a combination of cash and La-Z-Boy common stock totaling about $17 million.

On June 1, 1999, the Company acquired Bauhaus USA, Inc., a manufacturer of upholstered furniture primarily marketed to department stores, for about $59 million, in a cash transaction.

The above acquisitions have been accounted for as purchases. The operations of the above companies are included in the Company's financial results immediately following the acquisition dates. The excess of the purchase price over the fair value of the net identifiable assets acquired of $74 million has been recorded as goodwill.

The following unaudited pro forma financial information presents combined results of operations of the above companies with the Company as if the acquisitions had occurred as of the beginning of fiscal 1999. The pro forma financial information gives effect to certain adjustments resulting from the acquisitions and related financing. The pro forma financial information does not necessarily reflect the results of operations that would have occurred had the separate operations of each company constituted a single entity during such periods.

(Amounts in thousands, except per share data)	Unaudited year ended 4/29/00	4/24/99
Net sales	$2,216,628	$2,029,843
Net income	$97,850	$80,221
Earnings per share	$1.60	$1.28

On April 1, 1998, the Company acquired all of the capital stock of Sam Moore Furniture Industries, Incorporated, a manufacturer of upholstered furniture for cash. For the year ended December 31, 1997, Sam Moore Furniture Industries' sales were $33 million.

During fiscal year 1998, La-Z-Boy acquired the remaining 25% of the ordinary share capital of Centurion Furniture plc, a furniture manufacturer located in England. Sales for their year ended March 31, 1997 were $12 million.

The consolidated April 1998 financial statements include the operations of Distincion Muebles, a furniture manufacturer located in Mexico. Annual sales for the year ended March 30, 1998 were $1.9 million.

Note 3: Cash and Equivalents

(Amounts in thousands)	4/29/00	4/24/99
Cash in bank..................	$14,353	$10,704
Certificates of deposit.......	--	19,900
Commercial paper..............	--	1,878
Marketable securities.........	--	1,068
Total cash and equivalents..	$14,353	$33,550

The Company invests in cash and equivalents with a bank whose board of directors includes two members of the Company's board of directors. At the end of fiscal year 2000 and 1999, $5 million and $15 million, respectively, was invested in cash and equivalents with this bank.

Note 4: Debt

(Amounts in thousands)	Interest rates	Maturities	4/29/00	4/24/99
Bridge loan facility....	6.9%	2001	$105,703	$ --
Revolving credit lines..	6.5%-6.8%	2004	68,419	--
Private placement.......	6.5%	2000-08	35,000	36,875
Industrial revenue bonds	3.6%-6.8%	2000-14	37,495	27,400
Other debt..............	5.9%-9.5%	2000-08	440	195
Total debt..............			247,057	64,470
Less: current portion...			13,119	2,001
Long-term debt...			$233,938	$62,469
Weighted average interest rate...			6.4%	5.3%
Fair value of debt...			$245,795	$65,522

Proceeds from industrial revenue bonds were used to finance the construction of manufacturing facilities. These arrangements require the Company to insure and maintain the facilities and make annual payments that include interest. The bonds are secured by the facilities constructed from the bond proceeds.

Maturities of debt for the five years subsequent to April 29, 2000 are $13 million, $5 million, $0 million, $1 million and $4 million, respectively. As of April 29, 2000, the Company had remaining unused lines of credit and commitments of $105 million under several credit arrangements.

To finance the acquisition of Bauhaus on June 1, 1999, the Company borrowed $57 million, which was replaced on December 29, 1999 by a borrowing under its $75 million unsecured revolving credit line. On January 31, 2000, the Company opened an unsecured $150 million bridge loan facility with a current borrowing rate of LIBOR plus 0.75% with a maturity date of June 29, 2001. The Company used this bridge loan facility to pay off LADD's debt which was owed under its credit facility which was then closed.

On May 12, 2000, the Company replaced borrowings under the $75 million unsecured revolving credit line and the $150 million bridge loan facility with a new unsecured five-year $300 million credit agreement arranged by Wachovia Bank and syndicated through a total of eleven banks. The borrowing rate under the new credit agreement can range from LIBOR plus 0.475% to LIBOR plus 0.925% based on the Company's consolidated debt to capital ratio and utilization under the agreement.

Note 5: Leases

The Company has operating leases for manufacturing facilities, executive and sales offices, warehousing and showrooms, as well as for equipment for manufacturing, transportation and data processing. The operating leases expire at various dates through 2007. The Company leases additional transportation and other equipment under capital leases expiring at various dates through 2011. The majority of these capital leases include bargain purchase options.

Minimum lease payments under capital and operating leases for the five years subsequent to April 29, 2000 are $12 million, $11 million, $10 million, $9 million, and $6 million, respectively.

Note 6: Financial Guarantees

La-Z-Boy has provided financial guarantees relating to loans and leases in connection with some proprietary stores. The amounts of the unsecured guarantees are shown in the following table. Because almost all guarantees are expected to retire without being funded, the contract amounts are not estimates of future cash flows.

(Contract amounts in thousands)	4/29/00	4/24/99
Loan guarantees....	$17,446	$17,193
Lease guarantees...	$11,213	$5,649

Guarantees require the store owners to make periodic payments to the Company in exchange for the guarantee. Terms of current guarantees generally range from one to five years.

The guarantees have off-balance-sheet credit risk because only the periodic payments and accruals for probable losses are recognized until the guarantee expires. Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed to perform completely as contracted. The credit risk amounts are equal to the contractual amounts, assuming that the amounts are fully advanced and that no amounts could be recovered from other parties.

Note 7: Stock Option Plans

The Company's shareholders adopted an employee Incentive Stock Option Plan that provides grants to certain employees to purchase common shares of the Company at not less than their fair market value at the date of grant. Options are for five years and ten years and become exercisable at 25% per year beginning one year from the date of grant. The Company is authorized to grant options for up to 7,500,000 common shares.

	Number of shares	Weighted average exercise price
Outstanding at April 26, 1997..	1,224,531	$9.43
Granted.......................	860,865	11.60
Exercised.....................	(677,316)	9.36
Expired or cancelled..........	(67,521)	10.42
Outstanding at April 25, 1998..	1,340,559	10.87
Granted.......................	422,220	17.58
Exercised.....................	(314,814)	9.86
Expired or cancelled..........	(43,779)	13.82
Outstanding at April 24, 1999..	1,404,186	13.02
Granted.......................	1,423,822	17.33
Exercised.....................	(351,919)	10.64
Expired or Cancelled..........	(75,185)	17.87
Outstanding on April 29, 2000..	2,400,904	
Exercisable at April 29, 2000..	1,243,749	$12.97
Shares available for grants at April 29, 2000...............	5,654,036	

Range of exercise prices	Stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life
$9.12-$13.23	1,070,267	$10.01-$13.23	2.73
13.25-17.58	714,603	14.10-17.58	5.30
17.85-20.34	115,298	18.16	7.10
$23.75- $34.33	500,736	24.13	4.46
	2,400,904	$15.65	4.07

Weighted

Range of exercise prices	Stock Options exercisable	average exercise price
$9.12-$13.23	805,764	$10.99
13.25-17.58	306,021	15.86
17.85-20.34	88,158	18.24
$23.75-$34.33	43,806	27.34
	1,243,749	$12.97

The Company's shareholders have also adopted Restricted Share Plans. Under one plan, a committee of the board of directors is authorized to offer for sale up to an aggregate of 750,000 common shares to certain employees. Under a second plan, up to an aggregate of 150,000 common shares are authorized for sale to non-employee directors. Under the restricted share plans, shares are offered at 25% of the fair market value at the date of grant. The plans require that all shares be held in an escrow account for a period of three years in the case of an employee, or until the participant's service as a director ceases in the case of a director. In the event of an employee's termination during the escrow period, the shares must be sold back to the Company at the employee's cost.

Shares aggregating 3,600 were granted and issued during fiscal year 2000 and 3,000 were granted and issued during fiscal year 1999, under the directors' plan. Shares remaining for future grants under the directors' plans amounted to 92,400 at April 29, 2000.

Shares aggregating 47,625 and 67,350 were granted and issued during the fiscal years 2000 and 1999, respectively, under the employee Restricted Share Plan. Shares remaining for future grants under this plan amounted to 565,845 at April 29, 2000.

The Company's shareholders have also adopted a Performance-Based Restricted Stock Plan. This plan authorizes the compensation committee of the board of directors to award up to an aggregate of 1,200,000 shares to key employees. Grants of shares are based on achievement of goals over a three-year performance period. Any award made under the plan is at the sole discretion of a board committee after judging all relevant factors. At April 29, 2000, performance awards were outstanding for to which up to approximately 410,000 shares may be issued in fiscal years 2001 through 2003 for the three outstanding target awards, depending on the extent to which certain specified performance objectives are met. The cost of performance awards are expensed over the performance period. In 2000, 64,081 shares were issued.

As permitted by Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," the Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations.

Had the Company elected to recognize compensation cost for stock options based on the fair value method of accounting prescribed by SFAS No. 123, the additional after tax expense relating to the stock options would have been $1.8 million in 2000, $0.7 million in 1999, and $0.3 million in 1998. Pro forma net income and earnings per share would have been as follows (for the fiscal years ended):

(Amounts in thousands, except per share data)	4/29/00	4/24/99	4/25/98
Net income....................	$85,832	$65,424	$49,575
Basic net income per share....	$1.58	$1.24	$0.92
Diluted net income per share..	$1.56	$1.23	$0.92

The pro forma effect on net income is not representative of the pro forma effect on net income that will be disclosed in future years as required by SFAS No. 123 because it does not take into consideration pro forma compensation expense relating to grants made prior to 1996.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes model with the following assumptions:

	4/29/00	4/24/99	4/25/98
Risk free interest rate..	6.6%	5.15%	5.6%
Dividend rate...........	2.0%	1.6%	1.6%
Expected life in years...	5.0	4.4	4.6
Stock price volatility...	41%	39%	23%

Note 8: Retirement/Welfare

The Company has contributory and non-contributory retirement plans covering substantially all factory employees.

Eligible salaried employees are covered under a trusteed profit sharing retirement plan. Discretionary cash contributions to a trust are made annually based on profits.

The Company maintains a non-qualified deferred compensation plan for eligible highly compensated employees.

The Company provides executive life insurance to certain highly compensated employees. Such employees are not eligible for current contributions to the profit sharing plan or the non-qualified deferred compensation plan.

The Company offers voluntary 401(k) retirement plans to eligible employees within certain U.S. operating divisions. Currently over 60% of eligible employees are participating in the plans. For most divisions, the Company makes matching contributions based on specific formulas and this match is made in La-Z-Boy stock.

The Company maintains defined benefit pension plans for eligible factory hourly employees at some divisions.

The actuarially determined net periodic pension cost and retirement costs are as follows (for the fiscal years ended):

(Amounts in thousands)	4/29/00	4/24/99	4/25/98
Service cost....................	$2,791	$2,785	$1,903
Interest cost...................	3,644	3,739	2,508
Actual return on plan assets....	999	(5,458)	(9,439)
Net amortization and deferral...	(5,793)	(278)	5,843
Net periodic pension cost.....	1,641	788	815
Profit sharing/SERP.............	7,522	6,851	6,035
401(k)..........................	2,954	2,174	1,661
Other...........................	637	652	968

Total retirement costs........	$12,754	$10,465	$9,479

The funded status of the pension plans was as follows:

(Amounts in thousands)	4/29/00	4/24/99
Change in benefit obligation		
Benefit obligation at beginning of year.........	$50,310	$39,948
Service cost..................................	2,791	2,785
Interest cost.................................	3,644	3,739
Amendments and new plans......................	1,879	5,889
Actuarial (loss)..............................	(82)	--
Benefits paid.................................	(2,374)	(2,051)
Benefit obligation at end of year...........	56,168	50,310
Change in plan assets		
Fair value of plan assets at beginning of year..	58,166	53,545
Actual return on plan assets..................	(999)	5,458
Employer contribution.........................	1,772	1,214
Benefits paid.................................	(2,374)	(2,051)
Fair value of plan assets at end of year.....	56,565	58,166
Funded status..................................	397	7,856
Unrecognized actuarial gain/(loss).............	4,642	(3,133)
Unamortized prior service cost.................	597	795
Prepaid benefit cost	$5,636	$5,518

The expected long-term rate of return on plan assets was 8.0% for fiscal years 2000, 1999 and 1998. The weighted-average discount rate used in determining the actuarial present value of projected benefit obligations was 6.8% for fiscal years 2000 and 1999 and 7.5% for fiscal year 1998. Vested benefits included in the projected benefit obligation were $50 million and $40 million at April 29, 2000 and April 24, 1999, respectively. Plan assets are invested in a diversified portfolio that consists primarily of debt and equity securities.

The Company's pension plan funding policy is to contribute annually at least the amount necessary so that the plan assets exceed the projected benefit obligation.

While in total the Company is overfunded, at April 29, 2000, there are two plans with aggregate pension benefit obligations of $7.1 million and aggregate pension plan assets of $6.3 million which are included in the tables shown.

Note 9: Health Care

The Company offers eligible employees an opportunity to participate in group health plans. Participating employees make required premium payments through pretax payroll deductions. Health-care expenses were as follows (for the fiscal years ended):

(Amounts in thousands)	4/29/00	4/24/99	4/25/98
Gross health care.....	$50,895	$37,698	$32,020
Participant payments..	(13,277)	(9,406)	(7,531)
Net health care.......	$37,618	$28,292	$24,489

The Company makes annual provisions for any current and future retirement health-care costs which may not be covered by retirees' collected premiums.

Note 10: Income Taxes

The primary components of the Company's deferred tax assets and (liabilities) were as follows:

(Amounts in thousands)	4/29/00	4/24/99
Current		
Bad debt..................................	$13,897	$10,942
Warranty..................................	8,701	6,054
Workers' compensation.....................	2,639	1,662
SERP/other................................	1,711	1,626
Inventory.................................	(8,516)	1,429
State income tax..........................	1,024	1,366
Stock options.............................	1,683	1,653
Receivables - mark to market..............	(5,269)	(7,904)
Other.....................................	6,504	3,382
Valuation allowance.......................	--	(182)
Total current deferred tax assets........	22,374	20,028
Noncurrent		
Trade names...............................	(46,252)	--
Pension...................................	(3,672)	(2,985)

Property, plant and equipment	(752)	(2,943)
Net operating losses	1,414	907
Other	396	360
Valuation allowance	(1,414)	(1,036)
Total noncurrent deferred tax liabilities	(50,280)	(5,697)
Net deferred tax asset/(liabiliies)	($27,906)	$14,331

At April 24, 1999, the Company applied a valuation allowance of $1.218 million to offset the value of net operating losses (NOLs) attributable to one of the Company's wholly owned foreign subsidiaries. During the current fiscal year significant operational and profitablility improvements occurred. Consequently, the Company no longer considers it necessary to apply a valuation reserve for this deferred tax asset.

A valuation allowance of $1.414 million has been established for the deferred tax asset related to an NOL carry forward for an acquisition subsidiary of LADD. The remaining NOLs of $3.927 million may be carried forward through 2007 to offset future earnings, subject to normal annual limitations prescribed by law. Any tax benefits recognized subsequent to 2000 from the utilization of this LADD NOL will be applied to reduce goodwill.

The differences between the Company's provision for income taxes and income taxes computed using the U.S. federal statutory rate are as follows (for the fiscal years ended):

(% of pretax income)	4/29/00	4/24/99	4/25/98
Statutory tax rate	35.0%	35.0%	35.0%
Increase (reduction) in taxes resulting from:			
State income taxes net of federal benefit	3.0	2.7	2.4
Tax credits	(0.1)	(0.1)	(0.2)
Goodwill	0.9	0.7	0.8
Tax loss carry forwards	(1.1)	0.1	(0.5)
Miscellaneous items	(0.1)	(0.1)	(0.5)
Effective tax rate	37.6%	38.3%	37.0%

Note 11: Earnings Per Share

Basic net income per share is computed using the weighted-average number of shares outstanding during the period. Diluted net income per share uses the weighted average number of shares outstanding during the period plus the additional common shares that would have been outstanding if the dilutive potential common shares had been issued. The Company's dilutive potential common shares are employee stock options. The 1998 and 1999 information below has been restated for the September, 1998 three-for-one stock split.

(Amounts in thousands) Fiscal year ended	4/29/00	4/24/99	4/25/98
Weighted average common shares outstanding (Basic)	54,488	52,890	53,654
Effect of options	372	258	167
Weighted average common shares outstanding (Diluted)	54,860	53,148	53,821

Note 12: Contingencies

The Company has been named as a defendant in various lawsuits arising in the ordinary course of business. It is not possible at the present time to estimate the ultimate outcome of these actions; however, management believes that the resultant liability, if any, will not be material based on the Company's previous experience with lawsuits of these types.

The Company has been named as a potentially responsible party (PRP) at six environmental clean-up sites. Based on a review of all currently known facts and the Company's experience with previous environmental clean-up sites, management does not anticipate that future expenditures for environmental clean-up sites will have a material adverse effect on the Company.

Note 13: Segments

The Company has three reportable segments: Residential upholstery, Residential casegoods and Contract.

The Residential upholstery segment is comprised of operating divisions that primarily manufacture and sell upholstered furniture to dealers. Upholstered furniture includes recliners, sofas, occasional chairs and reclining sofas that are mostly or fully covered with fabric, leather or vinyl. The operating divisions included in the Residential upholstery segment are La-Z-Boy Residential, England/Corsair, Sam Moore, Bauhaus, Centurion, Distincion Muebles, Pennsylvania House Upholstery, Barclay and Clayton Marcus.

The Residential casegoods segment is comprised of operating divisions that primarily manufacture or sell hardwood or hardwood veneer furniture to dealers. Casegoods furniture includes dining room tables and chairs, bed frames and bed boards, dressers, coffee tables and end tables that are mostly constructed of hardwoods or veneers. The operating divisions included in the Residential casegoods segment are Kincaid, Hammary, American Drew, Lea, Pennsylvania House Casegoods and Pilliod.

The primary difference between the Residential upholstery and the Residential casegoods segments is in the manufacturing area. In general, upholstery manufacturing requires lower capital expenditures per dollar of sales than casegoods but higher labor costs. Equipment needs and manufacturing processes are different in many key areas and product costs reflect these significant differences. Residential upholstery typically uses plywood or other "frame" (not exposed) wood which requires less detailing and uses some different manufacturing methods than casegoods wood processing. Residential casegoods requires more extensive automated equipment for drying, processing, cutting, sanding and finishing exposed hardwood and veneer products.

Wood and related wood processing costs for upholstery (or total frame costs) are a much smaller percentage of total unit costs in upholstery than casegoods. Residential upholstery's largest costs are related to the purchased cost of fabric (or leather, vinyl, etc.), cutting fabric, sewing the fabric and upholstering the fabric and other materials to the frame; whereas Residential casegoods manufacturing typically has none of these costs or processes. Residential upholstery also extensively uses filler materials such as polyurethane foam for cushioning and appearance whereas Residential casegoods manufacturing typically has none of these costs or processes. Also, in "motion" upholstery products, which are a large portion of La-Z-Boy's total Residential upholstery sales, there are metal mechanism processes and costs vs. none in casegoods.

The Contract segment is comprised of operating divisions that primarily manufacture and sell to hospitality, business, government, healthcare and assisted living facilities. The operating divisions included in the Contract segment are American of Martinsville and La-Z-Boy Contract Furniture Group. The primary difference between the Residential segments and the Contract segment is in the customers which they service. Contract is a newly reported segment. Prior years have been restated for comparability purposes.

The Company has other immaterial operating divisions which are reviewed for performance by management including logistics operations, financing, retail and other operations. These divisions are not included in the sales disclosed. The logistics operations are included in operating profit. The other divisions are included in other income. The Company's unallocated assets include trade names, goodwill and various other assets.

The Company's largest customer is less than 5% of consolidated sales.

The accounting policies of the operating segments are the same as those described in Note 1. Segment operating profit is based on profit or loss from operations before interest income and expense, other income and income taxes. Certain corporate costs are allocated to the segments based on revenues and identifiable assets. Identifiable assets are cash and cash equivalents, notes and accounts receivable, FIFO inventories and net property, plant and equipment. Segment information used to evaluate segments is as follows (for the fiscal years ended):

(Amounts in thousands)	4/29/00	4/24/99	4/25/98
Net sales			
Residential upholstery...........	$1,291,169	$1,015,162	$850,495
Residential casegoods............	315,519	198,969	186,968
Contract.........................	110,732	73,514	70,575
Consolidated....................	1,717,420	1,287,645	1,108,038
Operating profit			
Residential upholstery...........	124,124	99,542	70,462
Residential casegoods............	23,165	11,787	7,425
Contract.........................	4,592	(609)	939
Unallocated corporate costs...... and other......................	(7,581)	(3,881)	(1,623)
Consolidated....................	144,300	106,839	77,203
Depreciation and amortization			
Residential upholstery...........	17,367	13,995	12,196
Residential casegoods............	5,039	3,806	3,992
Contract.........................	2,025	1,376	1,218
Corporate eliminations & other...	5,911	2,904	3,615
Consolidated....................	30,342	22,081	21,021
Capital expenditures			
Residential upholstery...........	28,376	19,388	16,556
Residential casegoods............	4,989	4,248	3,420
Contract.........................	2,393	1,412	2,040
Corporate eliminations & other...	2,210	268	
Consolidated....................	37,968	25,316	22,016
Assets			
Residential upholstery...........	530,321	399,803	363,160
Residential casegoods............	262,449	97,804	94,019
Contract.........................	102,564	30,800	30,658
Corporate eliminations & other...	(5,370)	15,848	15,601
Unallocated assets...............	328,333	85,537	76,913
Consolidated....................	$1,218,297	$629,792	$580,351
Sales by country			
United States....................	94%	93%	94%
Canada and other.................	6%	7%	6%
	100%	100%	100%

Management's Discussion and Analysis

Management's Discussion and Analysis, should be read in conjunction with the Report of Management Responsibilities, the Report of Independent Accountants, the Consolidated Financial Statements and related Notes.

La-Z-Boy is one of the three largest furniture manufacturers in the U.S., the largest reclining-chair manufacturer in the world and North America's largest manufacturer of upholstered furniture. There is about a $1 billion drop off in annual sales between the three largest furniture manufacturers and the next largest furniture manufacturer.

During fiscal year 2000, the Company completed the following acquisitions: Bauhaus USA, Inc., effective June 1, 1999, Alexvale Furniture, Inc., effective December 28, 1999 and LADD Furniture, Inc., effective January 29, 2000. All three acquisitions have been accounted for using the purchase method of accounting and are included in the Company's results of operations beginning immediately following the respective acquisition dates.

Fiscal year 2000 (FY00 or 2000) contained 53 weeks compared to 52 weeks in fiscal year 1999 (FY99 or 1999).

Analysis of Operations
Year Ended April 29, 2000
(2000 compared with 1999)

Income Statement Analysis

	FY00 over (under) FY99	Percent of Sales 4/29/00	4/24/99
Sales	33%	100.0%	100.0%
Cost of sales	36%	74.8%	73.5%
Gross profit	27%	25.2%	26.5%
Selling, general and administrative	23%	16.8%	18.2%
Operating profit	35%	8.4%	8.3%
Interest expense	117%	0.6%	0.3%
Interest income	(9%)	0.1%	0.1%
Other income	39%	0.3%	0.2%
Pretax income	31%	8.2%	8.3%
Income tax expense*	28%	37.6%	38.3%
Net income	32%	5.1%	5.1%
Diluted earnings per share	29%		
Dividends per share	3%		

* As a percent of pretax income.

Segment Analysis

Net Revenues	FY00 over (under) FY99	Percent of Total 4/29/00	4/24/99
Residential upholstery	27%	75.2%	78.8%
Residential casegoods	59%	18.4%	15.5%
Contract	51%	6.4%	5.7%
Consolidated	33%	100.0%	100.0%

Operating Profit	FY00 over (under) FY99	Percent of Sales 4/29/00	4/24/99
Residential upholstery	25%	9.6%	9.8%
Residential casegoods	97%	7.3%	5.9%
Contract	N/A	4.1%	(0.8%)
Unallocated corporate costs and other	95%	N/A	N/A
Consolidated	35%	8.4%	8.3%

Year 2000 sales of $1.7 billion were 33% greater than 1999. Most of the sales dollar growth was due to acquisitions. Internal growth of existing operations was 9%. And a small part of the sales increase was due to an extra week in 2000 compared to 1999. Selling price increases per unit were small, and there were no significant sales mix shifts to higher or lower priced products.

No major new product lines were introduced in 2000 although new styles and new collections of styles did occur across all divisions throughout the year. New fabrics were added to replace slower moving fabrics throughout the year, but the total number of fabrics was not significantly increased or decreased. No major new dealers were added in 2000, and no significant dealers were dropped. Although current year acquisitions impacted the sales growth of all three industry segments, the Residential casegoods and Contract segments realized the biggest increase over the prior year due to the mix of acquired companies. Both Bauhaus and Alexvale are included in the Residential upholstery segment, while LADD (the largest of the three acquisitions) is primarily included in the Residential casegoods and Contract segments.

Gross profit margin (gross profit dollars as a percent of sales dollars) decreased to 25.2% in 2000 from 26.5% in 1999. The primary cause of the gross margin decline was a below average gross margin realized by businesses acquired during the year.

Also contributing to the gross margin decline were higher labor and overhead costs. These costs were associated with improving plant floor layouts, employee training costs incurred in acquiring additional employees to support the 9% internal growth rate and retaining labor in a low unemployment environment. Labor wage rates rose moderately and material costs were somewhat higher than expected as increased costs for plywood, cardboard packaging and steel were only partially offset by decreased costs for leather.

Selling, general and administrative expense (S,G&A expense) decreased to 16.8% of sales in 2000 from 18.2% in 1999. Bonus related expense was significantly lower in fiscal 2000 as compared to fiscal 1999 as were bad debts and information technology expenses.

Consolidated operating profit margin improved to 8.4% in 2000 compared to 8.3% in 1999. Operating profit margin remained relatively unchanged in the Residential upholstery segment at 9.6% in 2000 compared to 9.8% in 1999. Operating profit as a percent of sales in the Residential casegoods segment improved to 7.3% in 2000 from 5.9% in 1999. Operating profit as a percent of sales in the Contract segment improved to 4.1% in 2000 from (0.8%) in 1999.

Interest expense as a percent of sales increased 117% over the past year due to financing obtained in the first quarter for the acquisition of Bauhaus and in the fourth quarter to the refinancing of LADD's long term debt obligations.

Income tax expense as a percent of pretax income of 37.6% in 2000 is down from 38.3% in 1999 primarily due to improved performance of a non-U.S. operation which allowed for the utilization of tax loss carryforwards. This was partially offset by an increase in goodwill amortization.

Analysis of Operations
Year Ended April 24, 1999
(1999 compared with 1998)

The 1999 sales of $1.3 billion were 16% greater than 1998. About 80% of the increase was due to internal growth of existing divisions and the remainder was due to acquisitions. La-Z-Boy believes that its 1999 internal growth rate of about 13% exceeded the U.S. industry average for comparable time periods. Selling price increases per unit were small, but a product mix that favored higher priced products did yield a favorable impact of approximately 3-4%. The Company did not introduce new product lines in 1999 but did introduce new styles and new collections of styles across all divisions throughout the year. Of particular note was the joint introduction of the Thomas Kinkade Home Furnishings Collection by the La-Z-Boy Residential and Kincaid divisions. In addition, new fabrics were added (replacing slower moving fabrics) throughout the year. No major new dealers were added in 1999 and no significant dealers were dropped.

Gross profit margin increased to 26.5% in 1999 from 25.5% in 1998. An approximate 11% increase in unit volume had a favorable impact on the gross margin percentage by enabling absorption of fixed manufacturing costs more efficiently than in the prior year. The absence of hardwood and plywood supply chain disruptions and casegood manufacturing plant consolidations also favorably affected the gross profit margin percentage. Currency exchange impacts associated with inventory movements between supply center plants and Residential division plants in the U.S. to a Residential division plant in Canada had a negative impact on the gross profit margin percentage. As in 1998, labor wage rates rose moderately and purchased material prices were generally flat as decreased prices for cardboard, batting and polyurethane foam were offset by increased prices for other materials.

S,G&A expense decreased to 18.2% of sales in 1999 from 18.5% in 1998. Bonus related expense was significantly higher in 1999 as compared to 1998 in addition to increased information technology expenses. The increase in information technology expenses was mainly due to year 2000 related issues. However, these increases were more than offset by selling and advertising expenses being lower as a percent of sales in fiscal 1999.

Liquidity and Financial Condition

Cash flows from operations amounted to $58 million in 2000, $82 million in 1999 and $55 million in 1998 and have been adequate for day-to-day expenditures, dividends to shareholders and capital expenditures. Capital expenditures, dividends and stock repurchases totaled approximately $86.5 million in 2000, $72.2 million in 1999 and $53.4 million in 1998.

Total FIFO inventory increased 112% over the prior year with raw materials increasing 93%, work-in-process increasing 70%, and finished goods increasing 182% due primarily to current year acquisitions. Excluding the impact of those acquisitions, total FIFO inventory increased 5% with raw materials decreasing 9%, work-in-process increasing 13%, and finished goods increasing 14%.

Goodwill increased $74 million or 148% over the prior year due to the acquisitions.

Trade names valued at $135 million were a result of the LADD acquisition. External independent appraisals were used to assign values to the various LADD trade names in accordance with the purchase method of accounting.

The Company had unused lines of credit and commitments of $105 million under several credit arrangements as of April 29, 2000. To finance the acquisition of Bauhaus on June 1, 1999, the Company borrowed $57 million, which was replaced on December 29, 1999 by a borrowing under its $75 million unsecured revolving credit line. The Alexvale acquisition required approximately $2.2 million for the cash portion of the transaction, which was paid with cash flow from operations. On January 31, 2000, the Company opened an unsecured $150 million bridge loan and used this bridge loan to pay off LADD's debt. On May 12, 2000, the Company replaced borrowings under the $75 million unsecured revolving credit line and the bridge loan with a new five-year unsecured $300 million credit agreement, arranged by Wachovia Bank and syndicated through a total of eleven banks. The borrowing rate under the new credit agreement can range from LIBOR plus 0.475% to LIBOR plus 0.925% based on the Company's consolidated debt to capital ratio and utilization under the agreement.

The La-Z-Boy Board of Directors has authorized the repurchase of Company stock. Shares acquired in 2000, 1999 and 1998 totaled 1,706,000, 1,643,000 and 1,253,000, respectively. As of April 29, 2000, 2,820,000 shares were available for repurchase.

The financial strength of the Company is reflected in two commonly used ratios, the current ratio (current assets divided by current liabilities) and the debt-to-capital ratio (total debt divided by shareholders' equity plus total debt). The current ratio at the end of 2000 and 1999 was 2.9:1 and 3.2:1, respectively. The debt to capital ratio was 26.6% at the end of 2000 and 13.6% at the end of 1999.

Continuing environmental compliance with existing federal, state and local statutes dealing with protection of the environment is not expected to have a material effect upon the Company's capital expenditures, earnings, competitive position or liquidity. The Company will continue its program of conducting voluntary compliance audits at its facilities. The Company has also taken steps to assure compliance with provisions of Titles III and V of the 1990 Clean Air Act Amendments.

Outlook

Statements in this Outlook section are forward looking within the meaning of the Private Securities Litigation Reform Act of 1995. As conditions change in the future, actual results may not match these expectations. In particular, sales and profits can be materially impacted in any quarter by changes in interest rates or changes in consumer confidence/demand.

La-Z-Boy's fiscal year ending April 28, 2001 will include 52 weeks compared to fiscal year 2000 which included 53 weeks. This is approximately a 2% decrease in the length of the year which will affect sales and other financial comparisons from year to year.

One of La-Z-Boy's financial goals is to increase the sales of existing operations at a rate faster than that of the overall furniture industry. This sales goal has been one of La-Z-Boy's goals for many years. In the past 10 - 15 years, La-Z-Boy has met its sales goal (exceeded industry sales growth rates) 90% or more of the time. For 2000, La-Z-Boy's reported sales increased 33% from 1999. On a comparable basis adjusting for acquisitions and an additional week in 2000, existing operations sales increased 9%, which the Company believes was better than the industry average.

Given recent interest rate increases and other macroeconomic projections, La-Z-Boy expects the U.S. furniture industry growth rate to be less in FY01 than FY00.

The number of independently owned and operated "proprietary" stores or galleries is expected to continue to increase. "Proprietary" stores or galleries are those that have an agreement to sell products from one of La-Z-Boy's divisions or a company that La-Z-Boy approves. La-Z-Boy divisions in each of its business segments have proprietary distribution, which means square feet of selling space totally dedicated to La-Z-Boy Incorporated products. Proprietary stores can be freestanding buildings, buildings attached to one another or square footage (typically galleries) within an existing retail store. Continued growth in the number of proprietary stores or galleries is a reason why La-Z-Boy believes it can continue to exceed industry average sales growth rates. Also, a continuation of the growth in average sales per square foot of proprietary stores or galleries is another reason why La-Z-Boy believes it can continue to exceed industry average sales growth rates.

At both the retail level and the manufacturing level, La-Z-Boy believes that the U.S. furniture industry has been consolidating and that it will continue to consolidate. Smaller retailers and financially weaker retailers are finding it more and more difficult to stay in business. Progress in manufacturing technologies, processes and designs combined with economies of scale continually puts additional competitive pressures on smaller manufacturers. Furniture retailers and manufacturers continuing to exit the industry is another reason why La-Z-Boy believes it can continue to exceed industry average sales growth rates.

In 2000, La-Z-Boy added many new divisions to its family of furniture companies. The acquisition of LADD added over five divisions. Bauhaus and Alexvale were acquired as well. Over $800 million of 2001 sales is expected to come from these companies that were not part of La-Z-Boy prior to 2000. Many of these sales will be to dealers that prior La-Z-Boy divisions have not done business with in the past. Similarly, many of the dealers that La-Z-Boy has done business with are not doing business with LADD companies, Bauhaus or Alexvale. La-Z-Boy believes that opportunities to leverage positive dealer relationships across its new and existing divisions is also a reason why it can achieve sales growth rates faster than the rest of the industry.

La-Z-Boy has no specific financial goal to grow its sales through mergers or acquisitions. The Company's general acquisition approach is opportunistic.

LADD companies have changed La-Z-Boy's sales mix by segment and are expected to continue to change the mix measurably in 2001. The mix is expected to shift more towards Residential casegoods and Contract and away from Residential upholstery. Roughly, Residential casegoods is expected to change from 18.4% today to 25% in FY01; Contract from 6.4% to 11% and Residential upholstery from 75.2% to 64%.

Although not considered a formal segment for reporting purposes, there has been a rise in imports of finished or mostly finished manufactured products. These products are directly resold or minimally assembled then resold. Sales of these finished goods imports are under 5% of consolidated sales but are growing at a faster rate than most other sales categories and they are expected to continue to grow faster in the future. Most of these imports come from the Far East.

La-Z-Boy's second financial goal is to continually improve its operating profit margin, with a goal in the future of 10.0%. Operating margins (operating profit divided by sales) have improved from 7.0% in 1998 to 8.3% in 1999 to 8.4% in 2000. For 2001; however, operating margins are expected to decrease primarily due to the recent acquisition of LADD. LADD has greatly improved its operating margin over the last five years from an operating loss condition. LADD had a 5.2% margin in its 1998 calendar year and a 5.5% margin in its nine months ended October 1999. Even though LADD's margins are expected to continue to improve, it is expected to take more than one year before consolidated operating margins exceed the 8.4% level achieved in 2000. Increased sales volume should help improve operating margins. Outsourcing components to lower cost suppliers outside of the U.S. and Canada is another way La-Z-Boy can improve profitability. Outsourcing components is a trend for La-Z-Boy that is accelerating and this trend is generally being seen throughout the U.S. furniture industry. Capital expenditures are expected to be about $55 million in 2001 compared to $38 million in 2000 and are expected to improve labor productivity and profitability. Improving total labor productivity is a key initiative for the future because of continuing expected challenges in hiring and retaining employees in a low unemployment environment.

New machinery and plant process improvements are planned across all divisions mostly for quality and productivity purposes as opposed to the need to increase capacity. Operating margins also benefit from investments in machinery and other productivity enhancements.

The expected slowing in industry sales growth in FY01 should ease pressures and reduce costs associated with hiring and training new employees. Corporate overhead costs in accounting, audit, investor relations, tax and other areas are expected to improve as a percent of sales due to combining similar LADD corporate functions with La-Z-Boy.

A third financial goal is to continually improve return on capital, with a goal in the future of 25%. This 25% goal was raised from last year's 20% level. Return is defined as operating profit + interest income + other income. Capital is defined as beginning-of-year shareholders' equity + debt + capital leases + net deferred taxes. Return on capital improved from 20.5% in 1998 to 24.8% in 1999 to 32.2% in 2000. However, return on capital is expected to decline below 25% in 2001 primarily due to the acquisition of LADD, which had a return on capital of 11.0% in its 1998 calendar year. It is expected that it will take more than one year before consolidated return on capital will exceed the 25% goal. La-Z-Boy enhances shareholder value and reduces capital employed through stock repurchases, dividends and debt reductions. The Company expects to meet its cash needs for capital expenditures, stock repurchases and dividends in FY2001 from cash generated by operations and borrowings under available lines of credit.

Amortization expense associated with goodwill and trade names is expected to increase in fiscal year 2001 versus fiscal 2000 due to acquisitions. Goodwill amortization is not deductible for tax accounting expense purposes; however, trade name amortization is deductible. For actual tax payment purposes neither amortization is deductible.

The Company plans to be in the market to repurchase shares as its stock price changes and other financial opportunities arise.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." As amended, this new standard is effective for fiscal years beginning after June 15, 2000, which will be effective for the Company's fiscal year 2002. SFAS No. 133 requires a company to recognize all derivative instruments as assets or liabilities in its balance sheet and measure them at fair value. The Company has not yet determined the impact on its financial position or results of operation of implementing SFAS No. 133.

Consolidated Six Year Summary of Selected Financial Data

(Dollar amounts in thousands, except per share data) Fiscal year ended	2000 (53 weeks)	1999 (52 weeks)	1998 (52 weeks)	1997 (52 weeks)	1996 (52 weeks)	1995 (52 weeks)
Sales	$1,717,420	$1,287,645	$1,108,038	$1,005,825	$ 947,263	$ 850,271
Cost of sales	1,284,158	946,731	825,312	744,662	705,379	629,222
Gross profit	433,262	340,914	282,726	261,163	241,884	221,049
Selling, general and administrative	288,962	234,075	205,523	187,230	174,376	158,551
Operating profit	144,300	106,839	77,203	73,933	67,508	62,498
Interest expense	9,655	4,440	4,157	4,376	5,306	3,334
Interest income	1,976	2,181	2,021	1,770	1,975	1,628
Other income	3,692	2,658	4,207	2,508	2,023	1,229
Pretax income	140,313	107,238	79,274	73,835	66,200	62,021
Income tax expense	52,699	41,096	29,354	28,538	26,947	25,719
Net income	$ 87,614	$ 66,142	$ 49,920	$ 45,297	$ 39,253	$ 36,302
Diluted weighted average shares outstanding (`000s) **	54,860	53,148	53,821	54,575	55,596	54,303
Diluted net income per share**	$ 1.60	$ 1.24	$ 0.93	$ 0.83	$ 0.71	$ 0.67
Book value on year end shares outstanding**	$ 10.81	$ 7.93	$ 7.25	$ 6.69	$ 6.23	$ 5.81
Return on average shareholders' equity	16.3%	16.5%	13.4%	12.9%	11.8%	12.2%*
Gross profit as a percent of sales	25.2%	26.5%	25.5%	26.0%	25.5%	26.0%
Operating profit as a percent of sales	8.4%	8.3%	7.0%	7.4%	7.1%	7.4%
Earnings before interest, tax, depreciation, and amortization as a percent of sales	10.4%	10.2%	9.2%	9.6%	9.5%	9.3%
Operating profit, interest income and other income as a percent of beginning-of-year capital	32.2%	24.8%	20.5%	19.6%	18.1%	19.3%
Income tax expense as a percent of pretax income	37.6%	38.3%	37.0%	38.7%	40.7%	41.5%
Net income as a percent of sales	5.1%	5.1%	4.5%	4.5%	4.1%	4.3%
Depreciation and amortization	$ 30,342	$ 22,081	$ 21,021	$ 20,382	$ 20,147	$ 15,156
Capital expenditures	$ 37,968	$ 25,316	$ 22,016	$ 17,778	$ 18,168	$ 18,980
Property, plant and equip. (net)	$ 227,883	$ 125,989	$ 121,762	$ 114,658	$ 116,199	$ 117,175
Working capital	$ 455,363	$ 293,160	$ 274,739	$ 245,106	$ 240,583	$ 237,280
Current ratio	2.9 to 1	3.2 to 1	3.5 to 1	3.5 to 1	3.5 to 1	3.7 to 1
Total assets	$1,218,297	$ 629,792	$ 580,351	$ 528,407	$ 517,546	$ 503,818
Debt and capital leases	$ 249,670	$ 65,473	$ 73,458	$ 61,279	$ 69,033	$ 83,201
Shareholders' equity	$ 663,092	$ 414,915	$ 388,209	$ 359,338	$ 343,376	$ 323,640
Ending capital	$ 940,668	$ 466,057	$ 450,466	$ 405,996	$ 399,801	$ 395,209
Ratio of debt to equity	37.7%	15.8%	18.9%	17.1%	20.1%	25.7%
Ratio of debt to capital	26.5%	14.0%	16.3%	15.1%	17.3%	21.1%
Shareholders	22,344	16,329	13,592	12,729	12,293	12,665
Employees	21,597	12,796	12,155	11,236	10,733	11,149

* April 1995 shareholders' equity used in this calculation excludes $18,004 relating to stock issued on the last day of the fiscal year for the acquisition of an operating division.

** Restated to reflect the September, 1998 three-for-one stock split, in the form of a 200% stock dividend.

Unaudited Quarterly Financial Information

(Amounts in thousands, except per share data) Quarter ended	7/24/99	10/23/99	1/22/00	4/29/00	Fiscal year 2000
Sales	$321,659	$387,736	$376,872	$631,153	$1,717,420
Cost of sales	241,026	286,520	281,358	475,254	1,284,158
Gross profit	80,633	101,216	95,514	155,899	433,262
Selling, general and administrative	58,976	62,920	62,226	104,840	288,962
Operating profit	21,657	38,296	33,288	51,059	144,300
Interest expense	1,439	1,866	2,128	4,222	9,655
Interest income	596	610	320	450	1,976
Other income	781	927	1,317	667	3,692
Pretax income	21,595	37,967	32,797	47,954	140,313
Income tax expense	8,302	14,697	11,460	18,240	52,699
Net income	$13,293	$23,270	$21,337	$29,714	$87,614
Diluted EPS	$0.25	$0.44	$0.41	$0.49	$1.60

Quarter ended	7/25/98	10/24/98	1/23/99	4/24/99	Fiscal year 1999
Sales	$268,880	$334,831	$318,105	$365,829	$1,287,645
Cost of sales	205,431	245,062	230,923	265,315	946,731
Gross profit	63,449	89,769	87,182	100,514	340,914
Selling, general and administrative	51,288	59,510	58,758	64,519	234,075
Operating profit	12,161	30,259	28,424	35,995	106,839
Interest expense	1,187	1,164	1,110	979	4,440
Interest income	577	471	430	703	2,181
Other income	355	865	962	476	2,658
Pretax income	11,906	30,431	28,706	36,195	107,238
Income tax expense	4,722	11,984	10,978	13,412	41,096
Net income	$7,184	$18,447	$17,728	$22,783	$66,142
Diluted EPS	$0.13	$0.35	$0.34	$0.43	$1.24

Dividend and Market Information

Fiscal 2000 quarter ended	Dividends paid	Market price High	Low	Close	Fiscal 1999 quarter ended	Dividends paid	Market price High	Low	Close
July 24	$0.08	$24 7/16	$19 3/8	$23 13/16	July 25	$0.07	$19 11/24	$16 1/3	$17 23/24
Oct. 23	0.08	24 7/16	17 15/16	17 15/16	Oct. 24	0.08	22 1/2	15 5/8	18 1/2
Jan. 22	0.08	20 3/8	15	15	Jan. 23	0.08	20 7/16	15 1/4	16 15/16
April 29	0.08	$17 13/16	$13 11/16	$15 11/16	April 24	0.08	$22 1/4	$17	$19
	$0.32					$0.31			

Fiscal year	Dividends paid	Dividend yield	Dividend payout ratio	Market price High	Low	Close	Market value (in millions)	P/E ratio High	Low
2000	$0.32	2.0%	19.9%	$24 7/16	$13 11/16	$15 11/16	$962	$15	$10
1999	0.31	1.6%	24.8%	22 1/2	15 1/4	19	994	18	12
1998	0.28	1.6%	30.1%	17 5/6	10 7/12	17 5/6	955	19	11
1997	0.26	2.4%	31.2%	12 7/24	9 5/12	10 3/4	578	15	11
1996	0.25	2.5%	34.9%	11 1/4	8 13/24	10 1/24	554	16	12
1995	$0.23	2.5%	33.8%	$11 1/4	$8 11/24	$9	$501	$17	$13

La-Z-Boy Incorporated common shares are traded on the NYSE and PCX (symbol LZB).

Various data has been restated to reflect the September, 1998 three-for-one stock split.

Investor Information

Corporate Headquarters
La-Z-Boy Incorporated
1284 North Telegraph Road
Monroe, MI 48162-3390
(734)242-1444

Dividend Reinvestment Plan
A brochure is available on the La-Z-Boy Dividend Reinvestment Plan. It explains how shareholders may increase their investment in the stock of the Company without the cost of fees or service charges. Write to Investor Relations.

Investor Relations and
Financial Reports
Security analysts, shareholders and investors may request information (quarterly or annual reports, 10-K's, etc.) from:

Investor Relations
La-Z-Boy Incorporated
1284 North Telegraph Road
Monroe, MI 48162-3390
(734)241-4414
investorrelations@la-z-boy.com

Stock Exchange
Shares of La-Z-Boy Incorporated common stock are traded on the New York Stock Exchange and the Pacific Stock Exchange under the symbol LZB.

Shareholder Services
Inquiries regarding the Dividend Reinvestment Plan, dividend payments, stock transfer requirements, address changes and account consolidations should be addressed to our stock transfer agent and registrar:

American Stock Transfer & Trust Company
40 Wall Street, 46th Floor
New York, NY 10005
(212)936-5100
(800)937-9449

Internet
Visit La-Z-Boy on the internet at www.lazboy.com

Exhibit (21)

LA-Z-BOY INCORPORATED
LIST OF SUBSIDIARIES

Subsidiary	Jurisdiction of Incorporation
La-Z-Boy Canada, Ltd.	Ontario, Canada
Kincaid Furniture Company, Incorporated	Delaware
La-Z-Boy Export, Ltd.	Barbados
LZB Finance, Inc.	Michigan
England/Corsair, Inc.	Michigan
LZB Properties, Inc.	Michigan
LZB Florida Realty, Inc.	Michigan
Centurion Furniture, plc	United Kingdom
Distincion Muebles, Sa de C.V.	Mexico
Sam Moore Furniture Industries, Inc.	Virginia
La-Z-Boy Logistics, Inc.	Michigan
Bauhaus U.S.A., Inc.	Mississippi
Alexvale Furniture, Inc.	North Carolina
LADD Furniture, Inc.	North Carolina
American Furniture Company, Incorporated	Virginia
Clayton-Marcus Company, Inc.	North Carolina
LADD Contract Sales Corporation	North Carolina
Pennsylvania House, Inc.	North Carolina
Pilliod Furniture, Inc.	North Carolina
LADD Transportation, Inc.	North Carolina

LFI Capital Management, Inc.	Delaware
Redd Level, Ltd.	Delaware
LADD International Sales Corporation	Barbados
LZB Thailand, Ltd.	Thailand

All other subsidiaries, when considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary and therefore have been omitted from this exhibit.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-34155, 333-34157, 33-8997, 333-03097, 33-54743 and 333-95651) of La-Z-Boy Incorporated of our report dated May 31, 2000 relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated May 31, 2000 relating to the financial statement schedule, which appears in this Form 10-K.

/s/PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Toledo, Ohio
July 28, 2000