SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549-1004

FORM 10-Q

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

FOR QUARTER ENDED October 24, 1998 COMMISSION FILE NUMBER 1-9656

LA-Z-BOY INCORPORATED

(Exact name of registrant as specified in its charter)

MICHIGAN	38-0751137
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1284 North Telegraph Road, Monroe, Michigan	48162-3390
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (734) 241-4414

None

Former name, former address and former fiscal year, if changed since last report.

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

Yes X No

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

Class	Outstanding at October 24, 1998
Common Shares, $1.00 par value	52,908,743

Part 1. Financial Information

The Consolidated Balance Sheet and Consolidated Statement of Income required for Part 1 are contained in the Registrant's Financial Information Release dated November 4, 1998 and are incorporated herein by reference.

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

	Three Months Ended		Six Months Ended	
	Oct 24, 1998	Oct 25, 1997	Oct 24, 1998	Oct 25, 1997
Cash Flows from Operating Activities				
Net income	$ 18,447	$ 16,822	$ 25,631	$ 18,548
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	5,936	5,195	11,353	10,068
Change in receivables	(60,025)	(52,888)	(17,454)	(3,986)
Change in inventories	1,393	6,416	(7,975)	(7,742)
Change in other assets and liabilities	31,233	25,967	21,424	10,744
Change in deferred taxes	(2,815)	(1,960)	(2,742)	(1,960)

Total adjustments	(24,278)	(17,270)	4,606	7,124
Cash Provided (Used) by Operating Activities	(5,831)	(448)	30,237	25,672
Cash Flows from Investing Activities				
Proceeds from disposals of assets	88	76	293	392
Capital expenditures	(4,128)	(5,775)	(8,233)	(11,343)
Change in other investments	(537)	159	(2,427)	(288)
Cash Used for Investing Activities	(4,577)	(5,540)	(10,367)	(11,239)
Cash Flows from Financing Activities				
Retirements of debt	(120)	(116)	(3,211)	(2,041)
Capital lease principal payments	(361)	(513)	(803)	(1,040)
Stock for stock option plans	3,237	1,091	4,688	3,103
Stock for 401(k) employee plans	458	283	837	686
Purchase of La-Z-Boy stock	(11,160)	(6,973)	(18,763)	(9,397)
Payment of cash dividends	(4,263)	(3,775)	(8,006)	(7,543)
Cash Used for Financing Activities	(12,209)	(10,003)	(25,258)	(16,232)
Effect of exchange rate changes on cash	(281)	62	(591)	98
Net change in cash and equivalents	(22,898)	(15,929)	(5,979)	(1,701)
Cash and equivalents at beginning of period	45,619	39,610	28,700	25,382
Cash and equivalents at end of period	$ 22,721	$ 23,681	$ 22,721	$ 23,681
Cash paid during period -Income taxes	$7,403	$6,222	$7,878	$7,663
-Interest	$588	$955	$1,131	$1,794

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

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

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

1. Basis of Presentation
The financial information is prepared in conformity with generally accepted accounting principles and such principles are applied on a basis consistent with those reflected in the 1998 Annual Report filed with the Securities and Exchange Commission. The financial information included herein, other than the consolidated balance sheet as of April 25, 1998, has been prepared by management without audit by independent certified public accountants. The consolidated balance sheet as of October 24, 1998 has been prepared on a basis consistent with, but does not include all the disclosures contained in, the audited consolidated financial statements for the year ended April 25, 1998. The information furnished includes all adjustments and accruals consisting only of normal recurring accrual adjustments which are, in the opinion of management, necessary for a fair presentation of results for the interim period.

2. Interim Results
The foregoing interim results are not necessarily indicative of the results of operations for the full fiscal year ending April 24, 1999.

3. Forward-Looking Information
Any forward-looking statements contained in this report represent management's current expectations based on present information and current assumptions. These statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "should",

or "anticipates". Forward-looking statements are inherently subject to risks and uncertainties. Actual results could differ materially from those which are anticipated or projected due to a number of factors. These factors include, but are not limited to, anticipated growth in sales; success of product introductions; fluctuations of interest rates, changes in consumer confidence/demand and other risks and factors identified from time to time in the Company's reports filed with the Securities and Exchange Commission.

4. Earnings per Share
The Company adopted Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share" in 1998. The Statement requires both basic and diluted earnings per share to be presented. Basic earnings per share is computed using the weighted-average number of shares outstanding during the period. Diluted earnings per share uses the weighted-average number of shares outstanding during the period plus the additional common shares that would be outstanding if the dilutive potential common shares were issued. This includes employee stock options. Prior period earnings per share information has been restated to be in compliance with SFAS No. 128.

	Three Months Ended		Six Months Ended	
	Oct. 24,	Oct. 25,	Oct. 24,	Oct. 25,
(Amounts in thousands)	1998	1997*	1998	1997*
Weighted average common shares outstanding (basic) .	53,121	53,665	53,250	53,759
Effect of options	308	170	296	152
Weighted average common shares outstanding (diluted)	53,429	53,835	53,546	53,911

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

LA-Z-BOY INCORPORATED MANAGEMENT DISCUSSION AND ANALYSIS

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

For further Management Discussion, see attached Exhibit 99.(a)

Financial Position
The Company's strong financial position is reflected in the debt to capital percentage of 15% and a current ratio of 3.1 to 1 at the end of the second quarter. At April 25, 1998, the debt to capital percentage was 16% and the current ratio was 3.5 to 1. At the end of the preceding year's second quarter, the debt to capital percentage was 14% and the current ratio was 3.2 to 1. As of October 24, 1998, there was $116 million of unused lines of credit available under several credit arrangements.

Stock Repurchase Program
Approximately 18% of the 12 million shares of Company stock authorized for purchase on the open market are still available for purchase by the Company. The Company plans to be in the market for its shares as changes in its stock price and other factors present appropriate opportunities.

Year 2000
The Year 2000 issue arises from the use of two-digit date fields used in computer programs which may cause problems as the year changes from 1999 to 2000. These problems could cause disruptions of operations or processing of transactions.

To address the Year 2000 challenge, the Company established a Year 2000 Program Office guided by a steering committee consisting of senior executive management. This office serves as the central coordination point for all Year 2000 compliance efforts of the Company. The Company has included IT (Information Technologies) systems and non-IT systems as well as third party readiness in the scope of its Year 2000 project. The Company is on schedule with regards to its internal plan.

The Company is in the process of having an independent verification and assessment completed to assure that the Company has adequately identified possible areas of risk. This is expected to be complete in February, 1999. Management believes that the Company is taking the steps necessary to minimize the impact of the Year 2000 challenge.

The challenges the Company faces with regards to its IT systems include upgrading of operating systems, hardware and software, and modifying order entry and invoicing programs. For the IT challenges, the Company has completed the inventory and assessment phases. The Company is presently in the remediation (defined as repairing, replacing, or retiring) phase of the project with expected completion by February, 1999. The Company expects to have its critical IT systems compliant and compatible, with the appropriate testing completed, by September, 1999.

The primary challenges the Company faces with regards to its non-IT systems include plant floor machinery and facility related items. For these systems, the inventory and assessment phases have been completed. The Company believes these systems to be compliant and compatible. The Company is presently in the testing phase of its non-IT project with expected completion by September, 1999.

With respect to third party readiness, the Company continues to work with customers, suppliers, and service providers in order to prevent disruption of business activities. Based on communications with these third parties, the Company believes that all material third parties will be sufficiently prepared for the Year 2000. For critical third parties, testing will be performed as deemed necessary.

While the Company believes that it is preparing adequately for all Year 2000 concerns, there is no guarantee against internal or external systems failures. Such failures could have a material adverse effect on the Company's results of operations, liquidity and financial condition. The Company believes that its most likely worst case scenario would be business interruptions caused by third party failures. The Company expects to have contingency plans in place prior to the Year 2000 for IT and non-IT systems, as well as for areas of concern with relation to third parties.

At the present time, the total Year 2000 related costs are estimated to be $12 to $16 million. To date, the Company has spent approximately $5 million. Included in the total estimated expenditures are both remediation and, in some cases, enhancement or improvement related costs that cannot easily be separated from remediation costs. Some of these enhancements or improvements were previously planned and were merely accelerated as a means to address Year 2000 challenges.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K (a) (27) Financial Data Schedule (EDGAR only).

(99) News Releases and Financial Information Release: re Actual second quarter results and Management Discussion dated November 4, 1998.

(b) An 8-K was filed on July 27, 1998 to disclose a three-for-one stock split to be effected as a 200% stock dividend effective September 14, 1998.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused the Quarterly Report on Form 10-Q for the quarter ended October 24, 1998 to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY INCORPORATED
(Registrant)

Date November 4, 1998 /s/Gene M. Hardy

Gene M. Hardy
Secretary and Treasurer
(Principal Accounting Officer)

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OCT-24-1998
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News Release
LA-Z-BOY REPORTS RECORD SECOND QUARTER

NYSE & PCX: LZB Contact: Gene Hardy (734) 241-4306

MONROE, MI., November 4, 1998: La-Z-Boy Incorporated, one of the world's largest producers of furniture, continued reaching record levels of quarterly sales and profit.

Financial Details

For the second quarter ended 10/24/98 of La-Z-Boy's 1999 fiscal year, sales reached $334.8 million, up 14% from last year's second quarter of $293.2 million. Net income was up 10% to $18.4 million vs. $16.8 million. Diluted EPS (Earnings Per Share) increased at a faster rate than net income due to stock repurchases and was up 13% to $0.35 vs. $0.31.

For the six months ended 10/24/98 of La-Z-Boy's 1999 fiscal year, sales reached $603.7 million, up 19% from last year's first half of $505.5 million. Net income was up 38% to $25.6 million vs. $18.5 million. Diluted EPS was up 41% to $0.48 vs. $0.34.

President Comments

La-Z-Boy President and Chief Operating Officer, Gerald L. Kiser said "We expect our sales momentum to carry over into the third quarter. We look for an overall growth rate of 7%, and perhaps as much as 10% if consumer demand for furniture remains good. La-Z-Boy's rate of sales growth continues to outpace the furniture industry as a whole.

"Our Chairman, Patrick Norton, was honored at an all-industry dinner as the 1998 City of Hope Spirit of Life Honoree. As co-honoree with Bill Child of R. C. Willey, Pat helped raise over $1.2 million for cancer research during this year's campaign. The Company extends its congratulations to Pat and Bill." (The City of Hope is a cancer research hospital in Los Angeles, California.)

Marketing

The recently held High Point Furniture Market was very successful for all residential product divisions. The England/Corsair, Sam Moore and Hammary divisions reported strong, positive dealer reaction to their product introductions and the joint introduction of the Thomas Kinkade Home Furnishings Collection by the La-Z-Boy Residential and Kincaid Divisions was a success by all measures. The collection was the largest single collection launch in Kincaid's history and garnered a great deal of press coverage at market.

Demonstrating the Company's design prowess, three separate divisions were awarded the American Society of Furniture Designers' 1998 Pinnacle Design Achievement Awards. Kincaid's LeBistro collection won for casual dining; La-Z-Boy Residential captured the motion upholstery award for its 407 Metro design and Hammary took home the prize in Occasional furniture for its Cadence group.

Company Overview

La-Z-Boy manufactures quality upholstered and casegoods home furniture as well as office furniture. In addition to the La-Z-Boy brand name, which is the most recognized home furniture brand name in North America, four other major brands are part of La-Z-Boy Incorporated: Kincaid, England/Corsair, Hammary and Sam Moore.

More Information

La-Z-Boy Incorporated's second quarter 10-Q filing including an income statement, balance sheet, cash flow statement and additional management discussion is available now at the Company's internet site (www.lazboy.com). This press release is just one part of La-Z-Boy Incorporated's disclosures and should be read in conjunction with all other 10-Q information. About 48 hours after this release, this second quarter 10-Q information should be available on the SEC's internet site (www.sec.gov.)

La-Z-Boy Incorporated Financial Information Release
CONSOLIDATED STATEMENT OF INCOME
(Amounts in thousands, except per share data)

SECOND QUARTER ENDED (UNAUDITED)

	October 24, 1998	October 25, 1997	% Over (Under)	Percent of Sales 1998	Percent of Sales 1997
Sales	$334,831	$293,208	14%	100.0%	100.0%
Cost of sales	245,062	215,370	14%	73.2%	73.5%
Gross profit ...	89,769	77,838	15%	26.8%	26.5%
S, G & A	59,510	50,400	18%	17.8%	17.1%
Operating profit	30,259	27,438	10%	9.0%	9.4%
Interest expense	1,164	1,027	13%	0.3%	0.4%
Interest income	471	512	-8%	0.1%	0.2%
Other income	865	527	64%	0.3%	0.2%
Pretax income ..	30,431	27,450	11%	9.1%	9.4%
Income tax expense ..	11,984	10,628	13%	39.4%*	38.7%*
Net income	$ 18,447	$ 16,822	10%	5.5%	5.7%
Diluted EPS **	$0.35	$0.31	13%		
Basic EPS **	$0.35	$0.31	13%		
Dividends per share **	$0.08	$0.07	14%		

SIX MONTHS ENDED (UNAUDITED)

	October 24, 1998	October 25, 1997	% Over (Under)	Percent of Sales 1998	Percent of Sales 1997
Sales	$603,711	$505,534	19%	100.0%	100.0%
Cost of sales	450,493	379,554	19%	74.6%	75.1%
Gross profit ...	153,218	125,980	22%	25.4%	24.9%
S, G & A	110,798	95,757	16%	18.4%	18.9%
Operating profit	42,420	30,223	40%	7.0%	6.0%
Interest expense	2,351	2,051	15%	0.4%	0.4%
Interest income	1,048	994	5%	0.2%	0.2%
Other income	1,220	1,277	-4%	0.2%	0.2%
Pretax income ..	42,337	30,443	39%	7.0%	6.0%
Income tax expense ..	16,706	11,895	40%	39.5%*	39.1%*
Net income	$ 25,631	$ 18,548	38%	4.2%	3.7%
Diluted EPS **	$0.48	$0.34	41%		
Basic EPS **	$0.48	$0.35	37%		
Dividends per share **	$0.15	$0.14	7%		

* As a percent of pretax income, not sales
** Restated to reflect three-for-one stock split, in the form of a 200% stock dividend effective September 1998.

La-Z-Boy Incorporated Financial Information Release
CONSOLIDATED BALANCE SHEET
(Amounts in thousands, except par value)

	Unaudited		Increase (Decrease)		Audited
	October 24, 1998	October 25, 1997	Dollars	Percent	Apr. 25, 1998
Current assets					
Cash & equivalents	$ 22,721	$ 23,681	($ 960)	-4%	$ 28,700
Receivables	256,328	216,989	39,339	18%	238,260
					0
Inventories					
Raw materials	47,847	40,672	7,175	18%	43,883
Work-in-process	39,118	36,652	2,466	7%	40,640
Finished goods	35,627	33,110	2,517	8%	30,193
FIFO inventories	122,592	110,434	12,158	11%	114,716
Excess of FIFO over LIFO	(22,712)	(21,513)	(1,199)	-6%	(22,812)
Total inventories	99,880	88,921	10,959	12%	91,904
Deferred income taxes	19,396	22,395	(2,999)	-13%	16,679
Income taxes	--	--	N/M	N/M	936
Other current assets	5,889	427	5,462	N/M	6,549
Total current assets	404,214	352,413	51,801	15%	383,028
Property, plant & equipment	119,660	119,247	413	0%	121,762
Goodwill	48,017	41,755	6,262	15%	49,413
Other long-term assets	29,847	31,169	(1,322)	-4%	26,148
Total assets	$ 601,738	$ 544,584	$ 57,154	10%	$ 580,351
Current liabilities					
Current portion - l/t debt	$ 4,726	$ 5,118	($ 392)	-8%	$ 4,822
Current portion - capital leases	1,099	1,778	(679)	-38%	1,383
Accounts payable	50,693	37,579	13,114	35%	36,703
Payroll/other comp	39,063	32,362	6,701	21%	39,617
Income taxes	6,885	11,132	(4,247)	-38%	--
Other current liabilities	26,491	23,659	2,832	12%	25,764
Total current liabilities	128,957	111,628	17,329	16%	108,289
Long-term debt	63,319	52,522	10,797	21%	66,434
Capital leases	300	1,401	(1,101)	-79%	819
Deferred income taxes	5,454	5,814	(360)	-6%	5,478
Other long-term liabilities	11,912	10,343	1,569	15%	11,122
Commitments & contingencies	--	--	N/M	N/M	--
Shareholders' equity					
Common shares, $1 par *	52,909	53,485	(576)	-1%	53,551
Capital in excess of par	30,328	28,378	1,950	7%	29,262

Retained earnings *	310,417	281,969	28,448	10%	306,445
Currency translation	(1,858)	(956)	(902)	-94%	(1,049)
Total shareholders' equity	391,796	362,876	28,920	8%	388,209
Total liabilities and shareholders' equity	$ 601,738	$ 544,584	$ 57,154	10%	$ 580,351

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

La-Z-Boy Incorporated Financial Information Release

COMMENTS AND ANALYSIS

Overall:

Refer to today's press release for additional information.

Gross profit margins:

Gross profit margins increased to 26.8% of sales from 26.5% in last year's second quarter on a 14% increase in sales dollars and a 10% increase in sales units. The absence of hardwood and plywood supply chain disruptions and casegood operation relocation costs favorably impacted this year's gross profit margin. The absence of these items along with volume related reductions in costs more than offset unfavorable Canadian currency exchange effects.

Gross profit margin was unfavorably affected by currency exchange impacts associated with inventory purchased by La-Z-Boy's Canadian upholstery plant from various La-Z-Boy plants in the U.S. La-Z-Boy Canada purchases stationary and other finished goods from La-Z-Boy U.S. plants to supplement its motion upholstery production enabling a full complement of La-Z-Boy products to be sold in Canada. In addition, many component parts (e.g. fabric, wood parts, and metal parts) for the motion upholstery products are purchased from the U.S. Management has been evaluating options for minimizing costs and risks associated with changes in currency exchange rates.

Inventories:

Raw materials inventories were up 18% over the same period last year primarily as a result of air dried lumber stocks being increased to reduce the dependence on kiln dried lumber purchases and leather hides inventories being increased to support new leather upholstery programs.

S,G & A:

Second quarter S, G & A increased to 17.8% of sales vs. 17.1% last year. The largest cause was due to an increase in Information Technology (I.T.) expenses relating to Year 2000 projects. As expected, performance bonus related expenses increased due to higher sales and profits. La-Z-Boy held many other S, G & A expenses at a growth rate consistent or lower than the sales growth rate, thus somewhat offsetting the higher I.T. related and performance bonus increases. Higher I.T. related and bonus expenses are expected to continue throughout the year.