

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K
ANNUAL REPORT

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 33-31502

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

LA-Z-BOY CHAIR COMPANY MATCHED
RETIREMENT SAVINGS PLAN

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

LA-Z-BOY INCORPORATED
1284 North Telegraph Road
Monroe, Michigan 48162
Telephone (734) 242-1444

This report contains 17 pages

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

LA-Z-BOY CHAIR COMPANY MATCHED
RETIREMENT SAVINGS PLAN

By La-Z-Boy Incorporated
Plan Administrator

Date: June 29, 1999

By /s/ Gene M. Hardy

Gene M. Hardy
Secretary and Treasurer

La-Z-Boy Chair Company
Matched Retirement Savings Plan
Financial Statements and
Supplemental Information
December 31, 1998 and 1997

La-Z-Boy Chair Company
Matched Retirement Savings Plan

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* Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

Report of Independent Accountants

To the Participants and Administrator of
La-Z-Boy Chair Company
Matched Retirement Savings Plan

In our opinion, the accompanying statement of net assets available for benefits, with fund information and the related statement of changes in net assets available for benefits, with fund information present fairly, in all material respects, the net assets available for benefits of La-Z-Boy Chair Company Matched Retirements Savings Plan ("the Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan'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 generally accepted auditing standards 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of Assets Held for Investment Purposes, Loans or Fixed Income Obligations and Reportable Transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statement of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for benefits and changes in net assets available for benefits of each fund. These supplemental schedules and fund information are the responsibility of the Plan's management. These supplemental schedules and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

June 25, 1999

La-Z-Boy Chair Company
Matched Retirement Savings Plan

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Statement of Net Assets Available for Benefits, with Fund Information

		December 31, 1998							
		Bond Fund	Balanced Fund	Equity Fund	Growth Fund	Loan Fund	Fixed Income Fund	Company Stock Fund	Total
Assets									
Employee Benefit									
Money Market Fund								\$235,818	\$235,818
Investments, at fair value									
Prism Reserve Fund		\$9,376,646							9,376,646
Victory Balanced Fund			9,447,520						9,447,520
Victory Stock Index Fund				12,347,365					12,347,365
Victory Special Growth Fund					4,627,700				4,627,700
Prism Victory Financial Reserve Fund							679,460		679,460
Company's Common Stock								33,509,994	33,509,994
Total Investments		9,376,646	9,447,520	12,347,365	4,627,700		679,460	33,509,994	69,988,685

Receivables								
Interest/dividends receivable						1,080		1,080
Participant loans receivable					6,535,884			6,535,884
Total receivables					6,535,884	1,080		6,536,964
Net assets available for benefits	\$9,376,646	\$9,447,520	\$12,347,365	\$4,627,700	\$6,535,884	\$679,460	\$33,746,892	\$76,761,467

The accompanying notes are an integral part of these financial statements.

La-Z-Boy Chair Company
Matched Retirement Savings Plan

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Statement of Net Assets Available for Benefits, with Fund Information

December 31, 1997								
	Bond Fund	Balanced Fund	Equity Fund	Growth Fund	Loan Fund	Fixed Income Fund	Company Stock Fund	Total
Assets								
Cash and cash equivalents								
Cash		\$ 201	\$ 710	\$ 509	\$ 14,893	\$ 469		\$ 16,782
Employee Benefit Money Market Fund							\$ 65,702	65,702
Total cash and cash equivalents		201	710	509	14,893	469	65,702	82,484
Investments, at fair value								
Prism Reserve Fund	\$8,345,648							8,345,648
Victory Balanced Fund		7,712,455						7,712,455
Victory Stock Index Fund			9,486,641					9,486,641
Victory Special Growth Fund				5,216,558				5,216,558
Prism Victory Financial Reserve Fund						379,839		379,839
Company's Common Stock							25,317,308	25,317,308
Total investments	8,345,648	7,712,455	9,486,641	5,216,558		379,839	25,317,308	56,458,449
Receivables								
Interest/dividends receivable							558	558
Participant loans receivable					4,656,998			4,656,998
Other receivables	1,178	2,094	1,918	1,683		139		7,012
Total receivables	1,178	2,094	1,918	1,683	4,656,998	139	558	4,664,568
Net assets available for benefits	\$8,346,826	\$7,714,750	\$9,489,269	\$5,218,750	\$4,671,891	\$380,447	\$25,383,568	\$61,205,501

The accompanying notes are an integral part of these financial statements.

La-Z-Boy Chair Company
Matched Retirement Savings Plan

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Statement of Changes in Net Assets Available for Benefits, with Fund Information

For the Year Ended December 31, 1998								
	Bond Fund	Balanced Fund	Equity Fund	Growth Fund	Loan Fund	Fixed Income Fund	Company Stock Fund	Total
Additions								
Investment Income:								
Net appreciation in fair value of investments	\$490,117	\$658,055	\$1,403,154			\$24,049	\$5,973,340	\$8,548,715
Interest and dividends	70	749,168	1,260,030	\$5	\$457,839	975	549,173	3,017,260
	490,187	1,407,223	2,663,184	5	457,839	25,024	6,522,513	11,565,975

Contributions									
Employer	1,372,456	1,132,704	1,474,408	914,600		251,178	4,096,822	9,242,168	
Rollovers	12,277	98,081	15,961	11,867		5,681	22,404	166,271	
Total contributions	1,384,733	1,230,785	1,490,369	926,467		256,859	4,119,226	9,408,439	
Total additions	1,874,920	2,638,008	4,153,553	926,472	457,839	281,883	10,641,739	20,974,414	
Deductions									
Net depreciation in fair value of investments				527,384				527,384	
Benefit payments	511,194	535,307	717,448	362,147	344,377	50,318	2,298,827	4,819,618	
Administrative fees							71,446	71,446	
Total deductions	511,194	535,307	717,448	889,531	344,377	50,318	2,370,273	5,418,448	
Net increase prior to interfund transfers	1,363,726	2,102,701	3,436,105	36,941	113,462	231,565	8,271,466	15,555,966	
Interfund transfers	(333,906)	(369,931)	(578,009)	(627,991)	1,750,531	67,448	91,858		
Net Increase (Decrease)	1,029,820	1,732,770	2,858,096	(591,050)	1,863,993	299,013	8,363,324	15,555,966	
Net assets available for benefits									
Beginning of year	8,346,826	7,714,750	9,489,269	5,218,750	4,671,891	380,447	25,383,568	61,205,501	
End of year	\$9,376,646	\$9,447,520	\$12,347,365	\$4,627,700	\$6,535,884	\$679,460	\$33,746,892	\$76,761,467	

The accompanying notes are an integral part of these financial statements.

1. Description of the Plan

The following description of the La-Z-Boy Chair Company Matched Retirement Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

La-Z-Boy Incorporated (the Company) sponsors the Plan, which is a defined contribution plan covering eligible employees. The Plan is administered by a Central Board of Administration (the Board) appointed by the Board of Directors of the Company. The Company has appointed Key Trust Company of Ohio, N.A. (Trustee), as the Plan's trustee. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Participation

Employees who have completed 1,000 hours of service in a six month period and have attained age twenty-one are eligible to become participants as of January 1 or July 1 following their qualification, with the exception of employees of the Company's ineligible subsidiaries.

Vesting

Participants are always fully vested in their own deferral accounts and become fully vested in the Company's matching contribution accounts after five years of service.

Contributions

Contributions to the Plan consist of the following:

- a. compensation deferral contributions authorized by the participant in an amount up to fifteen percent of eligible compensation for participants who do not participate in the La-Z-Boy Chair Company Profit Sharing Plan ("Profit Sharing Plan") or up to seven percent for those participants who do not participate in the Profit Sharing Plan;
- b. an employer matching contribution equal to fifty percent of each participant's compensation deferral contribution, to a maximum of two percent of the participant's eligible compensation during the plan year;
- c. eligible Plan participants who do not participate in the Profit Sharing Plan are entitled to an additional contribution equal to twenty-five percent of the participants eligible compensation in excess of two percent, but not to exceed three percent or four percent (depending on eligibility);

1. Description of the Plan (continued)

Contributions (continued)

d. during 1998, the Plan was amended to allow employees who do not participate in the Profit Sharing Plan, whose sum of age and years of service is greater than seventy-five, to receive an additional amount of employer match from the Company;

e. any forfeiture restoration amount; and

f. amounts that participants have the ability, under certain circumstances, to contribute that have been received as distributions from pension benefit plans or "rollovers" from selected individual retirement arrangements.

However, total individual participant compensation deferral contributions

shall not exceed the lesser of:

- a. fifteen percent of the eligible compensation of the participant during the plan year; or
- b. the aggregate individual participant limitations set forth under Section 415 of the Internal Revenue Service Code (IRS Code).

Included in employer contributions for 1998 and 1997 are participant compensation deferrals of \$7,260,148 and \$6,440,189, respectively. The company's matching contributions for 1998 and 1997 included \$1,982,020 and \$1,626,762 in non cash contributions of the Company's common stock, respectively.

The forfeited, nonvested portion of a terminated participant's account may be used to reduce the Company's matching contribution. During 1998 and 1997, \$86,185 and \$123,479, respectively, of employer matching contributions were forfeited by terminated employees before those amounts became vested.

1. Description of the Plan (continued)

Plan Benefits

Participants having five years of service under the Plan are entitled to the full value of their accounts beginning at normal retirement age (sixty-five). Participants with at least ten years of participation are eligible for early retirement at age fifty-five. The value of a retiree's accounts will normally be paid within sixty days after the end of the month in which he or she retires.

If a participant's total vested account balance is below \$3,500, the benefit payment will be made in the form of a lump sum cash payment. If the total vested account balance exceeds \$3,500, the participant may elect to receive the portion of their account which is invested in the Company Stock Fund in cash or in La-Z-Boy Incorporated common stock. The remainder of the account balance is paid in the form of a lump sum cash payment.

Death Benefits

Upon the death of a participant, the value of his or her account becomes fully vested. As soon as administratively feasible after the end of the plan year following the death, the value of the participant's account will be paid to any beneficiary designated by the participant or as stipulated in the Plan.

Disability Benefits

Participants who become totally and permanently disabled are eligible for disability retirement benefits. The participant shall have the value of his or her account fully vested and payable in the same manner as normal retirement benefits.

Hardship or Financial Need

Upon application by the participant, the Board may direct distribution of such participant's funds to alleviate extreme hardship. In no event shall the amount exceed eighty percent of the participant's total compensation deferral contribution balance. The distribution shall be subject to personal income and excise taxes.

A participant may also apply to borrow an amount not less than \$1,000 or greater than the lesser of \$50,000 or fifty percent of the participant's vested account balance in the Plan. Interest rates on any loans granted are determined by the Board.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accounts of the Plan are maintained on the accrual basis of accounting in accordance with generally accepted accounting principles.

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Expenses of the Plan

Investment advisory and management fees are paid by the Plan. All other Plan expenses and professional fees are paid by the Company.

Investments

Investments in securities traded on a national securities exchange are valued based on published quotations on the last business day of the plan year. Securities not so traded are valued at the latest available and appropriate bid price on that date. Fund investments are valued based on the market value of the underlying investments as of the last business day of the year. Participant loans receivable are valued at cost which approximates fair value.

Net Appreciation and Depreciation of Investments

Realized gains and losses are calculated by taking the proceeds from the sale of assets less the fair value of the assets at the beginning of the plan year, or at the time of purchase if acquired during the current plan year. Unrealized appreciation and depreciation of investments is calculated by taking the fair value of the assets at the end of the plan year less the fair value of the assets at the beginning of the plan year, or at the time of purchase if acquired during the current plan year.

Reclassification

Certain amounts in the prior year have been reclassified to conform with the current year's presentation.

Allocation of Assets

A participant's salary deferral contributions are allocated to the individual's account each pay period. The Company's matching contributions are allocated to each participant's account monthly. Changes in the fair market value of assets, investment income and gains and losses on the disposition of assets are allocated to participants' accounts on a daily basis in proportion to their account balance.

3. Investment Options

The Plan provides participants with six investment options as follows:

Bond Fund - funds are invested in shares of a registered investment company that invests in U.S. Treasury bonds and securities of various U.S. government agencies.

Balanced Fund - funds are invested in shares of a registered investment company that invests in corporate stocks and bonds and various U.S. government agencies.

Equity Fund - funds are invested in shares of a registered investment company that invests mainly in common stocks that are expected to reflect Standard and Poor's 500 Composite Index performance.

Growth Fund - funds are invested in shares of a registered investment company that invests mainly in common stocks that are believed by the fund manager to have future returns greater than the Standard and Poor's 500 Composite Index.

Fixed Income Fund - funds are invested in shares of a registered investment company that invests in money market accounts, short-term certificates of deposit, U.S. government bonds and corporate notes.

Company Stock Fund - funds are invested in the Company's common stock.

Allocations to the funds are made in five percent increments. Participants may change the allocation of contributions among the investment options and transfer amounts between investment options every ninety days. The Company's matching contribution is invested in the Company's common stock.

4. Party-in-interest

Investments in the Company Stock Fund consist of 1,881,210 and 587,068 shares of La-Z-Boy Incorporated common stock at December 31, 1998 and 1997, respectively. Shares for this fund are purchased on the open market or from the Company's treasury shares at fair market value. At December 31, 1998 and 1997, the Plan held certain assets in mutual funds managed by the trustee. Any purchases and sales of these funds are open market transactions at fair value. Consequently, such transactions are permitted under the provisions of the Plan and are exempt from prohibition of party-in-interest transactions under the IRS Code and ERISA.

5. Tax Status of the Plan

The Internal Revenue Service has determined and informed the Company by a letter dated July 6, 1995, that the Plan and related trust are designed in accordance with applicable sections of the IRS Code. The Plan has been amended since receiving the determination letter. However, the Plan's administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with applicable requirements of the IRS Code.

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, all amounts previously allocated to the participants shall be fully vested subject only to any charge or lien which may then or thereafter exist and be due the Trustee.

La-Z-Boy Chair Company Schedule I
Matched Retirement Savings Plan

Line 27a - Schedule of Assets Held for Investment Purposes
December 31, 1998

Identity of Issuer or Borrower	Description of Investment	Cost	Current Value
La-Z-Boy Incorporated	La-Z-Boy Incorporated Common Stock	\$19,287,842	\$33,509,994
Key Trust Company of Ohio, N.A.	Employee Benefit Money Market Fund	235,818	235,818
Key Trust Company of			

Ohio, N.A.	Prism Reserve Fund	7,974,705	9,376,646
Key Trust Company of Ohio, N.A.	Victory Balanced Fund	7,675,846	9,447,520
Key Trust Company of Ohio, N.A.	Victory Stock Index Fund	8,627,642	12,347,365
Key Trust Company of Ohio, N.A.	Victory Special Growth Fund	4,688,383	4,627,700
Key Trust Company of Ohio, N.A.	Prism Victory Financial Reserve Fund	644,487	679,460
Participant Loans	Interest rates ranging from 8.75% through 9.50%; Maturity dates ranging from 1999 through 2013	--	6,535,884
		<u>\$49,134,723</u>	<u>\$76,760,387</u>
		=====	=====

* Key Trust Company of Ohio, N.A., La-Z-Boy Incorporated and participants are known parties-in-interest of the Plan.

This schedule was prepared from data certified by the trustee of the Plan.

La-Z-Boy Chair Company
Matched Retirement Savings Plan

Schedule II

Line 27b - Schedule of Loans or Fixed Income Obligations
December 31, 1998

Identity and address of obligator	Original amount of loan	Amount of principal and interest received during reporting year	Unpaid balance at end of year	Description of loan	Amount of principal and interest overdue
* K. Davis 3607 Gail Drive Apt. B Florence, SC 29501	\$ 1,900	\$ 11	\$ 1,449	08/01/97	\$ 99
* Melissa Curtis P.O. Box 248 Hudson, NC 28638	4,800	71	4,368	06/04/98	283
* Bobby Bullard 629 Wahee Rd Marion, SC 29571	5,000	106	5,000	04/03/98	1,692
* Monty Hutson 11010 Iris Rd Neosho, MO 64850	5,800	17	5,800	09/03/98	173
* Suzanne Depalma 25821 Telegraph Rd #65 Flat Rock, MI 48134	1,500	17	973	11/13/96	207
* Wayne Collins, Jr 441 Montague St Dayton, TN 37321	2,683	15	1,528	12/03/96	46
* Jeffrey Pelfrey 241 Rattan Lane Dayton, TN 37321	2,500	12	1,460	06/24/96	6
* David Daniels 368 Walkerton Rd Dayton, TN 37321	3,000	44	1,013	10/10/96	88
* James Mincy 143 Price Circle Spring City, TN 37381	3,000	22	921	08/13/96	119
* Deborah Johnson 450 Dyer Hollow RD Dayton, TN 37321	9,800	48	4,694	09/27/96	620
* Darrell Iles P.O. Box 223 Graysville, TN 37338	1,220	6	996	08/14/97	18
* Sherry Wilkey 2250 Cooper Rd Sale Creek, TN 37373	9,214	49	7,658	03/02/98	1,232
* Lorin Curtis P.O. Box 42 Goodman, MO 64843	2,300	11	527	10/01/94	97
* Gary Nelson P.O. Box 154 Goodman, MO 64843	3,000	22	411	02/22/96	154
* Marlyce Hansen 49 North 400 East Garland, UT 84337	16,500	160	16,500	08/21/98	798
* Heidi Stevenson	1,056	5	890	11/03/97	15

465 W 600 S
Tremonton, UT 84337

* David Alferez 1317 Agate Mentone, Ca 92359	1,800	8	501	06/11/94	309
* Howard Smith 3930 Oak Hill Road Dayton, TN 37321	3,436	25	1557	12/30/96	237

* Participants are known parties-in-interest of the Plan.

La-Z-Boy Chair Company
Matched Retirement Savings Plan

Schedule III

Line 27d - Schedule of Reportable Transactions* For the Year Ended December 31,
1998

Identity of party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Key Trust Company of Ohio, N.A.	Victory Stock Index Fund	\$3,050,762		\$3,050,762	\$3,050,762	
Key Trust Company of Ohio, N.A.	Victory Stock Index Fund		\$1,593,192	1,079,199	1,593,192	\$513,993
Key Trust Company of Ohio, N.A.	Employee Benefits Money Market Fund	4,463,973		4,463,973	4,463,973	
Key Trust Company of Ohio, N.A.	Employee Benefits Money Market Fund		4,293,857	4,293,857	4,293,857	
Key Trust Company of Ohio, N.A.	Victory Balanced Fund	2,088,307		2,088,307	2,088,307	
Key Trust Company of Ohio, N.A.	Victory Balanced Fund		1,011,297	803,523	1,011,297	207,774
Key Trust Company of Ohio, N.A.	La-Z-Boy Incorporated Common Stock	1,849,833		1,849,833	1,849,833	
Key Trust Company of Ohio, N.A.	La-Z-Boy Incorporated Common Stock		1,483,960	797,252	1,483,960	686,708

* Transactions or series of transactions in excess of 5% of the current value of the Plan's assets at December 31, 1997, as defined by section 2520.103-6 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.

This schedule was prepared from data certified by Key Trust Company of Ohio, N.A., the trustee of the Plan.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-03097) of La-Z-Boy Incorporated of our report dated June 25, 1999 relating to the financial statements of the La-Z-Boy Chair Company Matched Retirement Savings Plan, which appears in this form 11-K.

PricewaterhouseCoopers LLP

Toledo, Ohio
June 28, 1999