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 30, 1994 - Commission File No. 0-5091

LA-Z-BOY CHAIR COMPANY
(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 N. Telegraph Road, Monroe, Michigan	48161
(Address of principal executive offices)	(Zip Code)

Registrant's Telephone Number - Area Code (313) 242-1444
Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act:

COMMON SHARES, $1.00 Par Value
(Title of Class)

Indicate by check mark if 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 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

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

State the aggregate market value of the voting stock held by nonaffiliates of the registrant as of June 17, 1994.

Common Shares, $1.00 Par Value - $533,081,370

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

Class	Outstanding at June 17, 1994
Common Shares, $1.00 Par Value	18,303,223

Documents Incorporated By Reference:

Portions of the Annual Report to Shareholders for the year ended April 30, 1994 are incorporated by reference into Parts I, II, and IV.

Portions of the Annual Proxy Statement filed with the Securities and Exchange Commission on June 24, 1994 are incorporated by reference into Parts I and III.

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FORM 10-K ANNUAL REPORT - 1994
LA-Z-BOY CHAIR COMPANY

PART I

Item 1. Business

The information required in Part I, Item 1, sections (a), (b) is contained in the Registrant's Annual Report, as shown in Exhibit I pages 1 thru 7, and is incorporated herein by reference.

(c)(1)(i) Principal Products

The Registrant operates in the furniture industry and as such does not have differing segments. "Residential" dealers are those who resell to individuals for their home use. "Contract" seating and casegood products are sold to commercial dealers. Additional information regarding products and market share data is contained in the Registrant's Annual Report, as shown in Exhibit I page 22, and is incorporated herein by reference.

(c)(1)(ii) Status of New Products or Segments

There were not any major new products or segments during the 1994 fiscal year.

(c)(1)(iii) Raw Materials

The principal raw materials used by the Registrant in the manufacture of its products are hardwoods for solid wood dining room and bedroom furniture, casegoods, occasional tables and for the frame components of seating units; plywood and chipwood for internal parts; veneers for dining room furniture, wall units, and occasional tables; water-based and liquid finishes (stains, sealants, lacquers) for external wood; steel for the mechanisms; leather, cotton, wool, synthetic and vinyl fabrics for covers; and polyester batting and non-chlorofluorocarbonated polyurethane foam for cushioning. Steel and wood products are generally purchased from a number of sources, usually in the vicinity of the particular plant, and product-covering fabrics and polyurethane are purchased from a substantial number of sources on a centralized basis. The Registrant fabricates the majority of the parts in its products, largely because quality parts made to its exact specifications are not obtainable at reasonable cost from outside sources.

Raw materials costs historically have been about 35 percent of net sales in the upholstery operations and a somewhat higher percentage in the casegoods operations. Purchased fabric (which includes leather) is the largest single raw material cost representing about 40 percent of total upholstery product material costs. Polyurethane (poly) foam for cushions and padding and lumber are the next two largest types of upholstery raw material costs. Both fabric and poly are highly sensitive to changes in the price of oil. Price increases for raw materials excluding lumber have kept pace with the inflation rate in recent years and are expected to continue to do so. Lumber prices have increased during the past year by about 10 to 20 percent, depending on the species of lumber.

Lumber, like most commodities, historically has had sharp changes in prices over the short term and long term. The Registrant is usually not as affected by these changes as much as other furniture manufacturers due to the large percentage of upholstered goods manufactured that do not require as much lumber as casegoods. Also, wood substitutes, (e.g. steel, plastic) can be used to some degree in upholstered products.

(c)(1)(iv) Patents, Licenses and Franchises or Concessions

The Registrant has a number of patents on its reclining chair and rocking chair mechanisms which it believes were important to the early success of the Registrant and to its present competitive position. It believes, however, that since it is so firmly established in the industry, the loss of any single or small group of patents would not now materially or adversely affect the Registrant's business. The Registrant has no material licenses, franchises or concessions.

(c)(1)(v) Seasonal Business

The Registrant generally experiences its lowest level of sales during the first quarter. When possible, the scheduling of production is designed to maintain generally uniform manufacturing activity throughout the year, except for mid summer plant shutdowns to coincide with slower sales.

(c)(1)(vi) Practices Regarding Working Capital Items

The Registrant does not carry significant amounts of upholstered finished goods inventory to meet rapid delivery requirements of customers or to assure itself of a continuous allotment of goods from suppliers. Normal customer terms provide for one payment due within 45 days with a 1 percent discount within 30 days (one installment, 1 percent discount 30 net 45).

Most casegoods finished goods inventories are built to provide for quicker delivery requirements of customers without installment credit terms therefore, resulting in higher levels of finished product on hand at any period in time than the upholstered products. Kincaid and Hammary divisions primarily sell casegood products. Casegoods are also sold through the Contract Division.

(c)(1)(vii) Customers

The Registrant distributes to over 12,000 locations. The Registrant does not have any customer whose sales amount to 10 percent or more of the Registrant's consolidated sales. The Registrant's approximate dealer mix consists of 39 percent proprietary, 15 percent to major dealers (Montgomery Ward and other department stores) and 46 percent to general dealers.

Proprietary stores consist of stores dedicated to the sale of La-Z-Boy products and in-store dedicated galleries. The dedicated stores include La-Z-Boy Furniture Galleries stores and Showcase Shoppes. In-store dedicated galleries have been established for each of the Company's divisions.

(c)(1)(viii) Orders and Backlog

It has been determined that the majority of the Registrant's Residential Division orders were for dealer stock, with approximately 35 percent of orders being requested directly by customers. Furthermore, about 20 percent of units produced at all divisions were built for the Registrant's inventory. The remainder were "built-to-order" for dealers.

As of July 2, 1994, backlogs were approximately $73 million compared to approximately $77 million on June 26, 1993. This represents less than six weeks of sales. On average, orders are shipped in approximately five weeks. Any measure of backlog at a point in time may not be indicative of future sales performance. The Registrant does not rely on backlogs to predict future sales since the sales cycle is only five weeks and backlog can change a lot from week to week.

The decrease in backlogs from 1993 to 1994 can be attributed largely to the unusually high backlog of orders at the end of 1993. At that time the furniture industry was emerging from a four year recession and the Registrant had just introduced many new products, such as the American Home Collection.

The cancellation policy for La-Z-Boy Chair Company, in general, is that an order cannot be cancelled after it has been put into production. Orders from prebuilt stock though, may be cancelled up to the time of shipment.

(c)(1)(ix) Renegotiation Contracts

The Registrant does not have any material portion of business which may be subject to renegotiation of profits or termination of contracts or subcontracts at the election of the Government.

(c)(1)(x) Competitive Conditions

The Registrant believes that it ranks third in the U.S. in dollar volume of sales within the Residential furniture industry, which includes manufacturers of bedroom, dining room and living room furniture. Based on the most accurate statistics available, the Registrant believes that it is the largest manufacturer of upholstered products and solid wood bedroom/dining room products in the United States.

The Registrant competes primarily by emphasis on quality of its products, dealer support and a lifetime warranty on the reclining and legrest mechanisms.

The Registrant has approximately fifteen major competitors in the reclining or motion chair field and a substantially larger number of competitors in the upholstery business as a whole and in the Casegoods and Contract businesses.

The Registrant's best U.S. market share information (in dollars, not units) indicates that it has about 30 to 35 percent of the recliner market, above 8 percent of the residential upholstery market, and less than 2 percent of the residential casegoods market. These market shares have been increasing slightly over the last three years in most lines.

(c)(1)(xi) Research & Developement

The Registrant spent $6.4 million in fiscal 1994 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 its products. The Registrant spent $6.2 million in fiscal 1993 on such activities and $5.5 million on such activities in fiscal 1992. The Registrant's customers do not engage in research with respect to the Registrant's products.

(c)(1)(xii) Compliance with Environmental Regulations

The Registrant believes that its capital expenditures, earnings and competitive position will not be materially affected by ongoing "de minimus level" potentially responsible party (PRP) activities at three clean-up sites, and that they will not be affected as a result of maintaining necessary compliance with federal, state or local environmental regulations.

The Registrant has kept abreast of ongoing activities at the three clean-up sites. Over the past year, the costs to the Registrant La-Z-Boy have been in keeping with its established status as a de minimus party, and have been minor. For the future, ongoing costs at two of the sites (Caldwell Systems - North Carolina RCRA closure; Organic Chemical - Michigan NPL site closure) are projected to remain the same. Activities at the third site (Seaboard Chemical - North Carolina RCRA closure), have now been completed for the first phase. It is anticipated that a Remedial Investigation/Feasibility Study (RI/FS) will be performed to define activities required for subsequent clean-up phases. Until the RI/FS is completed, and a remedy selected, it is not possible to estimate the costs for this activity. However, the volume of material generated and sent to this site by all the Registrant's facilities is less than one-quarter of one percent of the total volume of hazardous wastes accounted for at this site. On this basis, we would reasonably anticipate that future activities will not have a significant effect on capital expenditures, earnings or competitive position.

The Registrant's current environmental compliance concerns are focused on new regulations for Storm Water Pollution Prevention and the 1990 Clean Air Act Amendments. The Registrant has participated in a group storm water permit program sponsored by its trade association (American Furniture Manufacturers Association - AFMA); has contracted with a consulting firm to provide assistance to its plants with the development of Storm Water Pollution Prevention Plans; and has contracted with another firm to conduct detailed air emission inventories and assist in the preparation of timely and complete operating permits for Clean Air Act compliance. The Registrant feels that compliance with these issues is important for maintaining its ongoing operations and competitive position. The Registrant does not anticipate that this compliance effort will have a significant effect on capital expenditures, earnings or competitive position.

(c)(1)(xiii) Number of Employees

The Registrant and its subsidiaries employed 9,370 persons as of April 30, 1994 and 8,724 persons as of April 24, 1993.

(d) Financial Information about Foreign and Domestic Operations and Export Sales.

The Registrant does not make any material amount of sales of upholstered furniture to foreign customers. The Registrant sells upholstered furniture to Canadian customers through its Canadian subsidiary, La-Z-Boy Canada Limited.

The Registrant also derives an insignificant amount of royalty revenues from the sale and licensing of its trademarks, tradenames and patents to certain foreign manufacturers.

Export sales are increasing, but no specific sales objectives have been set at this time.

Item 2. Properties

In the United States, the Registrant operates twenty-three manufacturing plants (most with warehousing space), has an automated fabric processing center and divisional and corporate offices. The Registrant has one manufacturing plant in Canada.

The location of these plants, the approximate floor space, principal operations conducted and the approximate number of employees at such locations as of April 30, 1994 are as follows:

Location	Floor Space (square feet)	Operations Conducted	Details	Number of Employees
Monroe, Michigan	233,900	Corporate offices	(1)	476
Newton, Mississippi	628,175	Manufacture, assembly, leather cutting and warehousing of upholstery	(2)	1,136
Redlands, California	189,125	Upholstering, assembly and warehousing of upholstery	(3)	267
Florence, South Carolina	414,920	Manufacture, assembly and warehousing of upholstery	(4)	449
Florence, South Carolina	48,400	Fabric processing center	(5)	17
Neosho, Missouri	560,640	Manufacture, assembly and warehousing of upholstery	(6)	1,105
Dayton, Tennessee	909,320	Manufacture, assembly and warehousing of upholstery	(7)	1,808

Location	Floor Space (square feet)	Operations Conducted	Details	Number of Employees
Siloam Springs, Arkansas	200,910	Manufacture and assembly of upholstery	(8)	296
Tremonton, Utah	672,770	Manufacture, assembly and warehousing of upholstery	(9)	839
Leland, Mississippi	311,990	Manufacture, assembly and warehousing of Contract casegoods and upholstery	(10)	413
Waterloo, Ontario	257,340	Manufacture, assembly, and warehousing of upholstery	(11)	412
Lincolnton, North Carolina	373,830	Manufacture and assembly of upholstery	(12)	393
Grand Rapids, Michigan	440,000	Manufacture and assembly of Contract office furniture/systems	(13)	117
Lenoir area (Hammary), North Carolina	554,770	Manufacture, assembly and warehousing of primarily Casegoods and some upholstered products	(14)	467
Hudson area (Kincaid), North Carolina	1,045,050	Manufacture, assembly, and warehousing of Casegoods	(15)	1,175
	6,841,140			9,370

(1) On December 1, 1974, the Registrant purchased from Floral City Furniture Company a 15,700 square foot showroom adjacent to the Registrant's Home Office and a plant on Telegraph Road in Monroe, Michigan. This facility was constructed in 1935 and expanded in 1970 to a total square footage of 215,200. It was brought to its present size by an addition of 18,700 square feet in 1990.

(2) Originally built in 1961 with 274,200 square feet of space and includes: 190,000 square foot addition started during 1986, 4,000 square feet added in 1990, 19,100 square feet constructed in 1991 and 13,510 square feet added in 1992. In 1992, an 82,500 square foot woodworking facility was constructed. During 1993, the manufacturing and warehouse buildings were expanded a total of 43,200 square feet. In 1994, a chiller building and a conveyor pit were constructed.

(3) The original building of 158,670 square feet was constructed in 1967. A 21,200 square foot warehouse addition was completed in 1987 and a 9,255 square foot warehouse addition was completed in 1992.

(4) 244,085 and 67,680 square feet represent additions constructed in 1969 and 1973. In 1994, a 7,020 square foot batting storage building was completed. The balance represents a building constructed prior to 1930 and purchased in 1966.

(5) The original building of 24,900 square feet was completed in 1975. The Registrant completed construction of a 23,500 square foot addition to the Fabric Processing Center in 1980.

(6) This facility includes a 130,000 square foot addition completed in 1979, two dry kilns constructed in 1985 at a total square footage of 4,300, a 72,000 square foot manufacturing addition completed in 1987 and an addition made in 1990 of 25,000 square feet. During 1993, a 37,500 square foot metal stamping room was added. The balance of 291,840 represents the original building which was constructed in 1969.

(7) The original building of 320,420 square feet was constructed in 1973. Additions include: a 48,800 square foot warehouse addition completed in 1982, 195,000 square feet started during 1986, 68,700 square feet added in 1990, a major upholstery plant of 274,600 square feet added in 1991, and an 1,800 square foot storage building completed in 1992.

(8) Includes 24,595 square feet from an addition constructed in 1973, 74,000 square feet represents an addition constructed in 1985, 11,310 square feet were added in 1986 and the balance represents a building constructed in 1943 and purchased in 1973.

(9) The original building of 220,400 square feet was constructed in 1979. Additions include a 60,000 square foot warehouse addition completed in 1982, a 121,960 square foot addition completed in 1984, 62,500 square feet of expansion during 1989 and an upholstery plant addition of 207,910 square feet in 1991.

(10) In 1985, the Registrant acquired the net assets of Dillingham Manufacturing Company, Inc., which included a 153,500 square foot manufacturing plant located in Leland, Mississippi. This building was originally constructed in 1959 and 1970. There was a 153,035 square foot expansion done during 1990. In 1992, a 7,300 square foot office addition was completed on the site of the previous office and in 1993, a 1,450 square foot maintenance shop was added.

(11) As of February 28, 1979, the Registrant acquired the net assets of Deluxe Upholstering Limited from the Molson Companies Limited, which included a 124,300 square foot manufacturing plant located in Waterloo, Ontario, Canada. In 1985, the Registrant relocated its manufacturing plant in Waterloo, to an existing facility of 209,820 square feet within the same city and expanded it to its present size in 1989.

(12) In 1986, the net assets of Burris Industries were acquired, which included a 373,830 square foot manufacturing plant located in Lincolnton, North Carolina. The building parts were constructed in 1963, 1965, 1969 and 1974.

(13) In 1986, the net assets of RoseJohnson Incorporated were acquired, which included a three building total of 440,000 square feet located in Grand Rapids, Michigan. Two of the buildings were constructed in the early 1900's. Of the two buildings, one building contains 185,000 total square feet, while the other building contains 145,000 square feet. The third building, consisting of 110,000 square feet, was completed in 1960.

(14) In 1986, the operating assets of Hammary Furniture Company were acquired, which included three maufacturing facilities: one built in 1946 consisting of 136,500 square feet located in Lenoir, North Carolina; another constructed in 1968 with 341,580 square feet, including a warehouse of 141,000 built in 1990, located in Granite Falls, North Carolina; and a third facility in Sawmills, North Carolina, built in 1963 consisting of 75,000 square feet. During 1993, a 4,000 square foot dry lumber storage building was built to replace a 2,310 square foot building that was torn down.

(15) In 1988, the net assets of Kincaid Furniture Company were acquired, which included 730,000 square feet in six manufacturing locations within North Carolina. A 237,500 square foot warehouse addition was completed in 1991 and a 5,000 square foot boiler building was added in 1993. During 1994, the completion of the following additions expanded Kincaid by 72,550 square feet: a cafeteria, a rough mill building, a dry shed building, and a finishing room.

The Monroe, Michigan; Redlands, California; Dayton, Tennessee; Siloam Springs, Arkansas; Waterloo, Ontario, Canada; Lincolnton, North Carolina; Grand Rapids, Michigan; Lenoir, North Carolina; Hudson, North Carolina and Newton, Mississippi woodworking facility plants are owned in fee by the Registrant. The Florence, South Carolina; Neosho, Missouri; Newton, Mississippi and Tremonton, Utah plants as well as the automated Fabric Processing Center were financed by the issuance of industrial revenue bonds and are occupied under long-term leases with government authorities. The Leland, Mississippi plant is under a long term lease between the Board of Supervisors of Washington County, Mississippi (lessor) and La-Z-Boy Chair Company (lessee). These leases are capitalized on the Registrant's books. The Registrant believes that its plants are well maintained, in good operating condition and will be adequate to meet its present and near future business requirements. The average age of the Registrants' properties is 25 years.

Item 3. Legal Proceedings

Information relating to certain legal proceedings (Note 9 of the Consolidated Financial Statements in the Registrant's Annual Report to Shareholders for 1994, as shown in Exhibit I page 21) is incorporated herein by reference.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

PART II

The information required in Part II (Items 5 thru 8) is contained in the La-Z-Boy Chair Company's Annual Report to Shareholders for 1994, Exhibit I pages 8 thru 29, and is incorporated herein by reference.

In reference to Item 9 (changes in and disagreements with accountants on accounting and financial disclosure), a Form 8-K has not been filed within the twenty-four month period preceding April 30, 1994.

PART III

The information required in Part III (Items 10 thru 13) is contained in the Registrant's proxy statement dated June 24, 1994, as shown in Exhibit II on pages 1 thru 14, and is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statements, Schedules and Reports on Form 8-K

Listed below are the documents filed as part of this report:

(a) Financial Statements

Consolidated Financial Statements and Schedules and report of Price Waterhouse, as set forth in the accompanying Index to Financial Statements.

(b) Reports on Form 8-K

News Release and Financial Information Release filed on Form 8-K, dated June 2, 1994 (Commission File No. 0-5091) is incorporated herein by reference.

(c) Exhibits

I. 1994 Annual Report to Shareholders

II. 1994 Proxy Statement

III. Articles of Incorporation filed on Form 10-K dated July 20, 1993 (Commission File No. 0-5091) is incorporated herein by reference.

IV. By-laws filed on Form 10-K dated July 20, 1993 (Commission File No. 0-5091) is incorporated herein by reference.

SIGNATURES

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

LA-Z-BOY CHAIR COMPANY

BY s\ C. T. Knabusch July 25, 1994

C. T. Knabusch
Chairman of the Board, President
and Chief Executive Officer

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

s\ E. J. Shoemaker E. J. Shoemaker	Executive Vice President of Engineering, Director and Vice Chairman of the Board	July 25, 1994
s\ C. T. Knabusch C. T. Knabusch	Chairman of the Board, President and Chief Executive Officer	July 25, 1994
s\ G. M. Hardy G. M. Hardy	Secretary and Treasurer, Principal Accounting Officer and Director	July 25, 1994
s\ F. H. Jackson F. H. Jackson	Vice President Finance, Principal Financial Officer and Director	July 25, 1994
s\ P. H. Norton P. H. Norton	Senior Vice President Sales and Marketing and Director	July 25, 1994
s\ L. G. Stevens L. G. Stevens	Director	July 25, 1994
s\ J. F. Weaver J. F. Weaver	Director	July 25, 1994
s\ D. K. Hehl D. K. Hehl	Director	July 25, 1994
s\ R. E. Lipford R. E. Lipford	Director	July 25, 1994
s\ W. W. Gruber W. W. Gruber	Director	July 25, 1994
s\ J. W. Johnston J. W. Johnston	Director, Mr. Johnston is the son-in-law of E. J. Shoemaker	July 25, 1994

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-8996, 33-8997, 33-31502, and 33-50318) of La-Z-Boy Chair Company of our report dated June 2, 1994 appearing in the Annual Report to Shareholders, as shown in Exhibit I page 9, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page S-2 of this Form 10-K.

PRICE WATERHOUSE
Toledo, Ohio
July 22, 1994

ANNUAL REPORT ON FORM 10-K

ITEM 14(a) and ITEM 14(d)

LIST OF FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

YEARS ENDED APRIL 30, 1994, APRIL 24, 1993, AND APRIL 25, 1992

LA-Z-BOY CHAIR COMPANY
MONROE, MICHIGAN

INDEX TO FINANCIAL STATEMENTS

The financial statements, together with the report thereon of Price Waterhouse dated June 2, 1994 appearing on pages 9 thru 29 of Exhibit I, the 1994 Annual Report to Shareholders is incorporated by reference in this Form 10-K Annual Report. With the exception of the aforementioned information, and the information incorporated in Part II, the 1994 Annual Report to Shareholders is not to be deemed filed as part of this report. The following financial statement schedules should be read in conjunction with the financial statements in such 1994 Annual Report to Shareholders. Financial statement schedules not included in this Form 10-K Annual Report have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

FINANCIAL STATEMENT SCHEDULES

1994, 1993, AND 1992

REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULES

To the Board of Directors of
La-Z-Boy Chair Company

Our audits of the consolidated financial statements referred to in our report dated June 2, 1994 appearing in Exhibit I on page 9, of the 1994 Annual Report to Shareholders of La-Z-Boy Chair Company (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 Schedules listed in Item 14(a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE
Toledo, Ohio
June 2, 1994

LA-Z-BOY CHAIR COMPANY AND SUBSIDIARIES
SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT
(Dollars in thousands)

Classification	Balance at Beginning of Period	Additions & Reclass- ifications	Retire- ments	Foreign Currency Trans- lation Adjustments	Other Adjust- ments (1)	Balance at end of Period
Year ended April 30, 1994						
Land and land improvements	$6,604	$543	$0	($30)	$0	$7,117
Buildings and building fixtures	88,669	4,551	(40)	(460)	0	92,720
Machinery and equipment	73,281	10,209	(237)	(282)	0	82,971
Information systems	10,523	1,736	(2,376)	(24)	0	9,859
Other	12,092	446	(686)	(63)	0	11,789
Total	$191,169	$17,485	($3,339)	($859)	$0	$204,456
Year ended April 24, 1993						
Land and land improvements	$6,184	$562	($120)	($22)	$0	$6,604
Buildings and building fixtures	89,082	2,668	(2,749)	(332)	0	88,669
Machinery and equipment	67,519	7,149	(1,189)	(198)	0	73,281
Information systems	10,212	530	(202)	(17)	0	10,523
Other	12,792	1,339	(1,992)	(47)	0	12,092
Total	$185,789	$12,248	($6,252)	($616)	$0	$191,169

LA-Z-BOY CHAIR COMPANY AND SUBSIDIARIES
SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT
(Dollars in thousands)
(continued)

Classification	Balance at Beginning of Period	Additions & Reclass-ifications	Retire-ments	Foreign Currency Trans-lation Adjustments	Other Adjust-ments (1)	Balance at end of Period
Year ended April 25, 1992						
Land and land improvements	$5,724	$267	($1)	($11)	$205	$6,184
Buildings and building fixtures	84,318	2,760	(86)	(163)	2,253	89,082
Machinery and equipment	61,525	6,279	(1,073)	(97)	885	67,519
Information systems	10,393	1,202	(1,360)	(23)	0	10,212
Other	11,928	1,679	(1,103)	(8)	286	12,792
Total	$173,888	$12,187	($3,623)	($302)	$3,629	$185,789

NOTE: Land improvements, buildings and building fixtures, machinery and equipment, information systems and other are depreciated using primarily accelerated methods over the estimated useful lives of the assets as follows:

	Years
Land improvements	20
Buildings and building fixture	15 to 30
Machinery and equipment	10
Information systems	5
Other	3 to 10

(1): The other adjustments column reflects a non-cash write-up of assets previously written down in fiscal year 1988. These assets are physically still in use, therefore $3,639 in installed cost and $3,361 in accumulated depreciation was added back. The net book value write-up of $278 was recognized as a credit to depreciation expense and a debit to accumulated depreciation in fiscal year 1992 and is not shown in this 10-K but is included in the cash flow statement.

LA-Z-BOY CHAIR COMPANY AND SUBSIDIARIES
SCHEDULE VI - ACCUMULATED DEPRECIATION, DEPLETION, AND AMORTIZATION
OF PROPERTY, PLANT AND EQUIPMENT
(Dollars in thousands)

Classification	Balance at Beginning of Period	Additions & Reclass-ifications	Retire-ments	Foreign Currency Trans-lation Adjustments	Other Adjust-ments (1)	Balance at end of Period
Year ended April 30, 1994						
Land and improvements	$1,570	$209	$0	($5)	$0	$1,774
Buildings and building fixtures	35,919	3,903	(4)	(146)	0	39,672
Machinery and equipment	45,295	6,819	(180)	(220)	0	51,714
Information systems	8,986	1,034	(2,323)	(22)	0	7,675
Other	8,992	1,065	(655)	(58)	0	9,344
Total	$100,762	$13,030	($3,162)	($451)	$0	$110,179
Year ended April 24, 1993						
Land and improvements	$1,495	$191	($113)	($3)	$0	$1,570
Buildings and building fixtures	32,917	3,950	(854)	(94)	0	35,919
Machinery and equipment	40,036	6,452	(1,046)	(147)	0	45,295
Information systems	8,065	1,134	(198)	(15)	0	8,986
Other	9,836	1,134	(1,941)	(37)	0	8,992
Total	$92,349	$12,861	($4,152)	($296)	$0	$100,762

LA-Z-BOY CHAIR COMPANY AND SUBSIDIARIES
SCHEDULE VI - ACCUMULATED DEPRECIATION, DEPLETION, AND AMORTIZATION
OF PROPERTY, PLANT AND EQUIPMENT
(Dollars in thousands)
(Continued)

Classification	Balance at Beginning of Period	Additions & Reclass- ifications	Retire- ments	Foreign Trans- lation Adjustments	Other Adjust- ments (1)	Balance at end of Period
Year ended April 25, 1992						
Land and land improvements	$1,251	$184	($1)	($1)	$62	$1,495
Buildings and building fixtures	26,959	3,918	(48)	(40)	2,128	32,917
Machinery and equipment	33,924	6,235	(935)	(65)	877	40,036
Information systems	7,170	1,971	(1,056)	(20)	0	8,065
Other	9,076	1,543	(1,075)	(2)	294	9,836
Total	$78,380	$13,851	($3,115)	($128)	$3,361	$92,349

(1) The other adjustments column reflects a non-cash write-up of assets previously written down in fiscal year 1988. These assets are physically still in use, therefore $3,639 in installed cost and $3,361 in accumulated depreciation was added back. The net book value write-up of $278 was recognized as a credit to depreciation expense and a debit to accumulated depreciation in fiscal year 1992 and is not shown in this 10-K but is included in the cash flow statement.

LA-Z-BOY CHAIR COMPANY AND SUBSIDIARIES
SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS
(Dollars in thousands)

Description	Balance at beginning of period	Additions charged to costs and expenses	Trade accounts receivable "written off" net of recoveries	Balance at end of period
YEAR ENDED APRIL 30, 1994:				
Allowance for doubtful accounts & long-term notes	$11,670	$7,578	$4,453	$14,795
Accrued Warranties	$6,250	$400	$6,650	
YEAR ENDED APRIL 24, 1993:				
Allowance for doubtful accounts & long-term notes	$7,217	$7,891	$3,438	$11,670
Accrued Warranties	$5,950	$300	$6,250	
YEAR ENDED APRIL 25, 1992:				
Allowance for doubtful accounts receivable	$11,351	$9,271	$13,397	$7,217
Accrued Warranties	$5,650	$300	$5,950	

LA-Z-BOY CHAIR COMPANY AND SUBSIDIARIES
SCHEDULE X - SUPPLEMENTARY INCOME STATEMENT INFORMATION
(Dollars in thousands)

	Charged to Costs and Expenses
Year ended April 30, 1994	
Maintenance and repairs	$18,990
Advertising costs	$19,558
Year ended April 24, 1993	
Maintenance and repairs	$16,360
Advertising costs	$19,558
Year ended April 25, 1992	
Maintenance and repairs	$13,203
Advertising costs	$19,041

ANNUAL REPORT

To La-Z-Boy Shareholders

Fiscal 1994 was an exceptional year for La-Z-Boy. Sales increased at a faster rate than sales for the furniture industry as a whole, and rose 18 percent to $805 million - a new record.

Operating profit, net income, and earnings per share all achieved new records.

In mid-year, the Board of Directors approved a 13 percent increase in the quarterly cash dividend, raising dividends paid to a new high.

At year's end, our ratio of total debt to capital had been reduced to just 17.4 percent.

Operating profit as a percent of sales increased to 7.5 percent from 6.8 percent last year. Our goal for 1995 is to improve again. An allied goal is to have operating profit, interest income and other income reach at least 20 percent of beginning capital. This year we reached 19.4 percent.

We are making strong progress by following a strategic plan that focuses on actions to generate additional value to consumers, to our retailers, and to you - - - our shareholders.

Contributing factors. Sales increases have met or exceeded our expectations for six consecutive quarters. As the result of good planning, we've had the production capacity to meet rising retail demand.

Modifications to the manufacturing flow at our plants are resulting in increases in productivity.

To strengthen our contract business - furniture for offices, hotels and motels, and healthcare - we consolidated the RoseJohnson Division and the La-Z-Boy Contract Division into a single operating unit called the Contract Furniture Group. This is expected to have a positive effect on operating costs.

The Residential Division's broad spectrum of upholstered furniture generates about 70 percent of total La-Z-Boy sales. Performance this year was outstanding in terms of sales, profits, and customer service. La-Z-Boy Canada, which also produces residential upholstered products, also posted significant sales and profit increases. Residential Division marketing programs reinforce a vital asset: La-Z-Boy is the furniture industry's best-recognized and most-trusted brand name.

The Hammary and Kincaid Divisions also recorded outstanding sales in fiscal 1994, as well as profit improvements. Hammary produces high-quality wall systems and occasional furniture. Kincaid is a best-selling brand of better-quality, solid-wood bedroom, dining room and occasional furniture. Acquired several years ago, both divisions now are prospering. Their success validates our original expectations.

The unique response of La-Z-Boy to America's consumers. What enabled La-Z-Boy to grow and remain profitable during years of recession? How has La-Z-Boy increased its share of a fiercely competitive marketplace? Why will you now find our products in some of America's finest homes? And why do La-Z-Boy proprietary dealers experience above-average dollar sales per square foot?

The fundamental answer is that La-Z-Boy is redefining the way the residential furniture industry does business. It revolves around our response to the motivations of America's consumers. This is the focal point of our discussion in The Year In Review section of this report.

Noteworthy events. Marvin J. Baumann, Vice President, Product Planning and Development, retired after serving La-Z-Boy for more than 30 years. Examine our product engineering, observe the reliability and safety tests our products must endure, or watch new designs flash to life on our computer screens, and you will be witnessing some of Marv Baumann's many contributions to our Company.

He also trained a fine cadre of younger engineering managers. We have selected one of them, David J. Westerndorf, to succeed Mr. Baumann.

Courtney A. Leckler, Vice President, La-Z-Boy West, also elected to retire this year. His career with La-Z-Boy spanned 47 years, a length of distinguished service second only to that of La-Z-Boy co-founder Edwin J. Shoemaker. Larry A. Woolace, formerly Director of Manufacturing Services, was named General Manager, La-Z-Boy West.

Former DuPont executive Rocco J. Losito joined La-Z-Boy as Corporate Director of Quality Assurance. Mr. Losito is formalizing and strengthening our corporate-wide quality management program. He reports directly to the Executive Committee.

We have adopted a bonus plan covering most plant and non-management salaried employees. It is based on several factors including the Company's profitability, plant productivity, and customer satisfaction.

Employee participation in the Matched Retirement Savings Plan 401(k) was inaugurated January 1, 1990 and has grown to well over 70 percent of eligible employees this year. This plan is in addition to our Company's salaried and hourly employee retirement programs.

Fortune magazine again listed La-Z-Boy as one of America's most-admired corporations. We moved up 21 positions on the "Fortune 500" list of largest industrial fims. In addition, La-Z-Boy was honored with the first ARROS (Annual Retailer Reader Opinion Survey) Award for best overall product in the upholstery category by Furniture Retailer, the magazine published by the National Home Furnishings Association. The award recognizes product innovation, opportunity for dealers to influence product development, and consistent product quality.

We became a "partner" in the Environmental Protection Agency's Green Lights Program for voluntary pollution-prevention and energy conservation. As a Green Lights partner, over the next several years, La-Z-Boy will install special, energy-efficient lighting covering more than half of our square footage.

The year ahead. Assuming continued economic improvement, fiscal 1995 should be another record sales year for La-Z-Boy. If so, it will mark 14 consecutive years of sales growth.

We look forward to increases in sales and earnings. Realistically, however, we should not expect percentage improvements to equal those in fiscal 1994 because this year's percentage gains were well above the norm.

An expanded advertising schedule will see La-Z-Boy return to network television.

The Residential Division will open additional La-Z-Boy Furniture Galleries stores and upgrade a number of La-Z-Boy Showcase Shoppes to the Furniture Galleries level. The first La-Z-Boy Furniture Galleries store in Canada opens in Calgary, Alberta. The Contract Furniture Group, Hammary, and Kincaid will also open additional galleries of their own.

Capital expenditures are expected to exceed this year's level, and include the costs of replacing one older upholstery plant with a new and larger one, and constructing a new Data Center headquarters in Monroe, Michigan.

With the support of our employees, our retailers, and our shareholders, we will keep strengthening our Company's position as the leading supplier of furniture for families and for businesses that appreciate quality, value, comfort, style, and service.

Charles T. Knabusch
Chairman and President

La-Z-Boy At A Glance

America's Favorite name in furniture. La-Z-Boy is the nation's leading manufacturer of upholstered seating, and the third largest manufacturer of residential furniture overall. La-Z-Boy perfected the upholstered recliner and dominates the marketplace for this class of product. The Company has grown into a complete furniture resource for family rooms, living rooms, bedrooms and dining rooms.

Most La-Z-Boy furniture retails in a broad middle-price range. Certain products target higher-income purchasers. At all price levels, La-Z-Boy furniture represents exceptional value.

According to independent surveys, La-Z-Boy is the best-recognized and most-trusted name in residential furniture. This well-earned reputation is helping La-Z-Boy expand its presence in offices, hotels, and healthcare facilities.

La-Z-Boy employs 9,370 people. It operates 24 plants in the United States and Canada. The Company's La-Z-Boy, Hammary and Kincaid brand-name furniture is sold through over 10,000 retail locations. Additionally, La-Z-Boy products are manufactured under license in Germany, Italy, Japan, New Zealand, Mexico, Great Britain and South Africa.

The Company's shares are listed on the New York and the Pacific Stock Exchanges.

La-Z-Boy Divisions, Products and Markets:

La-Z-Boy Residential accounts for about 70 percent of total Company sales. Principal products include stationary chairs, sofas and loveseats, recliners, reclining sofas, sleep sofas, and modular seating groups. Residential Division furniture is sold in a national network of La-Z-Boy proprietary stores, and in better-quality department stores, furniture stores and regional furniture chains.

La-Z-Boy Canada manufactures residential seating and markets La-Z-Boy residential products in Canada. This division is initiating a Canadian network of La-Z-Boy proprietary retail stores.

Hammary produces occasional tables, living room cabinets, wall entertainment units, and upholstered furniture sold in quality furniture and department stores. Hammary also produces CompaTables occasional tables which are featured in La-Z-Boy proprietary stores.

Kincaid makes solid-wood bedroom, dining room and occasional furniture sold through in-store Kincaid Galleries, select La-Z-Boy Furniture Galleries stores and better-quality stores nationally.

La-Z-Boy Contract Furniture Group includes three sales entities:

La-Z-Boy Business Furniture - Executive office and general office seating, desks, cabinets and conference tables, plus a complete line of modular office components are sold by office furniture dealers. Full-office furniture systems and office seating are marketed through contract furniture dealers, interior designers, architects, and institutional buyers.

La-Z-Boy Healthcare Furniture - Products include hospital chairs, recliners, and special mobile recliners for easy patient mobility in the hospital or home. Healthcare furniture is marketed through contract dealers and medical sales companies.

La-Z-Boy Hospitality Furniture - Specially engineered La-Z-Boy recliners are sold directly to major hotel and motel chains and through hospitality sales companies.

The Year In Review

A strategy for success in a changing industry. Many furniture manufacturers use retailers as channels for "pushing" products to market. These manufacturers often must resort to short-lived incentives that encourage retailers to sell without regard for consumers' needs. This strategy reveals little knowledge of today's homemakers and the kind of positive shopping experience they want.

La-Z-Boy markets to consumers. We address their interests. We provide them with good reasons for purchasing. Consequently, consumers exert "pull" that moves our products through our dealers' stores.

How well does the La-Z-Boy "pull" strategy work? Consumer-directed advertising has helped make La-Z-Boy the best-known name in furniture. According to independent research, our brand name has a better than 95 percent awareness factor. In terms of advertising recall, we outperform our nearest competitor 4-to-1.

Equally important, independent research says consumers associate the La-Z-Boy name with key preference factors such as product quality, and comfort and durability, plus honest representation and fairness in selling.

Being consumer-directed has helped us attract more categories of consumers. For higher-income, more-sophisticated consumers, we developed La-Z-Boy Classics stationary chairs and recliners, and the American Home Collection by La-Z-Boy - a beautiful selection of stationary furniture for living rooms. We added built-in tables and storage to our La-Z-Time Motion Modulars seating groups to make them more useful in smaller homes. We engineered basic chairs and sofas to fit younger families' budgets.

Thanks to our consumer research, we launched La-Z-Boy into a soaring new market for motion sofas, motion loveseats, and motion modular groupings. The exclusive, patented recliner features used on many of these La-Z-Boy products make them even more appealing.

"Who built all this beautiful, comfortable furniture?," asks an eight-page advertisement in leading shelter magazines. Readers see an extraordinary range of stylish furniture and accessories photographed in American homes. Surprise! These are all La-Z-Boy products - proof that La-Z-Boy has become a complete furniture resource.

This special advertisement offers a free La-Z-Boy product portfolio plus a brochure of decorating tips and ideas. In less than two months, over 40,000 consumers called our 1-800-Then Relax number. Consumers appreciate ideas and thoughtful assistance that only an industry leader like La-Z-Boy can provide.

The reasons why La-Z-Boy is the industry leader become clear when you visit a La-Z-Boy Furniture Galleries store. The array of furniture, and the way La-Z-Boy correlates form with function, and beauty with practicality, suprises many people. Over 70 percent of today's consumer-directed La-Z-Boy product line has been introduced within the past three years.

But it takes more than this to make our "pull" strategy successful. As part of a fundamental business strategy, La-Z-Boy is redefining the way the furniture industry does business.

A new kind of purchasing experience. Two decades ago, consumers began discovering dedicated furniture stores called La-Z-Boy Showcase Shoppes. Showcase Shoppes introduced legions of consumers to La-Z-Boy.

Today, a new generation of stores - La-Z-Boy Furniture Galleries - shows why La-Z-Boy has become the American consumer's principal resource for family room and living room furniture.

These large, inviting stores feature settings of upholstered furniture, wall cabinets and entertainment systems, tables and occasional furniture - all made by La-Z-Boy. Fascinating accessories from around the world complement the presentation. First-time shoppers are astounded at this wealth of choice.

But what keeps them coming back? After all, research studies say consumers don't enjoy shopping for furniture. They find it frustrating, even stressful.

Shopping in a La-Z-Boy Furniture Galleries store is a different experience - eye-opening, pressure-free, reassuring, even enjoyable. The reason is that La-Z-Boy and its retailers are partners in service to the consumer.

For example:

- Professional sales training programs and seminars help our stores serve consumers' interests and, at the same time, increase their sales volumes and operational efficiency.

- Authorized La-Z-Boy retailers have access to an arsenal of consumer education, point-of-sale, advertising and other sales support materials.

- With the La-Z-Boy Screen Test Video Catalog System, shoppers can see furniture being "electronically upholstered" in any authorized covering, while salespeople receive up-to-the-minute information about pricing and product availability.

- Electronic Data Interchange (EDI) technology lets La-Z-Boy retailers enter customer orders and get answers without delay so they can spend more time with customers, less time on paperwork. It also gives our retailers current information for standardized financial reporting, business analyses, and planning, to help them maximize their profitability.

- New bar coding software links each item in the manufacturing stream to the retailer's original order. This helps La-Z-Boy retailers control their inventories, make on-time deliveries, and improve cash flow.

La-Z-Boy is a leader in the furniture industry in combining research, education and technology so that retailers can do a consistently better job of serving consumers.

Defining the future of furniture retailing. Many La-Z-Boy Furniture Galleries stores experience 50 to 100 percent higher sales revenues per square foot than the average conventional furniture store. Our top-20 superstores have annual sales of $3 million or more each.

Over the past 10 years, on average, La-Z-Boy sales have increased almost 12 percent annually, or more than double the average rate of increase for the residential furniture industry.

At the same time, our market share has increased. We are attracting higher-income families, plus a rapidly increasing share of mid-life consumers - the biggest per capita purchasers of home furnishings.

The gallery concept, especially as it is expressed in La-Z-Boy Furniture Galleries stores, is the foundation of a success strategy that defines the future of La-Z-Boy and of our industry.

Highlights of Operations

The Residential Division continues to expand and upgrade its proprietary distribution network. Soon, some 100 La-Z-Boy Furniture Galleries stores will be serving major metropolitan areas. These stores are augmented by La-Z-Boy Showcase Shoppes, most of which are scheduled for upgrading to Furniture Galleries; and in smaller communities, by a La-Z-Boy Gallery within independent furniture stores.

Newer products were best-sellers in fiscal 1994. Major sales gains were scored by the American Home Collection of luxurious stationary living room furniture, and by motion modulars seating groups featuring "home theater" arrangements, hideaway storage, snack trays and reclining end units. Entry-level reclining chairs, upscale La-Z-Boy Classics chairs, and our new reclining sofas also proved highly popular. In these categories, sales increases ranged from 30 percent to well over 200 percent.

Hammary sales moved up sharply as the division restructured its product lines for longer-term market appeal. Teams of workers focused on manufacturing efficiencies and customer service.

Hammary modular home theater systems successfully address a fast-growing segment of the home furnishings market. They feature large-screen television enclosures flanked by matching pier cabinets for housing stereo receivers, allied electronics and surround-sound speakers.

Kincaid repositioned its product lines to equal the styling and quality offered by premium brand names, but at lower prices.

Among more than 100 new pieces introduced this year, the Kincaid top-seller was the Cherry Mountain III Collection that replicates the Queen Anne period's elegance and delicacy. Crafted in solid cherry, this collection includes an extensive selection of bedroom and dining room furniture; plus wardrobes, home entertainment centers, wall storage and display systems, and occasional tables.

Kincaid is adding 150 dealers to its base of better-quality furniture stores and major regional retail chains. Many of these retailers operate in-store Kincaid Galleries.

The Contract Furniture Group now manages all La-Z-Boy business, healthcare and hospitality furniture, as well as custom office systems. Resulting efficiencies are having positive effects on product development, sales and customer service.

The Group is experiencing demand at both ends of the price spectrum. Several luxurious new chair styles are being introduced to complement the Group's collections of executive desks, credenzas, conference tables and shelf units. Growth in small businesses and home-based enterprises is spurring demand for the Group's attractively priced, highly efficient modular office units.

The Contract Furniture Group is expanding its own gallery program. A typical in-store La-Z-Boy Business Furniture Gallery provides a 1,200 square foot or larger dedicated display area, and generates two to four times the sales revenue of conventional selling space.

Engineering and Manufacturing activities have focused on quality assurance, plant utilization and mechanical redesign.

Our Total Quality Management program is now being formalized with the appointment of a corporate director of quality assurance. Our objective is to integrate quality-related disciplines in all operations. This will range from statistical process control and new measurement systems to supplier relationships that emphasize continuous quality improvement.

Revisions to manufacturing operations, now largely complete, are improving our product flow and helping us expedite deliveries. Construction was started in March to build a 396,000 square foot major upholstery plant to replace a smaller existing plant. Completion is expected this fall.

Product re-engineering efforts will help us employ alternative materials, especially metal, for cost-efficiency and production flexibility. A more powerful computer-aided design (CAD) system capable of 3-D solids modeling, stress analysis and collaborative engineering will make our design operations more productive.

Through advances in all areas - consumer-directed marketing, product development, manufacturing and distribution - we have positioned La-Z-Boy for continuing growth and higher profitability.

Report of Management Responsibilities

The management of La-Z-Boy Chair Company is responsible for the preparation of the accompanying consolidated financial statements, related financial data, and all other information included in the pages following. 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 Chair Company 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 examinations 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.

Charles T. Knabusch
Chief Executive Officer

Frederick H. Jackson
Chief Financial Officer

Report of Independent Accountants

Price Waterhouse

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

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of cash flows and of changes in shareholders' equity, present fairly, in all material respects, the financial position of La-Z-Boy Chair Company and its subsidiaries at April 30, 1994 and April 24, 1993, and the results of their operations and their cash flows for each of the three years in the period ended April 30, 1994, in conformity with generally accepted accounting principles. 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 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.

As discussed in Note 8 to the Consolidated Financial Statements, on April 25, 1993, the Company changed its method of accounting for income taxes.

Price Waterhouse
Toledo, Ohio
June 2, 1994

Consolidated Statement of Income

(Amounts in thousands, except per share data)

Year Ended	April 30, 1994 (53 weeks)	April 24, 1993 (52 weeks)	April 25, 1992 (52 weeks)
Sales	$804,898	$684,122	$619,471
Cost of sales	593,890	506,435	453,055
Gross profit	211,008	177,687	166,416
Selling, general and administrative	150,700	130,855	122,888
Operating profit	60,308	46,832	43,528
Interest expense	2,822	3,260	5,305
Interest income	1,076	1,474	1,093
Acquisition amortization	(1,056)	(1,039)	(1,039)
Other income	649	1,292	1,628
Total other income	669	1,727	1,682
Income before income tax expense	58,155	45,299	39,905
Income tax expense			
Federal - current	19,719	16,726	17,595
- deferred	(445)	(1,965)	(5,417)
State - current	4,283	3,254	2,627
- deferred	(119)	-	-
Total tax expense	23,438	18,015	14,805
Net income before accounting change	34,717	27,284	25,100
Accounting change	3,352	-	-
Net income	$38,069	$27,284	$25,100
Weighted average shares	18,268	18,172	18,064
Net income per share before accounting change	$1.90	$1.50	$1.39
Accounting change	.18	-	-
Net income per share	$2.08	$1.50	$1.39

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	April 30, 1994	April 24, 1993
Assets		
Current Assets		
Cash and equivalents	$ 25,926	$ 28,808
Receivables, less allowances of $13,537 in 1994 and $10,500 in 1993	183,115	169,950
Inventories		
Raw materials	31,867	27,555
Work-in-progress	29,325	30,598
Finished goods	26,676	20,135
FIFO inventories	87,868	78,288
Excess of FIFO over LIFO	(20,632)	(17,801)
Total inventories	67,236	60,487
Deferred income taxes	15,160	9,152
Other current assets	4,148	5,065
Total Current Assets	295,585	273,462
Property, plant and equipment, net	94,277	90,407
Goodwill, less accumulated amortization of $5,574 in 1994 and $4,668 in 1993	20,752	21,658
Other long-term assets, less allowances of $1,257 in 1994 and $1,170 in 1993	19,639	15,537
Total Assets	$430,253	$401,064

Consolidated Balance Sheet

(Amounts in thousands, except par value)

As of	April 30, 1994	April 24, 1993
Liabilities and Shareholders' Equity		
Current Liabilities		
Current portion of long-term debt	$ 2,875	$ 542
Accounts payable	21,552	20,010
Payroll/benefits	29,453	28,411
Estimated income taxes	3,882	9,011
Other current liabilities	13,701	13,090
Total Current Liabilities	71,463	71,064
Long-term debt	52,495	55,370
Deferred income taxes	6,949	4,857
Other long-term liabilities	8,435	6,387
Shareholders' Equity		
Preferred Shares - 5,000 authorized; 0 issued	-	-
Common shares, $1 par value - 40,000 authorized; 18,287 issued in 1994 and 18,195 in 1993	18,287	18,195
Capital in excess of par value	10,147	8,494
Retained earnings	263,348	236,842
Currency translation adjustments	(871)	(145)
Total Shareholders' Equity	290,911	263,386
Total Liabilities and Shareholders' Equity	$430,253	$401,064

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements. Certain April 24, 1993 balance sheet items have been reclassed for comparability to April 30, 1994.

Consolidated Statement of Cash Flows

(Amounts in thousands) Increase (Decrease) in Cash and Equivalents

Year Ended	April 30, 1994* (53 weeks)	April 24, 1993 (52 weeks)	April 25, 1992 (52 weeks)
Cash Flows from Operating Activities:			
Net income	$ 38,069	$ 27,284	$ 25,100
Adjustments to reconcile net income to net cash provided by operating activities:			
Accounting change	(3,352)	-	-
Depreciation and amortization	14,014	14,061	14,840
Change in receivables	(13,165)	(14,475)	(7,039)
Change in inventories	(6,749)	(2,679)	2,599
Change in other assets and liab	(168)	12,368	6,301
Change in deferred taxes	(564)	(1,965)	(5,417)
Total adjustments	(9,984)	7,310	11,284
Cash Provided by Operating Activities	28,085	34,594	36,384
Cash Flows from Investing Activities:			
Proceeds from disposals of assets	177	2,100	508
Capital expenditures	(17,485)	(12,248)	(12,187)
Change in pref. stocks held as invest	-	-	1,583
Change in other investments	(2,981)	(2,624)	-
Cash Used for Investing Activities	(20,289)	(12,772)	(10,096)
Cash Flows from Financing Activities:			
Short-term debt	727	1,767	4,444
Long-term debt	-	-	24,700
Change in unexpended IRB funds	-	-	414
Retirements of debt	(1,269)	(6,581)	(39,285)
Sale of stock under stock option plans	1,850	1,372	1,973
Stock for 40l(k) employee plans	2,952	2,503	1,533
Purchase of La-Z-Boy stock	(2,928)	(2,676)	(388)
Payment of cash dividends	(11,692)	(10,902)	(10,474)
Cash Used for Financing Activities	(10,360)	(14,517)	(17,083)
Effect of exchange rate changes on cash	(318)	(234)	(428)
Net change in cash and equivalents	(2,882)	7,071	8,777
Cash and equiv. at beginning of the year	28,808	21,737	12,960
Cash and equiv. at end of the year	$25,926	$28,808	$21,737
Cash paid during the year - Income taxes	$29,116	$16,789	$20,128
- Interest	$2,675	$3,108	$5,105

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 Consolidated Financial Statements are an integral part of these statements.

*Certain April 24, 1993 balance sheet items have been reclassed for comparability to April 30, 1994.

Statement of Changes in Shareholders' Equity

(Amounts in thousands)

	Common Shares	Capital in Excess of Par Value	Retained Earnings	Currency Translation Adjustments	Total
Balance at April 27, 1991..	$17,979	$ 6,293	$203,934	$1,011	$229,217
Purchase of La-Z-Boy stock...	(16)		(372)		(388)
Currency translation.........				(602)	(602)
Exercise of stock options....	107	427	1,439		1,973
Exercise of 401(k) stock.....	65	585	883		1,533
Dividends paid...............			(10,474)		(10,474)
Net income...................			25,100		25,100
Balance at April 25, 1992..	18,135	7,305	220,510	409	246,359
Purchase of La-Z-Boy stock...	(117)		(2,559)		(2,676)
Currency translation.........				(554)	(554)
Exercise of stock options....	74	245	1,053		1,372
Exercise of 401(k) stock.....	103	944	1,456		2,503
Dividends paid...............			(10,902)		(10,902)
Net income...................			27,284		27,284
Balance at April 24, 1993..	18,195	8,494	236,842	(145)	263,386
Purchase of La-Z-Boy stock...	(91)		(2,837)		(2,928)
Currency translation.........				(726)	(726)
Exercise of stock options....	90	307	1,453		1,850
Exercise of 401(k) stock.....	93	1,346	1,513		2,952
Dividends paid...............			(11,692)		(11,692)
Net income...................			38,069		38,069
Balance at April 30, 1994..	$18,287	$10,147	$263,348	($871)	$290,911

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

Note 1: Accounting Policies

The Company operates in the furniture industry. The following is a summary of significant accounting policies followed in the preparation of these financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of La-Z-Boy Chair Company and its wholly owned subsidiaries. All significant intercompany transactions have been eliminated.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined on the last-in, first-out (LIFO) basis.

Property, Plant and Equipment

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

Goodwill

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

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. In fiscal 1994 the Company changed its method of accounting for income taxes (see Note 8).

Note 2: Cash and Equivalents

(Amounts in thousands)

	April 30, 1994	April 24, 1993
Cash in bank	$ 5,926	$ 5,808
Certificates of deposit	20,000	15,000
Commercial paper	-	8,000
Total cash and equivalents	$25,926	$28,808

The Company invests in certificates of deposit with a bank whose board of directors includes three members of the Company's board of directors. At the end of 1994 and 1993, $10 million and $15 million, respectively, was invested in this bank's certificates.

Note 3: Property, Plant and Equipment

(Amounts in thousands)

	April 30, 1994	April 24, 1993
Land and land improvements...........	$ 7,117	$ 6,604
Buildings and building fixtures.......	92,720	88,669
Machinery and equipment...............	82,971	73,281
Information systems...................	9,859	10,523
Other.................................	11,789	12,092
	204,456	191,169
Less: accumulated depreciation.......	110,179	100,762
Property, plant and equipment, net..	$ 94,277	$ 90,407

Note 4: Debt

(Dollar amounts in thousands)

	Interest rates	Maturities	April 30, 1994	April 24, 1993
Credit lines..............	4.1%	1995-98	$15,000	$15,000
Private placement.........	8.8%	1995-02	15,000	15,000
Industrial revenue bonds...........	2.7%- 3.3%	1995-12	25,370	25,912
Total debt..................................			$55,370	$55,912
Less: current portion........................			2,875	542
Long-term debt..............................			$52,495	$55,370
Weighted average interest			4.8%	4.8%
Fair value of long-term debt			$56,003	$56,597

In April 1991 the Company entered into a $50 million unsecured revolving credit line (Credit Agreement) to extend through August 31, 1998, requiring interest payments only through August 31, 1994 and periodic payments of principal and interest through 1998. The Company is in the process of renewing the Credit Agreement to require interest only payments through August 1999 and to require principal payment in August 1999. The Credit Agreement also includes covenants that, among other things, require the Company to maintain certain financial statement ratios. The Company has complied with all of the requirements.

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 on debt obligations for the five years subsequent to April 30, 1994 are $3 million, $2 million, $3 million, $2 million and $3 million, respectively. As of April 30, 1994, the Company had remaining unused lines of credit and commitments of $60 million under several credit arrangements.

Note 5: Stock Option Plans

The Company's shareholders adopted an employee 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 become exercisable at 25% per year beginning one year from date of grant. The Company is authorized to grant options for up to 1,600,000 common shares.

	Number of shares	Per share option price
Outstanding at April 25, 1992....	415,942	\$14.13 - \$22.13
Granted........................	133,750	\$21.75
Exercised......................	(59,099)	\$14.13 - \$22.13
Expired or cancelled...........	(27,019)	
Outstanding at April 24, 1993....	463,574	\$14.13 - \$22.13
Granted........................	120,110	\$29.63
Exercised......................	(78,584)	\$14.13 - \$22.13
Expired or cancelled...........	(15,126)	
Outstanding at April 30, 1994....	489,974	\$14.13 - \$29.63
Exercisable at April 30, 1994....	193,915	
Shares available for grants at April 30, 1994.................	877,725	

The Company's shareholders have adopted Restricted Share Plans under which the Compensation and Stock Option Committee of the Board of Directors was authorized to offer for sale up to an aggregate of 650,000 common shares to certain employees and non-employee directors at 25% of the fair market value of the shares. 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 11,800 and 14,450 were granted and issued during the fiscal years 1994 and 1993, respectively, under the Restricted Share Plans. Shares remaining for future grants under the above plans amounted to 442,075 at April 30, 1994.

The Company's shareholders have also adopted a Performance-Based Restricted Stock Plan. This plan authorizes the Compensation and Stock Option Committee of the Board of Directors to award up to an aggregate of 400,000 shares to key employees. Grants of shares are based entirely on achievement of goals over a three-year performance period. Any award made under the plan will be at the sole discretion of the Committee after judging all relevant factors. At April 30, 1994, performance awards were outstanding pursuant to which up to 47,000 shares and 43,520 shares may be issued in fiscal years 1996 and 1997, respectively, depending on the extent to which certain specified performance objectives are met. The costs of performance awards are expensed over the performance period.

Note 6: Retirement

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. Cash contributions to a trust are made annually based on profits.

The Company has established a non-qualified deferred compensation plan for highly compensated employees called a SERP (Supplemental Executive Retirement Plan).

The Company offers a voluntary 401(k) retirement plan to eligible employees within all U.S. operating divisions. Currently over 70% of eligible employees are participating in the plan. Employee contributions are matched with La-Z-Boy stock at $0.50 on the dollar up to a maximum company contribution of 1% of pay.

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

(Amounts in thousands)

	April 30, 1994 (53 weeks)	April 24, 1993 (52 weeks)	April 25, 1992 (52 weeks)
Service cost	$1,526	$1,426	$ 839
Interest cost	1,683	1,455	1,303
Actual return on plan assets	(719)	(2,197)	(2,428)
Net amortization and deferral	(1,575)	(234)	233
Net periodic pension cost	915	450	(53)
Profit sharing	4,659	4,341	3,557
SERP	795	691	559
401(k)	1,145	1,002	835
Other	442	478	726
Total retirement costs	$7,956	$6,962	$5,624

The funded status of the pension plans was as follows:
(Amounts in thousands)

	April 30, 1994	April 24, 1993
Actuarial present value of accumulated benefit obligation	($23,887)	($19,608)
Plan assets at fair value	28,531	27,134
Excess of plan assets over projected benefit obligation	4,644	7,526
Prior year service cost not yet recognized in net periodic pension cost	1,117	1,215
Unrecognized net loss	5,274	1,895
Unrecognized initial asset	(3,995)	(4,326)
Prepaid pension asset	$7,040	$6,310

The expected long-term rate of return on plan assets was 8.5% for 1994 and 9.0% for 1993 and 1992. The discount rate used in determining the actuarial present value of accumulated benefit obligations was 7.5% for 1994, 8.0% for 1993 and 8.5% for 1992. Vested benefits included in the accumulated benefit obligation were $21 million and $17 million at April 30, 1994 and April 24, 1993, respectively. Plan assets are invested in a diversified portfolio that consists primarily of debt and equity securities.

The Company's pension plan funding policy has been to contribute annually the maximum amount that can be deducted for federal income tax purposes.

Note 7: 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 years ended):

(Amounts in thousands)

	April 30, 1994 (53 weeks)	April 24, 1993 (52 weeks)	April 25, 1992 (52 weeks)
Gross health care.................	$29,061	$23,962	$22,298
Participant payments..............	(4,442)	(2,356)	(1,323)
Net health care.................	$24,619	$21,606	$20,975

The 1994 gross health-care expenses increased 21% over 1993 which was a much higher rate of increase than 1993's 7% increase over 1992, even after adjusting for employment increases.

Participant payments increased markedly due to premium payments for most employees becoming effective January 1993 making 1994 the first full payment year. Participant payments covered 15% of health-care expenses in 1994.

Net health-care costs in 1994 increased 14% over 1993 compared to a 3% increase in 1993 over 1992 even though much higher participant payments occurred.

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

Note 8: Income Taxes

Effective April 25, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 (SFAS 109), "Accounting for Income Taxes," which applies a balance sheet approach to income tax accounting. In accordance with the new standard, the balance sheet reflects the anticipated tax impact of future taxable income or deductions implicit in the balance sheet in the form of temporary differences. These temporary differences reflect the difference between the basis in assets and liabilities as measured in the financial statements and as measured by tax laws using enacted tax rates. On April 25, 1993, the Company recorded a tax credit of $3 million or $0.18 per share, which represents the net increase in the net deferred tax asset as of that date. Such amount has been reflected in the consolidated statement of income as an accounting change. Prior years' financial statements have not been restated.

The primary components of the Company's deferred tax assets and liabilities as of April 30, 1994 and April 25, 1993 (date of adoption) are as follows:

(Amounts in thousands)

	April 30, 1994	April 25, 1993
Current		
Deferred income tax assets (liabilities):		
Bad debt	$ 5,993	$ 4,628
Warranty	2,703	2,496
Workers' compensation	1,211	1,118
Inventory	916	1,186
State income tax	(40)	1,569
Other	4,881	2,794
Net current deferred tax assets	15,664	13,791
Noncurrent		
Deferred income tax assets (liabilities):		
Property, plant and equipment	(4,372)	(4,108)
Pension	(2,899)	(2,638)
Other	322	408
Net noncurrent deferred tax liabilities	(6,949)	(6,338)
Valuation allowance	(504)	(342)
Net deferred tax asset	$8,211	$7,111

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

(% of pretax income)

	April 30, 1994	April 24, 1993	April 25, 1992
Statutory tax rate	35.0	34.0	34.0
Increase (reduction) in taxes resulting in:			
State income taxes net of federal benefit	4.8	4.7	4.3
Tax credits	(0.2)	(0.3)	(1.0)
Acquisition amortization	0.7	0.9	0.9
Merger of previously acquired operation	-	-	(0.7)
Miscellaneous items	0.0	0.5	(0.4)
Effective tax rate	40.3	39.8	37.1

Note 9: Contingencies

The Company has been named as defendant in various lawsuits arising in the normal course of business. It is not possible at the present time to estimate the ultimate outcome of these actions; however, management and the Company's legal counsel believe that the resultant liability, if any, will not be material.

The Company is also subject to contingencies pursuant to environmental laws and regulations. The Company accrues for certain environmental remediation activities related to past operations, including Superfund clean-up and Resource Conservation and Recovery Act compliance activities, for which commitments have been made and reasonable cost estimates are possible. Currently, the Company has been determined to be a "de-minimus" level potentially responsible party (PRP) at three clean-up sites and has provided for any known costs relating to these sites. The Company is also conducting voluntary compliance audits at Company owned facilities. Although there probably will be future expenditures in this area, the effect on future financial results is not subject to reasonable estimation. However, management does not anticipate that they will have a material adverse effect.

Management Discussion

The Management Discussion and Analysis, as required by the Securities and Exchange Commission, should be read in conjunction with the Report of Management Responsibilities, the Report of Independent Accountants, the Financial Statements and related Notes, and all other pages that follow them in the annual report.

Background

Sales by Type	1994	1993	1992
Residential (Home)			
Upholstery	76%	74%	75%
Wood & Other	18%	19%	17%
	94%	93%	92%
Contract (Office)	6%	7%	8%
	100%	100%	100%

Sales by Country	1994	1993	1992
United States	94%	95%	95%
Canada and Foreign	6%	5%	5%
	100%	100%	100%

La-Z-Boy is organized into five operating divisions. Residential (67 years in business) accounts for the majority of the upholstery category. Kincaid (48 years) is part of the wood category. La-Z-Boy Contract Furniture Group (22 years) is all of the Contract line. Hammary (50 years) is primarily in the wood category. La-Z-Boy Canada (65 years) is part of the upholstery category.

La-Z-Boy's market share of all U.S. upholstery furniture products is above 8%.

On the basis of available market share data (in dollars), La-Z-Boy has 30-35% of the U.S. single-seat recliner market and is the world's largest recliner manufacturer. (The next largest U.S. competitor holds roughly 20% of the U.S. market.) La-Z-Boy's sleep sofa current market share, approximately 12%, has been growing over the last three years.

Market share data by individual product lines other than recliners and sleepers (e.g., sofas, reclining sofas, wood bedroom and dining room, wood occasional, etc.) indicate that, although La-Z-Boy does not have a market share above 10% in any one line, the Company's market share has been growing over the last three years in most lines.

Analysis of Operations
Year Ended April 30, 1994
(1994 compared with 1993)

U.S. furniture industry sales increased roughly 6-8% in La-Z-Boy's fiscal 1994 over 1993. La-Z-Boy's sales increase of 18% over 1993 continued to exceed the increase experienced by the industry as a whole. Approximately 2% of this increase was due to 1994 including 53 weeks while 1993 contained 52 weeks. The sales volume increase was largely due to improvements in the economy. Selling price increases were generally in the 2-4% range. Major product lines that experienced rates of unit growth above the Company average were the modulars, lower end recliners, sofas, reclining sofas, high end recliners and bedroom (wood).

No divisions or companies were acquired or disposed of during the last six years. Therefore, all sales growth has been internally generated.

During 1994, the La-Z-Boy Contract Furniture Group was formed through the merger of the former La-Z-Boy Contract and RoseJohnson divisions.

The number of independently owned La-Z-Boy Furniture Galleries stores continued to grow in 1994. Most of these stores were major upgrades or new locations for earlier generation La-Z-Boy Showcase Shoppes. These stores are part of the reason La-Z-Boy sales growth has exceeded the industry average. In addition, the number of smaller in-store galleries continued to grow for all divisions.

The gross margin (gross profit dollars as a percent of sales) of 26.2% in 1994 was up from the 26.0% gross margin in 1993. Reasons for the improvement include: the 18% sales increase covering fixed costs; the lack of some one-time costs that affected last year relating to start-up and training for new styles and changes to manufacturing techniques; real selling price increases and better plant efficiencies. These reasons for improvement more than offset the effects of increased sales of product lines with lower-than-average gross margins and increased lumber and health-care costs.

Other income declined in 1994 due to a reduction in interest income, changes in pension-related assumptions and Canadian currency exchange losses.

Income tax expense as a percent of pretax income increased to 40.3% in 1994 from 39.8% in 1993. The effect of the 1% increase in the federal tax rate to 35% was partially offset by changes in profitability among divisions.

Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which changed the method of accounting for income taxes, was adopted by the Company effective April 25, 1993. This change in accounting principle increased net income and the net deferred tax asset by $3.4 million or $.18 per share.

Analysis of Operations
Year Ended April 24, 1993
(1993 compared with 1992)

La-Z-Boy's 1993 sales increase of 10% over 1992 once again exceeded the growth in the U.S. residential furniture industry as a whole. The 1993 sales increase together with forecasted growth in the industry indicates that the furniture industry recession which adversely affected results for the previous four years has ended. Selling price increases during 1993 were generally in the 1-3% range. Major product lines that experienced rates of unit sales growth above the Company average were the reclining sofa, high end recliner, lower end recliners, bedroom (wood) and occasional (wood) product lines.

During 1993, 18 independently owned La-Z-Boy Furniture Galleries stores opened, bringing the total number of stores to 63. The rate of new store openings and their sales volumes are meeting management's expectations. Most of these openings were major upgrades or new locations for earlier generation La-Z-Boy Showcase Shoppes.

Gross margin of 26.0% in 1993 was down from the 26.9% gross margin in 1992 even though unit volume increased. This decline in gross margin was primarily in the Residential division which generates roughly 70% of consolidated sales.

The Residential division gross margin declined for two main reasons. The primary reason was that unexpectedly high labor and overhead costs were incurred at most plants. These costs were primarily caused by the introduction of new styles and efforts to improve plant methods while at the same time, reduce inventories, improve the flexibility to handle a greater number of different styles, and ship dealer orders more complete and quicker than in the past. In addition, an anticipated unfavorable product line mix effect occurred from selling more product lines with lower-than-average gross margins.

S,G & A expense for 1993 of 19.2% of sales was lower than last year's percentage of 19.9% primarily due to the relatively large sales increase and a decline in bad debt expense.

Interest expense declined $2.0 million in 1993 from 1992 due to a combination of lower debt principal amounts and lower interest rates.

The increase in other income was primarily due to increased interest income realized from higher cash balances throughout the year more than offsetting lower interest rates.

Income tax expense as a percent of pretax income increased to 39.8% in 1993 from 37.1% in 1992. In 1992, there was a one-time tax benefit from the merger of a previously acquired division.

Liquidity and Financial Condition

Cash flows from operations amounted to $28 million in 1994, $35 million in 1993 and $36 million in 1992 and have usually been adequate for day-to-day expenditures, dividends to shareholders and capital expenditures.

The 1994 cash flow from operations declined $6.5 million from 1993. Other assets and liabilities changed from a source of cash in 1993 to a use of cash in 1994 primarily due to the payment of income taxes. Also, inventories increased $6.7 million.

Capital expenditures were $17.5 million in 1994 compared to $12.2 million for both 1993 and 1992. Some capacity expansions occurred in 1994 while the prior two years did not require expansions. Capacity utilization of about 70% at the end of 1994 was up from about 65% at the end of 1993.

Cash flows relating to debt caused both inflows and outflows of cash. No new debt was raised in the last three years. During 1992, a $15.0 million bridge loan was refinanced through a private placement and two industrial revenue bonds totaling $9.7 million were refinanced at a lower interest rate. Retirements of debt totaled between $1 million and $15 million for each of the last three years and are primarily related to paying down the $53 million debt incurred in 1987 to acquire an operating division. While the cash flow statement shows that $39.3 million of debt was retired in 1992, $24.7 million relates to refinancing as described above.

In October 1987, the La-Z-Boy Board of Directors authorized a one-million share stock repurchase program. In February 1993, the Board authorized the repurchase of another one million shares. As of April 30, 1994 and April 24, 1993, the Company had acquired about 1,010,000 and 930,000 shares, respectively, of its own stock. The Company plans to be in the market for its shares as changes in its stock price and other financial opportunities arise.

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 beginning of the year shareholders' equity plus total debt). The current ratio at the end of 1994 and 1993 was 4.1:1 and 3.8:1, respectively. The debt to capital ratio was 17.4% at the end of 1994 and 18.5% at the end of 1993.

La-Z-Boy provides for all current and future potential liabilities as required including those relating to postretirement benefits.

The Company is subject to contingencies pursuant to environmental laws and regulations. The Company accrues for certain environmental remediation activities related to past operations, including Superfund clean-up and Resource Conservation and Recovery Act compliance activities, for which commitments have been made and reasonable cost estimates are possible. Currently, the Company has been determined to be a "de-minimus" level potentially responsible party (PRP) at three clean-up sites and has provided for any known costs relating to these sites. The Company is also conducting voluntary compliance audits at Company owned facilities.

Outlook

La-Z-Boy's 1995 fiscal year to end April 29, 1995 will include 52 weeks compared to fiscal year 1994, which included 53 weeks. This is approximately a 2% reduction in the length of the year which will affect sales and other financial comparisons from year to year.

The Company expects the economic recovery to continue through calendar year 1994. Sales in fiscal year 1995 are expected to exceed the 1994 results but due to the stronger than expected year in 1994, the double digit sales increase experienced in 1994 is not expected to repeat.

One of La-Z-Boy's financial objectives is to achieve sales increases of 10% per year or increases at least greater than that of the furniture industry. Some furniture industry forecasts for calendar year 1994 over 1993 are in the 5-7% range. For 1994, La-Z-Boy sales increased 18% over 1993.

The Company's major residential efforts and opportunities for sales growth greater than industry averages are focused outside the recliner market segment, e.g., stationary upholstery (single and multi-seat), reclining sofas and modulars, wood occasional and wall units and wood bedroom and dining room.

The newly formed La-Z-Boy Contract Furniture Group sales growth rate in the next few years is expected to exceed the average of the other divisions. Today, this division is not generating a profit and profits are not expected to improve in 1995 due to large research and development expenditures, reorganization costs and start-up costs associated with the recent merger of the two formerly separate contract divisions. Eventually, profit margins comparable to the Company's average rates are believed to be able to be achieved. Profitability at this level would help the Company reach the financial goals described below even though this division is not large enough to dramatically affect the results.

A second financial goal is to improve operating profit as a percent of sales in 1995 compared to 1994. For 1994, the operating profit margin was 7.5% of sales.

A third goal is to achieve operating profit, interest income and other income (return) as a percent of beginning of the year capital of 20%. For 1994, return on capital was 19.4%.

La-Z-Boy has an opportunity to improve its margins through increases in efficiency, improvements in the utilization of equipment and facilities and increases in sales volumes, even though product line growth may be in lines with lower gross margins.

Capital expenditures are forecast to be approximately $19 to $24 million in 1995 compared to $17.5 million in 1994. The 1995 forecast includes the construction of a new upholstery factory in Arkansas. The 396,000 square foot plant is being constructed to replace an existing older 200,000 square foot plant. Long-term financing of the expected $7 million cost is planned to be through the use of industrial revenue bonds.

The effect of environmental costs on future financial results is not subject to reasonable estimation. However, management does not anticipate that they will have a material adverse effect.

Consolidated Six-Year Summary of Selected Financial Data
(Dollar amounts in thousands, except per share data)

Year Ended in April	1994 (53 wks)	1993 (52 wks)	1992 (52 wks)	1991 (52 wks)	1990 (52 wks)	1989 (52 wks)
Sales..............	$804,898	$684,122	$619,471	$608,032	$592,273	$553,187
Cost of sales......	593,890	506,435	453,055	449,502	430,383	397,776
Gross profit.....	211,008	177,687	166,416	158,530	161,890	155,411
Sell, gen & admin..	150,700	130,855	122,888	115,239	111,613	106,937
Oper profit......	60,308	46,832	43,528	43,291	50,277	48,474
Interest expense...	2,822	3,260	5,305	6,374	7,239	7,567
Interest income....	1,076	1,474	1,093	1,215	1,597	1,864
Acquisition amort..	(1,056)	(1,039)	(1,039)	(1,039)	(1,039)	(1,041)
Other income.......	649	1,292	1,628	1,277	1,939	2,244
Total other inc..	669	1,727	1,682	1,453	2,497	3,067
Income before tax..	58,155	45,299	39,905	38,370	45,535	43,974
Income tax expense.	23,438	18,015	14,805	15,009	17,282	16,508
Net income.......	$34,717*	$27,284	$25,100	$23,361	$28,253	$27,466
Weighted avg shares outstg ('000s)...	18,268	18,172	18,064	17,941	17,868	17,886
Per com shr outstg						
Net income.......	$1.90*	$1.50	$1.39	$1.30	$1.58	$1.54
Cash div paid....	$0.64	$0.60	$0.58	$0.56	$0.54	$0.46
BV on YE shr outst.	$15.91	$14.48	$13.58	$12.75	$11.98	$10.91
Rtn avg shrhdr eqt.	12.5%*	10.7%	10.6%	10.5%	13.8%	14.7%
Gr prft % of sales.	26.2%	26.0%	26.9%	26.1%	27.3%	28.1%
Op prft % of sales.	7.5%	6.8%	7.0%	7.1%	8.5%	8.8%
Op prft, int inc & oth inc as % of BOY capital......	19.4%	16.2%	15.4%	15.6%	19.6%	19.3%
Net inc % of sales.	4.3%*	4.0%	4.1%	3.8%	4.8%	5.0%
Income tax expense % pretax income..	40.3%	39.8%	37.1%	39.1%	38.0%	37.5%
Deprec & amortiz...	$14,014	$14,061	$14,840	$14,039	$13,735	$13,607
Capital expendtrs..	$17,485	$12,248	$12,187	$21,428	$22,418	$9,334
Prty,plt,eqpt,net..	$94,277	$90,407	$93,440	$95,508	$89,141	$79,845
Working capital....	$224,122	$202,398	$184,431	$172,989	$170,292	$158,947
Current ratio......	4.1 to 1	3.8 to 1	3.7 to 1	3.7 to 1	3.4 to 1	3.1 to 1
Total assets.......	$430,253	$401,064	$376,722	$363,085	$361,856	$349,007
Long-term debt.....	$52,495	$55,370	$55,912	$62,187	$69,066	$70,641
Debt...............	$55,370	$55,912	$60,726	$70,867	$78,036	$80,244
Shareholders' eqty.	$290,911	$263,386	$246,359	$229,217	$214,585	$194,293
Ending capital.....	$346,281	$319,298	$307,085	$300,084	$292,621	$274,537
Ratio debt to eqty.	19.0%	21.2%	24.6%	30.9%	36.4%	4l.3%
Ratio debt to capl.	17.4%	18.5%	20.9%	24.8%	28.7%	31.0%
Shareholders.......	12,615	9,032	8,081	7,208	6,827	4,843
Employees..........	9,370	8,724	8,153	7,828	8,046	7,743

*Excludes the income effect of adopting SFAS 109 in May 1993 of $3,352 or $.18 per share.

Dividend and Market Information

1994 Quarter Ended	Dividends Paid	Market Price High	Low	Close
July 24	$0.15	$31 7/8	$25 1/2	$29 3/4
Oct. 23	0.15	31 7/8	29 1/4	31 3/8
Jan. 22	0.17	39 3/4	31 1/2	39 3/4
Apr. 30	$0.17	$40	$30 1/2	$33 1/2
	$0.64			

1993 Quarter Ended	Dividends Paid	Market Price High	Low	Close
July 25	$0.15	$24 5/8	$21	$23 3/8
Oct. 24	0.15	24 3/8	18	20 3/8
Jan. 23	0.15	27 1/8	20 5/8	26 3/8
Apr. 24	$0.15	$29 3/4	$26 3/8	$28
	$0.60			

Year	Dividends Paid	Dividend Yield	Dividend Payout Ratio	Market Price High	Low	Close	Earnings	P/E Ratio High	Low
1994	$0.64	1.9%	33.7%*	$40	25 1/2	33 1/2	$1.90*	21*	13*
1993	0.60	2.1%	40.0%	29 3/4	18	28	1.50	20	12
1992	0.58	2.5%	41.7%	28 3/4	19 1/2	23 1/2	1.39	21	14
1991	0.56	2.6%	43.1%	21 1/2	12 1/4	21 1/4	1.30	17	9
1990	0.54	2.8%	34.2%	23	16 3/4	19 5/8	1.58	15	11
1989	0.46	2.4%	29.9%	19 7/8	14	19 1/8	1.54	13	9

La-Z-Boy Chair Company common shares are traded on the NYSE and the PSE (symbol LZB).

Unaudited Quarterly Financial Information

(Amounts in thousands, except per share data)

Quarter Ended	July 24 (13 weeks)	October 23 (13 weeks)	January 22 (13 weeks)	April 30 (14 weeks)	Year 1994 (53 weeks)
Sales	$162,096	$209,044	$192,648	$241,110	$804,898
Cost of sales	123,047	152,160	141,771	176,912	593,890
Gross profit	39,049	56,884	50,877	64,198	211,008
Selling, general & admin	32,249	39,204	36,877	42,370	150,700
Opertg profit	6,800	17,680	14,000	21,828	60,308
Interest expense	720	776	682	644	2,822
Total other inc	457	411	153	(352)	669
Inc before tax	6,537	17,315	13,471	20,832	58,155
Income tax exp	2,563	6,900	5,483	8,492	23,438
Net income	$3,974*	$10,415	$7,988	$12,340	$34,717*
Net income per share	$0.22*	$0.57	$0.44	$0.67	$1.90*

Quarter Ended	July 25 (13 weeks)	October 24 (13 weeks)	January 23 (13 weeks)	April 24 (13 weeks)	Year 1993 (52 weeks)
Sales	$140,003	$175,877	$169,810	$198,432	$684,122
Cost of sales	106,543	130,924	125,677	143,291	506,435
Gross profit	33,460	44,953	44,133	55,141	177,687
Selling, general & admin	28,478	33,869	33,210	35,298	130,855
Opertg profit	4,982	11,084	10,923	19,843	46,832
Interest expense	867	841	765	787	3,260
Total other inc	518	431	346	432	1,727
Inc before tax	4,633	10,674	10,504	19,488	45,299
Income tax exp	1,850	4,167	4,113	7,885	18,015
Net income	$2,783	$6,507	$6,391	$11,603	$27,284
Net income per share	$0.15	$0.36	$0.35	$0.64	$1.50

*Excludes the income effect of adopting SFAS 109 in May 1993 of $3,352 or $.18 per share.

LA-Z-BOY CHAIR COMPANY

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders of
La-Z-Boy Chair Company:

June 24, 1994

Notice is hereby given that the annual meeting of shareholders of La-Z-Boy Chair Company will be held at the La-Z-Boy Chair Company Auditorium, 1314 North Telegraph Road, Monroe, Michigan, on Monday, July 25, 1994 at 11:00 o'clock A.M. Eastern Daylight Time for the following purposes:

(1) To elect three (3) directors of the Company to three year terms expiring in 1997.

(2) To transact such other business as may properly come before the meeting or any adjournments thereof.

A copy of the Annual Report, containing the financial statements of the Company for the year ended April 30, 1994, is enclosed herewith.

Only shareholders of record at the close of business on June 17, 1994 will be entitled to notice of, and to vote at, the meeting.

Shareholders, whether planning to attend in person or not, are urged to date, sign and return the enclosed proxy in the accompanying envelope, to which no postage need be affixed if mailed in the United States. Even though you sign and return the proxy, you may vote your shares in person by revoking the proxy at the meeting.

By Order of the Board of Directors

Gene M. Hardy, Secretary

Monroe, Michigan
June 24, 1994

PROXY STATEMENT

The following statement is furnished in connection with the solicitation of proxies by the Board of Directors of La-Z-Boy Chair Company to be used at the annual meeting of shareholders to be held on Monday, July 25, 1994 and at any adjournments thereof. The meeting will be held at the La-Z-Boy Chair Company Auditorium, 1314 North Telegraph Road, Monroe, Michigan. The Board of Directors knows of no business which will be presented to the meeting other than the matters referred to in the accompanying Notice of Annual Meeting. However, if any other matters are properly presented to the meeting, it is intended that the persons named in the proxy will vote upon the same and act in accordance with their judgment. Shares represented by properly executed proxies in the form accompanying this proxy statement will be voted at the meeting in the manner specified therein. If no instructions are specified in the proxy, the shares represented thereby will be voted FOR the election of the director nominees referred to under Proposal 1 on page 4. A proxy may be revoked at any time insofar as it has not been exercised by executing and returning a later proxy or by giving notice to the Company in writing or in the open meeting. The Company's principal executive office is located at 1284 North Telegraph Road, Monroe, Michigan 48161.

As of June 17, 1994, there were 18,303,223 shares of the Common Stock, $1.00 par value, of the Company ("common shares") issued and outstanding. Each common share is entitled to one vote on each matter to be presented at the meeting. Only shareholders of record at the close of business on June 17, 1994 will be entitled to vote at the meeting. There were no shares of preferred stock issued and outstanding at the close of business on June 17, 1994.

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

Under rules adopted by the Securities and Exchange Commission, a person is deemed to be the beneficial owner of the Company's common shares if he or she has or shares the right to vote the shares or if he has or shares the investment power over such shares. There may be, therefore, more than one beneficial owner with respect to any share or group of shares. A person may also be deemed to be the beneficial owner if he is the settlor of a trust with a right to revoke the trust and regain the shares or has the power to acquire shares by means of outstanding options or rights to convert other securities into common shares.

The following information is furnished in compliance with these rules with respect to security ownership of each person known to the Company to beneficially own more than 5% of the Company's common shares as of June 17, 1994, based in each case on data provided by such person.

T A B L E I

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Edwin J. Shoemaker 8 Sylvan Drive Monroe, Michigan 48161.............	1,023,178(1)	5.590%
Monroe Bank & Trust Monroe, Michigan 48161.............	5,420,634(2)	29.616%
FMR Corp. Boston, Mass. 02109................	986,700(3)	5.391%

(1) Mr. Shoemaker beneficially owns and is the donor of a revocable trust which holds 1,023,178 shares.

(2) Monroe Bank & Trust is the trustee of a number of revocable and irrevocable trusts under which it, under certain conditions, has sole or shared voting power over the above-mentioned shares. It may in certain instances have sole or shared investment power with respect to such shares. The shares referred to above include the shares identified in footnote (1) above as being beneficially owned by Mr. Shoemaker, since Monroe Bank & Trust is the trustee of his trust.

(3) Based on information contained in the named shareholders' Schedule 13G dated February 11, 1994, filed pursuant to the Securities and Exchange Act of 1934 and based on information delivered to the Company by the named shareholder in February 1994. The Schedule states that the shares were acquired for investment.

STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information as to the common shares beneficially owned as of June 17, 1994 by each director and each executive officer of the Company, based in each case on data provided by such person.

TABLE II

Name	Amount and Nature of Beneficial Ownership	Percent of Class
Edwin J. Shoemaker....................	1,023,178 (1)	5.590%
Charles T. Knabusch...................	763,554 (2)	4.172%
Lorne G. Stevens......................	29,002 (3)	.158%
Frederick H. Jackson..................	239,188 (4)	1.307%
Gene M. Hardy.........................	174,178 (5)	.952%
Patrick H. Norton.....................	53,100 (6)	.290%
Warren W. Gruber......................	3,000 (7)	.016%
David K. Hehl.........................	7,430 (8)	.041%
John F. Weaver........................	158,500 (9)	.866%
Rocque E. Lipford.....................	3,300 (10)	.018%
James W. Johnston.....................	320,800 (11)	1.753%
Charles W. Nocella....................	21,454 (12)	.117%
All Directors and Executive Officers As A Group (12).....................	2,376,684	12.985%

(1) See footnote 1 to Table I.

(2) Mr. Knabusch owns 202,455 shares of record and beneficially. He has options to purchase 67,579 shares which are exercisable within 60 days of June 17, 1994. His wife owns 74,720 shares individually and as a trustee for their children. He is also one of the members of the advisory committee of an irrevocable trust holding 278,800 shares and as such has shared voting and investment powers with respect to such shares. In addition, he has shared investment power as a member of the Investment Committee under the Company's Employees' Profit Sharing Plan which holds 140,000 shares. He may be deemed to own all of such shares beneficially.

(3) Mr. Stevens owns 12,500 shares of record and beneficially and his wife owns 16,502 shares of record and beneficially.

(4) Mr. Jackson owns 89,113 shares of record and beneficially and his wife owns 800 shares of record and beneficially. He has options to purchase 9,275 shares which are exercisable within 60 days of June 17, 1994. In addition, he has shared investment power as a member of the Investment Committee under the Company's Employees' Profit Sharing Plan which holds 140,000 shares. He is deemed to own all of such shares beneficially.

(5) Mr. Hardy owns 32,454 shares of record and beneficially and he has options to purchase 1,724 shares which are exercisable within 60 days of June 17, 1994. In addition, he has shared investment power as a member of the Investment Committee under the Company's Employees' Profit Sharing Plan which holds 140,000 shares. He is deemed to own all of such shares beneficially.

(6) Mr. Norton owns 41,525 shares of record and beneficially and his wife owns 2,300 shares. He has options to purchase 9,275 shares which are exercisable within 60 days of June 17, 1994.

(7) Mr. Gruber owns 2,900 shares of record and beneficially. His wife owns 100 shares of record and beneficially.

(8) Mr. Hehl owns 4,901 shares of record and beneficially. His wife owns 652 shares individually and their three sons own 1,877 shares of record and beneficially.

(9) Mr. Weaver owns 2,900 shares of record and beneficially and his wife owns 15,600 shares. In addition, he has shared investment power as a member of the Investment Committee under the Company's Employees' Profit Sharing Plan which holds 140,000 shares. He is deemed to own all of such shares beneficially.

(10) Mr. Lipford owns 2,500 shares of record and beneficially. His wife owns 800 shares of record and beneficially.

(11) Mr. Johnston owns 268,140 shares of record and beneficially and his wife owns 52,660 shares of record and beneficially.

(12) Mr. Nocella owns 7,394 shares of record and beneficially and his wife owns 12,085 shares. He has options to purchase 1,975 shares which are exercisable within 60 days of June 17, 1994.

COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Exchange Act requires the Company's executive officers and directors, and persons who own more than 10% of the Company's Common Stock, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC") and the New York Stock Exchange. Executive officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish the Company with all copies of Section 16(a) forms they file.

Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons that no Forms 5 were required for those persons, the Company believes that during the fiscal year ended April 30, 1994, all filing requirements were complied with in a timely fashion.

PROPOSAL 1: ELECTION OF DIRECTORS

The Company's Board of Directors is divided into three classes, one consisting of three directors and two consisting of four directors. Directors serve for three-year, staggered terms, such that the terms of office of directors comprising one of the classes expires each year. This year, three directors are to be elected, to serve until the Company's annual meeting of shareholders in 1997 or until their successors are elected and qualified.

Pursuant to applicable Michigan corporate law, assuming the presence of a quorum, directors will be elected at the meeting from among those persons duly nominated for such positions by a plurality of votes cast by holders of the Common Stock who are present in person, or represented by proxy, and entitled to vote at the meeting. Thus, for this year, those nominees who receive the highest through third-highest numbers of votes for their election as directors will be elected, regardless of the number of votes which for any reason, including abstention, withholding of authority, or broker non-vote, are not cast for the election of such nominees.

The Board's nominees for election as directors are the three current directors whose terms expire with the 1994 annual meeting. In the absence of other instruction, the persons named in the accompanying form of proxy intend to vote in favor of these three nominees (or, if any such nominee should become unable or unwilling to serve, which is not presently anticipated, for such substitute nominee as is designated by the Board). The tables which follow provide background information concerning each of the Board's nominees and each other director of the Company whose term of office will continue beyond the 1994 annual meeting.

Nominees for Director for Three Year Term Expiring July, 1997

Name	Age	Director Since	Business Experience and Other Directorships
Frederick H. Jackson........	66	1971	Mr. Jackson has been Vice President Finance for more than five years.
Lorne G. Stevens............	66	1972	On April 30, 1988, Mr. Stevens retired from the Company as Vice President of Manufacturing, a position he held for more than five years.
Patrick H. Norton...........	72	1981	Mr. Norton has been Senior Vice President, Sales and Marketing for more than five years.

Members of Board of Directors Continuing in Office

Name	Age	Director Since	Business Experience and Other Directorships
Edwin J. Shoemaker..........	87	1941	Mr. Shoemaker has been Vice Chairman of the Board and Executive Vice President of Engineering for more than five years.
Charles T. Knabusch.........	54	1970	Mr. Knabusch has been Chairman of the Board and President of the Company for more than five years.
John F. Weaver..............	77	1971	Mr. Weaver has been Executive Vice President and a Director of the Monroe Bank & Trust for more than five years.
David K. Hehl...............	47	1977	Mr. Hehl has been a partner in the public accounting firm of Cooley, Hehl, Wohlgamuth & Carlton for more than five years.
Rocque E. Lipford...........	55	1979	Mr. Lipford has been a principal in the law firm of Miller, Canfield, Paddock and Stone, P.L.C., since January 1994 and previously was a partner of Miller, Canfield, Paddock and Stone for more than five years.
Warren W. Gruber............	73	1981	Mr. Gruber has been President and Chief Operating Officer and a Director of Gruber Valu-World for more than five years.

Gene M. Hardy...............	57	1982	Mr. Hardy has been Secretary and Treasurer of the Company for more than five years.
James W. Johnston...........	55	1991	Mr. Johnston has been a self-employed financial and business consultant for more than five years. He was appointed a Director in January 1991.

BOARD OF DIRECTORS AND COMMITTEES

Edwin J. Shoemaker and Charles T. Knabusch may be deemed to be persons who are in control of the Company.

During the Company's fiscal year ending April 30, 1994, the Board of Directors held ten meetings. Each director attended at least 90% of the total number of meetings of the Board and of all committees on which he served. All directors are in regular touch with the Company's affairs. Employee directors receive a fee of $250 for each meeting of the Board of Directors attended. Non-employee directors receive an annual retainer of $12,000 and a fee of $400 for each Board meeting and for each committee meeting attended.

In addition, each non-employee director receives an initial grant of 30-day options on 1,500 common shares of Restricted Stock upon election to the Board and a subsequent annual grant at the beginning of each fiscal year of 30-day options on 200 common shares of Restricted Stock. Such grants are made pursuant to the La-Z-Boy Chair Company Restricted Stock Plan for Non-Employee Directors approved by the shareholders effective September 1, 1989. The Plan contemplates a present sale of the optioned shares at 25% of market value, but provides restrictions on the transfer or other disposition of the shares by the non-employee director during the restricted time, which expires upon the earliest to occur of the following events: death or disability, retirement from the Board, change of control, or termination of the participant's service as a director with the consent of a majority of the Company's employee members of the Board, all as defined in the Plan.

The Board of Directors has an Audit Committee and a Compensation Committee.

The Audit Committee, which held two meetings during the fiscal year, consists of Mr. Hehl, Chairman, and Messrs. Weaver, Gruber, Stevens and Lipford, all of whom are non-employee Directors. The functions of the Audit Committee are to recommend to the Board of Directors the firm of independent accountants to serve the Company each fiscal year, to review the scope, fees and results of the audit by independent accountants and to review the adequacy of the Company's system of internal accounting controls and the scope and results of internal auditing procedures.

The Compensation Committee, which held three meetings during the fiscal year, consists of Mr. Weaver, Chairman, and Messrs. Hehl, Gruber and Lipford, all non-employee directors. The functions of the Compensation Committee include recommending to the Board of Directors remuneration of the officers of the Company, recommending to the Board of Directors remuneration of the members of the Board and of the Board Committees, and the administration of the Company's executive incentive compensation and stock option plans.

The Board of Directors has no nominating committee. Nominations for Director are considered by the entire Board.

EXECUTIVE COMPENSATION

The following table summarizes the compensation paid to or earned by the Chief Executive Officer and each of the Company's four other most highly compensated executive officers (the "named executives") during the last three fiscal years.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Compensation Awards			
					Awards		Payouts	
Name and Principal Position	Year	Salary(1) $	Bonus(2) $	Other Annual Compensation $	Restricted Stock Awards(3) $	Incentive Stock Option Grants #	Long-Term Incentive Plan Payouts	All Other Compensation(4) $
Charles T. Knabusch	1994	386,625	264,046	0	0	22,500	0	70,913
Chairman of the Board	1993	377,550	198,056	0	0	24,400	0	67,206
President and Chief	1992	353,200	133,765	0	0	36,410	0	56,961
Executive Officer.........								
Edwin J. Shoemaker	1994	127,345	62,373	0	0	0	0	17,347
Vice Chairman and	1993	124,350	45,030	0	0	0	0	16,229
Executive Vice President	1992	118,850	31,012	0	0	0	0	18,892
of Engineering............								
Frederick H. Jackson	1994	238,250	132,503	0	0	9,600	0	44,147
Vice President Finance	1993	232,550	97,180	0	0	10,500	0	41,055
and Chief Financial	1992	217,800	65,661	0	117,000	4,300	0	36,744
Officer...................								
Patrick H. Norton	1994	238,250	132,503	0	0	9,600	0	44,504
Senior Vice President	1993	232,550	97,180	0	0	10,500	0	41,921
Sales & Marketing.........	1992	217,800	65,661	0	117,000	4,300	0	37,465
Charles W. Nocella	1994	149,650	84,111	0	0	4,600	0	28,566
Vice President of	1993	146,050	61,688	0	0	5,000	0	26,645
Manufacturing............	1992	135,050	41,229	0	21,750	2,900	0	23,198

(1) Includes, where applicable, amounts electively deferred by a named executive under the Company's Matched Retirement Savings Plan, which is a so-called "401(k)" plan, and directors' fees paid to the named executives, where applicable, for attendance at La-Z-Boy Chair Company Board of Directors' meetings.

(2) Allocated to named executives for the applicable fiscal year under the Company's Executive Incentive Compensation Plan.

(3) At the close of the Company's 1994 fiscal year, the named executives held the following numbers of shares of restricted stock, which had the following aggregate values on such date (based on the closing market price for unrestricted shares of the Company's Common Stock): Mr. Knabusch, -0- shares worth $-0-; Mr. Shoemaker, $-0- shares worth $-0-; Mr. Jackson, 7,800 shares worth $261,300; Mr. Norton, 7,800 shares worth $261,300; and Mr. Nocella, 1,450 shares worth $48,575.

The value of restricted stock listed in the Summary Compensation Table represents the fair market value of the Company's stock at the grant date less the 25% required payment for the stock by the executive. While all shares of restricted stock require three years of post-grant service to vest in the ordinary course, such shares may vest in less than three years in certain circumstances, such as upon a change of control of the Company or the holder's death, permanent mental or physical disability or normal retirement. Normal dividends are paid on the restricted stock and are not subject to forfeiture.

(4) The amounts in this column include amounts allocated for the named executives to the Supplemental Executive Retirement Plan (SERP), earnings credited under the SERP, and Company matching contributions in the form of Company stock to the Matched Retirement Savings Plan. Set forth below is a breakdown of the totals contained in the Table for fiscal 1994:

Amounts allocated to the Supplemental Executive Retirement Plan of the Company were as follows:

	1994
Charles T. Knabusch	$57,656
Edwin J. Shoemaker	13,733
Frederick H. Jackson	35,362
Patrick H. Norton	35,362
Charles W. Nocella	22,447

Earnings credited on supplemental retirement balances under the Company's Supplemental Executive Retirement Plan were as follows:

	1994
Charles T. Knabusch	$11,941
Edwin J. Shoemaker	3,614
Frederick H. Jackson	7,387
Patrick H. Norton	7,325
Charles W. Nocella	4,609

Contributions under the Company's Matched Retirement Savings Plan were as follows:

	1994
Charles T. Knabusch	$1,316
Edwin J. Shoemaker	-0-
Frederick H. Jackson	1,398
Patrick H. Norton	1,817
Charles W. Nocella	1,510

The following table shows all stock options granted to each of the named executive officers of the Company during fiscal year 1994 and the potential realizable value of the grants assuming stock price appreciation rates of 5% and 10% over the five-year term of the options.

OPTION GRANTS IN LAST FISCAL YEAR

	Individual Grants (1)				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Terms ($)(2)			
					5% Per Year		10% Per Year	
Name	Options Granted (#)	% of Total Options Granted To Employees In Fiscal Year	Exercise or Base Price ($/SH)	Expiration Date	Price Per Share ($/SH)	Aggregate Value ($)	Price Per Share ($/SH)	Aggregate Value ($)
Charles T. Knabusch.....	22,500	18.27	32.5875	09/01/98	41.5908	935,793	52.4825	1,180,856
Edwin J. Shoemaker......	-0-	-0-	-0-	N/A	-0-	-0-	-0-	-0-
Frederick H. Jackson....	9,600	7.80	29.6250	09/01/98	37.8098	362,974	47.7114	458,029
Patrick H. Norton.......	9,600	7.80	29.6250	09/01/98	37.8098	362,974	47.7114	458,029
Charles W. Nocella......	4,600	3.74	29.6250	09/01/98	37.8098	173,925	47.7114	219,472
All Optionees...........	123,130	100.00	30.1664	09/01/98	38.5000	4,740,505	48.5833	5,982,062

(1) All of the above options were granted September 2, 1993 pursuant to the terms of the Company's 1986 Incentive Stock Option Plan as approved by the shareholders of the Company in 1986 and in effect as of the date of the grant. One-fourth of the shares purchasable under each option normally becomes exercisable beginning in the second, third, fourth and fifth years after the date of the grant. However, under the terms of the agreements described under "Certain Agreements" below, then-outstanding options would be accelerated upon the occurrence of a change in control. Options once exercisable generally remain exercisable until the expiration of the fifth year after the date of grant. In the event of the optionee's death or retirement, the right to exercise the option will exist for a period of one year following the date of such event for the full amount of shares remaining unexercised. The optionee's right to exercise an option immediately terminates in the event the optionee's employment terminates for any reason other than death or retirement. The per share exercise price at which the options were granted was 100% of the fair market value of the Company's Common Stock on the date the options were granted, except that in the case of options granted to Mr. Knabusch, such price was 110% of fair market value on the grant date.

(2) The 5% and 10% rates of appreciation are required to be disclosed by the Securities and Exchange Commission ("SEC") and are not intended to forecast possible future actual appreciation, if any, in the Company's stock prices. It is important to note that options have potential value for the named executive only if the Company's stock price advances beyond the exercise price shown in the table during the effective five-year option period.

The following table provides information as to stock options exercised by each of the named executive officers in fiscal year 1994 and the value of the remaining options held by each such executive officer at the Company's year-end, April 30, 1994:

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR-END OPTION VALUES

Name	Shares Acquired On Exercise #	Value Realized $(1)	Number of Unexercised Options at Fiscal Year-End Exercisable #	Number of Unexercised Options at Fiscal Year-End Unexercisable #	Value of Unexercised In-The-Money Options At Fiscal Year-End(2) Exercisable $	Value of Unexercised In-The-Money Options At Fiscal Year-End(2) Unexercisable $
Charles T. Knabusch.....	10,100	117,786	67,579	65,431	833,881	520,532
Edwin J. Shoemaker......	-0-	-0-	-0-	-0-	-0-	-0-
Frederick H. Jackson....	4,500	65,250	13,700	21,100	196,791	187,334
Patrick H. Norton.......	-0-	-0-	13,700	21,100	196,791	187,334
Charles W. Nocella......	2,700	45,975	1,975	10,700	24,475	98,900

(1) Based on the closing market price of the Company's Common Stock on the date of exercise, minus the exercise price. An individual, upon exercise of an option, does not receive cash equal to the amount contained in the Value Realized column of this table. No cash is realized until the shares received upon exercise of an option are sold.

(2) Based on the closing market price of the Company's Common Stock on April 30, 1994 ($33.50), minus the exercise price.

LONG-TERM INCENTIVE COMPENSATION UNDER THE LA-Z-BOY CHAIR COMPANY 1993 PERFORMANCE-BASED STOCK PLAN

At the 1993 Annual Meeting, shareholders approved a long-term incentive compensation plan designated as the La-Z-Boy Chair Company 1993 Performance-Based Stock Plan ("Performance Plan"). The purpose of the Performance Plan is to provide the Company and its subsidiaries with an additional means to (a) attract and retain competent new personnel and other key employees, (b) insure retention of the services of existing executive personnel and key employees, and (c) provide incentive to all such personnel to devote their utmost effort and skills to the long-term advancement and betterment of the Company and its shareholders. The Performance Plan seeks to accomplish that purpose through the grant to selected employees of contingent awards ("Target Awards") the potential pay-outs on which ("Performance Awards") are linked to achievement by the end of a cycle of three Company fiscal years (a "Performance Cycle") of Company performance goals specified toward the beginning of the Performance Cycle, and by structuring all Performance Awards which may be earned as options to purchase or outright grants of Company Common Stock.

After the 1993 Annual Meeting, the Compensation Committee granted Target Awards to certain employees for the Performance Cycle ending at the close of the Company's 1996 fiscal year. In addition, shortly before the end of fiscal 1994, the Compensation Committee granted additional Target Awards for the Performance Cycle ending at the close of fiscal 1997. In each case, the Committee determined to establish four uniform financial goals for these Target Awards, each relating to operating performance of the Company and its consolidated subsidiaries for the pertinent Performance Cycle: (1) sales growth at a rate greater than that of the industry, (2) an increase in earnings before income tax at a rate equal to or greater than sales growth, (3) operating profit margin growth at a rate equal to or greater than sales growth, and (4) return on total capital at a specified rate.

The table which follows provides information concerning the Target Awards granted during fiscal 1994 to executive officers named in the Summary Compensation Table:

Long Term Incentive Plan -- Awards in Last Fiscal Year

Name	Number of Performance Shares(1) #	Performance Period Until Maturation Or Payout	Estimated Future Payouts Threshold(2) #	Target(3) #	Maximum(4) #
Charles T. Knabusch...	3,122	(5)	3,122	6,245	12,490
	2,810	(6)	2,810	5,620	11,240
Edwin J. Shoemaker....	-0-	(5)	-0-	-0-	-0-
	-0-	(6)	-0-	-0-	-0-
Frederick H. Jackson..	1,335	(5)	1,335	2,670	5,340
	1,200	(6)	1,200	2,400	4,800
Patrick H. Norton.....	1,335	(5)	1,335	2,670	5,340
	1,200	(6)	1,200	2,400	4,800
Charles W. Nocella....	637	(5)	637	1,275	2,550
	575	(6)	575	1,150	2,300

(1) Numbers reported are the base numbers of shares subject to Target Awards granted.

(2) Numbers reported are the numbers of shares which would become subject to 30-day option if only one performance goal is achieved. The per share exercise price for any such option would be 50% of the "Fair Market Value" (as defined in the Performance Plan) of a common share at date of grant of the Target Awards.

(3) Numbers reported are the numbers of shares which would become subject to 30-day option if two performance goals are achieved. The per share exercise price for each such option would be 25% of Fair Market Value of a common share on date of grant of the Target Awards. For achievement of three performance goals, an outright grant of the same number of shares would be made. Under the terms of the Performance Plan, if a Target Award grantee's employment terminates due to death, or if termination is due to disability (as therein defined) or retirement with the consent of the Company and the terminated employee subsequently dies before the end of the Performance Cycle, his or her estate administrator may elect to receive a Performance Award prior to the end of the cycle. If the election is made, the estate would receive either a 30-day option on the number of shares shown in this column, as if two Performance Goals had been met, or an outright grant of that number of shares, depending upon whether employment termination occurred during the first or second half of the Performance Cycle. Termination of the grantee's employment due to death, disability, or consensual retirement otherwise has no effect on any outstanding Target Awards of the grantee, but termination for any other reason automatically cancels such awards.

(4) Numbers reported are the numbers of shares which would be awarded, in the form of an outright grant, if all performance goals are achieved. Under the terms of the Performance Plan, the holder of a Target Award also will be deemed automatically to have earned and been granted the same Performance Award if a person or group becomes an Acquiring Person (as defined in the Performance Plan) or certain changes in the composition of the Board of Directors occurs while the Target Award is outstanding. The same effect upon then-outstanding Target Awards also will result if, while there is an Acquiring Person, any of certain other significant transactions involving the Company should occur, unless the transaction has been approved by a majority of Directors who were Board members before the Acquiring Person became such.

(5) The performance period (Performance Cycle) until maturation or payout is three fiscal years ending April 28, 1996.

(6) The performance period is three fiscal years ending April 27, 1997.

CERTAIN AGREEMENTS

The Company recognizes that establishing and maintaining a strong management team are essential to protecting and enhancing the interests of the Company and its shareholders. In order to assure management stability and the continuity of key management personnel, the Company entered into change in control agreements with certain key employees including, among others, all current executive officers. The employees eligible for change in control agreements are those selected by the Compensation Committee. These agreements, which were unanimously approved by the Board of Directors, provide that if any of such persons is terminated, other than for cause, disability, death or retirement, within three years after a change in control of the Company, that person shall be entitled to receive a lump sum severance payment equal to three times the sum of (i) his annualized salary and (ii) an amount equal to the average bonus paid to the employee in the previous three years, as well as certain other payments and benefits, including continuation of employee welfare benefit payments, and reimbursement of certain legal fees and expenses incurred by such employee in connection with enforcing such agreement following a change in control. In consideration of the foregoing, each of such persons agrees to remain in the employ of the Company during the pendency of any proposal for a change in control of the Company. The agreements expire December 31, 1994 and are automatically renewed for additional one-year periods unless either party gives 90 days' notice that it does not wish to extend the agreement. In the event of a change in control, the agreements are automatically extended for 36 months.

All of these agreements originally were entered into prior to 1993, but it is possible none of them would be eligible for "grandfathering" for purposes of $1,000,000 compensation deductibility limit imposed last August by enactment of sect.162(m) of the Internal Revenue Code (further discussed under "Report of the Compensation Committee on Executive Compensation"), due to the renewal feature of the agreements. Therefore, if a payment obligation under an agreement is triggered by termination after a change in control, it also is possible that a substantial portion of the amount payable will not be deductible by the Company.

PERFORMANCE COMPARISON

The following table provides an indicator of the return for the Company's last five fiscal years that would have been realized (assuming reinvestment of dividends) by an investor who invested $100 on April 28, 1989 in each of (i) the New York Stock Exchange Index, (ii) a Peer Group of publicly traded furniture industry companies, and (iii) the Company's Common Stock.

La-Z-Boy Chair Company
Comparison of Total Return to Shareholders
April 28, 1989 through April 29, 1994

	1989	1990	1991	1992	1993	1994
LA-Z-BOY CHAIR COMPANY	100.00	105.62	118.27	134.16	163.98	200.15
PEER GROUP INDEX	100.00	95.13	95.14	122.55	146.72	147.88
NYSE MARKET INDEX	100.00	108.42	126.98	143.05	158.40	169.90

PEER GROUP INDEX

The Peer Group consists of seven public companies operating primarily in the residential segment of the furniture industry and two other larger public companies which operate in that business segment as well as in other business segments. The returns of each company have been weighted according to their respective stock market capitalization for purposes of arriving at a peer group average: RESIDENTIAL -- Bassett Furniture, Bush Industries, DMI Furniture, Flexsteel Industries, LADD Furniture, Pulaski Furniture, and Rowe Furniture; OTHERS -- MASCO Corporation and Leggett & Platt.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The compensation of the Chief Executive Officer and other four highest paid executive officers, as well as the corporation's other senior executives at La-Z-Boy and all subsidiaries, is determined by the Compensation Committee of the Board of Directors. The Committee is a standing committee of the Board of Directors which is comprised entirely of non-employee directors. The Committee has access to an independent compensation consultant to enable it to carry out its responsibilities. The Compensation Committee met three times in fiscal 1994. No member of the Committee is eligible to participate in any of the employee compensation plans or programs it administers. The Committee presents the following report on compensation for the Company's executive officers for fiscal 1994. Actual awards for fiscal year 1994 for the named executives are shown in the Summary Compensation Table preceding this report.

COMPENSATION PHILOSOPHY

The Company's executive compensation programs are premised on the belief that the interests of executives should be closely aligned with those of the Company's stockholders. Based on this philosophy, the Committee believes that a substantial portion of the aggregate potential compensation of executive officers should be directly and materially linked to the Company's operating performance. Consequently, a significant portion of each executive's total compensation is placed at risk and linked to the accomplishment of specific results which will benefit the Company's stockholders in both the short and long-term. Since the achievement of performance objectives over time is a primary determinant of share price, executive compensation is weighted heavily on the basis of performance and achievement of these goals. Under this performance orientation:

* Executives are motivated to improve the overall performance and profitability of the Company by rewarding them when specific, measurable results have been achieved.

* Accountability is further encouraged by incentive awards on the basis of executives' performance and contribution against defined long-term goals.

* In years when corporate performance has been superior, executives will be well compensated, which will permit the Company to attract and retain the talent needed to lead and grow its business; conversely, in years of below average performance, compensation declines below competitive benchmarks.

* The compensation strategy will support business goals and direction and specifically link executive and shareholder interests through equity-based plans linked to the Company's common stock.

* The Company's compensation policy will maximize growth-driven financial performance, balancing appropriately the short and long-term goals of the Company.

COMPENSATION PLAN GENERALLY

In carrying out its duties, the Committee regularly reviews the executive compensation programs of the Peer Group identified under "Performance Comparison" and of various manufacturing companies of similar size whose executives have similar responsibilities and operations. In fiscal 1994, this review included an analysis by an independent compensation consultant retained by the Company to permit the Committee to assure itself that the Company's total compensation program is properly integrated with both the Company's annual and longer term objectives and is competitive with compensation programs of other companies with which the Company must directly compete for executive talent. The chief components of the Company's executive compensation program consist of three elements: (1) base salary, (2) annual short-term incentive award, and (3) long-term incentives utilizing stock-based awards.

BASE SALARY

The base salary of the Chief Executive Officer and each of the other senior executives is initially determined by evaluating the responsibilities of the position against the competitive marketplace. By utilizing an independent compensation consulting firm and various salary surveys, each position is assigned a salary range which consists of minimum, mid-point and maximum salaries. Generally, base salary for senior

executives is targeted at the mid-point of salary ranges for comparable positions. In fiscal 1994, all base salaries, including that of Mr. Knabusch, were approximately 90% of the mid-point salaries.

An annual salary adjustment within each applicable salary range is determined by evaluating the performance of the individual, in the context of the financial results of the Company. Mr. Knabusch's salary for the 1994 fiscal year, set forth in the Summary Compensation Table below, reflects the Committee's consideration of these factors.

SHORT-TERM INCENTIVE AWARD

Annually, the Compensation Committee establishes short-term performance criteria for the management incentive plan. Performance criteria include such areas as growth in revenue and improved earnings. The specific focus and weighting of the criteria is based on the Committee's assessment of the key short-term priorities of the corporation. The performance criteria are established at the start of the fiscal year or as shortly thereafter as possible. The target and maximum award opportunity for each executive is based on competitive data provided by the independent compensation consultant. The award paid is based on actual results compared to the established performance targets. For fiscal 1994, the performance criteria were improvement in sales revenue and net earnings. One-third of the award was based on sales revenue and two-thirds was based on earnings. This weighting is the result of the Board's continuing emphasis on improving earnings. For fiscal 1994, the Company's consolidated sales revenue increased 18% over fiscal 1993, and the Company's net earnings for fiscal 1994 increased 27% over fiscal 1993. Based on the sliding scale of performance goals established prior to the start of the fiscal year, the Company's financial performance resulted in the bonus payments as set forth in the Summary Compensation Table. The annual incentive awards paid to the CEO and the other executives named in the table were based exclusively on the overall corporate performance using the system described above.

LONG-TERM INCENTIVES

The Company and the Compensation Committee have long recognized the importance of linking executive compensation and value created for shareholders. Consequently, stock-based awards are an important component of executive compensation and one which particularly links executive compensation to the maximization of shareholder values. For fiscal 1994, stock-based awards were potentially available to executive officers and management personnel under the Performance Plan approved by the shareholders last year, as well as under the Company's previously established and approved employee stock option and restricted stock plans. However, in light of the new availability of awards under the Performance Plan, the Committee determined for fiscal 1994 not to make any grants of restricted stock to any executive officers or other employees eligible to receive Target Awards under the Performance Plan. The Committee's present intention is to follow that same practice for the current year and future fiscal years. Awards under the programs are based both on a combination of an individual's contribution to the Company's performance and on the executive's individual performance. The Committee relies heavily on competitive data and the recommendations of an independent compensation consultant who utilizes comparative practices followed by a number of Fortune 500 companies.

In determining the number of incentive stock option shares to be awarded to the CEO and other senior executives in fiscal 1994, the committee considered grants made by comparable companies and the cumulative grants to the CEO in the past. Based upon that review, the CEO was granted options to acquire 22,500 shares at an exercise price equal to 110% of the market value on the date of grant, all as reported in the Summary Compensation Table preceding this report. No restricted stock awards have ever been made to the CEO in the past and none were granted to the CEO or the four senior officers in fiscal 1994.

To continue the alignment of stock compensation with shareholder interests the Committee has granted Performance-Based Shares in 1994. This plan focuses on the achievement of predetermined target levels of performance of both financial and non-financial objectives which are consistent with the Committee's strategic business goals for the award period.

In the opinion of the Committee, the Company's performance-based cash compensation system, together with the various equity-based plans, provides all of the management employees, including its executive officers and CEO, with an incentive to advance objective targets designed to increase shareholder value.

CHIEF EXECUTIVE OFFICER COMPENSATION

The salary, short-term incentive bonus, and long-term incentive awards of the CEO are determined by the Committee substantially in accordance with the policies described above for all other executives of the Company. The Committee evaluates the CEO's contribution to the Company's achievement of both its short-term and long-term financial and non-financial objectives on an ongoing basis. In addition, the Committee evaluates performance of the CEO at least annually based upon a variety of factors, including the extent to which strategic and business plan goals, including such factors as earnings per share, return on equity, growth in sales and similar ratios are achieved.

In summary, based on the strong performance of the Company versus peer companies, and the Committee's determination of the CEO's contribution to this performance and to the positioning of the Company for future long-term growth, the Committee has determined that the compensation paid to the CEO, as described in the Summary Compensation Table preceding this report, is in the best interests of the Company and its shareholders.

RECENT TAX LAW DEVELOPMENTS

In August 1993, the Internal Revenue Code was amended to add a new sect.162(m), which, in general, limits the deductibility of certain compensation in excess of $1,000,000 per year paid on or after January 1, 1994 by a publicly-held corporation to individuals named in the corporation's Summary Compensation Table for the year. Proposed regulations concerning sect.162(m) were issued by the Internal Revenue Service last December. Final regulations have not yet been issued.

Some types of compensation are excluded from sect.162(m)'s million-dollar deductibility limit, including certain compensation payable under "grandfathered" agreements entered into before enactment of sect.162(m) and certain "performance-based" compensation. Compensation associated with stock options or their exercise can qualify for a performance-based exclusion, as can other forms of compensation based on objective performance criteria, provided certain requirements are satisfied.

While there is necessarily some uncertainty in this area in light of the absence of final regulations, the Committee believes sect.162(m) does not affect deductibility by the Company of any fiscal 1994 compensation and does not expect it to affect deductibility of compensation paid or payable for the current year. The Committee also believes that the deductibility of any compensation that might arise in connection with exercises of currently outstanding employee stock options will not be affected by sect.162(m) and expects in due course to take or propose such additional actions as may be necessary or appropriate to preserve such deductibility with respect to options granted in the future.

However, as noted under "Certain Agreements," compensation payable in the future under the change of control agreements there discussed may not be fully deductible under sect.162(m). In addition, despite the use of objective performance criteria in the Performance Plan, at least some of the compensation associated with Performance Awards earned in the future with respect to Target Awards previously or hereafter granted may be non-deductible.

The maximum utilization of legally available tax deductions is beneficial to the Company and its shareholders, and this factor, like other relevant factors, is taken into account by the Compensation Committee as it reviews existing compensation programs and considers whether changes should be implemented or new programs developed. However, there are circumstances in which, on balance, the interests of shareholders are best served by the implementation of policies that may not maximize the tax deductible expenses of the Company. This is at least as true in the area of executive compensation as it is in other areas. While the Committee has considered and expects to continue to consider the impact of sect.162(m) in the course of its deliberations, decisions and recommendations will continue to be made with the goal of maximizing the creation of long-term shareholder value within the framework of the general compensation philosophy described above, rather than by rigid adherence to compensation deductibility standards.

The Compensation Committee

John F. Weaver, Chairman
Rocque E. Lipford
David K. Hehl
Warren Gruber

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The above named non-employee directors constitute the Compensation Committee of the Company's Board of Directors and served in that capacity for the entire 1994 fiscal year. No other persons served on the Compensation Committee during that fiscal year.

John F. Weaver is an Executive Vice President of Monroe Bank and Trust. Charles T. Knabusch, Chairman of the Board, President and CEO of the Company is a member of the Board of Directors of Monroe Bank and Trust and serves as a member of the Personnel Committee of the Bank.

The law firm of Miller, Canfield, Paddock and Stone, P.L.C., of which Rocque E. Lipford is a principal, provides legal services to the Company, and as Miller, Canfield, Paddock and Stone, has done for the past 14 years.

RELATIONSHIP WITH INDEPENDENT ACCOUNTANTS

The Board of Directors, at the recommendation of its Audit Committee, has reappointed the firm of Price Waterhouse as its independent accountants. Price Waterhouse has served as independent accountants for the Company continuously since 1968. It is expected that a representative of Price Waterhouse will be present at the annual shareholders' meeting with the opportunity to make a statement if he or she desires and to answer appropriate questions which may be raised by shareholders at the meeting.

SHAREHOLDER PROPOSALS

Shareholders who intend to present a proposal at the annual meeting to be held in 1995 must furnish such information to the Company by February 24, 1995 for the proposal to be included in the Company's proxy statement for that meeting. The Company may omit a proposal and any statement in support thereof from its proxy statement and form of proxy in accordance with rules issued by the Securities and Exchange Commission.

OTHER MATTERS

The Management is not aware of any other matters which may come before the meeting. However, if any other matters properly come before the meeting, it is the intention of the persons named in the accompanying form of proxy to vote the proxy in accordance with their judgment on such matters.

The total expense of sending out notices, proxies and the proxy statement will be paid by the Company. This expense is limited to the cost of preparing and mailing this proxy statement and accompanying documents.

Please execute and return the accompanying proxy, so that your shares may be voted at the meeting.

By Order of the Board of Directors

Gene M. Hardy, Secretary

Monroe, Michigan
June 24, 1994

A copy of the Company's Annual Report to the Securities and Exchange Commission (Form 10-K) may be obtained by writing the Secretary's office.

LA-Z-BOY CHAIR COMPANY PROXY

The undersigned hereby appoints C. T. Knabusch, and E. J. Shoemaker, and both of them Proxies with power of substitution to attend the Annual Meeting of Shareholders of La-Z-Boy Chair Company to be held at the La-Z-Boy Chair Company Auditorium, 1314 North Telegraph Road, Monroe, Michigan, July 25 1994 at 11:00 o'clock A.M., Eastern Daylight Time and any adjournment thereof, and thereat to vote all shares now or hereafter standing in the name of the undersigned.

(Continued and TO BE SIGNED on other side)

[X] Please mark your votes as in this example.

	FOR all nominees listed to right	WITHHOLD Authority to vote for all nominees listed to right	Nominees:
1. Election of Directors	[ ]	[ ]	Frederick H. Jackson Lorne G. Stevens Patrick H. Norton

(INSTRUCTIONS: To withhold authority to vote for any individual nominees, write that nominee's name on the line below.)

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2. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

This proxy, when properly executed, will be voted in the manner directed by the undersigned stockholder. If no direction is made, this proxy will be voted for Proposals 1 "and 2".

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

Please mark, sign, date and return the proxy card using the enclosed envelope.

SIGNATURE ______________________________________ DATE ______________________
Signature should agree with name(s) on stock certificate(s).

SIGNATURE ______________________________________ DATE ______________________
Signature if held jointly

NOTE: When shares are held by joint tenants, both should sign. When signing as attorney, as executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person.