SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549-1004

FORM 10-Q

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

FOR QUARTER ENDED July 24, 1999 COMMISSION FILE NUMBER 1-9656

LA-Z-BOY INCORPORATED

(Exact name of registrant as specified in its charter)

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

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

None

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

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

Yes X No

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

Class	Outstanding at July 24, 1999
Common Shares, $1.00 par value	52,233,696

Part 1. Financial Information

The Consolidated Balance Sheet and Consolidated Statement of Income required for Part 1 are contained in the Registrant's Financial Information Release dated August 4, 1999 and are incorporated herein by reference.

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

	Three Months Ended	
	July 24, 1999	July 25, 1998
Cash Flows from Operating Activities		
Net income	$13,293	$7,184
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	5,780	5,417
Change in receivables	50,000	42,571
Change in inventories	(11,614)	(9,368)
Change in other assets and liabilities	(17,396)	(9,809)
Change in deferred taxes	21	73
Total adjustments	26,791	28,884

Cash Provided by Operating Activities	40,084	36,068
Cash Flows from Investing Activities		
Proceeds from disposals of assets	67	205
Capital expenditures	(13,568)	(4,105)
Acquisition of operating division, net of cash acquired	(58,316)	--
Change in other investments	(166)	(1,890)
Cash Used for Investing Activities	(71,983)	(5,790)
Cash Flows from Financing Activities		
Long term debt	57,000	--
Retirements of debt	(2,704)	(3,091)
Capital lease principal payments	(86)	(442)
Stock for stock option plans	2,171	1,451
Stock for 401(k) employee plans	687	379
Purchase of La-Z-Boy stock	(6,142)	(7,603)
Payment of cash dividends	(4,185)	(3,743)
Cash Provided/(Used) for Financing Activities	46,741	(13,049)
Effect of exchange rate changes on cash	(288)	(310)
Net change in cash and equivalents	14,554	16,919
Cash and equivalents at begin. of period	33,550	28,700
Cash and equivalents at end of period	$48,104	$45,619
Cash paid during period -Income taxes	$2,289	$475
-Interest	$486	$543

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

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

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

1. Basis of Presentation

The financial information is prepared in conformity with generally accepted accounting principles and such principles are applied on a basis consistent with those reflected in the 1999 Annual Report filed with the Securities and Exchange Commission. The financial information included herein, other than the consolidated balance sheet as of April 24, 1999, has been prepared by management without audit by independent certified public accountants. The consolidated balance sheet as of July 24, 1999 has been prepared on a basis consistent with, but does not include all the disclosures contained in the audited consolidated financial statements for the year ended April 24, 1999. The information furnished includes all adjustments and accruals consisting only of normal recurring accrual adjustments which are, in the opinion of management, necessary for a fair presentation of results for the interim period.

2. Interim Results

The foregoing interim results are not necessarily indicative of the results of operations for the full fiscal year ending April 29, 2000.

3. Earnings per Share

Basic earnings per share is computed using the weighted-average number of shares outstanding during the period. Diluted earnings per share uses the weighted-average number of shares outstanding during the period plus the additional common shares that would be outstanding if the dilutive potential common shares were issued. This includes employee stock options.

(Amounts in thousands)	Three Months Ended July 24, 1999	Three Months Ended July 25, 1998
Weighted average common shares outstanding (basic)	52,286	53,392
Effect of options	341	330
Weighted average common shares outstanding (diluted)	52,627	53,722

4. Segment Information

The Company's reportable operating segments include Residential upholstery and Residential casegoods. Financial results of the Company's operating segments for the quarters ended July 24, 1999 and July 25, 1998 are as follows:

(Amounts in thousands)	Three Months Ended July 24, 1999	Three Months Ended July 25, 1998
Net revenues		
Residential upholstery	$255,088	$206,634
Residential casegoods	50,253	45,575
Other	38,577	29,494
Eliminations	(22,259)	(12,823)
Consolidated	$321,659	$268,880
Operating profit		
Residential upholstery	$18,592	$11,691
Residential casegoods	5,094	2,579
Other	430	(777)
Unallocated corporate costs & eliminations	(2,459)	(1,332)
Consolidated	$21,657	$12,161

LA-Z-BOY INCORPORATED MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Forward-Looking Information

Any forward-looking statements contained in this report represent management's current expectations based on present information and current assumptions. These statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "should", or "anticipates". Forward-looking statements are inherently subject to risks and uncertainties. Actual results could differ materially from those which are anticipated or projected due to a number of factors. These factors include, but are not limited to, anticipated growth in sales; success of product introductions; fluctuations of interest rates; changes in consumer confidence/demand and other risks and factors identified from time to time in the Company's reports filed with the Securities and Exchange Commission.

Financial Position
The Company's strong financial position is reflected in the debt to capital percentage of 23% and a current ratio of 3.4 to 1 at the end of the first quarter. At April 24, 1999, the debt to capital percentage was 14% and the current ratio was 3.2 to 1. At the end of the preceding year's first quarter, the debt to capital percentage was 15% and the current ratio was 3.8 to 1. As of July 24, 1999, there was $124 million of unused lines of credit available under several credit arrangements.

Stock Repurchase Program
Approximately 11% of the 12 million shares of Company stock authorized for purchase on the open market are still available for purchase by the Company. The Company plans to be in the market for its shares as changes in its stock price and other factors present appropriate opportunities.

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

To address the Year 2000 challenge, the Company established a Year 2000 Program Office guided by a steering committee consisting of senior executive management. This office serves as the central coordination point for all Year 2000 compliance efforts of the Company, including the Company's recent acquisition, Bauhaus. The Company has included IT systems and non-IT systems as well as third party readiness in the scope of its Year 2000 project. The Company remains on schedule with regard to its internal plan. Management believes that the Company is taking the steps necessary to minimize the impact of the Year 2000 challenge.

The challenges the Company faces with regard to its IT systems include upgrading of operating systems, hardware and software and modifying order entry and invoicing programs. For the IT challenges, the Company has completed the inventory, assessment and remediation phases. The Company has substantially completed the testing and implementation phases. The Company expects to have its critical IT systems compliant and compatible, with the appropriate testing completed, by September 1999.

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

With respect to third party readiness, the Company continues to work with customers, suppliers and service providers in order to prevent disruption of business activities. Multiple approaches are being used to determine compliance based on the priority assigned to the third party. Based on communications with these third parties, the Company believes that all material third parties will be sufficiently prepared for the Year 2000 or the Company will make alternative plans. For critical third parties, testing will be performed as deemed necessary.

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

At the present time, the total Year 2000 related costs are estimated to be $12 to $14 million. To date, the Company has spent approximately $10 million. Included in the total estimated expenditures are both remediation and, in some cases, enhancement or improvement related costs that cannot easily be separated from remediation costs. Some of these enhancements or improvements were previously planned and were merely accelerated as a means to address Year 2000 challenges.

PART II. OTHER INFORMATION

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

The Annual Meeting of Shareholders of La-Z-Boy Incorporated was held on July 26, 1999, for the purposes of electing four members to the board of directors. Proxies for the meeting were solicited pursuant to Section 14(a) of the Securities and Exchange Act of 1934 and there was no solicitation in opposition to management's solicitations. The shareholders elected all of management's nominees for directors as listed in the proxy statement. The distribution of shareholders' votes was as follows:

Election of Directors:	Shares Voted In Favor	Percent Shares In Favor	Shares Withheld
John F. Weaver	45,427,825	98.1%	894,100
James W. Johnston	45,005,270	97.2%	1,316,655
H. George Levy, M.D.	45,251,847	97.7%	1,070,078
Gerald L. Kiser	45,523,768	98.3%	798,157

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

(99) News Releases and Financial Information Release: re Actual first quarter results and Management Discussion dated August 4, 1999.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused the Quarterly Report on Form 10-Q for the quarter ended July 24, 1999 to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY INCORPORATED
(Registrant)

Date August 4, 1999

/s/Gene M. Hardy

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

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APR-29-2000
JUL-24-1999
48,104
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223,782
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113,213
415,900
140,381
203,599
682,778
122,850
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52,234
368,081
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321,659
321,659
241,026
241,026
58,976
0
1,439
21,595
8,302
13,293
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13,293
0.25
0.25

News Release

LA-Z-BOY, INC. STARTS FISCAL YEAR 2000 WITH A STRONG FIRST QUARTER

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

MONROE, MI., August 4, 1999: In the first quarter of its fiscal year 2000, La-Z-Boy Incorporated again reached record levels of sales and profits. La-Z-Boy is one of the world's leading furniture producers.

Financial Details

For the first quarter ended July 24, 1999, sales reached $321.7 million, up 20% from last year's first quarter of $268.9 million. Net income was up 85% to $13.3 million vs. $7.2 million. Diluted earnings per share increased 92% to $0.25 from $0.13.

La-Z-Boy's sales have increased at double digit percentages compared to the prior year quarter for seven consecutive quarters. First quarter profitability (net income as a percent of sales) was at its highest first quarter level since the first quarter ended July, 1985. Historically, sales and profitability are lowest in La-Z-Boy's first quarter due to slower summer demand and plant vacation shutdowns.

Operations

"Our first quarter figures include the new Bauhaus division which was acquired at the end of May," said Company President and Chief Operating Officer, Gerald L. Kiser. "This quarter's 20 percent sales increase and 85 percent increase in net income more than satisfied expectations. Sales should continue strong in the next several months, although we don't expect second quarter's increase to match the first quarter's 20% rate.

"Various capacity expansion projects are in process and are nearing completion or have just been completed. England/Corsair is setting up a new upholstery assembly plant in Booneville, Mississippi and has just a completed an expansion in Tennessee. The Residential division is expanding its Dayton, Tennessee warehouse space as well as its leather sewing operation in Newton, Mississippi. And our Sam Moore division in Virginia just completed a new finish room that allows for increased production, improves finishing quality, is environmentally friendly and exceeds all OSHA and EPA guidelines."

Marketing

Based on outstanding results in February, La-Z-Boy Residential repeated its successful "Picture Yourself in America's Favorite Recliner" rebate promotion to coincide with the Father's Day sales period. The promotion, supported in USA Weekend and Parade magazines was designed to generate retail traffic and drive recliner sales. In June, a La-Z-Boy Furniture Galleries Dealer Conference was conducted in Las Vegas with nearly 500 storeowners and key personnel attending. The conference centered on the opportunities the Furniture Galleries program has in the new millennium and the Company's growth plans for this vital and successful distribution channel.

More Information

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

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

	FIRST QUARTER ENDED (UNAUDITED)				
	July 24, 1999	July 25, 1998	% Over (Under)	Percent of Sales 1999	Percent of Sales 1998
Sales	$321,659	$268,880	20%	100.0%	100.0%
Cost of sales	241,026	205,431	17%	74.9%	76.4%
Gross profit	80,633	63,449	27%	25.1%	23.6%
S, G & A	58,976	51,288	15%	18.4%	19.1%
Operating profit	21,657	12,161	78%	6.7%	4.5%
Interest expense	1,439	1,187	21%	0.4%	0.4%
Interest income	596	577	3%	0.2%	0.2%
Other income	781	355	120%	0.2%	0.1%
Pretax income	21,595	11,906	81%	6.7%	4.4%
Income tax expense	8,302	4,722	76%	38.4%*	39.7%*
Net income	$ 13,293	$ 7,184	85%	4.1%	2.7%
Diluted average shares**	52,627	53,722	-2%		
Diluted EPS **	$ 0.25	$ 0.13	92%		
Basic EPS **	$ 0.25	$ 0.13	92%		
Dividends per share **	$ 0.08	$ 0.07	14%		

* As a percent of pretax income, not sales.

** Prior year numbers were restated to reflect a three-for-one stock split, in the form of a 200% stock dividend, effective September 1998.

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

	Unaudited		Increase (Decrease)		Audited
	July 24, 1999	July 25, 1998	Dollars	Percent	Apr. 24, 1999
Current assets					
Cash & equivalents	$ 48,104	$ 45,619	$ 2,485	5%	$ 33,550
Receivables	223,782	196,128	27,654	14%	265,157
Inventories					
Raw materials	56,888	45,706	11,182	24%	47,197
Work-in-process	40,799	42,639	(1,840)	-4%	37,447
Finished goods	38,672	35,667	3,005	8%	34,920
FIFO inventories	136,359	124,012	12,347	10%	119,564
Excess of FIFO over LIFO	(23,146)	(22,740)	(406)	-2%	(23,053)
Total inventories	113,213	101,272	11,941	12%	96,511
Deferred income taxes	20,685	16,627	4,058	24%	20,028
Other current assets	10,116	5,282	4,834	92%	10,342
Total current assets	415,900	364,928	50,972	14%	425,588
Property, plant & equipment, net	140,381	120,685	19,696	16%	125,989
Goodwill	90,554	48,533	42,021	87%	46,985
Other long-term assets	35,943	27,964	7,979	29%	31,230
Total assets	$ 682,778	$ 562,110	$ 120,668	21%	$ 629,792
Current liabilities					
Current portion - long-term debt	$ 1,687	$ 4,805	($ 3,118)	-65%	$ 2,001
Current portion - capital leases	773	1,205	(432)	-36%	784
Accounts payable	46,673	35,613	11,060	31%	45,419
Payroll/other compensation	33,401	29,252	4,149	14%	53,697
Income taxes	10,347	1,613	8,734	N/M	4,103
Other current liabilities	29,969	23,194	6,775	29%	26,424
Total current liabilities	122,850	95,682	27,168	28%	132,428
Long-term debt	120,187	63,360	56,827	90%	62,469
Capital leases	144	555	(411)	-74%	219
Deferred income taxes	5,595	5,500	95	2%	5,697
Other long-term liabilities	13,687	11,609	2,078	18%	14,064
Commitments & contingencies	--	--	N/M	N/M	--
Shareholders' equity					
Common shares, $1 par *	52,234	53,244	(1,010)	-2%	52,340
Capital in excess of par	32,117	29,964	2,153	7%	31,582
Retained earnings *	338,326	303,718	34,608	11%	332,934
Currency translation	(2,362)	(1,522)	(840)	-55%	(1,941)
Total shareholders' equity	420,315	385,404	34,911	9%	414,915
Total liabilities and shareholders' equity	$ 682,778	$ 562,110	$ 120,668	21%	$ 629,792

* Prior year numbers were restated to reflect a three-for-one stock

split, in the form of a 200% stock dividend, effective September 1998.

COMMENTS AND ANALYSIS

Overall:

Refer to today's press release for additional information.

Sales:

Sales in the first quarter of fiscal year 2000 were up 20% over the prior year's first quarter. A continuation of the double-digit sales growth experienced in recent quarters along with the acquisition of Bauhaus caused the quarter's strong sales performance.

Operating profit margin:

Operating profit margin improved from 4.5% of sales to 6.7% of sales. Margins were primarily impacted by significant growth in unit volume, which allowed fixed costs to be absorbed more efficiently.

The gross profit margin increased to 25.1% of sales from 23.6% of sales in last year's first quarter. Favorable casegood merchandising initiatives, improved operating efficiency in casegood manufacturing plants and favorable Canadian currency exchange effects contributed to the gross margin improvement. Start-up costs for new manufacturing facilities along with significant plant floor reconfiguration costs at several other facilities had a negative impact on the gross profit margin.

First quarter S, G & A decreased to 18.4% of sales vs. 19.1% last year. Bad debt and IT expenses were below the prior year. This favorable trend is expected to continue throughout FY2000.

Income tax expense:

Income tax expense as a percent of pretax income declined to 38.3% from 39.7% last year. With the traditionally lower income in the first quarter of the year, rate fluctuations are common due to non-deductible amortization and international effects being amplified. Tax rates for the year are expected to be close to prior year rates.

Inventory:

Raw materials inventories were up 24% over the same period last year primarily as a result of acquiring fabric stock inventory for several upcoming sales initiatives and for the start up of a new upholstery plant.

Work-in-process inventories were down 4% over the same period last year. Similar to the fourth quarter of FY99, operating improvements associated with hardwood and plywood supply plants have caused WIP inventories to be significantly reduced.

Property, plant & equipment:

Property, plant and equipment increased $14.4 million over April 1999. The addition of Bauhaus and increases in manufacturing space at four locations caused this increase.

Goodwill:

The increase of goodwill during the first quarter was due to the purchase of Bauhaus.

Long-term debt:

The increase in long-term debt during the first quarter was due to financing obtained for the acquisition of Bauhaus.