SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549-1004

FORM 10-Q

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

FOR QUARTER ENDED October 28, 2000 COMMISSION FILE NUMBER 1-9656

LA-Z-BOY INCORPORATED

(Exact name of registrant as specified in its charter)

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

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

None

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

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

Yes X No

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

Class	Outstanding at October 28, 2000
Common Shares, $1.00 par value	60,226,683

LA-Z-BOY INCORPORATED
FORM 10-Q SECOND QUARTER OF FISCAL 2001

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LA-Z-BOY INCORPORATED
CONSOLIDATED BALANCE SHEET
(Amounts in thousands, except par value)

	Unaudited		Increase (Decrease)		Audited
	Oct. 28, 2000	Oct. 23, 1999	Dollars	Percent	Apr. 29, 2000
Current assets					
Cash & equivalents	$16,741	$12,769	$3,972	31%	$14,353
Receivables	402,603	281,651	120,952	43%	394,453
Inventories					
Raw materials	100,948	56,139	44,809	80%	91,018
Work-in-process	67,934	43,354	24,580	57%	63,635
Finished goods	114,199	43,388	70,811	163%	98,623
FIFO inventories	283,081	142,881	140,200	98%	253,276
Excess of FIFO over LIFO	(7,703)	(23,303)	15,600	67%	(7,473)
Total inventories	275,378	119,578	155,800	130%	245,803
Deferred income taxes	18,769	22,660	(3,891)	-17%	22,374
Other current assets	14,059	11,510	2,549	22%	15,386
Total current assets	727,550	448,168	279,382	62%	692,369
Property, plant & equipment, net	226,922	143,006	83,916	59%	227,883
Goodwill	116,224	89,271	26,953	30%	116,668
Trade names	134,825	-	134,825	N/M	135,340
Other long-term assets	44,881	39,719	5,162	13%	46,037
Total assets	$1,250,402	$720,164	$530,238	74%	$1,218,297
Current liabilities					
Current portion - long-term debt	$1,622	$1,585	$37	2%	$13,119
Current portion - capital leases	457	844	(387)	-46%	457
Accounts payable	108,305	59,506	48,799	82%	90,392
Payroll/other compensation	67,139	44,641	22,498	50%	74,724
Income taxes	4,153	5,818	(1,665)	-29%	5,002
Other current liabilities	51,282	29,393	21,889	74%	53,312
Total current liabilities	232,958	141,787	91,171	64%	237,006
Long-term debt	255,818	119,594	136,224	114%	233,938
	-				
Capital leases	2,868	1,485	1,383	93%	2,156
					-
Deferred income taxes	52,493	4,995	47,498	951%	50,280
Other long-term liabilities	29,860	14,554	15,306	105%	31,825
Commitments & contingencies					
Shareholders' equity					
Common shares, $1 par	60,227	52,143	8,084	16%	61,328
Capital in excess of par	211,035	32,543	178,492	548%	211,450
Retained earnings	408,221	354,795	53,426	15%	392,458
Currency translation	(3,078)	(1,732)	(1,346)	-78%	(2,144)

Total shareholders' equity	676,405	437,749	238,656	55%	663,092
Total liabilities and shareholders' equity	$1,250,402	$720,164	$530,238	74%	$1,218,297

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

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF INCOME
(Amounts in thousands, except per share data)

(UNAUDITED)
SECOND QUARTER ENDED

	Oct. 28, 2000	Oct. 23, 1999	% Over (Under)	Percent of Sales 2000	Percent of Sales 1999
Sales	$571,208	$387,736	47%	100.0%	100.0%
Cost of sales	429,230	286,520	50%	75.1%	73.9%
Gross profit	141,978	101,216	40%	24.9%	26.1%
S, G & A	97,142	62,920	54%	17.1%	16.2%
Operating profit	44,836	38,296	17%	7.8%	9.9%
Interest expense	4,497	1,866	141%	0.8%	0.5%
Interest income	329	610	-46%	0.1%	0.2%
Other income	5,860	927	532%	1.0%	0.2%
Pretax income	46,528	37,967	23%	8.1%	9.8%
Income tax expense	17,612	14,697	20%	37.9% *	38.7%
Net income	$28,916	$23,270	24%	5.1%	6.0%
Basic EPS	$0.48	$0.44	9%		
Diluted average shares	60,684	52,625	15%		
Diluted EPS	$0.48	$0.44	9%		
Dividends paid per share	$0.09	$0.08	13%		

(UNAUDITED)
SIX MONTHS ENDED

	Oct. 28, 2000	Oct. 23, 1999	% Over (Under)	Percent of Sales 2000	Percent of Sales 1999
Sales	$1,069,490	$709,395	51%	100.0%	100.0%
Cost of sales	811,676	527,546	54%	75.9%	74.4%
Gross profit	257,814	181,849	42%	24.1%	25.6%
S, G & A	188,398	121,896	55%	17.6%	17.1%

Operating profit	69,416	59,953	16%	6.5%	8.5%
Interest expense	8,849	3,305	168%	0.8%	0.5%
Interest income	782	1,206	-35%	0.0%	0.2%
Other income	6,476	1,708	279%	0.6%	0.2%
Pretax income	67,825	59,562	14%	6.3%	8.4%
Income tax expense	25,906	22,999	13%	38.2% *	38.6%
Net income	$41,919	$36,563	15%	3.9%	5.2%
Basic EPS	$0.69	$0.70	-1%		
Diluted average shares**	60,957	52,610	16%		
Diluted EPS	$0.69	$0.69	0%		
Dividends per share	$0.17	$0.16	6%		

* As a percent of pretax income, not sales.

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

LA-Z-BOY INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS
(Amounts in thousands)

	(Unaudited) Second Quarter Ended		(Unaudited) Six Months Ended	
	Oct. 28, 2000	Oct. 23, 1999	Oct. 28, 2000	Oct. 23, 1999
Cash flows from operating activities				
Net income	$28,916	$23,270	$41,919	$36,563
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	11,473	6,348	22,038	12,128
Change in receivables	(52,267)	(57,931)	(6,651)	(7,931)
Change in inventories	(9,407)	(6,365)	(29,575)	(17,979)
Change in other assets and liabilities	29,448	17,657	(4,725)	261
Proceeds from insurance recovery	5,116	-	5,116	-
Change in deferred taxes	2,412	(2,575)	5,818	(2,554)
Total adjustments	(13,225)	(42,866)	(7,979)	(16,075)
Cash provided by operating activities	15,691	(19,596)	33,940	20,488
Cash flows from investing activities				
Proceeds from disposals of assets	253	483	439	550
Capital expenditures	(9,678)	(8,384)	(17,073)	(21,952)
Acquisition of operating division, net of cash acquired	-	(365)	-	(58,681)
Change in other investments	(818)	(2,147)	2,330	(2,313)
Cash used by investing activities	(10,243)	(10,413)	(14,304)	(82,396)
Cash flows from financing activities				
Long term debt	15,000	-	77,000	57,000
Retirements of debt	(7,857)	(102)	(66,617)	(2,806)
Capital leases	135	935	1,162	935
Capital lease principal payments	(269)	(116)	(450)	(202)
Stock for stock option plans	2,925	2,012	4,713	4,183

Stock for 401(k) employee plans	570	512	1,202	1,199
Purchase of La-Z-Boy stock	(11,241)	(4,804)	(23,249)	(10,946)
Payment of cash dividends	(5,432)	(4,189)	(10,338)	(8,374)
Cash provided/(used) by financing activities	(6,169)	(5,752)	(16,577)	40,989
Effect of exchange rate changes on cash	(563)	426	(671)	138
Net change in cash and equivalents	(1,284)	(35,335)	2,388	(20,781)
Cash and equivalents at beginning of period	18,025	48,104	14,353	33,550
Cash and equivalents at end of period	$16,741	$12,769	$16,741	$12,769
Cash paid during period -Income taxes	$18,278	$21,018	$24,726	$23,307
-Interest	$3,992	$2,180	$6,249	$2,666

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The interim financial information is prepared in conformity with generally accepted accounting principles and such principles are applied on a basis consistent with those reflected in our 2000 Annual Report on Form 10-K, filed with the Securities and Exchange Commission. The financial information included in these financial statements has been prepared by management. The consolidated balance sheet as of April 29, 2000, has been audited by our independent certified public accountants. The interim financial information as of and for the interim periods ended October 28, 2000 and October 23, 1999 have been prepared on a basis consistent with, but do not include all the disclosures contained in, the audited consolidated financial statements for the year ended April 29, 2000. The interim financial information includes all adjustments and accruals consisting only of normal recurring adjustments which are, in our opinion, necessary for a fair presentation of results for the respective 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 28, 2001.

3. Recent Acquisitions

On January 29, 2000, we acquired LADD Furniture, Inc., then a publicly traded furniture manufacturer, in a stock-for-stock merger, at which time LADD became our wholly owned subsidiary. The holders of LADD stock received approximately 9.2 million shares of La-Z-Boy common stock in consideration for their LADD shares. In addition, LADD employee stock options then outstanding were replaced with about 1 million La-Z-Boy stock options. Total consideration, including acquisition costs, was about $190 million. Annual sales for LADD's 1999 calendar year were over $600 million. Additional information about the LADD acquisition is contained in the form S-4 registration statement that we filed with the SEC to register the stock to be issued to LADD shareholders as merger consideration.

On December 28, 1999, we acquired all of the outstanding equity securities of the businesses now comprising Alexvale Furniture, Inc., a manufacturer of medium-priced upholstered furniture, for a combination of cash and La-Z-Boy common stock totaling about $17 million. Alexvale's calendar year 1999 sales were about $60 million.

We acquired Bauhaus USA, Inc., a manufacturer of upholstered furniture primarily marketed to department stores, on June 1, 1999 for approximately $59 million in cash. Bauhaus' annual calendar year 1999 sales were in excess of $100 million.

The above acquisitions have been accounted for as purchases. The operations of the above companies were included in our financial statements following the acquisition dates.

The following unaudited pro forma financial information presents combined results of operations of the above companies as if the acquisitions had occurred as of the beginning of fiscal 2000. The pro forma financial information gives effect to certain adjustments resulting from the acquisitions and related financing. The pro forma financial information does not necessarily reflect the results of operations that would have occurred had the separate operations of each company constituted a single entity during the periods presented.

	(Unaudited) Second Quarter Ended		(Unaudited) Six Months Ended	
(Amounts in thousands, except per share data)	Actual Oct. 28, 2000	Pro forma Oct. 23, 1999	Actual Oct. 28, 2000	Pro forma Oct. 23, 1999
Sales	$571,208	$565,030	$1,069,490	$1,055,134
Net income	$28,916	$28,190	$41,919	$45,320
Diluted earnings per share	$0.48	$0.45	$0.69	$0.72

4. Other Income: Insurance Recovery

Other income in the six months and the second quarter included $4.9 million resulting from a business interruption insurance recovery associated with hurricane Floyd.

5. 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 issuable under employee stock options were issued.

	(Unaudited) Second Quarter Ended		(Unaudited) Six Months Ended	
(Amounts in thousands)	Oct. 28, 2000	Oct. 23, 1999	Oct. 28, 2000	Oct. 23, 1999
Weighted average common shares outstanding (basic)	60,527	52,324	60,802	52,305
Effect of options	157	301	155	305
Weighted average common shares outstanding (diluted)	60,684	52,625	60,957	52,610

6. Segment Information

Our reportable operating segments are Residential upholstery, Residential casegoods, and Contract. Financial results of our operating segments are as follows:

(Amounts in thousands)	(Unaudited) Second Quarter Ended Oct. 28, 2000	Oct. 23, 1999	(Unaudited) Six Months Ended Oct. 28, 2000	Oct. 23, 1999
Sales				
Residential upholstery	$373,139	$314,186	$684,838	$569,274
Residential casegoods	146,007	53,810	280,935	104,063
Contract	52,062	19,740	103,717	36,058
Consolidated	$571,208	$387,736	$1,069,490	$709,395
Operating profit				
Residential upholstery	$37,320	$34,483	$58,288	$53,075
Residential casegoods	10,213	4,533	16,737	9,627
Contract	2,286	840	5,283	903
Unallocated corporate costs & other	(4,983)	(1,560)	(10,892)	(3,652)
Consolidated	$44,836	$38,296	$69,416	$59,953

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Cautionary Statement Concerning Forward-Looking Statements

We are making forward-looking statements in this item. Generally, forward-looking statements include information concerning possible or assumed future actions, events or results of operations. More specifically, forward-looking statements include the information in this document regarding:

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

Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes," "plans," " intends" and "expects" or similar expressions. With respect to all forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Many important factors, including future economic and industry conditions (for example, changes in interest rates, changes in demographics and consumer preferences, e-commerce developments, oil price changes and changes in the availability and cost of capital); competitive factors (such as the competitiveness of foreign-made products, new manufacturing technologies, or other actions taken by current or new competitors); operating factors (for example, supply, labor, or distribution disruptions, changes in operating conditions or costs, and changes in regulatory environment), and factors relating to recent or future acquisitions, could affect our future results and could cause those results or other outcomes to differ materially from what may be expressed or implied in forward-looking statements. We undertake no obligation to update or revise any forward-looking statements for new developments or otherwise.

LADD Effects

As a result of the LADD acquisition, most of our assets, liabilities and results of operations for our first and second quarters differed substantially from those in comparable prior periods and we expect our third quarter will also differ substantially from the prior year's third quarter.

Results of Operations
Second Quarter Ended Oct.28, 2000 Compared to Second Quarter Ended Oct. 23, 1999

See page 4 for the consolidated statement of income with analysis of percentages and calculations. In addition, see page 7 for pro forma analysis and comments.

(Unaudited)
Segment Analysis
Second Quarter Ended

	Sales		Operating Profit		
	FY01 Over/ (Under) FY00		FY01 Over (Under) FY00	Percent of Sales	
	Actual	Pro forma		FY01	FY00
Residential upholstery	19%	3%	8%	10.0%	11.0%
Residential casegoods	171%	1%	125%	7.0%	8.4%
Contract	164%	(9%)	172%	4.4%	4.3%
Unallocated corp. costs & eliminations	N/A	N/A	219%	N/A	N/A
Consolidated	47%	1%	17%	7.8%	9.9%

Second quarter sales were up 47% over the prior year's second quarter almost entirely due to acquisitions. Pro forma sales were up 1% as per the table above. The 1% pro forma sales growth is primarily due to weakening furniture industry demand and impacts of retailer financial difficulties; in particular, the recent Heilig-Meyers bankruptcy. Our residential casegoods segment sales were impacted more than our residential upholstery or contract segments due to the Heilig-Meyers bankruptcy filing. In general, our higher end product lines and divisions were impacted less by the sales slowdown than our lower end lines and divisions.

The decrease in pro forma contract sales has followed robust growth over the last few years. The assisted-living market is the primary area of decline with some weakness in office seating market as well as the hospitality market due to timing issues. In 1999, seven of the top ten skilled nursing providers filed for some level of bankruptcy protection. The assisted-living sector of the economy suffered from high labor costs, patient liability claims and reduced federal funding for facility care. The hospitality sector was impacted by declining business and vacation travel related to higher fuel costs. In the hospitality market growth slowed in the room supply business, reduced commitment to refurbishings and increased competition from smaller regional competitors.

Gross profit as a percent of sales decreased to 24.9% from 26.1% in last year's second quarter. The primary reason for the drop was lower gross margins of companies acquired during fiscal 2000. Factory cost increases were below the small 1% pro forma sales increase primarily due to the absence of costs associated with major plant floor layout changes, laying off some employees and adjusting overhead and labor costs to lower demand.

Selling, General & Administrative (S,G & A) as a percent of sales has increased from 16.2% to 17.1%. Many costs that were deferred in the first quarter were incurred in the second quarter on top of expenses that had been budgeted for that period. The primary areas that increased compared to last year were sales expenses, information technology expenses, and research and development expenses.

Operating profit as a percent of sales decreased to 7.8% from 9.9% in last year's second quarter. In general, sales volumes being below plan, and at some operating divisions below last year, caused a significant portion of the drop in margins. Residential upholstery's operating margin decreased compared to the prior year from 11.0% to 10.0% primarily due to the items mentioned in the above gross profit and S, G & A paragraphs. Residential casegoods' operating margin decreased from 8.4% to 7.0% due primarily to unusually favorable impacts in one division last year. The casegoods segment was much smaller last year and these types of individual division effects were magnified compared to the current year where we have many more casegoods operating divisions due to acquisitions. Contract operating margin improved slightly from 4.3% of sales last year to 4.4% this year. Although the acquisition of LADD's American of Martinsville division added a division to this segment which has been historically more profitable than our other contract operations, American of Martinsville were impacted by most of the items mentioned above in connection with contract sales section.

Interest expense as a percent of sales increased from 0.5% last year to 0.8% due to increased debt as a result of the financing obtained in connection with the acquisition of LADD. In addition, we had higher interest rates compared to last year.

Other income increased $4.9 million primarily due to a business interruption insurance recovery. This one time cash recovery was primarily related to the effects on future earnings of hurricane Floyd that occurred in September 1999. Some of the earnings effects were attributable to the second quarter. This recovery was net of a $0.2 million receivable. A total of $5.1 was recognized as an increase in cash flows from operating activities on the enclosed Consolidated Statement of Cash Flows.

Diluted net income per share increased from $0.44 to $0.48. About $0.05 of the increase was due to the one time business interruption insurance recovery.

Six Months Ended Oct. 28, 2000 Compared to Six Months Ended Oct. 23, 1999

See page 4 for the consolidated statement of income with analysis of percentages and calculations. In addition, see page 7 for pro forma analysis and comments.

(Unaudited)
Segment Analysis
Six Months Ended

	Sales		Operating Profit		
	FY01 Over/ (Under) FY00		FY01 Over	Percent of Sales	
	Actual	Pro forma	(Under) FY00	FY01	FY00
Residential upholstery	20%	2%	10%	8.5%	9.3%
Residential casegoods	170%	3%	74%	6.0%	9.3%
Contract	188%	(6%)	485%	5.1%	2.5%
Unallocated corp. costs & eliminations.	N/A	N/A	(198)%	N/A	N/A
Consolidated	51%	1%	16%	6.5%	8.5%

Six months ended October sales were up 51% over the prior year's second quarter. However, sales were up just 1% compared to last year's pro forma sales. This 51% sales growth on a consolidated basis that is shown in the table above was primarily due to acquisitions The 6% decrease in pro forma contract sales follows a robust growth period over the last few years. Contract sales were weak in the assisted-care, hospitality and office furniture segments.

Gross profit as a percent of sales for the six months ended October decreased from 25.6% to 24.1% in last year's six months ended October 23, 1999. Major impacts on this lower profit margin were acquisitions with lower margins than those divisions that made up the company last year. Also, higher factory and labor costs in many divisions contributed to this decrease.

S, G & A for the six months ended October were 17.6% of sales as compared to 17.1% last year with the most marked increases in sales department and research and development expenses. The sales department increases are consistent with trends since the acquisition of LADD which has some divisions with higher expenses as a percent of sales than other divisions. The increase in research and development is primarily in the residential upholstery segment. Higher research and development expenditures were planned and represent targeted efforts to improve both existing products and new products.

Operating profit was down from 8.5% last year to 6.5% for the six months ended October 28, 2000 due to many of the items discussed above. The decrease was apparent in both the residential upholstery and residential casegoods segments shown above. The contract segment, however, showed an improvement in operating profit going from 2.5% to 5.1%, primarily because of the acquisition of LADD's American of Martinsville division, which has a higher profit margin than our other division in this segment.

Other income increased $4.9 million primarily due to a second quarter business interruption insurance recovery.

Interest expense was up 168% in total or as a percent of sales from 0.5% to 0.8%. This increase was due to increased debt associated with the 2000 acquisitions. In addition, interest rates were higher than last year.

Liquidity and Capital Resources

See pages 3 through 5 for our Consolidated Balance Sheet, Consolidated Statement of Income, and Consolidated Statement of Cash Flows with analysis and calculations.

Cash flows from operations amounted to $34 million in the first six months of fiscal year 2001 compared to $20 million in the prior year. In the aggregate, capital expenditures, dividends and stock repurchases totaled approximately $51 million during the six month period, which was about the same as in the first six months of fiscal 2000. Cash and cash equivalents increased by $2 million during the six month period.

Our financial strength is reflected in three commonly used calculations. Our current ratio (current assets divided by current liabilities) was 3.1 at October 28, 2000, 2.9 at April 29, 2000 and 3.2 at October 23, 1999. Our total debt-to-capitalization percentage (total debt divided by shareholders' equity plus total debt plus net deferred taxes) was 26.8% at October 28, 2000, 26.5% at April 29, 2000, and 22.7% at October 23, 1999. Our interest coverage ratio (the rolling twelve months net income plus income tax expense plus interest expense divided by interest expense) was 7.5 at October 28, 2000, 10.4 at April 29, 2000 and 12.7 at October 23, 1999.

As of October 28, 2000, we had line of credit availability of approximately $173 million under several credit agreements. On May 12, 2000, we entered into a $300 million unsecured revolving credit facility with a group of banks using a performance based interest rate grid with pricing ranging from LIBOR plus .475% to LIBOR plus .800%. The current pricing under the facility is LIBOR plus .550%. This facility was used to retire our unsecured $150 million bridge loan facility, which had been put in place to finance the acquisition of LADD, and to also retire our $75 million unsecured revolving line of credit.

Capital expenditures were $10 million during the three months ended October 28, 2000 and $17 million for the six months comparable to last year's $8 million for the quarter and $22 million for the six months.

As of October 28, 2000, approximately 1.2 million of the 12 million La-Z-Boy shares authorized for purchase on the open market were still available for purchase by us.

Outlook

Our pro forma sales growth has declined from about 3% in the fourth quarter ended April to 2% in the first quarter ended July and to 1% in this second quarter ended October. (Comparisons are to the prior year's comparable quarter.) We expect our next quarter's pro forma sales to be flat or slightly down from the prior year. We expect the assisted-living sector of our contract segment to remain stagnant over the next year with a strong rebound to begin thereafter. There are some encouraging signs of future increases to sales growth rates; especially in our middle and upper end residential product lines; however, we are conservatively planning for a continuation of slow growth or even a small decrease in sales in the near term. Most of our sales are in the middle to upper middle price points but those market categories are expected to also continue to have slow growth. We believe the furniture industry as a whole is continuing to slow in growth due to macroeconomic factors, in particular due to the effects of higher energy prices.

Certain types of expenses are expected to continue into next quarter to increase at rates greater than selling price increases. These include health care, lumber, leather and some purchased parts costs. Last year in our third and fourth quarters we had high expenses associated with improving plant floor layouts. Those one-time large plant floor improvement expenses are over, which should help offset the anticipated increased expenses mentioned above.

As we mentioned in our 2000 annual report, we expect our operating profit margin for next quarter to be lower than in the comparable third quarter of last year primarily due to 2000 acquisitions. LADD, our largest acquisition, improved its margin measurably over the five years prior to acquisition from an operating loss condition. Since acquisition, similar to La-Z-Boy as a whole, LADD's margins have slightly declined. LADD's margins are lower than the average margins that we have historically achieved.

Interest expense is expected to remain substantially higher than in fiscal 2000 through the end of our third quarter.

Other income is not expected to have a reoccurrence of a large insurance recovery similar to the second quarter.

We believe that our diluted net income per share for the fiscal year ending April 2001 will most likely approximate fiscal 2000's $1.60.

We expect capital expenditures of approximately $40 million during fiscal 2001, down from the $45 million we estimated at July 29, 2000. This compares to $38 million in 2000. We have a commitment to purchase about $7 million of equipment by the end of fiscal 2002.

We expect to continue to be in the open market for purchasing our shares from time to time as changes in its stock price and other factors present appropriate opportunities.

We expect to meet our cash needs for capital expenditures, stock repurchases and dividends during fiscal year 2001 from cash generated by operations and borrowings under available lines of credit.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

No information is presented in response to this item because we have no material market risk relating to derivative financial instruments, derivative commodity instruments, or other financial instruments.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a)......Exhibits
(11).....Statement of Computation of Earnings
See note 5 to the financial statements included in this report.

(27) Financial Data Schedule (EDGAR only)

(b) Reports on Form 8-K

A Form 8-K containing a press release about our expected second quarter financial results filed with the SEC on October 17, 2000.

SIGNATURE

Pursuant to the requirements 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 INCORPORATED
(Registrant)

Date November 8, 2000

/s/ James J. Korsnack
James J. Korsnack

Chief Accounting Officer

5
1,000

6-mos
APR-28-2001
OCT-2-2000
16,741
0
402,603
0
275,378
727,550
464,076
237,154
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616,178
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1,069,490
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811,676
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8,849
67,825
25,906
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0
0
41,919
0.69
0.69