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 January 25, 1997 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 (313) 241-4414

LA-Z-BOY CHAIR COMPANY
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 January 25, 1997
Common Shares, $1.00 par value	17,960,888

Part I. Financial Information

The Consolidated Balance Sheet and Consolidated Statement of Income required for Part I are contained in the Registrant's Financial Information Release dated February 5, 1997 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		Nine Months Ended	
	Jan. 25, 1997	Jan. 27 1996	Jan. 25, 1997	Jan. 27, 1996
Cash Flows from Operating Activities				
Net income	$9,801	$7,784	$29,651	$25,215
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	5,189	4,886	15,215	14,305
Change in receivables	37,106	36,039	27,312	22,362
Change in inventories	(1,978)	(4,871)	(12,994)	(8,101)
Change in other assets and liab.	(11,979)	(6,871)	(1,035)	(796)
Change in deferred taxes	(439)	(770)	1,317	(1,659)
Total adjustments	27,899	28,413	27,181	26,111
Cash Provided by Operating Activities	37,700	36,197	56,832	51,326
Cash Flows from Investing Activities				
Proceeds from disposals of assets	(167)	193	554	971
Capital expenditures	(4,580)	(3,351)	(12,803)	(12,590)
Change in other investments	(571)	(2,918)	(6,013)	(1,830)
Cash Used for Investing Activities	(5,318)	(6,076)	(18,262)	(13,449)
Cash Flows from Financing Activities				
Short-term debt	-	280	-	280
Long-term debt	-	-	-	-
Retirements of debt	(64)	(65)	(3,068)	(10,616)
Capital leases	-	-	-	1,161
Capital lease principal payments	(509)	(578)	(1,587)	(1,655)
Stock for stock option plans	1,005	428	2,851	2,503
Stock for 401(k) employee plans	276	344	944	987
Purchase of La-Z-Boy stock	(6,993)	(52)	(17,361)	(4,485)
Payment of cash dividends	(3,446)	(3,523)	(9,909)	(10,183)
Cash Used for Financing Activities	(9,731)	(3,166)	(28,130)	(22,008)
Effect of exch. rate changes on cash	(53)	(69)	54	(87)
Net change in cash and equivalents	22,598	26,886	10,494	15,782
Cash and equiv. at beginning of period	14,956	15,944	27,060	27,048
Cash and equiv. at end of period	$37,554	$42,830	$37,554	$42,830
Cash paid during period - Income taxes	$12,461	$11,668	$23,231	$20,479
- Interest	$948	$923	$2,918	$3,434

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 1996 Annual Report filed with the Securities and Exchange Commission. The financial information included herein, other than the consolidated condensed balance sheet as of April 27, 1996, has been prepared by management without audit by independent certified public accountants who do not express an opinion thereon. The consolidated condensed balance sheet as of January 25, 1997 has been derived from, but does not include all the disclosures contained in, the audited consolidated financial statements for the year ended April 27, 1996. 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 26, 1997.

3. Commitments and Contingencies

There has been no significant change from the prior fiscal year end audited financial statements.

LA-Z-BOY INCORPORATED AND OPERATING DIVISIONS
MANAGEMENT DISCUSSION

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

The Company's strong financial position is reflected in the debt to capital percentage of 16% and a current ratio of 3.4 to 1 at the end of the third quarter. At April 27, 1996, the debt to capital percentage was 17% and the current ratio was 3.5 to 1. At the end of the preceding year's third quarter, the debt to capital percentage was 18% and the current ratio was 3.6 to 1. As of January 25, 1997, there was $87 million of unused lines of credit available under several credit arrangements.

Approximately 19% of the 3 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.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) (27) Financial Data Schedule (EDGAR only)

(99) News Release and Financial Information Release: re Actual third quarter results and Management Discussion dated February 5, 1997.

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 January 25, 1997 to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY INCORPORATED
(Registrant)

/s/ James J. Korsnack

Date February 5, 1997 James J. Korsnack

Corporate Controller

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JAN-25-1997
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327,953
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532,913
136,125
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Receivables are reported net of allowances for doubtful accounts on the Statement of Financial Position.

NEWS RELEASE

HIGHER SALES AND EARNINGS FOR LA-Z-BOY

MONROE, MI., February 5, 1997: For its 1997 fiscal third quarter ended January 25, 1997, La-Z-Boy Incorporated continued to improve its sales and profits compared to last year. This was the sixth consecutive quarterly improvement. Third quarter sales rose 8% and net income per share increased $0.12 to $0.54.

FINANCIAL DETAILS

THIRD QUARTER sales were $245 million vs. last year's $226 million, an increase of 8%. Third quarter operating profit rose 13% to $15.8 million vs. last year's $14.0 million. Net income rose 26% to $9.8 million vs. last year's $7.8 million. Net income per share increased 29% to $0.54 vs. $0.42 last year.

For the NINE MONTHS ended 1/25/97 sales were up 6% to $718 million vs. $680 million. Operating profit rose 12% to $49.3 million vs. $44.2 million in last year's first nine months. Net income rose 18% to $29.7 million vs. $25.2 million. Net income per share was up 20% to $1.63 vs. $1.36.

CHAIRMAN COMMENTS

La-Z-Boy Chairman and President Charles T. Knabusch said, "Third quarter sales were higher than our earlier expectations and are giving us more encouragement that fourth quarter sales could match the year to date increase."

COMMUNICATIONS AND MARKETING

La-Z-Boy Incorporated recently launched its own website on the ever expanding World Wide Web. The site address is www.lazboy.com and is designed to provide product, decorating, company dealer locations and financial information to consumers, shareholders and the investment community.

The La-Z-Boy/Plymouth Road Home Sweepstakes is underway at all participating La-Z-Boy residential dealers. Consumers can enter to win one of two 1997 Plymouth and Grand Voyager minivans along with other great La-Z-Boy product prize packages. Supported by print advertising in both Parade and Better Homes and Gardens magazines, the sweepstakes has been designed to generate retail traffic into participating La-Z-Boy retailers during January and February.

DIVIDENDS

As announced earlier, La-Z-Boy's quarterly dividends were increased to $0.21 from $0.19 per share for shareholders of record 2/20/97 for payment 3/10/97.

REDUCTIONS TO SHARES OUTSTANDING

Due to stock buybacks exceeding issuances of stock, the number of shares outstanding continued to decline at the end of the third quarter. Outstanding shares were 18.562 million at 4/95, 18.385 at 4/96, 18.207 at 7/96, 18.135 at 10/96 and 17.961 at 1/97.

MORE INFORMATION

La-Z-Boy's 10-Q filing includes a full income statement, balance sheet, cash flow statement and additional management discussion. This information can be found in the SEC's EDGAR databases or at www.lazboy.com. See www.lzbcontract.com and www.hammary.com. for more information on these two of La-Z-Boy's six operating divisions.

NYSE & PSE: LZB   Contact: Gene Hardy (313) 241-4306

CONSOLIDATED STATEMENT OF INCOME
(Amounts in thousands, except per share data)

THIRD QUARTER ENDED (UNAUDITED)

	Jan. 25, 1997	Jan. 27, 1996	% Over (Under)	Percent of Sales 1997	Percent of Sales 1996
Sales	$244,581	$226,354	8%	100.0%	100.0%
Cost of sales	180,979	170,602	6%	74.0%	75.4%
Gross profit	63,602	55,752	14%	26.0%	24.6%
S, G & A	47,765	41,783	14%	19.5%	18.4%
Operating profit	15,837	13,969	13%	6.5%	6.2%
Interest expense	1,096	1,217	-10%	0.4%	0.5%
Interest income	430	390	10%	0.2%	0.2%
Other income	639	436	47%	0.2%	0.1%
Pretax income	15,810	13,578	16%	6.5%	6.0%
Income taxes	6,009	5,794	4%	38.0%*	42.7%*
Net income	$9,801	$7,784	26%	4.0%	3.4%
Average shares	18,086	18,533	-2%		
Earnings per share	$0.54	$0.42	29%		
Dividends per share	$0.19	$0.19	0%		

NINE MONTHS ENDED (UNAUDITED)

	Jan. 25, 1997	Jan. 27, 1996	% Over (Under)	Percent of Sales 1997	Percent of Sales 1996
Sales	$718,362	$680,431	6%	100.0%	100.0%
Cost of sales	532,913	510,624	4%	74.2%	75.0%
Gross profit	185,449	169,807	9%	25.8%	25.0%
S, G & A	136,125	125,625	8%	18.9%	18.5%
Operating profit	49,324	44,182	12%	6.9%	6.5%
Interest expense	3,300	4,118	-20%	0.5%	0.6%
Interest income	1,260	1,330	-5%	0.2%	0.2%
Other income	1,945	1,287	51%	0.3%	0.2%
Pretax income	49,229	42,681	15%	6.9%	6.3%
Income taxes	19,578	17,466	12%	39.8%*	40.9%*
Net income	$29,651	$25,215	18%	4.1%	3.7%
Average shares	18,168	18,509	-2%		
Earnings per share	$1.63	$1.36	20%		
Dividends per share	$0.57	$0.55	4%		

* As a percent of pretax income, not sales.

CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	Unaudited Jan. 25, 1997	Unaudited Jan. 27, 1996	Increase (Decrease) Dollars	Increase (Decrease) Percent	Audited April 27, 1996
Current assets					
Cash & equivalents	$37,554	$42,830	($5,276)	-12%	$27,060
Receivables	177,933	170,576	7,357	4%	206,430
Inventories					
Raw materials	41,235	42,623	(1,388)	-3%	37,274
Work-in-process	39,868	37,071	2,797	8%	35,241
Finished goods	33,010	32,423	587	2%	28,333
FIFO inventories	114,113	112,117	1,996	2%	100,848
Excess of FIFO over LIFO	(21,928)	(22,925)	997	4%	(21,656)
Total inventories	92,185	89,192	2,993	3%	79,192
Deferred income taxes	19,732	19,841	(109)	-1%	19,271
Other current assets	4,092	4,160	(68)	-2%	5,148
Total current assets	331,496	326,599	4,897	1%	337,101
Property, plant & equipment	115,167	116,098	(931)	-1%	116,199
Goodwill	39,117	40,688	(1,571)	-4%	40,359
Other long-term assets	31,464	22,584	8,880	39%	23,887
Total assets	$517,244	$505,969	$11,275	2%	$517,546

	Unaudited Jan. 25, 1997	Unaudited Jan. 27, 1996	Increase (Decrease) Dollars	Increase (Decrease) Percent	Audited April 27, 1996
Current liabilities					
Credit lines	-	$280	($280)	N/M	-
Current portion - l/t debt	$4,625	5,658	(1,033)	-18%	$5,625
Current portion - captl leases	2,067	2,198	(131)	-6%	2,114
Accounts payable	33,941	33,187	754	2%	30,997
Payroll/other comp	30,961	26,945	4,016	15%	34,609
Estimated income taxes	2,741	3,361	(620)	-18%	5,572
Other current liabilities	22,625	20,276	2,349	12%	17,601
Total current liabilities	96,960	91,905	5,055	6%	96,518
Long-term debt	55,007	59,551	(4,544)	-8%	57,075
Capital leases	2,679	4,684	(2,005)	-43%	4,219
Deferred income taxes	5,808	6,550	(742)	-11%	6,663
Other long-term liabilities	10,876	9,617	1,259	13%	9,695
Commitments & contingencies					
Shareholders' equity					
17,960,888 shares, $1.00 par	17,961	18,538	(577)	-3%	18,385
Capital in excess of par	27,733	27,867	(134)	0%	28,016
Retained earnings	300,861	288,136	12,725	4%	297,750
Currency translation	(641)	(879)	238	27%	(775)
Total shareholders' equity	345,914	333,662	12,252	4%	343,376
Total liabilities and shareholders' equity	$517,244	$505,969	$11,275	2%	$517,546

OVERALL:

Refer to today's press release for additional information.

GROSS PROFIT:

Third quarter gross profit improved to 26.0% of sales from 24.6% of sales last year. Most of this increase was due to margin improvements at the England/Corsair, Canadian and La-Z-Boy Business Furniture Group divisions. Increased unit volume coupled with reduced material and overhead costs accounted for the majority of this improvement.

S, G & A:

Third quarter S, G & A increased to 19.5% of sales vs. 18.4% last year primarily due to increased costs for employee bonuses and incentives. In addition, various selling related expenses increased and several one-time items occurred in the quarter including the costs of moving the Kincaid division offices into a new building. S, G & A as a percent of sales is not expected to decline below last year's level in the fourth quarter.

INCOME TAXES:

Third quarter income tax expense as a percent of pretax income was 38.0% vs. 42.7% last year. The Canadian division results for the quarter were favorable, reversing some of the unfavorable tax impacts recorded in prior quarters. The prior year Canadian division results were unfavorable, generating unfavorable tax impacts. In addition, the benefits of some efforts to reduce tax expense were recorded during the quarter. The Canadian division results are expected to remain favorable compared to last year in the fourth quarter and efforts to reduce tax expense will continue. As a result, the fourth quarter tax rate should be lower than the prior year.

OTHER LONG-TERM ASSETS:

Other long-term assets increased 39% from last year. A major reason for the increase was an investment in the international area. Most of the remaining increase relates to various proprietary store related financing activities.