

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549-1004**

**FORM 8-K**

Current Report Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

February 18, 2014

(Date of Report (Date of Earliest Event Reported))

**LA-Z-BOY INCORPORATED**

(Exact name of registrant as specified in its charter)

**MICHIGAN**

**1-9656**

**38-0751137**

(State or other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification Number)

**1284 North Telegraph Road, Monroe, Michigan**

**48162-3390**

(Address of principal executive offices)

Zip Code

Registrant's telephone number, including area code (734) 242-1444

None

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On February 18, 2014, La-Z-Boy Incorporated issued a news release to report the company's financial results for the third quarter ended January 25, 2014. A copy of the news release is attached to this current report on Form 8-K as Exhibit 99.1. Exhibit 99.2 contains unaudited financial data.

The information in Item 2.02 of this report and the related exhibits (Exhibits 99.1 and 99.2) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits**

(d) The following exhibits are furnished as part of this report:

	<b>Description</b>
<a href="#">99.1</a>	News Release Dated February 18, 2014
<a href="#">99.2</a>	Unaudited financial schedules

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**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: February 18, 2014

**BY: /s/ Margaret L. Mueller**

Margaret L. Mueller  
Corporate Controller

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**NEWS RELEASE****Contact:** Kathy Liebmann (734) 241-2438[kathy.liebmann@la-z-boy.com](mailto:kathy.liebmann@la-z-boy.com)**LA-Z-BOY REPORTS FISCAL 2014 THIRD-QUARTER RESULTS**

MONROE, MI., February 18, 2014—La-Z-Boy Incorporated (NYSE: LZB) today reported its operating results for the fiscal 2014 third quarter ended January 25, 2014.

**Fiscal 2014 third-quarter:**

- Consolidated sales for the third quarter increased 3.0% compared with the fiscal 2013 third quarter (results have been reclassified to reflect the treatment of Bauhaus, a component of La-Z-Boy's Upholstery Segment, as a discontinued operation);
- Same-store written sales for the La-Z-Boy Furniture Galleries® store network increased 3.6% for the third quarter, on top of an 11.8% increase in last year's third quarter;
- Consolidated operating income increased to \$25.4 million from \$22.8 million;
- The upholstery segment posted an 11.3% operating margin versus 10.3% in last year's third quarter;
- The retail segment posted an operating margin of 3.8% compared with 3.7% in last year's third quarter; and
- The company generated cash from operating activities of \$30.4 million during the quarter.

Sales for the fiscal 2014 third quarter were \$350.4 million, up 3.0% compared with the prior year's third quarter. The company reported net income from continuing operations attributable to La-Z-Boy Incorporated of \$17.2 million, or \$0.32 per diluted share, compared with last year's third-quarter results of \$16.8 million, or \$0.31 per diluted share, which included \$0.04 relating to gains on the sale of investments and a related tax benefit.

Kurt L. Darrow, Chairman, President and Chief Executive Officer of La-Z-Boy, said, "We believe the fundamental pace of our business and ability to improve our profitability on sales growth remains steady and unchanged. During the third quarter, however, weather conditions did have some impact on sales, production and deliveries. Moving forward, we are confident we have the right plan in place to grow the company through our 4-4-5 store strategy while enjoying the benefits of our lean manufacturing structure. At the same time, our integrated retail model is delivering results and our sales, merchandising and marketing teams are driving market share gains."

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## **Wholesale Segments**

For the fiscal 2014 third quarter, sales in the company's upholstery segment increased 3.4% to \$280.3 million from \$271.1 million in the prior year's third quarter. The operating margin for the quarter increased to 11.3% compared with 10.3% in last year's third quarter. Due to the company's agreement in principle to sell its Bauhaus operating unit during the third quarter of fiscal 2014, the reported results reflect the treatment of Bauhaus as a discontinued operation. Sales in the casegoods segment for the fiscal 2014 third quarter were \$29.6 million, down 9.1% from \$32.6 million in the fiscal 2013 third quarter, and the operating margin for the segment declined to (0.1%) from 0.6% in last year's third quarter.

Darrow commented, "During the period, we increased our investment in the *Live life comfortably* marketing campaign, particularly before the holiday season. The advertising platform continues to expand consumers' perceptions of what the brand has to offer in terms of a broad and stylish product line. Growth for our stationary product category remains at a faster pace than our core recliner business, although we experienced a solid increase in recliner sales this quarter, as well as sales of our power offering. This month, we are beginning to deliver the *Urban Attitudes* collection, which we introduced at the October Furniture Market. It was well received by dealers and we look forward to it making its way onto retail floors. On the manufacturing side, our production facilities are operating efficiently and we are realizing solid productivity gains."

Darrow continued, "Our casegoods business remains challenged in this macroeconomic environment as consumers postpone large wood room group purchases, particularly formal collections. To address this, we are refreshing both the Kincaid and American Drew product lines with more transitional and casual room groups to appeal to a broader demographic. These groups are beginning to ship this quarter. Additionally, the Direct Container Program, which was introduced at the October Furniture Market, will begin product deliveries in our fourth quarter. It will allow dealers to mix Kincaid, American Drew and Lea product into one container, and will reduce delivery times while improving transportation costs, especially to the West Coast."

## **Retail Segment**

For the fiscal 2014 third quarter, retail delivered sales were \$80.2 million, up 10.2% compared with the third quarter of last year. On the core base of 90 stores included in last year's third quarter, sales for the segment increased 2.3% versus the prior-year quarter. The retail segment posted an operating profit of \$3.1 million, or an operating margin of 3.8% for the quarter. This compares with an operating profit of \$2.7 million, or an operating margin of 3.7% in last year's third quarter.

Darrow stated, "Our retail segment continues to strengthen its performance and recorded its 20<sup>th</sup> consecutive quarterly improvement over prior-year results, despite the effect of weather issues, mostly in January, along the east coast and throughout the Midwest, where the majority of the company-owned stores are located. During the quarter, we closed on the acquisition of two stores in Youngstown, Ohio. Much of our sales growth for the quarter was driven by recently acquired and new stores with operating and other associated start-up costs impacting our profitability in the segment for the period."

## **La-Z-Boy Furniture Galleries® Stores Network**

System-wide, for the third quarter of fiscal 2014, including company-owned and independent-licensed stores, same-store written sales, which the company tracks as an indicator of retail activity, were up 3.6% versus last year's third quarter.

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Total written sales, which include new and closed stores, were up 3.9% for the third quarter. At the end of the third quarter, the La-Z-Boy Furniture Galleries® store system was composed of 312 stand-alone stores.

Darrow stated, “We believe the overall cadence of our business has not changed. While markets in the northeast and Midwest were challenged during the period, written sales in warmer climates and in those markets not impacted by severe weather conditions continued to exhibit strength. Accordingly, we are continuing to invest in our business to drive growth, with a focus on the execution of our 4-4-5 store strategy, where we aim to have 400 La-Z-Boy Furniture Galleries® stores, averaging \$4 million in revenue per store, in five years. Given the strength of our brand and our strong network of La-Z-Boy Furniture Galleries® stores, we believe our best strategy to grow both sales and profit lies in fully penetrating North America with La-Z-Boy stores. We expect that the company and our independent dealers will close fiscal 2014 with 20 to 25 projects executed. In fiscal 2015, we expect to complete 30 to 35 projects, which will include new stores, remodels and relocations. The speed with which we execute this strategy will be governed by our ability to find the right locations with financially appropriate lease rates. We estimate that it will take five years to build out the store network, although we are building momentum with the strategy.”

In the fiscal 2014 third quarter, the La-Z-Boy Furniture Galleries® store network, including company-owned and independent-licensed stores, opened three new stores, and closed five. At the end of the quarter, 26 of the total 312 stores were in the new concept design format introduced in 2011.

### **Balance Sheet and Cash Flow**

For the quarter, the company generated \$30.4 million in cash flows from operating activities and ended the period with \$140.1 million in cash and cash equivalents, \$37.9 million in investments to enhance returns on cash and \$12.6 million in restricted cash. The company purchased approximately 0.2 million shares of stock in the open market under its existing authorized share purchase program. The company has 3.3 million shares remaining to purchase.

### **Dividend**

The company’s Board of Directors declared a regular quarterly cash dividend of \$0.06 per share on the company’s common stock. The dividend will be paid on March 10, 2014, to shareholders of record as of February 28, 2014.

### **Business Outlook**

Darrow stated, “We remain optimistic about our ability to continue to grow profitably in the future. The cadence of our business remains strong, particularly as we head into the fourth quarter, which is historically our largest volume period, and roll out our *Urban Attitudes* collections. Our integrated retail strategy has proven to be the right one, and we are building on it with our store expansion program. We will continue to make investments in the enterprise to grow, prosper and return value to shareholders.”

### **Conference Call**

La-Z-Boy will hold a conference call with the investment community on Wednesday, February 19, 2014, at 8:30 a.m. eastern time. The toll-free dial-in number is 877.407.0778; international callers may use 201.689.8565.

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## **Forward-looking Information**

This news release contains, and oral statements made from time to time by representatives of La-Z-Boy may contain, “forward-looking statements.” 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.

Actual results could differ materially from those we anticipate or project due to a number of factors, including: (a) changes in consumer confidence and demographics; (b) speed of economic recovery or the possibility of another recession; (c) changes in the real estate and credit markets and their effects on our customers and suppliers; (d) international political unrest, terrorism or war; (e) volatility in energy and other commodities prices; (f) the impact of logistics on imports; (g) interest rate and currency exchange rate changes; (h) operating factors, such as supply, labor or distribution disruptions; (i) any court actions requiring us to return any of the Continued Dumping and Subsidy Offset Act distributions we have received; (j) changes in the domestic or international regulatory environment; (k) adoption of new accounting principles; (l) severe weather or other natural events such as hurricanes, earthquakes, flooding, tornadoes and tsunamis; (m) our ability to procure fabric rolls and leather hides or cut-and-sewn fabric and leather sets domestically or abroad; (n) information technology conversions or system failures; (o) effects of our brand awareness and marketing programs; (p) the discovery of defects in our products resulting in delays in manufacturing, recall campaigns, reputational damage, or increased warranty costs; (q) litigation arising out of alleged defects in our products; (r) our ability to locate new La-Z-Boy Furniture Galleries® stores (or store owners) and negotiate favorable lease terms for new or existing locations; (s) our ability to integrate acquired businesses and realize the benefit of anticipated synergies; and (t) those matters discussed in Item 1A of our fiscal 2013 Annual Report on Form 10-K and other factors identified from time-to-time in our reports filed with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statements, whether to reflect new information or new developments or for any other reason.

## **Additional Information**

This news release is just one part of La-Z-Boy’s financial disclosures and should be read in conjunction with other information filed with the Securities and Exchange Commission, which is available at: <http://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-sec>. Investors and others wishing to be notified of future La-Z-Boy news releases, SEC filings and quarterly investor conference calls may sign up at: <http://investors.la-z-boy.com/phoenix.zhtml?c=92596&p=irol-alerts&t=&id=&>.

## **Background Information**

La-Z-Boy Incorporated is one of the world’s leading residential furniture producers, marketing furniture for every room of the home. The La-Z-Boy Upholstery segment companies are La-Z-Boy and England. The Casegoods segment consists of four brands: American Drew, Lea, Hammary and Kincaid. The company-owned Retail segment includes 100 of the 312 La-Z-Boy Furniture Galleries® stores.

The corporation’s branded distribution network is dedicated to selling La-Z-Boy Incorporated products and brands, and includes 312 stand-alone La-Z-Boy Furniture Galleries® stores and 564 independent Comfort Studios® locations, in addition to in-store gallery programs for Kincaid, England and Lea. Additional information is available at <http://www.la-z-boy.com/>.

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**LA-Z-BOY INCORPORATED**  
**CONSOLIDATED STATEMENT OF INCOME**

<i>(Unaudited, amounts in thousands, except per share data)</i>	<b>Third Quarter Ended</b>	
	<b>1/25/14</b>	<b>1/26/13</b>
Sales	\$ 350,375	\$ 340,211
Cost of sales	228,186	227,956
Gross profit	122,189	112,255
Selling, general and administrative expense	96,740	89,443
Operating income	25,449	22,812
Interest expense	142	148
Interest income	183	198
Other income (expense), net	849	2,401
Income from continuing operations before income taxes	26,339	25,263
Income tax expense	8,751	8,391
Income from continuing operations	17,588	16,872
Income (loss) from discontinued operations, net of tax	(717)	291
Net income	16,871	17,163
Net income attributable to noncontrolling interests	(388)	(99)
Net income attributable to La-Z-Boy Incorporated	<u>\$ 16,483</u>	<u>\$ 17,064</u>
<b>Net income attributable to La-Z-Boy Incorporated:</b>		
Income from continuing operations attributable to La-Z-Boy Incorporated	\$ 17,200	\$ 16,773
Income (loss) from discontinued operations	(717)	291
Net income attributable to La-Z-Boy Incorporated	<u>\$ 16,483</u>	<u>\$ 17,064</u>
Basic average shares	52,516	52,431
<b>Basic net income attributable to La-Z-Boy Incorporated per share:</b>		
Income from continuing operations attributable to La-Z-Boy Incorporated	\$ 0.33	\$ 0.31
Income (loss) from discontinued operations	(0.02)	0.01
Basic net income attributable to La-Z-Boy Incorporated per share	<u>\$ 0.31</u>	<u>\$ 0.32</u>
Diluted average shares	53,226	53,401
<b>Diluted net income attributable to La-Z-Boy Incorporated per share:</b>		
Income from continuing operations attributable to La-Z-Boy Incorporated	\$ 0.32	\$ 0.31
Income (loss) from discontinued operations	(0.01)	0.01
Diluted net income attributable to La-Z-Boy Incorporated per share	<u>\$ 0.31</u>	<u>\$ 0.32</u>
Dividends declared per share	\$ 0.06	\$ 0.04



**LA-Z-BOY INCORPORATED**  
**CONSOLIDATED STATEMENT OF INCOME**

<i>(Unaudited, amounts in thousands, except per share data)</i>	<b>Nine Months Ended</b>	
	<b>1/25/14</b>	<b>1/26/13</b>
Sales	\$ 1,017,692	\$ 945,848
Cost of sales	670,011	646,038
Gross profit	347,681	299,810
Selling, general and administrative expense	281,767	259,111
Operating income	65,914	40,699
Interest expense	411	512
Interest income	539	435
Other income (expense), net	1,107	2,515
Income from continuing operations before income taxes	67,149	43,137
Income tax expense	22,462	14,912
Income from continuing operations	44,687	28,225
Income (loss) from discontinued operations, net of tax	(864)	465
Net income	43,823	28,690
Net income attributable to noncontrolling interests	(1,006)	(609)
Net income attributable to La-Z-Boy Incorporated	<u>\$ 42,817</u>	<u>\$ 28,081</u>
<b>Net income attributable to La-Z-Boy Incorporated:</b>		
Income from continuing operations attributable to La-Z-Boy Incorporated	\$ 43,681	\$ 27,616
Income (loss) from discontinued operations	(864)	465
Net income attributable to La-Z-Boy Incorporated	<u>\$ 42,817</u>	<u>\$ 28,081</u>
Basic average shares	52,465	52,327
<b>Basic net income attributable to La-Z-Boy Incorporated per share:</b>		
Income from continuing operations attributable to La-Z-Boy Incorporated	\$ 0.83	\$ 0.52
Income (loss) from discontinued operations	(0.02)	0.01
Basic net income attributable to La-Z-Boy Incorporated per share	<u>\$ 0.81</u>	<u>\$ 0.53</u>
Diluted average shares	53,379	53,201
<b>Diluted net income attributable to La-Z-Boy Incorporated per share:</b>		
Income from continuing operations attributable to La-Z-Boy Incorporated	\$ 0.81	\$ 0.51
Income (loss) from discontinued operations	(0.01)	0.01
Diluted net income attributable to La-Z-Boy Incorporated per share	<u>\$ 0.80</u>	<u>\$ 0.52</u>
Dividends declared per share	\$ 0.14	\$ 0.04

**LA-Z-BOY INCORPORATED**  
**CONSOLIDATED BALANCE SHEET**

(Unaudited, amounts in thousands)

	1/25/14	4/27/13
<b>Current assets</b>		
Cash and equivalents	\$ 140,112	\$ 131,085
Restricted cash	12,566	12,686
Receivables, net of allowance of \$12,706 at 1/25/14 and \$21,607 at 4/27/13	151,917	160,005
Inventories, net	159,586	146,343
Deferred income taxes – current	19,174	20,640
Business held for sale	8,923	—
Other current assets	27,797	30,121
Total current assets	520,075	500,880
Property, plant and equipment, net	122,422	118,060
Goodwill	13,923	12,837
Other intangible assets	5,931	4,838
Deferred income taxes – long-term	33,927	30,572
Other long-term assets, net	67,923	53,184
Total assets	\$ 764,201	\$ 720,371
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 7,574	\$ 513
Accounts payable	53,814	50,542
Business held for sale	2,653	—
Accrued expenses and other current liabilities	99,841	99,108
Total current liabilities	163,882	150,163
Long-term debt	345	7,576
Other long-term liabilities	80,652	70,664
Contingencies and commitments	—	—
<b>Shareholders' equity</b>		
Preferred shares – 5,000 authorized; none issued	—	—
Common shares, \$1 par value – 150,000 authorized; 52,419 outstanding at 1/25/14 and 52,392 outstanding at 4/27/13	52,419	52,392
Capital in excess of par value	254,403	241,888
Retained earnings	240,628	226,044
Accumulated other comprehensive loss	(35,512)	(35,496)
Total La-Z-Boy Incorporated shareholders' equity	511,938	484,828
Noncontrolling interests	7,384	7,140
Total equity	519,322	491,968
Total liabilities and equity	\$ 764,201	\$ 720,371

**LA-Z-BOY INCORPORATED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>(Unaudited, amounts in thousands)</i>	<b>Nine Months Ended</b>	
	<b>1/25/14</b>	<b>1/26/13</b>
<b>Cash flows from operating activities</b>		
Net income	\$ 43,823	\$ 28,690
Adjustments to reconcile net income to cash provided by (used for) operating activities		
Gain on sale of investments	(282)	(2,866)
Impairment of business held for sale	1,149	—
Deferred income tax benefit	(2,929)	(745)
Restructuring	(115)	2,716
Provision for doubtful accounts	(2,494)	1,009
Depreciation and amortization	17,529	17,111
Stock-based compensation expense	7,371	8,198
Pension plan contributions	—	(3,480)
Change in receivables	4,865	2,457
Change in inventories	(15,166)	(12,355)
Change in other assets	2,980	(5,432)
Change in payables	2,865	(6,261)
Change in other liabilities	3,193	4,410
Net cash provided by operating activities	62,789	33,452
<b>Cash flows from investing activities</b>		
Proceeds from disposal of assets	2,248	1,484
Capital expenditures	(23,078)	(21,792)
Purchases of investments	(40,796)	(36,353)
Proceeds from sales of investments	27,974	12,658
Acquisitions, net of cash acquired	(801)	(15,832)
Change in restricted cash	120	(6,937)
Net cash used for investing activities	(34,333)	(66,772)
<b>Cash flows from financing activities</b>		
Payments on debt	(434)	(2,372)
Stock issued for stock and employee benefit plans	3,526	1,528
Excess tax benefit on stock option exercises	5,805	1,117
Purchases of common stock	(20,276)	(5,217)
Dividends paid	(7,375)	(2,119)
Net cash used for financing activities	(18,754)	(7,063)
Effect of exchange rate changes on cash and equivalents	(675)	(6)
Change in cash and equivalents	9,027	(40,389)
Cash and equivalents at beginning of period	131,085	152,370
Cash and equivalents at end of period	\$ 140,112	\$ 111,981
<b>Supplemental disclosure of non-cash investing activities</b>		
Capital expenditures included in payables	\$ 2,183	\$ —

**LA-Z-BOY INCORPORATED**  
**SEGMENT INFORMATION**

<i>(Unaudited, amounts in thousands)</i>	Third Quarter Ended		Nine Months Ended	
	1/25/14	1/26/13	1/25/14	1/26/13
<b>Sales</b>				
Upholstery segment:				
Sales to external customers	\$ 242,492	\$ 236,428	\$ 710,162	\$ 657,073
Intersegment sales	37,780	34,622	103,183	93,401
Upholstery segment sales	280,272	271,050	813,345	750,474
Casegoods segment:				
Sales to external customers	27,267	30,496	85,733	95,841
Intersegment sales	2,367	2,115	7,269	5,907
Casegoods segment sales	29,634	32,611	93,002	101,748
Retail segment sales	80,212	72,772	219,845	191,089
Corporate and Other	404	515	1,952	1,845
Eliminations	(40,147)	(36,737)	(110,452)	(99,308)
Consolidated sales	\$ 350,375	\$ 340,211	\$ 1,017,692	\$ 945,848
<b>Operating Income (Loss)</b>				
Upholstery segment	\$ 31,560	\$ 27,909	\$ 86,547	\$ 64,892
Casegoods segment	(41)	200	1,161	2,381
Retail segment	3,087	2,668	8,264	105
Restructuring	60	(30)	115	(2,633)
Corporate and Other	(9,217)	(7,935)	(30,173)	(24,046)
Consolidated operating income	\$ 25,449	\$ 22,812	\$ 65,914	\$ 40,699