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 24, 1998 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 January 24, 1998
Common Shares, $1.00 par value	17,856,292

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 3, 1998 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 Jan. 24, 1998	Three Months Ended Jan. 25 1997	Nine Months Ended Jan. 24 1998	Nine Months Ended Jan. 25 1997
Cash Flows from Operating Activities				
Net income	$11,459	$9,801	$30,007	$29,651
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	5,140	5,189	15,208	15,215
Change in receivables	22,393	37,106	18,407	27,312
Change in inventories	(2,485)	(1,978)	(10,227)	(12,994)
Change in other assets and liab.	(8,607)	(11,979)	2,137	(1,035)
Change in deferred taxes	(2,553)	(439)	(4,513)	(1,317)
Total adjustments	13,888	27,899	21,012	27,181
Cash Provided by Operating Activities	25,347	37,700	51,019	56,832
Cash Flows from Investing Activities				
Proceeds from disposals of assets	1,108	(167)	1,500	554
Capital expenditures	(4,218)	(4,580)	(15,561)	(12,803)
Change in other investments	(419)	(571)	(707)	(6,013)
Cash Used for Investing Activities	(3,529)	(5,318)	(14,768)	(18,262)
Cash Flows from Financing Activities				
Short-term debt	-	-	-	-
Long-term debt	-	-	-	-
Retirements of debt	(2,428)	(64)	(4,469)	(3,068)
Capital leases	-	-	-	-
Capital lease principal payments	(507)	(509)	(1,547)	(1,587)
Stock for stock option plans	2,299	1,005	5,402	2,851
Stock for 401(k) employee plans	417	276	1,103	944
Purchase of La-Z-Boy stock	(3,086)	(6,993)	(12,483)	(17,361)
Payment of cash dividends	(3,749)	(3,446)	(11,292)	(9,909)
Cash Used for Financing Activities	(7,054)	(9,731)	(23,286)	(28,130)
Effect of exch. rate changes on cash	(233)	(53)	(135)	54
Net change in cash and equivalents	14,531	22,598	12,830	10,494
Cash and equiv. beginning of period	23,681	14,956	25,382	27,060
Cash and equiv. at end of period	$38,212	$37,554	38,212	37,554
Cash paid during period - Income taxes	$14,345	$12,461	$22,008	$23,231
- Interest	$1,016	$948	$2,810	$2,918

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 1997 Annual Report filed with the Securities and Exchange Commission. The financial information included herein, other than the consolidated balance sheet as of April 26, 1997, has been prepared by management without audit by independent certified public accountants who do not express an opinion thereon. The consolidated balance sheet as of January 24, 1998 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 26, 1997. 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 25, 1998.

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.(a)

The Company's strong financial position is reflected in the debt to capital percentage of 13% and a current ratio of 3.3 to 1 at the end of the third quarter. At April 26, 1997, the debt to capital percentage was 15% 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 16% and the current ratio was 3.4 to 1. As of January 24, 1998, there was $63 million of unused lines of credit available under several credit arrangements.

Cash flow from the change in receivables was about $15 million less in the third quarter this year vs. last year. This is primarily due to differences in the timing and volume of shipments. At the end of January this year there were substantially more dollars outstanding (not yet due) and the amounts past due were actually less than the prior year.

Approximately 29% of the 4 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

(27) Financial Data Schedule (EDGAR only).

(99) (a) News Release and Financial Information Release: re Actual third quarter results and Management Discussion dated February 3, 1997 (filed herewith).

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 24, 1998 to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY INCORPORATED
(Registrant)

/s/G.M. Hardy

Date February 3, 1998

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

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APR-25-1998
JAN-24-1998
38,473
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196,879
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91,165
355,364
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352,109
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1.68

Receivables are reported net of allowances for doubtful accounts on the Statement of Financial Position.

News Release

DOUBLE DIGIT SALES AND PROFIT INCREASES FOR LA-Z-BOY IN THIRD QUARTER

MONROE, MI., February 3, 1998: La-Z-Boy Incorporated, the nation's largest producer of upholstered and solid wood furniture, continued reaching record levels of quarterly sales and profits.

Financial Details

For the third quarter ended 1/24/98, sales reached $280.5 million, up 15% from last year's third quarter of $244.6 million. Operating profit was $18.6 million vs. $15.8 million. Net income was $11.5 million vs. $9.8 million, and net income per share was $0.64 vs. $0.54.

For the nine months ended 1/24/98, sales were $786.1 million, up 9% from last year's nine months of $718.4 million. Operating profit was $48.9 million vs. $49.3 million. Net income was $30.0 million vs. $29.7 million, and net income per share was $1.68 vs. $1.63. Nine months results reflect a one time first quarter $3.1 million pretax bad debts expense relating to the Montgomery Ward bankruptcy filing.

Short Term Sales Trends are Good

Sales order backlogs as of today and recent short term trends in sales orders indicate that February's and March's shipments over comparable prior year months may be between 6% - 11%.

Marketing

On January 11th, the Residential Division launched its second "Instant Win" Sweepstakes in Parade and USA Weekend magazines. Reaching 57 million readers, the "Remarkable La-Z-Boy Recliner Giveaway" generated markedly increased retail traffic and over 55,000 phone calls from consumers asking for the location of their nearest La-Z-Boy retailer.

More Information

La-Z-Boy's third quarter 10-Q filing including a full income statement, balance sheet, cash flow statement and additional management discussion is available now at La-Z-Boy's worldwide web site (www.lazboy.com). About 24 to 48 hours after this release, the 10-Q information should be available on the SEC's web site in their EDGAR databases (www.sec.gov). The SEC's site also contains additional La-Z-Boy financial information, including 8-K and other filings, going back about two years.

NYSE & PCX: LZB

Contact: Gene Hardy (313) 241-4306

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

THIRD QUARTER ENDED (UNAUDITED)

	Jan. 24, 1998	Jan. 25, 1997	% Over (Under)	Percent of Sales 1998	Percent of Sales 1997
Sales	$280,520	$244,581	15%	100.0%	100.0%
Cost of sales	211,688	180,979	17%	75.5%	74.0%
Gross profit	68,832	63,602	8%	24.5%	26.0%
S, G & A	50,189	47,765	5%	17.9%	19.5%
Operating profit	18,643	15,837	18%	6.6%	6.5%
Interest expense	1,048	1,096	-4%	0.4%	0.4%
Interest income	568	430	32%	0.2%	0.2%
Other income	240	639	-62%	0.2%	0.2%
Pretax income	18,403	15,810	16%	6.6%	6.5%
Income taxes	6,944	6,009	16%	37.7%*	38.0%*
Net income	$11,459	$9,801	17%	4.1%	4.0%

Average shares	17,877	18,086	-1%
Net income per share	$0.64	$0.54	19%
Dividends per share	$0.21	$0.19	11%

	NINE MONTHS ENDED (UNAUDITED)				
				Percent of Sales	
	Jan. 24, 1998	Jan. 25, 1997	% Over (Under)	1998	1997
Sales	$786,054	$718,362	9%	100.0%	100.0%
Cost of sales	591,242	532,913	11%	75.2%	74.2%
Gross profit	194,812	185,449	5%	24.8%	25.8%
S, G & A	145,946	136,125	7%	18.6%	18.9%
Operating profit	48,866	49,324	-1%	6.2%	6.9%
Interest expense	3,099	3,300	-6%	0.4%	0.5%
Interest income	1,562	1,260	24%	0.2%	0.2%
Other income	1,517	1,945	-22%	0.2%	0.3%
Pretax income	48,846	49,229	-1%	6.2%	6.9%
Income taxes	18,839	19,578	-4%	38.6%*	39.8%*
Net income	$30,007	$29,651	1%	3.8%	4.1%
Average shares	17,905	18,168	-1%		
Net Income per share	$1.68	$1.63	3%		
Dividends per share	$0.63	$0.57	11%		

* As a percent of pretax income, not sales.

CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	Unaudited Jan. 24, 1998	Unaudited Jan. 25, 1997	Increase (Decrease) Dollars	Increase (Decrease) Percent	Audited April 26, 1997
Current assets					
Cash & equivalents	$38,473	$37,554	$919	2%	$25,382
Receivables	196,879	177,933	18,946	11%	215,032
Inventories					
Raw materials	44,478	41,235	3,243	8%	36,959
Work-in-process	37,726	39,868	(2,142)	-5%	34,854
Finished goods	30,511	33,010	(2,499)	-8%	28,177
FIFO inventories	112,715	114,113	(1,398)	-1%	99,990
Excess of FIFO over LIFO	(21,550)	(21,928)	378	2%	(21,219)
Total inventories	91,165	92,185	(1,020)	-1%	78,771
Deferred income taxes	24,761	19,732	5,029	25%	20,950
Other current assets	4,086	4,092	(6)	0%	2,640
Total current assets	355,364	331,496	23,868	7%	342,775
Property, plant & equipment	117,627	115,167	2,460	2%	114,658
Goodwill	40,974	39,117	1,857	5%	38,702
Other long-term assets	29,953	31,464	(1,511)	-5%	32,272
Total assets	$543,918	$517,244	$26,674	5%	$528,407

	Unaudited Jan. 24, 1998	Unaudited Jan. 25, 1997	Increase (Decrease) Dollars	Increase (Decrease) Percent	Audited April 26, 1997
Current liabilities					
Current portion - l/t debt	$5,107	$4,625	$482	10%	$4,611
Current portion - captl leas	1,561	2,067	(506)	-24%	2,017
Accounts payable	38,714	33,941	4,773	14%	28,589
Payroll/other comp	33,315	30,961	2,354	8%	37,934
Estimated income taxes	4,469	2,741	1,728	63%	5,412
Other current liabilities	23,858	22,625	1,233	5%	19,106
Total current liabilities	107,024	96,960	10,064	10%	97,669
Long-term debt	49,723	55,007	(5,284)	-10%	52,449
Capital leases	1,111	2,679	(1,568)	-59%	2,202
Deferred income taxes	5,627	5,808	(181)	-3%	6,329
Other long-term liabilities	10,468	10,876	(408)	-4%	10,420
Commitments & contingencies					
Shareholders' equity					
17,856,292 shares, $1.00 par	17,856	17,961	(105)	-1%	17,908
Capital in excess of par	28,239	27,733	506	2%	27,697
Retained earnings	325,138	300,861	24,277	8%	314,731
Currency translation	(1,268)	(641)	(627)	-98%	(998)
Total shareholders' equity	369,965	345,914	24,051	7%	359,338
Total liabilities and shareholders' equity	$543,918	$517,244	$26,674	5%	$528,407

Overall:

Refer to today's press release for additional information.

Gross Profit:

Gross profit margins declined to 24.5% of sales from 26.0% in last year's third quarter on a 15% increase in sales dollars and an 11% increase in sales units. A combination of both selling price increases and favorable merchandising trends on upholstery products was offset by unfavorable merchandising for some casegood products and increased production costs at most manufacturing facilities. The unfavorable casegood merchandising was primarily a result of discounting obsolete product and introductory pricing on new product to establish it in the marketplace. Both of these unfavorable merchandising items are considered to be one time events. Provided below, in no specific order, is a list of the most significant unfavorable production cost factors:

Hardwood and plywood parts delivery problems and the related production disruptions experienced in the first and second quarter are mostly resolved. However, the transition costs associated with the consolidation of seven hardwood frame supply centers into three and the continued conversion of hardwood parts to our new unibody frame construction were significant just as they were in recent quarters. Although these unfavorable cost trends are expected to continue into the fourth quarter, it is believed that the long term benefits of eliminating excess hardwood supply center capacity will contribute to manufacturing cost reductions in the early part of fiscal year 1998-1999.

As was the case in the second quarter, the costs associated with the consolidation of one casegood manufacturing facility into an existing facility had a measurable impact upon the third quarter. In addition, a second, separate casegood manufacturing facility consolidation was begun. It is expected that the transition costs of both the first and second consolidations will be completed in the fourth quarter and that benefits will be realized in the first quarter of fiscal year 1998-1999. The consolidation of casegood manufacturing facilities was initiated to reduce manufacturing costs and is not a result of, nor an indicator of any shrinking demand for casegood product.

As a result of a sharp increase in production demand, overtime and indirect labor costs were up significantly at most upholstery plants. Due to an expected continuation of strong demand for upholstery products, these costs are expected to remain unfavorable in the fourth quarter.

Inclement weather in the southern U.S. caused several manufacturing facilities to close for approximately two days. Although some production was lost as a result of the plant closures, a good portion was re-captured using overtime. This event is believed to be a one time occurrence.

S,G & A:

Third quarter S, G & A decreased to 17.9% of sales in the current year vs. 19.5% last year. Bonus expense decreased over last year's third quarter. Advertising expense increased over last year's third quarter; however, not at the rate of the sales increase. Both trends are expected to continue through the fourth quarter.