SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) of
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended April 27, 1996   Commission File No. 1-9656

LA-Z-BOY CHAIR COMPANY
(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 N. Telegraph Road, Monroe, Michigan	48162-3390
(Address of principal executive offices)	(Zip Code)

Registrant's Telephone Number - Area Code (313) 242-1444
Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act:

COMMON SHARES, $1.00 Par Value
(Title of Class)

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.   X

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of June 21, 1996 was $528,023,294.

The number of common shares of the registrant outstanding on June 21, 1996 was 18,286,521.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the 1996 Annual Report to Shareholders for the year ended April 27, 1996 are incorporated by reference into Parts I, II and IV.

Portions of the Annual Proxy Statement filed with the Securities and Exchange Commission June 27, 1996 are incorporated by reference into Part III.

PART I

Item 1. Business

The information required in Part I, Item 1, section (a) is contained in the Registrant's 1996 Annual Report to Shareholders in the England/Corsair section on page 12 and in Note 2 to the Registrant's consolidated financial statements contained in the Annual Report on page 22, and is incorporated herein by reference.

(b)-(c) (1) (i) Principal Products

The Registrant operates in the furniture industry and as such does not have differing segments. "Residential" dealers are those who resell to individuals for their home use. "Business Furniture" dealers are those who resell seating and casegood products to commercial dealers. Additional information regarding products and market share data is contained in the Registrant's 1996 Annual Report on page 27 in the Background section of the Management Discussion and Analysis and is incorporated herein by reference.

(c) (1) (ii) Status of New Products or Segments

During fiscal year 1996, the Registrant introduced the Reclina-Glider, a line of swivel recliners that glide in a horizontal plane. Consumer response and sales have performed to the Registrant's expectations.

(c) (1) (iii) Raw Materials

The principal raw materials used by the Registrant in the manufacture of its products are hardwoods for solid wood dining room and bedroom furniture, casegoods, occasional tables and for the frame components of seating units; plywood and chipwood for internal parts; veneers for dining room furniture, wall units, and occasional tables; water-based and liquid finishes (stains, sealants, lacquers) for external wood; steel for the mechanisms; leather, cotton, wool, synthetic and vinyl fabrics for covers; and polyester batting and non-chlorofluorocarbonated polyurethane foam for cushioning. Steel and wood products are generally purchased from a number of sources, usually in the vicinity of the particular plant, and product-covering fabrics and polyurethane are purchased from a substantial number of sources on a mostly centralized basis. The Registrant fabricates many of the parts in its products, largely because quality parts made to its exact specifications are not obtainable at reasonable cost from outside sources.

Raw materials costs historically have been about 37 percent of sales in the upholstery operations and a somewhat higher percentage in the casegoods operations. Purchased fabric (which includes leather) is the largest single raw material cost representing about 42 percent of total upholstery product material costs. Polyurethane (poly) foam for cushions and padding and lumber are the next two largest types of upholstery raw material costs. Both fabric and poly are highly sensitive to changes in the price of oil. Price increases for raw materials excluding lumber have kept pace with the inflation rate in recent years and are expected to continue to do so. Lumber prices have decreased slightly during the past year

Lumber, like most commodities, historically has had sharp changes in prices over the short term and long term. The Registrant is usually not as affected by these changes as much as many other furniture manufacturers due to the large percentage of upholstered goods manufactured that do not require as much lumber as casegoods. Also, wood substitutes, (e.g. steel, plastic) can be used to some degree in upholstered products.

(c) (1) (iv) Patents, Licenses and Franchises or Concessions

The Registrant has a number of patents on its reclining chair and rocking chair mechanisms which it believes were important to the early success of the Registrant and to its present competitive position. It believes, however, that since it is so firmly established in the industry, the loss of any single or small group of patents would not materially or adversely affect the Registrant's business. The Registrant has no material licenses, franchises or concessions.

(c) (1) (v) Seasonal Business

The Registrant generally experiences its lowest level of sales during its first quarter. When possible, the scheduling of production is designed to maintain generally uniform manufacturing activity throughout the year, except for mid summer plant shutdowns to coincide with slower sales.

(c) (1) (vi) Practices Regarding Working Capital Items

The Registrant does not carry significant amounts of upholstered finished goods inventory to meet rapid delivery requirements of customers or to assure itself of a continuous allotment of goods from suppliers. Normal customer terms provide for one payment due within 45 days with a 1 percent discount within 30 days (one installment, 1 percent discount 30 net 45). Extended dating is often offered on sales promotions.

Most casegoods finished goods inventories are built to provide for quicker delivery requirements of customers without installment credit terms, therefore, resulting in higher levels of finished product on hand at any period in time than the upholstered products. Kincaid and Hammary divisions primarily sell casegood products. Casegoods are also sold through the Business Furniture Group.

(c) (1) (vii) Customers

The Registrant distributes to over 13,000 locations. The Registrant does not have any customer whose sales amount to 10 percent or more of the Registrant's consolidated sales for fiscal year 1996. The Registrant's approximate dealer mix consisted of 38 percent proprietary, 16 percent to major dealers (Montgomery Ward and other department stores) and 46 percent to general dealers.

Proprietary stores consist of stores dedicated to the sale of La-Z-Boy products and in-store dedicated galleries. The dedicated stores include

La-Z-Boy Furniture Galleries stores and Showcase Shoppes. In-store dedicated galleries have been established for each of the Company's divisions.

(c) (1) (viii) Orders and Backlog

It has been determined that the majority of the Registrant's Residential Division orders are for dealer stock, with approximately 35 percent of orders being requested directly by customers. Furthermore, about 20 percent of units produced at all divisions are built for the Registrant's inventory. The remainder are "built-to-order" for dealers.

As of June 29, 1996 and July 1, 1995 backlogs were approximately $67 million. This represents less than five weeks of sales. On average, orders are shipped in approximately five weeks. Any measure of backlog at a point in time may not be indicative of future sales performance. The Registrant does not rely on backlogs to predict future sales since the sales cycle is only five weeks and backlog can change from week to week.

The cancellation policy for La-Z-Boy Chair Company, in general, is that an order cannot be canceled after it has been selected for production. Orders from prebuilt stock, though, may be canceled up to the time of shipment.

(c) (1) (ix) Renegotiation Contracts

The Registrant does not have any material portion of business which may be subject to renegotiation of profits or termination of contracts or subcontracts at the election of the Government.

(c) (1) (x) Competitive Conditions

The Registrant believes that it ranks third in the U.S. in dollar volume of sales within the Residential furniture industry, which includes manufacturers of bedroom, dining room and living room furniture.

The Registrant competes primarily by emphasis on quality of its products, dealer support and a lifetime warranty on the reclining and legrest mechanisms.

The Registrant has approximately fifteen major competitors in the U.S. reclining or motion chair field and a substantially larger number of competitors in the upholstery business as a whole and in the casegoods and Business Furniture businesses.

(c) (1) (xi) Research and Development Activities

The Registrant spent $8.0 million in fiscal 1996 for new product development, existing product improvement, quality control, improvement of current manufacturing operations and research into the use of new materials in the construction of its products. The Registrant spent $7.9 million in fiscal 1995 on such activities and $6.4 million on such activities in fiscal 1994. The Registrant's customers generally do not engage in research with respect to the Registrant's products.

(c) (1) (xii) Compliance with Environmental Regulations

Information relating to Compliance with Environmental Regulations (Note 11 of the Consolidated Financial Statements appearing on page 25 and the environmental discussion contained within the Management Discussion and Analysis appearing on page 29 of La-Z-Boy Chair Company's Annual Report to Shareholders for 1996) is incorporated herein by reference.

(c) (1) (xiii) Number of Employees

The Registrant and its subsidiaries employed 10,733 persons as of April 27, 1996 and 11,149 persons as of April 29, 1995.

(d) Financial Information about Foreign and Domestic Operations and Export Sales.

The Registrant does not make any material amount of sales of upholstered furniture to foreign customers. The Registrant sells upholstered furniture to Canadian customers through its Canadian subsidiary, La-Z-Boy Canada Limited.

The Registrant also derives a small amount of royalty revenues from the sale and licensing of its trademarks, tradenames and patents to certain foreign manufacturers.

Export sales are increasing, and are less than 2% of sales.

Item 2. Properties

In the United States, the Registrant operates twenty-nine manufacturing plants (most with warehousing space), has an automated fabric processing center and has divisional and corporate offices. The Registrant has one manufacturing plant in Canada. Some locations listed below have more than one plant.

The location of these plants, the approximate floor space, principal operations conducted, the average age and the approximate number of employees at such locations as of April 27, 1996 are as follows:

Location	Floor Space (square feet)	Operations Conducted	Average Age	Number of Employees
Clearfield, Utah	48,000	Upholstering and assembly of upholstery	--	45
Dayton, Tennessee	909,320	Manufacture, assembly and warehousing of upholstery	13	1,773
Florence, South Carolina	416,249	Manufacture, assembly and warehousing of upholstery	26	464
Florence, South Carolina	48,400	Fabric processing center	19	17
Grand Rapids, Michigan	440,000	Manufacture and assembly of Business furniture/systems	81	96
Hudson area, North Carolina (Kincaid)	1,040,745	Manufacture, assembly, and warehousing of casegoods and division office	30	1,263
Leland, Mississippi	311,990	Manufacture, assembly and warehousing of Business Furniture casegoods and upholstery	20	345
Lenoir area, North Carolina (Hammary)	654,688	Manufacture, assembly & warehousing of primarily casegoods and some upholstered products and division office	28	491
Lincolnton, North Carolina	375,823	Manufacture, warehousing, and assembly of upholstery	28	348
Monroe, Michigan	242,235	Corporate office, Residential and Business Furniture Group offices and R & D	46	505
Neosho, Missouri	560,640	Manufacture, assembly and warehousing of upholstery	20	1,089
New Tazewell, Tennessee (England/Corsair)	696,484	Manufacture, assembly and warehousing of primarily upholstery and division office	6	1,374
Newton, Mississippi	640,707	Manufacture, assembly and leather cutting, plywood cutting and warehousing of upholstery	19	1,142
Redlands, California	189,125	Upholstering, assembly and warehousing of upholstery	26	292
Siloam Springs, Arkansas	399,616	Upholstering, warehousing, and assembly of upholstery	1	336
Tremonton,	672,770	Manufacture, assembly	11	791

Utah		and warehousing of upholstery		
Waterloo, Ontario (La-Z-Boy Canada Ltd.)	257,340	Manufacture, assembly, and warehousing of upholstery and division office	26	362
	7,904,132		23	10,733

The Monroe, Michigan; Redlands, California; Dayton, Tennessee; Waterloo, Ontario, Canada; Lincolnton, North Carolina; Grand Rapids, Michigan; Lenoir, North Carolina; Hudson, North Carolina; New Tazewell, Tennessee and the Newton, Mississippi woodworking plants are owned by the Registrant. The Florence, South Carolina; Neosho, Missouri; Newton, Mississippi; Siloam Springs, Arkansas and Tremonton, Utah plants as well as the automated Fabric Processing Center were financed by the issuance of industrial revenue bonds and are occupied under long-term leases with government authorities. The Leland, Mississippi plant is under a long-term lease between the Board of Supervisors of Washington County, Mississippi (lessor) and La-Z-Boy Chair Company (lessee). These leases are capitalized on the Registrant's books. The Clearfield, Utah plant is under a long term lease.

The Registrant believes that its plants are well maintained, in good operating condition and will be adequate to meet its present and near future business requirements.

Item 3. Legal Proceedings

Information relating to certain legal proceedings (Note 11 of the Consolidated Financial Statements appearing on page 25 of La-Z-Boy Chair Company's Annual Report to Shareholders for 1996) is incorporated herein by reference.

Item 4. Submission of Matters to a Vote of Security

Not applicable.

PART II

The information required in Part II (Items 5 through 8) is contained in the La-Z-Boy Chair Company's Annual Report to Shareholders for 1996, in the Financial Report pages 17 through 31, and is incorporated herein by reference.

Item 9. Changes in and disagreements with accountants on Accounting and Financial Disclosure.

Not applicable.

PART III

The information required in Part III (Items 10 through 13) is contained in the Registrant's proxy statement dated June 27, 1996 on pages 1 through 12 and 17, and is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statements, Schedules and Reports on Form 8-K

Listed below are all the documents filed as part of this report:

(a) Index to Financial Statements

(1) Financial Statements:

Page in Exhibit I

Report of Independent Accountants on Financial Statement Schedule..S-2

(2) Financial Statement Schedule:

II Valuation and Qualifying Accounts........................... S-3

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(3) Exhibits

(3)(a) Articles of Incorporation filed on Form 10-K dated July, 20 1993 (Commission File No. 1-9656) is incorporated herein by reference.

(b) By-laws filed on Form 10-K dated July 20, 1993 (Commission File No. 1-9656) is incorporated herein by reference.

(4) Form of certificate for Common Stock $1.00 par value (filed as an exhibit to registrant's Form S-8 Registration Statement (Commission File No. 33-50318) and incorporated herein by reference).

(b) Instruments defining the rights of holders of long-term debt are not filed herewith, pursuant to paragraph (4)(iii) of Regulation S-K Item 601. The Registrant will furnish all such documents to the Securities and Exchange Commission upon its request.

*(10)(a) La-Z-Boy Chair Company 1993 Performance-Based Stock plan (filed as Exhibit A to registrant's proxy statement dated June 25 1993 (Commission File No. 1-9656) and incorporated herein by reference).

*(b) La-Z-Boy Chair Company Restricted Stock Plan for Non-Employee Directors (filed as Exhibit B to registrant's proxy statement dated July 6, 1989 (Commission File No. 1-9656) and incorporated herein by reference).

*(c) La-Z-Boy Chair Company Executive Incentive Compensation Plan Description (filed as an exhibit to registrant's Current Report on Form 8-K dated February 6, 1995 (Commission File No. 1-9656) and incorporated herein by reference).

*(d) La-Z-Boy Chair Company Supplemental Executive Retirement Plan dated May 1, 1991 (filed as an exhibit to registrant's Current Report on Form 8-K dated February 6, 1995 (Commission File No. 1-9656) and incorporated herein by reference).

*(e) La-Z-Boy Chair Company 1986 Restricted Share Plan (filed as an exhibit to registrant's proxy statement dated June 26, 1986 (Commission File No. 1-9656) and incorporated herein by reference).

*(f) La-Z-Boy Chair Company Amended and Restated 1989 Restricted Share Plan (filed as Exhibit A to registrant's proxy statement dated July 6, 1989 (Commission File No. 1-9656) and incorporated herein by reference).

*(g) La-Z-Boy Chair Company 1986 Incentive Stock Option Plan (filed as Exhibit B to registrant's proxy statement dated June 26, 1986 (Commission File No. 1-9656) and incorporated herein by reference).

*(h) Form of Change in Control Agreement, accompanied by list of employees party thereto (filed as an exhibit to registrant's Current Report on Form 8-K dated February 6, 1995 (Commission File No. 1-9656) and incorporated herein by reference).

*(i) Form of Indemnification Agreement and list of Registrant's directors who are parties thereto (filed as an exhibit to Form 8, Amendment No. 1 dated November 3, 1989 (Commission File No. 1-9656) and incorporated herein by reference).

(j) La-Z-Boy Chair Company 1979 Key Employee Stock Option Plan (filed as an exhibit to Form S-8 Registration Statement effective February 15, 1980 (Commission File No. 2-66510) and incorporated herein by reference).

(k) Amended and Restated Reorganization Agreement with England/Corsair, Inc. (filed as Annex A to registrant's Form S-4 Registration Statement dated April 7, 1995 (Commission File No. 33-57623) and incorporated herein by reference).

(13) 1996 Annual Report to Shareholders (With the exception of the information incorporated in Part I and II, this document is not deemed to be filed as part of the report on Form 10-K).

(21) List of subsidiaries of La-Z-Boy Chair Company (filed herewith).

(23) Consent of Price Waterhouse LLP (filed herewith).

(27) Financial Data Schedule (Edgar only)

* Indicates a contract or benefit plan under which one or more executive officers or directors may receive benefits.

(b) Reports on Form 8-K
None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) 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 CHAIR COMPANY

BY /s/C. T. Knabusch July 15, 1996
C. T. Knabusch
Chairman of the Board, President
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/S/E. J. Shoemaker E. J. Shoemaker	Executive Vice President of Engineering, Director and Vice Chairman of the Board	July 15, 1996
/s/C. T. Knabusch C. T. Knabusch	Chairman of the Board, President and Chief Executive Officer	July 15, 1996
/s/G. M. Hardy G. M. Hardy	Secretary and Treasurer, Principal Accounting Officer and Director	July 15, 1996
/s/F. H. Jackson F. H. Jackson	Vice President Finance, Principal Financial Officer and Director	July 15, 1996
/s/P. H. Norton P. H. Norton	Senior Vice President Sales and Marketing and Director	July 15, 1996
L. G. Stevens	Director	July 15, 1996
/s/J. F. Weaver J. F. Weaver	Director	July 15, 1996
/s/D. K. Hehl D. K. Hehl	Director	July 15, 1996
/s/R. E. Lipford R. E. Lipford	Director	July 15, 1996
/s/W. W. Gruber W. W. Gruber	Director	July 15, 1996
J.W. Johnston	Director, Mr. Johnston is the son-in-law of E. J. Shoemaker	July 15, 1996

ANNUAL REPORT ON FORM 10-K

ITEM 14(a) and ITEM 14(d)

LIST OF FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

YEARS ENDED APRIL 27, 1996, APRIL 29, 1995, AND APRIL 30, 1994

LA-Z-BOY CHAIR COMPANY
MONROE, MICHIGAN

INDEX TO FINANCIAL STATEMENTS

The financial statements, together with the report thereon of Price Waterhouse LLP dated May 30, 1996 appearing on pages 17 through 31 of the accompanying 1996 Annual Report to Shareholders are incorporated by reference in this Form 10-K Annual Report. With the exception of the aforementioned information, and the information incorporated in Part II, the 1996 Annual Report to Shareholders is not to be deemed filed as part of this report. The following financial statements schedule should be read in conjunction with the financial statements in such 1996 Annual Report to Shareholders. Financial statement schedules not included in this Form 10-K Annual Report have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

FINANCIAL STATEMENT SCHEDULE

1996, 1995, AND 1994

Report of Independent Accountants on Financial Statement Schedule

Schedule II Valuation and Qualifying Accounts

REPORT OF INDEPENDENT ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors of
La-Z-Boy Chair Company

Our audits of the consolidated financial statements referred to in our report dated May 30, 1996 appearing on Page 17 of the 1996 Annual Report to Shareholders of La-Z-Boy Chair Company (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedule listed in Item 14(a) of this Form 10-K. In our opinion, this Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE LLP
Toledo, Ohio
May 30, 1996

LA-Z-BOY CHAIR COMPANY AND SUBSIDIARIES SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS
(Dollars in thousands)

Trade
accounts

Description	Balance at beginning of period	Additions charged to costs and expenses	Acquisition of operating division	receivable "written off" net of recoveries	Balance at end of period
Year ended April 27, 1996:					
Allowance for doubtful accounts & long-term notes	$17,829	$5,530		$5,326	$18,033
Accrued Warranties	$8,450	$1,127			$9,577
Year ended April 29, 1995:					
Allowance for doubtful accounts & long-term notes	$14,795	$5,847	$92	$2,905	$17,829
Accrued Warranties	$6,650	$1,350	$450		$8,450
Year ended April 30, 1994:					
Allowance for doubtful accounts & long-term notes	$11,670	$7,578		$4,453	$14,795
Accrued Warranties	$6,250	$400			$6,650

* CHAIRMAN'S LETTER *

Dear Fellow Shareholders:

Fiscal 1996 was a challenging year for the entire furniture industry, affecting La-Z-Boy Chair Company's aggressive growth plans. But our future looks bright.

Total company sales were $947 million. Net income was $39 million or $2.12 per share. Cash dividends paid during fiscal 1996 rose 9% to 74 cents per share. Despite a year that can best be described as flat, we firmly believe there's reason for optimism and continued confidence that La-Z-Boy is positioned to succeed and prosper in the future.

The domestic home furnishings market is undergoing fundamental and far-reaching changes. Our Business Furniture Group--producing furnishings for healthcare environments, public areas and corporate offices--was forced to make adjustments as well. Repercussions of these changes in fiscal 1996 were felt not only by our Company, but also the industry at large. Fortunately, few of these changes have taken us by surprise. La-Z-Boy has been and will remain positioned to react and to meet new challenges better than most.

Retail distribution continued to become more consolidated. We responded by expanding our proprietary distribution. Dealer inventories and order lead times shrunk. We responded by accelerating our commitment to four-week production cycles. Margin pressures increased at beginning price points in many categories as retailers relied on more aggressive promotional offers. We responded by using England/Corsair product to lessen this pressure. Many manufacturers limited new product initiatives. We responded by aggressively introducing product to fill out our product line in key style and price categories. For example, Hammary's introductions included new product lines and categories. And Kincaid contributed several major new collections as well. Each and every division helped the cause. While the financial results from these efforts were not all recognized in the past fiscal year, we're certain the Company is prepared to meet future challenges.

Our vision is quite simple. We want to be regarded globally as the premier provider of home, office and institutional furniture in all market segments in which we directly compete.

To make this vision a reality, in 1996 we adopted a corporate-wide mission statement: Our mission is to provide customers with superior quality, service and value. By achieving our mission, we will provide an equitable return on investment to our shareholders, security to our employees and satisfaction to our customers.

In the years ahead, this mission statement will become our guidepost and measuring stick. To make this mission a reality, we're fundamentally changing our infrastructure. On the operations side, we developed the product design team concept. The strength of this idea comes from team members working literally side by side. Projects start with consumer preference input from our sales and marketing team. Then, cost analysts, designers, frame engineers and manufacturing technology specialists completed the job. There are teams operating at the plant level as well. Together, they create superior products, improve production efficiency and get new product to market sooner.

The La-Z-Boy Quality & Value Improvement Program (QVIP), initiated last year in our Residential Division manufacturing area, will help increase productivity. QVIP focuses on quality assurance, attention to customers, organizational planning and performance management, and resource utilization. As a result, we're better positioned than ever to exceed customer expectations.

Technology is making La-Z-boy increasingly responsive to a rapidly changing world. Our Neosho, Missouri plant is the pilot site fro an electronic-based system that tracks and manages dealer orders every step of the way--from the moment they're received until finished goods are shipped. Expected benefits of the program include lower labor costs; smaller raw material, work-in-process and finished goods inventories; faster, more efficient truck-loading; and instant updates to the Company's central Management Information System. We expect to have this total production tracking system at our Residential Division plants within the next 18 months.

Currently, La-Z-Boy exports to over 30 countries and has licensees in seven of them. We see great potential for additional growth in Europe, South America, Australia, Japan and other affluent Pacific Rim countries, and mainland China. We recognize that no single international growth strategy will suffice. So, La-Z-Boy is developing product, manufacturing and distribution strategies to fit specific global areas and sometimes individual countries. During the coming year, the first La-Z-Boy Furniture Galleries store outside of North America will open in Madrid, Spain. It's an important step in our effort to be recognized as a global resource.

You can see why we view the future so positively. We begin fiscal 1997 determined to remain the pacesetter in the furniture industry. We look back on a nearly 70-year heritage with pride; we look forward to the future with enthusiasm and vigor. A tomorrow in the capable and strong hands of over 10,000 dedicated La-Z-Boy employees.

Here's to our exciting future.

Sincerely,

Charles T. Knabusch
Chairman and President

* COMPANY OVERVIEW *

The Industry Leader

Living rooms. Family rooms. Bedrooms. Dining rooms. Corporate and home offices. Healthcare environments. And more. La-Z-Boy's success is a result of a passion for quality and consume satisfaction. Product selection that grows larger every year. Creating innovative ideas. And improving shareholder value. In the process, we've become the best-known name in furniture. In a recent independent survey, 97% of the people surveyed ranked La-Z-Boy the top name in furniture.

La-Z-Boy was founded in 1927. The wood slat reclining chair was our first product. Today, we offer thousands of selections produced in 30 modern facilities, six by divisions, with over 10,000 dedicated employees. Annual sales are approaching one billion dollars. We're growing in our key distribution networks; major regional chains, proprietary stores and galleries, independent furniture dealers in the U.S. and abroad, and regional chains. In the U.S., various company gallery and store programs command over 5,000,000 square feet of dedicated retail sales space.

Caring about our customers continues to yield impressive rewards not only for them, but also for our employees and shareholders. La-Z-Boy is the third largest furniture maker in the U.S. overall, the largest reclining-chair manufacturer in the world and America's largest manufacturer of upholstered furniture.

Six divisions make us a complete resource for office and home furnishing: La-Z-Boy Residential, La-Z-Boy Canada, La-Z-Boy Business Furniture Group, England/Corsair, Hammary and Kincaid. Together, they offer quality comfortable furnishing in diverse styles for a wide variety of environments. Everything from swivel glider recliners to modular furniture. Casegoods to mobile reclining chairs. Sofas to loveseats. Home entertainment centers to home office equipment. Solid wood to upholstery. For homes, offices, living rooms, bedrooms, boardrooms and dining rooms. Available in showrooms from Long Island to Los Angeles, Winnipeg to Madrid. And there's more to come. Every year, we look to expand our reach and extend our product line.

* La-Z-Boy Milestones *

England/Corsair

At the start of fiscal 1996, we welcomed England/Corsair, Inc. to the La-Z-Boy family. This $100 million producer of quality, moderately priced upholstered furniture was seeking a partner to facilitate expansion. In La-Z-Boy, England/Corsair found professionalism, financial strength and marketing power it needed.

Under this new alliance, both groups win. Like Hammary and Kincaid, England/Corsair continues to market products under its own name, while manufacturing selected products for La-Z-Boy Residential.

Executive Changes

Fiscal year 1996 saw the retirement of Charles W. Nocella, vice president of manufacturing, who joined La-Z-Boy 31 years ago as a wood room employee, learning the furniture business from the ground up. He became vice president of manufacturing in 1988, a post held until his retirement. Mr. Nocella made significant improvements in our manufacturing technology and implemented QVIP for La-Z-Boy. His responsibilities are being assumed by Gerald L. Kiser, vice president of operations. Mr. Kiser was formerly vice president of operations at Kincaid.

Also retiring in fiscal '96 was Louis E. Roussey, vice president of human resources. Mr. Roussey helped develop the company's excellent employee benefit and retirement investment programs. He is succeeded by Douglas R. Jordan, vice president of organization development and planning. A former management consultant to La-Z-Boy and president of his own company, Mr. Jordan will also have responsibility for corporate quality assurance.

Eddie A. Taylor was named vice president of international business development. Mr. Taylor joined La-Z-Boy in 1994 after serving 11 years as vice president of a Washington, D.C.-based international management consulting firm.

HALL OF FAME

We are proud to announce that Patrick H, Norton, senior vice president of sales and marketing, was inducted into the American Furniture Hall of Fame. This honor is accorded to notable contributors to the American furniture industry's growth and development. In receiving this recognition, Mr. Norton follows the co-founders of La-Z-Boy, the late Edward M. Knabusch and Edwin J. Shoemaker, vice chairman of the board, into the Hall. La-Z-Boy is the only company with three Hall of Fame members.

LA-Z-BOY IN MADRID

The first overseas La-Z-Boy Furniture Galleries store will open soon in Madrid, Spain. It is similar in concept, size and merchandising to our newest U.S. proprietary stores. However, some select upholstery fabrics and room accessories will reflect Spanish styles and tastes. The first store on the European retail market is an exciting step in our global expansion.

DUCKS UNLIMITED

Hammary and Kincaid have jointly created a 200-piece Ducks Unlimited Home Furnishings Collection. Ducks Unlimited is a well-respected 750,000 member nature conservation group. A portion of sales proceeds will support their efforts to preserve over seven million acres of North American wetlands. the collection made a splash with furniture buyers ant the Spring '96 International Home Furnishings Market.

* LA-Z-BOY DIVISIONS *

LA-Z-BOY RESIDENTIAL

What's good for the consumer is good for business. Keeping that in mind, our comfortable retail environment shows that we care about our consumers and their concerns. For most people, buying furniture is a serious undertaking. To help consumers make the right decisions, La-Z-Boy proprietary stores welcome shoppers into pleasingly organized environments, not a maze of products.

Independently owned La-Z-Boy Furniture Galleries stores are models for the future. These large stores have a gallery for each major furniture category. Furniture and accessories are presented in coordinated room vignettes. The atmosphere is inviting and unpressured. And sales staffs know their products literally inside and out, offering skilled counseling in home decor.

La-Z-Boy Furniture Galleries stores generate significantly higher sales per square foot than conventional furniture stores. New stores are opening in major markets of the east and west coasts and throughout mid-America.

Similarly structured but less expansive, in-store La-Z-Boy Gallery stores serve smaller communities. Also, many regional furniture chains and large, individual retailers feature in-store La-Z-Boy galleries.

Our national television campaign has increased customer traffic in La-Z-Boy retail stores and continues to attract younger, more affluent consumers. Each spot reinforces La-Z-Boy's position as the American family's most complete home furnishings resource. It's working. So far, nearly 400,000 people have called "1-800-MAKE A HOME" to ask for La-Z-Boy store locations and a free home decorating guide. Meanwhile, a quarterly video newsletter titled "In the La-Z-Boy Loop" updates dealers with important company news and industry trends. And plans are underway to launch a site on the World Wide Web.

New collections fared well at the industry's important trade shows. At the Fall '95 International Home Furnishings Market, La-Z-Boy captured buyers' attention with new motion chairs that recline, swivel and glide. Judging from retail sales, consumers are embracing the Reclina-Glider Swivel

Recliner and its innovative new form of relaxation. The Spring '96 Market featured 30 new Residential Division products created by La-Z-Boy collection of upholstered occasional chairs and ottomans turned many heads. This new line provides full-size La-Z-Boy comfort on frames designed to complement major upholstered pieces.

Our retail network has begun offering its first England/Corsair upholstered products. This La-Z-Boy Signature Selects collection provides retailers with quality seating at very attractive prices. Our dealers also offer occasional tables and cabinet styles produced by Hammary and Kincaid.

* LA-Z-BOY CANADA *

For years, La-Z-Boy has produced upholstered furniture in Canada for the local market and imported other products from the U.S. to satisfy Canadian demand. Canada's growth, its strengthening economy and relaxed trade restrictions resulting from NAFTA present new opportunities.

With the opening of La-Z-Boy Furniture Galleries stores in Calgary, Edmonton and Winnipeg, Canadians are enjoying their first exposure to the full range of La-Z-Boy home furnishings. In addition, 54 Canadian retailers have introduced La-Z-Boy in-store galleries.

* LA-Z-BOY BUSINESS FURNITURE GROUP *

While residential furniture remains the cornerstone of La-Z-Boy's success, we are developing our market share in business, healthcare and hospitality furniture. Sales accelerated this year as this division streamlined its product line and focused on optimal function and quality craftsmanship at highly competitive prices. Results have been so positive that we have found it necessary to use Residential Division production capacity to keep up with demand.

In the past year, we have boosted small office/home office sales and furnished an increasing number of corporate offices including the National Football League's St. Louis Rams. More success stories will certainly follow.

The Business Furniture Group is well positioned in the office furniture industry with our channels of distribution. Today, over 50 Business Furniture Galleries are featured by various retailers in the United States and Canada. This concept allows customers the unique opportunity to see our furniture, completely accessorized, in practical office settings.

* ENGLAND/CORSAIR *

This large and successful producer of upholstered furniture became a dynamic part of La-Z-Boy at the beginning of this fiscal year. Like all La-Z-Boy acquisitions, England/Corsair has become part of the family while retaining its own identity.

England/Corsair's strategy is to sell in volume. It offers quality furniture at moderate prices, employs innovative manufacturing technology, enjoys mass distribution, and operates the industry's most efficient transportation system. Like La-Z-Boy, it emphasizes service to its dealers.

Following the acquisition, La-Z-Boy moved quickly to take advantage of potential synergies. An initial grouping of England/Corsair sofas and loveseats is being marketed under the name La-Z-Boy Signature Selects by the Residential Division retail network. This new product line gives La-Z-Boy dealers pricing advantages that attract new consumers and protect margins on other La-Z-Boy upholstered furniture.

In turn, England/Corsair has gained access to a wider marketplace, which now includes La-Z-Boy proprietary stores and major regional chains as well as England/Corsair's own 2,000-store dealer network. Additionally, England/Corsair is making fuller use of its production facilities.

* Hammary *

Marketing reach expanded in 1996. New product lines were introduced and manufacturing capabilities increased. Hammary continues to offer quality occasional tables, wall units and upholstered products in better-quality furniture stores and 300 in-store Hammary Living Center Galleries. Additionally, Hammary tables, wall units and home theater cabinets are marketed in La-Z-Boy Furniture Galleries stores. In return, La-Z-Boy plants have started producing motion furniture for Hammary, including modulars, sofas, loveseats and high leg recliners.

This year, Hammary's major introductions include:
   Upholstered seating for the upscale market.

Free-standing home entertainment centers.
Home office furniture designed to house computers.
Ducks Unlimited Home Furnishings Collection.

The unique Ducks Unlimited collection, developed in partnership with Kincaid, features warm cherry, rugged oak and leather. Duck motifs accentuate drawer pulls and accent hardware. Hammary's portion of the 200-piece collection includes living room seating, home entertainment units, occasional tables and home office furniture. Both Hammary and Kincaid are coordinating their efforts to apply this natural, distinctive theme throughout the home.

* KINCAID *

All signs point to a growing consumer preference for solid wood's beauty, quality and endurance. Kincaid fills this growing demand by exclusively producing solid mahogany, cherry, oak, maple and pine furniture. Its products are available in better-quality furniture stores, leading regional chains, select La-Z-Boy Furniture Galleries stores and a growing network of Kincaid Galleries.

To celebrated its 50th birthday, Kincaid created a Commemorative Mahogany collection of bedroom, dining room, and occasional furniture. 1996 also saw the introduction of the Victorian-style Jackson Landing collection, with striking lines created from solid maple.

At the Spring '96 Market, Kincaid joined Hammary to launch the Ducks Unlimited Home Furnishings Collection. Kincaid devoted 4,000 square feet of its showroom space to this introduction, the largest single group introduction in Kincaid's history. Kincaid's Ducks Unlimited collection includes approximately 100 bedroom, dining room and occasional pieces. Dealer response to the collection was overwhelming.

Financial Report

Report of Management Responsibilities

La-Z-Boy Chair Company

The management of La-Z-Boy Chair Company is responsible for the preparation of the accompanying consolidated financial statements, related financial data, and all other information included in the following pages. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts based on management's estimates and judgments where appropriate.

Management is further responsible for maintaining the adequacy and effective-ness of established internal controls. These controls provide reasonable assurance that the assets of La-Z-Boy Chair Company are safeguarded and that transactions are executed in accordance with management's authorization and are recorded properly for the preparation of financial statements. The internal control system is supported by written policies and procedures, the careful selection and training of qualified personnel, and a program of internal auditing.

The accompanying report of the Company's independent accountants states their opinion on the Company's financial statements, based on examinations conducted in accordance with generally accepted auditing standards. The Board of Directors, through its Audit Committee composed exclusively of outside directors, is responsible for reviewing and monitoring the financial statements and accounting practices. The Audit Committee meets periodically with the internal auditors, management, and the independent accountants to ensure that each is meeting its responsibilities. The Audit Committee and the independent accountants have free access to each other with or without management being present.

Charles T. Knabusch
Chief Executive Officer

Frederick H. Jackson
Chief Financial Officer

Report of Independent Accountants

Price Waterhouse LLP

To the Board of Directors and Shareholders of La-Z-Boy Chair Company:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of cash flows and of changes in shareholders' equity, present fairly, in all material respects, the financial position of La-Z-Boy Chair Company and its subsidiaries at April 27, 1996 and April 29, 1995, and the results of their operations and their cash flows for each of the three fiscal years in the period ended April 27, 1996, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 10 to the Consolidated Financial Statements, on April 25, 1993, the Company changed its method of accounting for income taxes.

Price Waterhouse LLP
Toledo, Ohio
May 30, 1996

Consolidated Balance Sheet

(Amounts in thousands, except par value)

As of	April 27, 1996	April 29, 1995
Assets		
Current assets		
Cash and equivalents	$27,060	$27,048
Receivables, less allowances of $15,253 in 1996 and $16,092 in 1995	206,430	192,938
Inventories		
Raw materials	37,274	39,604
Work-in-process	35,241	35,036
Finished goods	28,333	29,051
FIFO inventories	100,848	103,691
Excess of FIFO over LIFO	(21,656)	(22,600)
Total inventories	79,192	81,091
Deferred income taxes	19,271	18,242
Other current assets	5,148	6,081
Total current assets	337,101	325,400
Property, plant and equipment, net	116,199	117,175
Goodwill, less accumulated amortization of $8,087 in 1996 and $6,463 in 1995	40,359	41,701
Other long-term assets, less allowances of $2,780 in 1996 and $1,737 in 1995	23,887	19,542
Total assets	$517,546	$503,818
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt	$5,625	$4,676
Current portion of capital leases	2,114	2,078
Accounts payable	30,997	29,323
Payroll/other compensation	34,609	31,845
Estimated income taxes	5,572	4,855
Other current liabilities	17,601	15,343
Total current liabilities	96,518	88,120

Long-term debt	57,075	71,149
Capital leases	4,219	5,298
Deferred income taxes	6,663	6,610
Other long-term liabilities	9,695	9,001
Shareholders' equity		
Preferred shares - 5,000 authorized; 0 issued	--	--
Common shares, $1 par value - 40,000 authorized; 18,385 issued in 1996 and 18,562 in 1995	18,385	18,562
Capital in excess of par value	28,016	28,085
Retained earnings	297,750	277,738
Currency translation adjustments	(775)	(745)
Total shareholders' equity	343,376	323,640
Total liabilities and shareholders' equity	$517,546	$503,818

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

Consolidated Statement of Income

(Amounts in thousands, except per share data)

Year Ended	April 27, 1996 (52 weeks)	April 29, 1995 (52 weeks)	April 30, 1994 (53 weeks)
Sales	$947,263	$850,271	$804,898
Cost of sales	705,379	629,222	593,890
Gross profit	241,884	221,049	211,008
Selling, general and administrative	174,376	158,551	151,756
Operating profit	67,508	62,498	59,252
Interest expense	5,306	3,334	2,822
Interest income	1,975	1,628	1,076
Other income	2,023	1,229	649
Income before income tax expense	66,200	62,021	58,155
Income tax expense			
Federal - current	23,383	22,716	19,719
- deferred	(818)	(1,205)	(445)
State - current	4,540	4,177	4,283
- deferred	(158)	31	(119)
Total tax expense	26,947	25,719	23,438
Net income before accounting change	39,253	36,302	34,717
Accounting change	--	--	3,352
Net income	$39,253	$36,302	$38,069
Weighted average shares	18,498	18,044	18,268
Net income per share before accounting change	$2.12	$2.01	$1.90
Accounting change	--	--	.18
Net income per share	$2.12	$2.01	$2.08

The year ended April 27, 1996 includes England/Corsair. The previous two years do not include England/Corsair.

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

Consolidated Statement of Cash Flows

(Amounts in thousands)

Year Ended	April 27, 1996 (52 weeks)	April 29, 1995 (52 weeks)	April 30, 1994 (53 weeks)
Cash flows from operating activities:			
Net income	$39,253	$36,302	$38,069
Adjustments to reconcile net income to net cash provided by operating activities:			
Accounting change	--	--	(3,352)
Depreciation and amortization	20,147	15,156	14,014
Change in receivables	(13,492)	(6,013)	(13,165)
Change in inventories	1,899	(4,142)	(6,749)
Change in other assets and liab.	5,184	1,624	(168)
Change in deferred taxes	(975)	(2,619)	(564)
Total adjustments	12,763	4,006	(9,984)
Cash provided by operating activities	52,016	40,308	28,085
Cash flows from investing activities:			
Proceeds from disposals of assets	1,063	1,442	177
Capital expenditures	(18,168)	(18,980)	(17,485)
Acquisition of operating division, net of cash acquired	--	(2,486)	--
Change in other investments	(1,229)	(254)	(2,981)
Cash used for investing activities	(18,334)	(20,278)	(20,289)
Cash flows from financing activities:			
Short-term debt	--	261	727
Long-term debt	--	7,500	--
Retirements of debt	(13,125)	(5,011)	(1,269)
Capital leases	1,161	--	--
Capital lease principal payments	(2,204)	--	--
Stock for stock option plans	2,876	1,834	1,850
Stock for 40l(k) employee plans	1,378	1,521	2,952
Purchases of La-Z-Boy stock	(10,035)	(12,722)	(2,928)
Payments of cash dividends	(13,706)	(12,286)	(11,692)
Cash used for financing activities	(33,655)	(18,953)	(10,360)
Effect of exchange rate changes on cash	(15)	45	(318)
Net change in cash and equivalents	12	1,122	(2,882)
Cash and equiv. at beginning of the year	27,048	25,926	28,808
Cash and equiv. at end of the year	$27,060	$27,048	$25,926
Cash paid during the year - Income taxes	$27,024	$28,010	$29,116
- Interest	$5,408	$3,281	$2,675

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 Consolidated Financial Statements are an integral part of these statements.

Statement of Changes in Shareholders' Equity

(Amounts in thousands)

	Common Shares	Capital in Excess of Par Value	Retained Earnings	Currency Translation Adjustments	Total
At April 24, 1993..	$18,195	$8,494	$236,842	($145)	$263,386
Purchases of La-Z-Boy stock..	(91)		(2,837)		(2,928)
Currency translation.........				(726)	(726)
Stock options/401(k).........	183	1,653	2,966		4,802
Dividends paid...............			(11,692)		(11,692)
Net income...................			38,069		38,069
At April 30, 1994..	18,287	10,147	263,348	(871)	290,911
Purchases of La-Z-Boy stock..	(529)		(12,243)		(12,772)
Currency translation.........				126	126
Stock options/401(k).........	137	601	2,617		3,355
Acquisition of operating division...................	667	17,337			18,004
Dividends paid...............			(12,286)		(12,286)
Net income...................			36,302		36,302
At April 29, 1995..	18,562	28,085	277,738	(745)	323,640
Purchases of La-Z-Boy stock..	(372)		(9,663)		(10,035)
Currency translation.........				(30)	(30)
Stock options/401(k).........	195	(69)	4,128		4,254
Dividends paid...............			(13,706)		(13,706)
Net income...................			39,253		39,253
At April 27, 1996..	$18,385	$28,016	$297,750	($775)	$343,376

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

Notes to Consolidated Financial Statements

Note 1: Accounting Policies

The Company operates primarily in the U.S. furniture industry. The following is a summary of significant accounting policies followed in the preparation of these financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of La-Z-Boy Chair Company and its wholly owned subsidiaries. All significant intercompany transactions have been eliminated.

Risks And Uncertainties

The consolidated financial statements are prepared in conformity with generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales and expenses for the reporting periods. Actual results could differ from those estimates.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined on the last-in, first-out (LIFO) basis.

Property, Plant and Equipment

Items capitalized, including significant betterments to existing facilities, are recorded at cost. Depreciation is computed using primarily accelerated methods over the estimated useful lives of the assets.

In March 1995, the Financial Accounting Standards Board issued SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." This statement was adopted in 1996 and had no effect.

Goodwill

The excess of the cost of operating companies acquired over the value of their net assets is amortized on a straight-line basis over 30 years from the date of acquisition.

Revenue Recognition

Revenue is recognized upon shipment of product.

Income Taxes

Income tax expense is provided on all revenue and expense items included in the consolidated statement of income, regardless of the period such items are recognized for income tax purposes. In fiscal 1994, the Company changed its method of accounting for income taxes (see Note 10).

Note 2: Acquisitions

On April 29, 1995, the Company acquired all of the capital stock of England/Corsair, Inc., a manufacturer of upholstered furniture. The Company paid $2.6 million in cash, $10.0 million in notes and $18.0 million common sock, which resulted in goodwill approximating $21.8 million. The notes and stock issued do not appear on the Consolidated Statement of Cash Flows.

The acquisition has been accounted for as a purchase and, accordingly, assets and liabilities but not results of operations were included in the Company's financial statements for the year ended April 29, 1995.

For the twelve months ended April 1995, England/Corsair sales were $103.2 million, and income before income tax expense was $3.9 million.

Note 3: Cash and Equivalents

(Amounts in thousands)

	April 27, 1996	April 29, 1995
Cash in bank...........................	$7,060	$8,048
Certificates of deposit................	20,000	19,000
Total cash and equivalents...........	$27,060	$27,048

The Company invests in certificates of deposit with a bank whose board of directors includes three members of the Company's board of directors. At the end of 1996 and 1995, $16 million and $13 million, respectively, was invested in this bank's certificates.

Note 4: Property, Plant and Equipment

(Amounts in thousands)

	Estimated Life(years)	Depreciation Method	April 27, 1996	April 29, 1995
Land and land improvements......	0-20	150% DB	$ 10,753	$ 10,559
Buildings and building fixtures.	15-30	150% DB	108,120	105,996
Machinery and equipment.........	10	200% DB	99,869	93,796
Information systems.............	5	200% DB	15,141	12,571
Transportation equipment........	5	SL	16,680	16,533
Other...........................	3-10	Various	14,875	12,330
			265,438	251,785
Less: accumulated depreciation.......			149,239	134,610
Property, plant and equipment, net..			$116,199	$117,175

DB = Declining Balance   SL = Straight Line

Note 5: Debt and Capital Lease Obligations

(Dollar amounts in thousands)

	Interest rates	Maturities	April 27, 1996	April 29, 1995
Credit lines..............	5.7%	1998-02	$15,000	$17,824
Private placement.........	8.8%	1996-01	7,500	11,250
La-Z-Boy notes............	8.0%	1996-99	7,476	9,969
Industrial revenue bonds..	3.8%-4.5%	1997-15	31,870	31,870
Other debt................	5.0%-7.0%	1996-02	854	4,912
Total debt..................................			$62,700	$75,825
Less: current portion........................			5,625	4,676
Long-term debt..............................			$57,075	$71,149
Weighted average interest			5.5%	6.4%
Fair value of long-term debt			$62,931	$76,267

The Company has a $50 million unsecured revolving credit line (Credit Agreement) through August 1999, requiring interest only payments through August 1999 and requiring principal payment in August 1999. The Credit Agreement also includes covenants that, among other things, require the Company to maintain certain financial statement ratios. The Company has complied with all of the requirements.

Proceeds from industrial revenue bonds were used to finance the construction of manufacturing facilities. These arrangements require the Company to insure and maintain the facilities and make annual payments that include interest. The bonds are secured by the facilities constructed from the bond proceeds.

The Company leases equipment (primarily trucks used as transportation equipment) under capital leases expiring at various dates through fiscal year 2001. The majority of the leases include bargain purchase options.

Maturities of debt and lease obligations for the five years subsequent to April 27, 1996 are $6 million, $5 million, $6 million, $17 million and $1 million, respectively. As of April 27,1996, the Company had remaining unused lines of credit and commitments of $63 million under several credit arrangements.

Note 6: Financial Guarantees

La-Z-Boy has provided financial guarantees relating to loans and leases in connection with some proprietary stores. The amounts of the unsecured guarantees are shown in the following table. Because almost all guarantees are expected to retire without being funded in whole, the contract amounts are not estimates of future cash flows.

(Amounts in thousands)

	April 27, 1996 Contract Amount	April 29, 1995 Contract Amount
Lease Guarantees........................	$4,403	$3,928
Loan Guarantees.........................	$16,713	$16,057

Most guarantees require periodic payments to La-Z-Boy in exchange for the guarantee. Terms of current guarantees generally range from one to five years.

The guarantees have off-balance-sheet credit risk because only the periodic payments and accruals for possible losses are recognized in the Consolidated Balance Sheet until the guarantee expires. Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed to perform completely as contracted. The credit risk amounts are equal to the contractual amounts, assuming that the amounts are fully advanced and that no amounts could be recovered from other parties.

Note 7: Stock Option Plans

The Company's shareholders adopted an employee stock option plan that provides grants to certain employees to purchase common shares of the Company at not less than their fair market value at the date of grant. Options are for five years and become exercisable at 25% per year beginning one year from date of grant. The Company is authorized to grant options for up to 1,600,000 common shares.

	Number of shares	Per share option price
Outstanding at April 30, 1994....	489,974	$14.13 - $29.63
Granted......................	109,412	$27.00
Exercised....................	(73,759)	$14.13 - $29.63
Expired or canceled..........	(40,927)	
Outstanding at April 29, 1995....	484,700	$14.13 - $29.63
Granted......................	140,245	$30.50
Exercised....................	(87,917)	$14.13 - $29.63
Expired or canceled..........	(4,478)	
Outstanding at April 27, 1996....	532,550	$20.00 - $30.50
Exercisable at April 29, 1995....	224,897	
Shares available for grants at April 27, 1996................	673,473	

The Company's shareholders have adopted Restricted Share Plans. Under one plan, the Compensation Committee of the Board of Directors was authorized to offer for sale up to an aggregate of 600,000 common shares to certain employees. Under a second plan, up to an aggregate of 50,000 common shares were authorized for sale to non-employee directors. These shares are offered at 25% of the fair market value. The plans require that all shares be held in an escrow account for a period of three years in the case of an employee, or until the participant's service as a director ceases in the case of a director. In the event of an employee's termination during the escrow period, the shares must be sold back to the Company at the employee's cost.

Shares aggregating 12,300 and 11,330 were granted and issued during the fiscal years 1996 and 1995, respectively, under the Restricted Share Plans. Shares remaining for future grants under the above plans amounted to 418,445 at April 27, 1996.

The Company's shareholders have also adopted a Performance-Based Restricted Stock Plan. This plan authorizes the Compensation Committee of the Board of Directors to award up to an aggregate of 400,000 shares to key employees. Grants of shares are based entirely on achievement of goals over a three-year performance period. Any award made under the plan will be at the sole discretion of the Committee after judging all relevant factors. At April 27, 1996, performance awards were outstanding pursuant to which up to approximately 130,000 shares may be issued in fiscal years 1997 through 1999 for the four outstanding plans, depending on the extent to which certain specified performance objectives are met. The costs of performance awards are expensed over the performance period. In 1996, 47,000 shares were exercised.

In October 1995, the Financial Accounting Standards Board issued SFAS 123, "Accounting for Stock Based Compensation," which is effective for 1997. Under SFAS 123, companies can elect, but are not required, to recognize compensation expense for all stock-based awards, using a fair value methodology. The company expects to implement in 1997 the disclosure only provisions, as permitted by SFAS 123.

Note 8: Retirement

The Company has contributory and non-contributory retirement plans covering substantially all factory employees.

Eligible salaried employees are covered under a trusteed profit sharing retirement plan. Cash contributions to a trust are made annually based on profits.

The Company has established a non-qualified deferred compensation plan for eligible highly compensated employees called a SERP (Supplemental Executive Retirement Plan).

The Company offers voluntary 401(k) retirement plans to eligible employees within all U.S. operating divisions. Currently over 60% of eligible employees are participating in the plans. The Company makes matching contributions based on a specific formula. For most divisions this match is made in La-Z-Boy stock.

The Company maintains a defined benefit pension plan for all eligible factory hourly employees. The actuarially determined net periodic pension cost and retirement costs are computed as follows (for the years ended):

(Amounts in thousands)

	April 27, 1996 (52 weeks)	April 29, 1995 (52 weeks)	April 30, 1994 (53 weeks)
Service cost	$1,802	$1,739	$1,526
Interest cost	2,051	1,861	1,683
Actual return on plan assets	(5,468)	(2,737)	(719)
Net amortization and deferral	3,031	(571)	(1,575)
Net periodic pension cost	1,416	1,434	915
Profit sharing	4,798	4,892	4,659
SERP	883	818	795
40l(k)	1,429	1,388	1,145
Other	497	508	442
Total retirement costs	$9,023	$9,040	$7,956

The funded status of the pension plans was as follows:

(Amounts in thousands)

	April 27, 1996	April 29, 1995
Actuarial present value of accumulated benefit obligation	($29,035)	($26,403)
Plan assets at fair value	37,503	31,566
Excess of plan assets over projected benefit obligation	8,468	5,163
Prior year service cost not yet recognized in net periodic pension cost	921	1,019
Unrecognized net loss	1,320	4,536
Unrecognized initial asset	(3,333)	(3,664)
Prepaid pension asset	$7,376	$7,054

The expected long-term rate of return on plan assets was 8.0% for 1996 and 1995, and 8.5% for 1994. The discount rate used in determining the actuarial present value of accumulated benefit obligations was 7.5% for 1996, 1995, and 1994. Vested benefits included in the accumulated benefit obligation were $26 million and $23 million at April 27, 1996 and April 29, 1995, respectively. Plan assets are invested in a diversified portfolio that consists primarily of debt and equity securities.

The Company's pension plan funding policy has been to contribute annually the maximum amount that can be deducted for federal income tax purposes.

Note 9: Health Care

The Company offers eligible employees an opportunity to participate in group health plans. Participating employees make required premium payments through pretax payroll deductions.

Health-care expenses were as follows (for the years ended):

(Amounts in thousands)

	April 27, 1996 (52 weeks)	April 29, 1995 (52 weeks)	April 30, 1994 (53 weeks)
Gross health care	$30,122	$30,414	$29,061
Participant payments	(6,005)	(4,783)	(4,442)

Net health care	$24,117	$25,631	$24,619

The Company makes annual provisions for any current and future retirement health-care costs which may not be covered by retirees' collected premiums.

Note 10: Income Taxes

Effective April 25, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 (SFAS 109), "Accounting for Income Taxes," which applies a balance sheet approach to income tax accounting. The Company recorded a tax credit of $3 million or $0.18 per share, which represented the net increase in the net deferred tax as of that date, as an accounting change.

The primary components of the Company's deferred tax assets and liabilities as of April 27, 1996 and April 29, 1995 are as follows:

(Amounts in thousands)

	April 27, 1996	April 29, 1995
Current		
Deferred income tax assets (liabilities):		
Bad debt	$7,395	$7,330
Warranty	3,941	3,478
Workers' compensation	1,464	1,411
SERP	1,452	1,285
Inventory	900	998
State Income tax	987	990
Performance based restricted stock plan	717	856
Other	2,603	2,055
Valuation allowance	(188)	(161)
Total current deferred tax assets	19,271	18,242
Noncurrent		
Deferred income tax assets (liabilities):		
Property, plant and equipment	(3,627)	(3,723)
Pension	(3,055)	(2,921)
Net operating losses	1,458	1,187
Other	212	202
Valuation allowance	(1,651)	(1,355)
Total noncurrent deferred tax liabilities	(6,663)	(6,610)
Net deferred tax asset	$12,608	$11,632

The differences between the provision for income taxes and income taxes computed using the U.S. federal statutory rate are as follows (for the years ended):

(% of pretax income)

	April 27, 1996	April 29, 1995	April 30, 1994
Statutory tax rate	35.0	35.0	35.0
Increase (reduction) in taxes resulting in:			
State income taxes net of federal benefit	4.3	4.4	4.8
Tax credits	(1.1)	(0.5)	(0.2)
Acquisition amortization	1.5	0.7	0.7
Unutilized loss carryforwards	0.9	1.6	0.2
Miscellaneous items	0.1	0.3	(0.2)
Effective tax rate	40.7	41.5	40.3

Note 11: Contingencies

The Company has been named as defendant in various lawsuits arising in the normal course of business. It is not possible at the present time to estimate the ultimate outcome of these actions; however, management and the Company's legal counsel believe that the resultant liability, if any, will not be material based on the Company's previous experience with lawsuits of these types.

The former England/Corsair shareholders may be issued additional Company common stock based on England/Corsair's actual profit performance in each of the two years following acquisition. Any additional incentives will be recorded as an increase to goodwill in the year earned.

The Company has been identified as a Potentially Responsible Party (PRP) at two clean-up sites: Organic Chemical and Seaboard Chemical Company. At each site, the Company has been identified as a de minimis or de micromis contributor and volumetric assessments indicate that the Company's contributions to each site have been less than one-tenth of one percent (0.1%) of the total. Each site has either completed or has begun the first phase of clean-up and has completed or has begun a remedial investigation/feasibility study. The Company has partially settled its liability at these sites for amounts ranging from less than $1,000 to $20,000. The Company's facilities that have not settled at these sites are expected to fully resolve the Company's liability as part of the de minimis PRP settlements.

The Company is also participating with a number of other companies in the voluntary RCRA closure of the Caldwell Systems site. The Company's volumetric assessment at this site is in the 1% range. The Steering Committee responsible for negotiating the clean-up plan with the EPA has reinitiated its negotiations in anticipation of clean-up activities. Accurate estimates of the clean-up costs at the Caldwell site are being developed.

The number of PRP's and voluntary participants at the three sites range from 182 to in excess of 1,750. Based on a review of the number, composition and financial stability of the PRP's and voluntary participant at each site, along with clean-up costs already expended and the preliminary estimates currently available, management does not believe that any significant risk exists that the Company will be required to incur total costs in excess of $100,000 at the Organic Chemical sites and Seaboard Chemical Company combined or $200,000 at the Caldwell site. At April 27, 1996, a total of $300,000 has been accrued with respect to these three sites.

Management Discussion

The Management Discussion and Analysis, as required by the Securities and Exchange Commission, should be read in conjunction with the Report of Management Responsibilities, the Report of Independent Accountants, the Financial Statements and related Notes, and all other pages that follow them in the annual report.

Background:

Sales by type	1996	1995	1994
Residential (home)			
Upholstery	78%	76%	76%
Wood & other	16%	18%	18%
	94%	94%	94%
Contract (office)	6%	6%	6%
	100%	100%	100%

Sales by country	1996	1995	1994
United States	94%	94%	94%
Canada and other	6%	6%	6%
	100%	100%	100%

La-Z-Boy is organized into six operating divisions. Residential (69 years in business) accounts for the majority of the upholstery category and approximately two-thirds of consolidated sales.

U.S. Residential sales by dealer type	1996	1995	1994
Galleries/proprietary	49%	47%	46%
General dealers	38%	40%	39%
Dept. stores/chains	13%	13%	15%
	100%	100%	100%

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Kincaid (50 years) is part of the wood category. England/Corsair (32 years), acquired in April 1995 and only included in the 1996 column of the tables above, is part of the upholstery category. La-Z-Boy Contract Furniture Group (24 years) is all of the Contract line. Hammary (52 years) is primarily in the wood category. La-Z-Boy Canada (67 years) is part of the upholstery category.

La-Z-Boy is the third largest furniture maker in the U.S., the largest reclining-chair manufacturer in the world and America's largest manufacturer of upholstered furniture.

Analysis of Operations
Year Ended April 27, 1996
(1996 compared with 1995)

Sales increased 11% in fiscal 1996 over 1995. The increase was due to the inclusion of England/Corsair (E/C) in 1996. On a comparable basis, sales declined 1% from 1995 in a year that the industry experienced softness in the residential furniture market. Sales of contract furniture increased while residential upholstery approximated the prior year and residential wood and other declined. Selling price increases were generally in the 1-2% range.

The gross margin (gross profit dollars as a percent of sales) of 25.5% declined from 26.0% in 1995. The decline was largely due to the inclusion of E/C which has historically had a lower gross margin than La-Z-Boy. The gross margin was favorably affected by lower health-care and frame stock lumber costs. However, higher fabric and poly costs, along with lower margins in the residential wood and other divisions due to lower volume, offset these savings.

S, G & A expense of 18.4% of sales in 1996 was down from 18.6% in 1995. The decline was largely due to the inclusion of E/C which has historically had lower S, G & A expense than La-Z-Boy.

Margins for the La-Z-Boy Contract Furniture Group improved in 1996 as planned and the division came close to breaking even. Attention was directed toward reducing manufacturing costs and S, G & A expense.

Interest expense increased in 1996 due to debt issued to acquire England/ Corsair. In addition, debt and capital lease obligations were assumed when England/Corsair was acquired. Most of the assumed debt was retired during the year.

Analysis of Operations
Year Ended April 29, 1995
(1995 compared with 1994)

La-Z-Boy's sales increased 6% in fiscal 1995 over 1994. However, on a comparable per-week basis, the increase was 8% due to 1995 containing 52 weeks compared to 53 weeks in 1994. La-Z-Boy believes the increase was primarily the result of the general economic recovery. Selling price increases were generally in the 2-3% range with the remainder of the sales increase due to volume. Major product lines that experienced growth above the Company average were the lower end recliners, modulars, tables and wall units (wood and other), and sofas.

All sales growth over the past seven years has been internally generated. The 1995 sales on a per-week basis increased over 1994 at all five operating divisions with particular strength at Hammary.

The 1995 gross margin of 26.0% declined from the 26.2% gross margin in 1994. The favorable impacts of selling price increases and improved plant efficiency at most plants were offset by cost increases relating to leather, fabric, cartoning and premium (not frame stock) lumber. Product line mix changes toward products with lower gross margins also continued in 1995. In addition, the gross margins for the contract and Canadian divisions were below the prior year. The contract decline was largely due to incentives and costs associated with the introduction of new products. The Canadian decline was primarily due to the unfavorable Canadian/U.S. dollar exchange rate along with product line mix changes toward products with lower gross margins.

The 1995 S, G & A expense of 18.6% of sales was down slightly from 18.8% in 1994. Advertising expense increased in 1995 primarily due to the launch of a national television advertising program. A reduction in bad debt expense in 1995 partially offset the advertising increase.

As expected, the La-Z-Boy Contract Furniture Group did not generate a profit in 1995. This division was formed in 1994 through the merger of two former divisions. In addition to the gross margin effects discussed above, the division incurred increased research and development expenditures, reorganization costs and startup costs associated with the merger.

Income tax expense as a percent of pretax income increased to 41.5% in 1995 from 40.3% in 1994. The increase was primarily due to changes in profitability among divisions that were partially offset by some favorable adjustments relating to the 1994 change in accounting for income taxes.

Liquidity and Financial Condition:

Effective April 29, 1995, La-Z-Boy acquired England/Corsair, Inc. (E/C), a manufacturer of upholstered furniture. Payment was in the form of $18.0 million La-Z-Boy common stock, $10.0 notes and $2.6 million cash. E/C debt and capital lease obligations of $14.4 million were assumed by La-Z-Boy.

Below is a summary of the cash flow statement. Free cash flow represents the cash remaining from operations after reinvesting in business opportunities. This cash flow allows the Company to pay dividends and repurchase stock generally without incurring additional debt.

(Amounts in thousands)

Year ended	April 27, 1996 (52 weeks)	April 29, 1995 (52 weeks)	April 30, 1994 (53 weeks)
Cash flows provided by (used for):			
Net income	$39,253	$36,302	$38,069
Other operating activities	12,763	4,006	(9,984)
Investing activities	(18,334)	(20,278)	(20,289)
Free cash flow	33,682	20,030	7,796
Cash flows provided by (used for):			
Financing activities	(33,655)	(18,953)	(10,360)
Exchange	(15)	45	(318)
Increase (decrease) in cash	12	1,122	(2,882)

Cash flows from operations amounted to $52 million in 1996, $40 million in 1995 and $28 million in 1994 and have been adequate for day-to-day expenditures, dividends to shareholders and capital expenditures.

Capital expenditures were $18.2 million in 1996, $19.0 million in 1995 and $17.5 million in 1994. Capacity utilization was approximately 70% at the end of 1996 and 1995.

In 1995, La-Z-Boy obtained $7.5 million through the sale of industrial revenue bonds. The proceeds were used to construct a new plant in Siloam Springs, Arkansas. Retirements of debt totaled between $1 million and $13 million for each of the last three years.

The Company had unused lines of credit and commitments of $63 million under several credit arrangements as of April 27, 1996. The primary credit arrangement, a $50 million unsecured revolving credit line (Credit Agreement) through August 1999, requires interest only payments through August 1999 and a payment of principal in August 1999. The Credit Agreement also includes covenants that, among other things, require the Company to maintain certain financial statement ratios. The Company has complied with all of the requirements.

The La-Z-Boy Board of Directors has authorized the repurchase of Company stock. Shares acquired in 1996, 1995 and 1994 were 372,000, 529,000 and 91,000, respectively. As of April 27, 1996, 1,121,000 shares were available for repurchase. The Company plans to be in the market for its shares as changes in its stock price and other financial opportunities arise.

The financial strength of the Company is reflected in two commonly used ratios, the current ratio (current assets divided by current liabilities) and the debt-to-capital ratio (total debt divided by shareholders' equity plus total debt). The current ratio at the end of 1996 and 1995 was 3.5:1 and 3.7:1, respectively. The debt to capital ratio was 16.7% at the end of 1996 and 20.5% at the end of 1995.

La-Z-Boy provides for all current and future potential liabilities as required, including those relating to postretirement benefits.

Continuing compliance with existing federal, state and local provisions dealing with protection of the environment is not expected to have a material effect upon the Company's capital expenditures, earnings, competitive position or liquidity. The Company will continue its program of conducting voluntary compliance audits at its facilities. The Company has also taken steps to assure compliance with the provisions of Titles III and V of the 1990 Clean Air Act Amendments.

The Company has accrued for certain environmental remediation activities relating to past operations, including those under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, often referred to as Superfund) and the Resource Conservation and Recovery Act (RCRA). The Company is participating in the closure of three such sites. There will be future expenditures in this area, but based on a review of all currently known facts, management does not anticipate that they will have a material adverse effect. For further discussion of environmental matters, refer to Note 11: Contingencies, in the Notes to Consolidated Financial Statements.

Outlook:

Statements in the Outlook section are forward looking and based on current expectations. Actual results may differ materially.

One of La-Z-Boy's financial goals is to achieve sales increases of 10% per year or increases at least greater than that of the furniture industry. Some furniture industry forecasts for calendar year 1996 over 1995 are in the 2-4% range. For 1996, La-Z-Boy sales, on a comparable basis, declined 1% from 1995 which the Company believes was similar to the industry average. While a 10% sales increase is not anticipated in 1997, sales are expected to exceed the industry average.

The Company's major residential efforts and opportunities for sales growth greater than industry averages are focused outside the recliner market segment, e.g., stationary upholstery (single and multi-seat), reclining sofas and modulars, wood occasional and wall units and wood bedroom and dining room.

The number of dealer owned and operated proprietary stores is expected to continue increasing. These stores are a major contributor to La-Z-Boy's ability to achieve its sales goal.

During 1996, the backlog of orders remained below the prior year level. The decline was mostly due to efforts to fill orders quicker than in the past allowing customers to order product closer to the expected delivery date. The rate of incoming orders in recent weeks has been above the rate for the similar period last year. The backlog is not expected to change significantly in 1997.

The La-Z-Boy Contract Furniture Group sales growth rate in the next few years is expected to exceed the average of the other divisions.

A second financial goal is to improve operating profit as a percent of sales each year. For 1996, the operating profit margin was 7.1% of sales which was below the prior year largely due to the inclusion of E/C. In 1997, the operating margin is expected to improve slightly. The gross margin as a percent of sales is expected to increase somewhat due to efficiencies of higher production. In addition, selling price increases are expected to be small while material costs are not expected to increase. Increased S, G and A expense as a percent of sales, largely due to increased computer related expenses, is expected to offset most of the margin change.

A third goal is to achieve a 20% return on capital (operating profit, interest income and other income as a percent of beginning of year capital). For 1996, return on capital was 17.6% which was a decline from the 1995 return of 18.9%. This goal has been in place for several years and has become more difficult to achieve partly due to the addition of capital relating to the E/C acquisition.

La-Z-Boy has an opportunity to improve its margins through increases in efficiency, improvements in the utilization of equipment and facilities and increases in sales volumes, even though sales growth may be in product lines with lower gross margins.

Capital expenditures are forecast to be approximately $20 to $25 million in 1996 compared to $18.2 million in 1995.

The Company's future results of operations and other forward looking statements contained in this Outlook involve a number of risks and uncertainties. These statements are based on assumptions relating to business conditions, the general economy, competitive factors and other similar assumptions. Variations in these assumptions could cause actual results to differ materially. In particular, the Company's sales and profits can be impacted materially in any one quarter by changes in interest rates, consumer sentiment toward furniture purchases and new and existing home sales.

Consolidated Six-Year Summary of Selected Financial Data

(Dollar amounts in thousands, except per share data)

Year Ended in April	1996 (52 wks)	1995 (52 wks)	1994 (53 wks)	1993 (52 wks)	1992 (52 wks)	1991 (52 wks)
Sales	$947,263	$850,271	$804,898	$684,122	$619,471	$608,032
Cost of sales	705,379	629,222	593,890	506,435	453,055	449,502
Gross profit	241,884	221,049	211,008	177,687	166,416	158,530
Sell, gen & admin	174,376	158,551	151,756	131,894	123,927	116,278
Oper profit	67,508	62,498	59,252	45,793	42,489	42,252
Interest expense	5,306	3,334	2,822	3,260	5,305	6,374
Interest income	1,975	1,628	1,076	1,474	1,093	1,215
Other income	2,023	1,229	649	1,292	1,628	1,277
Income before tax	66,200	62,021	58,155	45,299	39,905	38,370
Income tax expense	26,947	25,719	23,438	18,015	14,805	15,009
Net income	39,253	$36,302	$34,717**	$27,284	$25,100	$23,361
Weighted avg shares outstg ('000s)	18,498	18,044	18,268	18,172	18,064	17,941
Per com shr outstg						
Net income	$2.12	$2.01	$1.90**	$1.50	$1.39	$1.30
Cash div paid	$0.74	$0.68	$0.64	$0.60	$0.58	$0.56
BV on YE shr outst.	$18.68	$17.44	$15.91	$14.48	$13.58	$12.75
Rtn avg shrhdr eqt.	11.8%	12.2%*	12.5%**	10.7%	10.6%	10.5%
Gr prft % of sales.	25.5%	26.0%	26.2%	26.0%	26.9%	26.1%
Op prft % of sales.	7.1%	7.4%	7.4%	6.7%	6.9%	6.9%
Op prft, int inc & oth inc as % of BOY capital	17.6%	18.9%	19.1%	15.8%	15.1%	15.3%
Net inc % of sales.	4.1%	4.3%	4.3%**	4.0%	4.1%	3.8%
Income tax expense % pretax income	40.7%	41.5%	40.3%	39.8%	37.1%	39.1%
Deprec & amortiz	$20,147	$15,156	$14,014	$14,061	$14,840	$14,039
Capital expendtrs	$18,168	$18,980	$17,485	$12,248	$12,187	$21,428
Prty,plt,eqpt,net	$116,199	$117,175	$94,277	$90,407	$93,440	$95,508
Working capital	$240,583	$237,280	$224,122	$202,398	$184,431	$172,989
Current ratio	3.5 to 1	3.7 to 1	4.1 to 1	3.8 to 1	3.7 to 1	3.7 to 1
Total assets	$517,546	$503,818	$430,253	$401,064	$376,722	$363,085
Lt.Dt. & Cap.Leases	$61,294	$76,447	$52,495	$55,370	$55,912	$62,187
Debt & Cap. leases.	$69,033	$83,201	$55,370	$55,912	$60,726	$70,867
Shareholders' eqty.	$343,376	$323,640	$290,911	$263,386	$246,359	$229,217
Ending capital	$412,409	$406,841	$346,281	$319,298	$307,085	$300,084
Ratio debt to eqty.	20.1%	25.7%	19.0%	21.2%	24.6%	30.9%
Ratio debt to capl.	16.7%	20.5%	16.0%	17.5%	19.8%	23.6%
Shareholders	12,293	12,665	12,615	9,032	8,081	7,208
Employees	10,733	11,149	9,370	8,724	8,153	7,828

* April 1995 shareholders' equity used in this calculation excludes $18,004 relating to stock issued on the last day of the fiscal year for the acquisition of an operating division.

** Excludes the income effect of adopting SFAS 109 in May 1993 of $3,352 or $.18 per share.

Dividend and Market Information

1996 Quarter Ended	Dividends Paid	Market Price High	Low	Close
July 29	$0.17	$29 1/2	$25 5/8	$27 1/2
Oct. 28	0.19	30 3/4	27 1/8	29 5/8
Jan. 27	0.19	33 1/2	28 5/8	30 5/8
Apr. 27	0.19	33 3/4	27	30 1/8
	$0.74			

1995 Year Ended	Dividends Paid	Market Price High	Low	Close
July 30	$0.17	$33 3/4	$25 3/8	$26 1/2
Oct. 29	0.17	30	26 1/2	29 3/4
Jan. 28	0.17	32 5/8	27 7/8	30 5/8
Apr. 29	0.17	29 1/8	26 1/4	27
	$0.68			

Year	Dividends Paid	Dividend Yield	Dividend Payout Ratio	Market Price High	Low	Close	Earnings	P/E Ratio High	Low
1996	$0.74	2.5%	34.9%	$33 3/4	$25 5/8	$30 1/8	$2.12	16	12
1995	0.68	2.5%	33.8%	33 3/4	25 3/8	27	$2.01	17	13
1994	0.64	1.9%	33.7%*	40	25 1/2	33 1/2	1.90*	21*	13*
1993	0.60	2.1%	40.0%	29 3/4	18	28	1.50	20	12
1992	0.58	2.5%	41.7%	28 3/4	19 1/2	23 1/2	1.39	21	14
1991	0.56	2.6%	43.1%	21 1/2	12 1/4	21 1/4	1.30	17	9

La-Z-Boy Chair Company common shares are traded on the NYSE and the PSE (symbol LZB).

Unaudited Quarterly Financial Information

(Amounts in thousands, except per share data)

Quarter Ended	July 29	October 28	January 27	April 27	Year 1996
Sales	$195,757	$258,320	$226,354	$266,832	$947,263
Cost of sales	151,378	188,644	170,602	194,755	705,379
Gross profit	44,379	69,676	55,752	72,077	241,844
Selling, general & admin	37,937	45,905	41,783	48,751	174,376
Opertg profit	6,442	23,771	13,969	23,326	67,508
Interest expense	1,464	1,437	1,217	1,188	5,306
Interest income	456	484	390	645	1,975
Other Income	375	476	436	736	2,023
Inc before tax	5,809	23,294	13,578	23,519	66,200
Income tax exp	2,634	9,038	5,794	9,481	26,947
Net income	$3,175	$14,256	$7,784	14,038	39,253
Net income per share	$0.17	$0.77	$0.42	$0.76	$2.12

Quarter Ended	July 30	October 29	January 28	April 29	Year 1995
Sales	$174,387	$230,586	$210,814	$234,484	$850,271
Cost of sales	133,654	166,816	157,767	170,985	629,222

Gross profit...	40,733	63,770	53,047	63,499	221,049
Selling, general & admin........	33,032	43,539	39,616	42,364	158,551
Opertg profit..	7,701	20,231	13,431	21,135	62,498
Interest expense.	662	752	1,041	879	3,334
Interest income..	273	355	374	626	1628
Other Income.....	273	506	(76)	526	1229
Inc before tax.	7,585	20,340	12,688	21,408	62,021
Income tax exp...	3,315	8,262	5,467	8,675	25,719
Net income...	$4,270	$12,078	$7,221	$12,733	$36,302
Net income per share..	$0.23	$0.67	$0.40	$0.71	$2.01

* Excludes the income effect of adopting SFAS 109 in May 1993 of $3,352 or $.18 per share.

Subsidiary	Jurisdiction of Incorporation
La-Z-Boy Canada, Ltd.	Ontario, Canada
La-Z-Boy Ad Co.	Michigan
Kincaid Furniture Company, Incorporated	Delaware
La-Z-Boy Export Ltd.	Barbados
LZB Finance, Inc.	Michigan
England/Corsair, Inc.	Michigan

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 33-8996, 33-8997, 33-31502, 33-50318, 333-03097 and 33-54743) of La-Z-Boy Chair Company of our report dated May 30, 1996 appearing on page 17 of the Annual Report to Shareholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears on page S-2 of this Form 10-K.

PRICE WATERHOUSE LLP
Toledo, Ohio
July 15, 1996

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324,991
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705,379
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5,306
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Receivables are reported net of allowances for doubtful accounts on the Statement of Financial Position.