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 July 25, 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 July 25, 1998
Common Shares, $1.00 par value	17,747,753

Part 1. Financial Information

The Consolidated Balance Sheet and Consolidated Statement of Income required for Part 1 are contained in the Registrant's Financial Information Release dated August 4, 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	
	July 25, 1998	July 26, 1997
Cash Flows from Operating Activities		
Net income	$7,184	$1,726
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	5,417	4,873
Change in receivables	42,571	48,902
Change in inventories	(9,368)	(14,158)
Change in other assets and liabilities	(9,809)	(15,223)
Change in deferred taxes	73	-
Total adjustments	28,884	24,394

Cash Provided by Operating Activities	36,068	26,120
Cash Flows from Investing Activities		
Proceeds from disposals of assets	205	316
Capital expenditures	(4,105)	(5,568)
Change in other investments	(1,890)	(447)
Cash Used for Investing Activities	(5,790)	(5,699)
Cash Flows from Financing Activities		
Retirements of debt	(3,091)	(1,925)
Capital lease principal payments	(442)	(527)
Stock for stock option plans	1,451	2,012
Stock for 401(k) employee plans	379	403
Purchase of La-Z-Boy stock	(7,603)	(2,424)
Payment of cash dividends	(3,743)	(3,768)
Cash Used for Financing Activities	(13,049)	(6,229)
Effect of exchange rate changes on cash	(310)	36
Net change in cash and equivalents	16,919	14,228
Cash and equivalents at begin. of period	28,700	25,382
Cash and equivalents at end of period	$45,619	$39,610
Cash paid during period -Income taxes	$475	$1,441
-Interest	$543	$839

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 1998 Annual Report filed with the Securities and Exchange Commission. The financial information included herein, other than the consolidated balance sheet as of April 25, 1998, 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 July 25, 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 25, 1998. 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 24, 1999.

3. Forward-Looking Information
   Any forward-looking statements contained in this report represent management's current expectations based on present information and current assumptions. These statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "should", or "anticipates". Forward-looking statements are inherently subject to risks and uncertainties. Actual results could differ materially from those which are anticipated or projected due to a number of factors. These factors include, but are not limited to, anticipated growth in sales; success of

product introductions; fluctuations of interest rates, changes in consumer confidence/demand and other risks and factors identified from time to time in the Company's reports filed with the Securities Exchange Commission.

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

5. Earnings per Share
   The Company adopted Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share" in 1998. The Statement requires both basic and diluted earnings per share to be presented. Basic earnings per share is computed using the weighted-average number of shares outstanding during the period. Diluted earnings per share uses the weighted-average number of shares outstanding during the period plus the additional common shares that would be outstanding if the dilutive potential common shares were issued. This includes employee stock options. Prior period earnings per share information has been restated to be in compliance with SFAS No. 128.

(Amounts in thousands)	July 25, 1998	July 26, 1997
Weighted average common shares outstanding (Basic)	17,797	17,951
Effect of Options	112	49
Weighted average common shares outstanding (Diluted)	17,909	18,000

LA-Z-BOY INCORPORATED AND OPERATING DIVISIONS
MANAGEMENT DISCUSSION

La-Z-Boy's sales and profits historically have been weakest in the first quarter of the fiscal year due to the Company's two-week vacation shutdown, which coincides with the slowest sales period. Therefore, first quarter comparison to the prior year's first quarter may not be indicative of trends that will continue in the remaining quarters of the fiscal year.

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 15% and a current ratio of 3.8 to 1 at the end of the first quarter. At April 25, 1998, the debt to capital percentage was 16% and the current ratio was 3.5 to 1. At the end of the preceding year's first quarter, the debt to capital percentage was 14% and the current ratio was 3.9 to 1. As of July 25, 1998, there was $106 million of unused lines of credit available under several credit arrangements.

Approximately 23% 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 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Shareholders of La-Z-Boy Incorporated was held on July 27, 1998, for the purposes of electing three members to the board of directors as well as considering and acting on a proposal to approve an increase in the number of common shares authorized. Proxies for the meeting were solicited pursuant to Section 14(a) of the Securities and Exchange Act of 1934 and there was no solicitation in opposition to Management's solicitations. The Shareholders elected all of the Management's nominees for directors as listed in the proxy statement and approved the increase in the number of authorized shares. The distribution of shareholders' votes was as follows:

Election of Directors:	Shares Voted In Favor	Shares Withheld
Gene M. Hardy	15,812,114	462,073
David K. Hehl	15,784,975	489,212
Rocque E. Lipford	14,683,246	1,590,941

Adoption of an Increase to the Amount of Authorized Common Shares:

Shares Voted in Favor	12,771,612
Shares Voted Against	3,398,385
Abstentions	104,182

Item 6. Exhibits and Reports on Form 8-K

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

(99) News Releases and Financial Information Release: re Actual first quarter results and Management Discussion dated August 4, 1998.

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 July 25, 1998 to be signed on its behalf by the undersigned thereunto duly authorized.

LA-Z-BOY INCORPORATED
(Registrant)

/s/Gene M. Hardy

Date August 4, 1998 ------------------------------

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

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1,000

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APR-24-1999
JUL-25-1998
45,619
0
196,128
0
101,272
364,928
303,507
182,823
562,110
95,682
0
0
0
17,748
367,656
562,110
268,880
268,880
205,431
205,431
51,288
0
1,187
11,906
4,722
7,184
0
0
0
7,184
0.40
0.40

News Release

LA-Z-BOY, INC. REPORTS STRONG FIRST QUARTER GAINS

NYSE & PCX: LZB   Contact: Gene Hardy (734) 241-4306

MONROE, MI., August 4, 1998: La-Z-Boy Incorporated, one of the world's largest producers of furniture, continued reaching record levels of quarterly sales and profit.

Financial Details

For the first quarter of La-Z-Boy's 1999 fiscal year that ended 7/25/98, sales reached $268.9 million, up 27% from last year's first quarter of $212.3 million. Net income was up 316% to $7.2 million vs. $1.7 million. Diluted EPS (Earnings Per Share) was up 300% to $0.40 vs. $0.10. (Last year's diluted EPS would have been $0.20 without a one-time expense relating to Montgomery Ward's bankruptcy.)

President Comments

According to La-Z-Boy President and Chief Operating Officer, Gerald L. Kiser, "Strong incoming orders during the spring of the year helped cause us to exceed our internal sales and profit goals in the first quarter. We are on our way to performing better than our publicly stated goal of annual sales growing at least 10% or greater than the industry rate. Based on our latest sales indicators, it looks like August and September sales growth should continue to be strong; although not as high on a percentage basis as in the first quarter."

Marketing

Retail furniture sales remained seasonally strong throughout the first quarter, helping drive record results. Residential division dealers purchased a record number of company-produced four-color free-standing newspaper inserts. Newspaper insertions in support of Father's Day 1998 nearly doubled from 1997 levels. The ability for dealers to advertise the full range of La-Z-Boy products has been enhanced by the company's move to CD-ROM technology.

In October of this year, the Residential division and the Kincaid division will be introducing a joint collection of upholstered products and casegoods inspired by the works of renowned artist Thomas Kinkade, the "Painter of Light". The Thomas Kinkade name and product lines are strong forces at retail and hold great appeal for women consumers in particular. Previously, the Kincaid division has enjoyed success from its licensing venture with Ducks Unlimited. This is the first licensing agreement signed by the Residential division and the first time the two divisions will have introduced products jointly.

The Business Furniture division launched the third issue of its "All Products Catalog" and initiated a new marketing partnership between La-Z-Boy Business Furniture and its distributors. Key components of the program include direct mail brochures, newspaper advertisements, radio/television commercials and point-of-sale materials.

Dividend Increase and Stock Split

Both of the following items were previously announced on 7/27/98: La-Z-Boy declared a 14% increase in dividends to $0.24 per share for shareholders of record August 21, 1998, payable September 10, 1998. In addition La-Z-Boy plans to split its common stock 3 for 1 (two additional shares will be issued for each share held) to holders of record at the close of business on August 21, 1998, with distribution to be made September 14, 1998.

More Information

La-Z-Boy Inc.'s first quarter 10-Q filing including an income statement, balance sheet, cash flow statement and additional management discussion is available now at the Company's internet site (lazboy.com/report/index.html). This press release is just one part of La-Z-Boy Incorporated's disclosures and should be read in conjunction with all other 10-Q information. About 48 hours after this release, this first quarter 10-Q information should be available on the SEC's internet site (sec.gov/cgi-bin/srch-edgar?la-z-boy).

La-Z-Boy Incorporated Financial Information Release

CONSOLIDATED STATEMENT OF INCOME

(Amounts in thousands, except per share data)

	FIRST QUARTER ENDED (UNAUDITED)				
	July 25,	July 26,	% Over	Percent of Sales	
	1998	1997	(Under)	1998	1997
....					
Sales	$268,880	$212,326	27%	100.0%	100.0%
Cost of sales	205,431	164,184	25%	76.4%	77.3%
Gross profit ...	63,449	48,142	32%	23.6%	22.7%
S, G & A	51,288	45,357	13%	19.1%	21.4%
Operating profit	12,161	2,785	337%	4.5%	1.3%
Interest expense	1,187	1,024	16%	0.4%	0.5%
Interest income	577	482	20%	0.2%	0.2%
Other income	355	750	-53%	0.1%	0.4%
Pretax income ..	11,906	2,993	298%	4.4%	1.4%
Income tax expense ..	4,722	1,267	273%	39.7%*	42.3%*
Net income	$ 7,184	$ 1,726	316%	2.7%	0.8%
Basic EPS	$ 0.40	$ 0.10	300%		
Diluted EPS	$ 0.40	$ 0.10	300%		
Dividends per share	$ 0.21	$ 0.21	0%		

* As a percent of pretax income, not sales.

La-Z-Boy Incorporated Financial Information Release
CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	Unaudited		Increase		Audited
	July 25,	July 26,	(Decrease)		Apr. 25,
	1998	1997	Dollars	Percent	1998
Current assets					
Cash & equivalents	$ 45,619	$ 39,610	$ 6,009	15%	$ 28,700
Receivables	196,128	164,101	32,027	20%	238,260
Inventories					
Raw materials	45,706	40,455	5,251	13%	43,883
Work-in-process	42,639	35,880	6,759	19%	40,640
Finished goods	35,667	37,890	(2,223)	-6%	30,193
FIFO inventories	124,012	114,225	9,787	9%	114,716
Excess of FIFO over LIFO	(22,740)	(21,297)	(1,443)	-7%	(22,812)
Total inventories	101,272	92,928	8,344	9%	91,904

Deferred income taxes	16,627	20,950	(4,323)	-21%	16,679
Income taxes	--	--	N/M	N/M	936
Other current assets	5,282	1,706	3,576	210%	6,549
Total current assets	364,928	319,295	45,633	14%	383,028
Property, plant & equipment	120,685	115,610	5,075	4%	121,762
Goodwill	48,533	40,187	8,346	21%	49,413
Other long-term assets	27,964	34,583	(6,619)	-19%	26,148
Total assets	$ 562,110	$ 509,675	$ 52,435	10%	$ 580,351
Current liabilities					
Current portion - l/t debt	$4,805	$ 4,611	$ 194	4%	$ 4,822
Current portion - capital leases ...	1,205	1,932	(727)	-38%	1,383
Accounts payable	35,613	29,959	5,654	19%	36,703
Payroll/other comp	29,252	23,014	6,238	27%	39,617
Income taxes	1,613	5,105	(3,492)	-68%	--
Other current liabilities	23,194	17,017	6,177	36%	25,764
Total current liabilities	95,682	81,638	14,044	17%	108,289
Long-term debt	63,360	50,524	12,836	25%	66,434
Capital leases	555	1,760	(1,205)	-68%	819
Deferred income taxes	5,500	6,329	(829)	-13%	5,478
Other long-term liabilities	11,609	10,143	1,466	14%	11,122
Commitments & contingencies	--	--	N/M	N/M	--
Shareholders' equity					
Common shares, $1 par	17,748	17,975	(227)	-1%	17,850
Capital in excess of par	29,964	28,318	1,646	6%	29,262
Retained earnings	339,214	313,893	25,321	8%	342,146
Currency translation	(1,522)	(905)	(617)	-68%	(1,049)
Total shareholders' equity	385,404	359,281	26,123	7%	388,209
Total liabilities and shareholders' equity	$ 562,110	$ 509,675	$ 52,435	10%	$ 580,351

La-Z-Boy Incorporated Financial Information Release
Comments and Analysis

Overall:
Refer to today's press release for additional information.

Sales:
Sales in the first quarter of fiscal year 1999 were up 27% over the prior year's quarter primarily due to a very strong month of May sales in the current year compared to much weaker than normal sales in May last year. (Sales increases for the months of June and July compared to prior year comparable months were good but not nearly as strong as May.) In addition, sales were bolstered by acquisitions of companies; a product mix which favored higher priced products and selling price increases of 0.5% - 1.5%. Sales increases were not caused by any new significant product line introductions or sales promotions. That is, a "normal" amount of new styles, fabrics and promotional activity occurred in both years' first quarter.

Gross profit margins:

Gross profit margins increased to 23.6% of sales from 22.7% in last year's first quarter. Margins were favorably affected by a significant growth in unit sales volume, which allowed fixed overhead costs to be absorbed more efficiently. Also, the absence of a build-up in manufacturing costs due to positioning residential upholstery plants for the fall selling season and raw material parts delivery disruptions (which were present in the prior year) favorably impacted gross profit margins. Margins were unfavorably impacted by a product mix which favored lower margin products, higher inbound freight costs, higher indirect labor expenses, higher overtime costs and higher utility expenses.

As mentioned in the press release, anticipated strong sales growth in August and September should favorably affect fixed costs - although with not as much of a percentage impact because unit growth isn't expected to be as high as in the first quarter. Unfavorable gross margin impacts from product mix are expected to continue in the short term. However; it is difficult to estimate whether the other items that caused unfavorable margin impacts in the first quarter will continue, get worse or get better in the second quarter.

S,G & A:
First quarter S,G & A decreased to 19.1% of sales vs. 21.4% last year. The largest cause was due to a decrease in bad debts expense. The prior year had $3.1 million of expense relating to the Chapter 11 declaration of bankruptcy by Montgomery Ward Holding Corporation. As expected, performance bonus related expenses increased due to higher sales & profits and Information Technology (I.T.) expenses increased mainly due to Year 2000 related projects and work on production tracking systems. La-Z-Boy held many other S,G & A expenses at a growth rate much lower than the sales growth rate, thus somewhat offsetting the higher performance bonus and I.T. related increases. Higher bonus and I.T. related expenses are expected to continue throughout the year.

Income tax expense:
Income tax expense as a percent of pretax income declined to 39.7% from 42.3% last year. With the traditionally lower income in the first quarter of the year, rate fluctuations are common due to international and non-deductible amortization effects being amplified.