

Fact Sheet CORPORATE GOVERNANCE

California Public Employees' Retirement System • 400 Q Street • Sacramento, California 95811

CalPERS 2008 Focus List Company At-A-Glance

La-Z-Boy (LZB) – Monroe, Michigan

La-Z-Boy Incorporated manufactures and markets upholstered furniture and casegoods furniture products in the United States and Canada. It operates in three groups: Upholstery Group, Casegoods Group, and Retail Group.

Market Capitalization: \$.5 Billion

CalPERS' Holdings: \$3.5 Million

Total Stock Returns Ending 02/29/2008

TSR Ending 2/29/2008	La-Z-Boy Inc (LZB)	Russell 3000 Index	<u>Relative Return Russell 3000 Index</u>	Household Furnishings Russell Industry Peer Index	<u>Relative Return Russell Peer Index</u>
5 years	-44.41%	79.70%	-124.11%	-3.51%	-40.9%
3 years	-37.03%	18.13%	-55.16%	-19.77%	-17.26%
1 year	-35.88%	-4.52%	-31.36%	-26.85%	-9.03%

Source: FactSet

CalPERS' Concerns:

- La-Z-Boy's stock has severely underperformed relative to the Russell 3000 index and its industry peer index over the 1, 3 and 5 year time periods ending February 29th.
- Deteriorating trend in annual business fundamentals including revenue growth and operating margins.
- Lack of Board Accountability – The company would not agree to seek shareowner approval and recommend a "FOR" vote to remove its classified or "staggered" board structure.

What the company agreed to do:

Remove supermajority voting requirements and adopt a majority vote standard for director elections.

CalPERS 2008 Shareowner Proposal:

CalPERS seeks to remove the company's classified or "staggered" board structure. CalPERS believes that annual elections for directors provide greater accountability to shareowners.