



Genesco Reports Second Quarter Sales Increase 16%, EPS of \$0.26 Vs. \$0.24 Last Year

August 28, 2001

NASHVILLE, Tenn., Aug. 28 /PRNewswire/ -- Genesco Inc. (NYSE: GCO) today reported earnings before discontinued operations of \$6.2 million, or \$0.26 per diluted share, for the second quarter ended August 4, 2001, compared with \$5.5 million, or \$0.24 per diluted share, for the second quarter last year. Net sales for the quarter increased 16% to \$166.5 million from \$143.2 million in the second quarter a year ago.

Genesco Chairman and Chief Executive Officer Ben T. Harris said, "Journeys' net sales increased by 36% during the second quarter to \$81.0 million, and same store sales rose 1%. We ended the quarter with 462 Journeys stores. We have seen significant improvements in Journeys' business over the past five weeks, where same store sales are running up approximately 15% month to date. We're confident that Journeys' robust performance so far in August bodes well for the remainder of the year, as a strong back to school traditionally indicates that the product mix is appropriate for the Fall and Holiday seasons."

Harris continued, "Johnston & Murphy's net sales were \$42.8 million for the second quarter, a 4% decrease from last year, and same stores sales declined 9%. While this business continues to be challenging in a highly promotional market, we believe it is stable, and we are working to increase sales, manage inventories and control expenses.

"Net sales in our Jarman group increased 12% to \$23.0 million for the quarter. Same store sales declined 11% for the group, with Underground Station outperforming the Jarman stores. The new Jarman management team's efforts are beginning to be evident in the division's performance, with same store sales for the group running essentially flat so far this quarter. We are excited about the new management team's progress and we continue to view Underground Station as a significant opportunity for future growth.

"The Licensed Brands segment's net sales grew by 7% during the quarter, which marked the end of a successful shutdown of the Nautica Footwear business.

"Dockers Footwear continues to outperform our expectations, as net sales increased 23% to \$17.9 million in the quarter. These results were particularly encouraging because they came on top of a 35% sales gain last year. We believe Dockers' continued success is a function of providing the marketplace with updated, traditional footwear at a great value with a powerful brand name."

For the six months ended August 4, 2001, earnings before discontinued operations were \$14.5 million, or \$0.60 per diluted share, compared with \$11.7 million, or \$0.50 per diluted share, last year. Net sales for the six months increased 17% to \$338.5 million from \$289.9 million for the same period a year ago.

Harris concluded, "We remain confident that by focusing on offering our customer the right products in the right shopping environments we will continue to lead our industry. The strong start to the third quarter reinforces our outlook for the balance of the year."

This release contains forward-looking statements, including those dealing with expectations for the Company's and each division's performance during the second half of the year and thereafter. Any statements that do not reflect historical information involve a number of risks and uncertainties. Actual results could be materially different. The factors that could cause materially different results include lower than expected consumer demand for the Company's products, whether caused by further weakening in the overall economy or by changes in fashions or tastes that the Company fails to anticipate or respond appropriately to, changes in buying patterns by significant wholesale customers, disruptions in product supply or distribution, the inability to adjust inventory levels to sales and changes in business strategies by the Company's competitors. Any greater than expected weakness in demand or disruption in supply could have an especially pronounced effect on the Company's performance in the second half of the year, because of the importance of the Holiday selling season. Other factors that could cause results to differ from expectations include the Company's ability to open, staff and support additional retail stores on schedule and at acceptable expense levels and the outcome of litigation and environmental matters involving the Company. Forward-looking statements reflect the expectations of the Company at the time they are made, and investors should rely on them only as expressions of opinion about what may happen in the future and only at the time they are made. The Company undertakes no obligation to update any forward-looking statement.

The Company's live conference call on August 28, 2001, at 10:00 a.m. (Central time) may be accessed through the Company's internet website, www.genesco.com. The Company expects to discuss results from the second quarter and its current expectations for the third quarter and fiscal year ending February 2, 2002, during the call. To listen live, please go to the website at least 15 minutes early to register, download and install any necessary software. A replay will be available shortly after the call for 14 days.

Genesco, based in Nashville, sells footwear and accessories in 831 retail stores in the U.S., principally under the names Journeys, Johnston & Murphy, Jarman and Underground Station, and on internet websites www.journeys.com and www.johnstonmurphy.com. The Company also sells footwear at wholesale under its Johnston & Murphy brand and under the licensed Dockers brand. Additional information on Genesco and its operating divisions may be accessed at its website www.genesco.com.

GENESCO INC.

Consolidated Earnings Summary(A)

In Thousands	Three Months Ended		Six Months Ended	
	August 4, 2001	July 29, 2000	August 4, 2001	July 29, 2000

Net sales	\$166,543	\$143,243	\$338,461	\$289,887
Cost of sales	88,242	74,277	178,063	152,615
Selling and administrative expenses	66,804	58,093	134,016	114,527
Restructuring credit(B)	(269)	--	(269)	--
Earnings from operations before interest	11,766	10,873	26,651	22,745
Interest expense, net	1,888	1,832	3,423	3,514
Earnings before income taxes and discontinued operations	9,878	9,041	23,228	19,231
Income tax expense	3,695	3,510	8,707	7,507
Earnings before discontinued operations	6,183	5,531	14,521	11,724
Discontinued operations (net of tax):				
Operating income (loss)	--	6	--	(226)
Provision for discontinued operations	--	(2,975)	--	(2,975)
Net Earnings	\$6,183	\$2,562	\$14,521	\$8,523

(A) Certain reclassifications have been made to prior periods to account for shipping and handling fees as revenue.

(B) Adjustment to Nautica closedown provision including a \$0.1 million reversal of inventory write-down.

Earnings Per Share Information

In Thousands (except per share amounts)	Three Months Ended		Six Months Ended	
	August 4, 2001	July 29, 2000	August 4, 2001	July 29, 2000
Preferred dividend requirements	\$73	\$75	\$147	\$150
Average common shares - Basic EPS	21,962	21,496	21,904	21,542
Basic earnings per share:				
Before discontinued operations	\$0.28	\$0.25	\$0.66	\$0.54
Net earnings	\$0.28	\$0.12	\$0.66	\$0.39
Average common and common equivalent shares - Diluted EPS	27,455	27,014	27,383	27,004
Diluted earnings per share:				
Before discontinued operations	\$0.26	\$0.24	\$0.60	\$0.50
Net earnings	\$0.26	\$0.13	\$0.60	\$0.38

GENESCO INC.

Consolidated Earnings Summary

Three Months Ended

Six Months Ended

In Thousands	August 4, 2001	July 29, 2000	August 4, 2001	July 29, 2000
Sales:				
Journeys	\$81,047	\$59,796	\$161,395	\$117,892
Jarman	22,956	20,498	48,027	41,518
Johnston & Murphy	42,774	44,519	84,587	88,987
Licensed Brands(A)	19,766	18,430	44,452	41,490
Net Sales	166,543	143,243	338,461	289,887
Pretax Earnings (Loss):				
Journeys	\$9,330	\$6,569	\$19,405	\$13,081
Jarman	(1,032)	450	(101)	1,193
Johnston & Murphy	4,532	5,632	8,658	11,305
Licensed Brands(B)	2,055	974	4,990	2,607
Corporate and Other	(2,938)	(2,752)	(6,120)	(5,271)
Nonrecurring charges(C)	(181)	--	(181)	(170)
Operating income	11,766	10,873	26,651	22,745
Interest, net	1,888	1,832	3,423	3,514
Total Pretax Earnings	9,878	9,041	23,228	19,231
Income tax expense	3,695	3,510	8,707	7,507
Earnings before discontinued operations	6,183	5,531	14,521	11,724
Discontinued operations (net of tax):				
Operating income (loss)	--	6	--	(226)
Provision for discontinued operations	--	(2,975)	--	(2,975)
Net Earnings	\$6,183	\$2,562	\$14,521	\$8,523

(A) Includes Nautica sales of \$1.8 million, \$3.8 million, \$6.0 million and

\$11.6 million for the second quarter and six months of Fiscal 2002 and 2001, respectively.

(B) Includes Nautica operating losses of \$0.3 million, \$0.8 million,

\$0.6 million and \$1.2 million for the second quarter and six months of Fiscal 2002 and 2001, respectively.

(C) Includes litigation and severance charges in the second quarter of

Fiscal 2002 and the six months of Fiscal 2002 and 2001 offset by an adjustment to the Nautica closedown provision of \$0.3 million in the second quarter and six months of Fiscal 2002.

GENESCO INC.

Consolidated Balance Sheet

In Thousands	August 4, 2001	July 29, 2000
Assets		
Cash and short-term investments	\$24,513	\$38,275
Accounts receivable	27,053	23,957
Inventories	182,216	140,562

Other current assets	26,665	23,980
Current assets of discontinued operations*	--	6,232
Total current assets	260,447	233,006
Plant, equipment and capital leases	95,971	79,609
Other non-current assets	19,987	16,893
Non-current assets of discontinued operations*	605	669
Total Assets	\$377,010	\$330,177

Liabilities and Shareholders' Equity		
Total current liabilities	103,899	98,989
Long-term debt and capital leases	103,272	103,530
Other long-term liabilities	11,198	11,525
Shareholders' equity	158,641	116,133
Total Liabilities and Shareholders' Equity	\$377,010	\$330,177

- Current and non-current assets of discontinued operations include Volunteer Leather.

GENESCO INC.

Retail Units Operated - Six Months Ended August 4, 2001

	Balance 2/3/01	Open	Conversions	Close	Balance 8/4/01
Journeys	425	38		1	462
Journeys Kidz	0	8			8
Jarman Group	207	17	0	7	217
Jarman Retail	150		(6)	6	138
Underground Station	57	17	6	1	79
Johnston & Murphy	147	2	0	5	144
Shops	115	2		5	112
Factory Outlets	32				32
Total Retail Units	779	65	0	13	831

Retail Units Operated - Three Months Ended August 4, 2001

	Balance 5/5/01	Open	Conversions	Close	Balance 8/4/01
Journeys	447	16		1	462
Journeys Kidz	5	3			8
Jarman Group	213	7	0	3	217
Jarman Retail	143		(3)	2	138
Underground Station	70	7	3	1	79
Johnston & Murphy	145	2	0	3	144
Shops	113	2		3	112
Factory Outlets	32				32
Total Retail Units	810	28	0	7	831

Constant Store Sales

	Three Months Ended		Six Months Ended	
	August 4, 2001	July 29, 2000	August 4, 2001	July 29, 2000
Journeys	1%	8%	6%	14%
Jarman Group	-11%	2%	-7%	5%
Jarman Retail	-12%	-1%	-9%	2%
Underground Station	-4%	29%	1%	34%

Johnston & Murphy	-9%	5%	-9%	5%
Shops	-9%	7%	-9%	6%
Factory Outlets	-6%	0%	-10%	2%
Total Constant Store Sales	-3%	6%	0%	10%

SOURCE Genesco Inc.

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