



## Genesco Reports Third Quarter Results; Reports 3Q03 EPS of \$0.41; Exceeds First Call Consensus Estimate of \$0.33

November 20, 2002

NASHVILLE, Tenn., Nov. 20 /PRNewswire-FirstCall/ -- Genesco Inc. (NYSE: GCO) today reported net earnings of \$10.1 million, or \$0.41 per diluted share, for the third quarter ended November 2, 2002, compared with \$8.0 million, or \$0.33 per diluted share before discontinued operations, for the third quarter last year. Net sales for the quarter increased 15% to \$213 million from \$186 million in the third quarter a year ago.

Genesco President and Chief Executive Officer Hal N. Pennington said, "Our ability to exceed internal and external expectations in a challenging retail environment is a testament to the strength of our retail and wholesale brands and to the talent and commitment of our people. Solid sales gains at Journeys and Dockers, coupled with another strong performance by Jarman and Underground Station, more than offset weakness in our Johnston & Murphy wholesale business during the quarter. We believe we are well positioned for the remainder of the year and we remain enthusiastic about our opportunities for the future."

"Journeys' net sales during the quarter increased by 17% to \$114 million compared to \$97 million for the same period last year. Same store sales increased 1%. As expected, a decline in average selling price that affected Journeys throughout the spring and summer moderated during the quarter, as sandals became a smaller percentage of the overall product mix. This helped to drive our better than expected same store sales. At the same time, our gross margins were above last year and we benefited from favorable expense leverage during the quarter. We believe we have the right merchandise in place for the key Holiday season and we remain excited about Journeys' prospects."

Pennington continued, "Once again, we were very pleased with the performance of the Jarman Group, as net sales increased 23% to \$36 million, same store sales rose 15% and operating margin expanded from a small loss to a positive 7.2%. Jarman retail comps were up 10% and Underground Station posted a 21% same store sales gain. These results represent the Jarman Group's third consecutive quarter of double digit comp increases and its fourth quarter- over-quarter improvement in operating margin."

"Total sales at Johnston & Murphy declined 1% for the quarter to \$40 million compared to \$41 million last year. Retail same store sales for the division increased 4% during the quarter, while wholesale sales declined. The solid performance of our stores gives us confidence that the Johnston & Murphy brand is strong. While the department store environment remains extremely promotional, we are pleased with the sharper focus and improved teamwork we are seeing in that division and although much remains to be done, we believe that Johnston & Murphy is on the right track to improve results."

"Finally, Dockers Footwear's sales increased 26% to \$23 million compared to \$18 million in the same quarter last year. Dockers experienced strong gains in all of its distribution channels from department stores to specialty chains to volume moderates. While it is still early, the response to our new Gore-Tex product has been very positive and we are excited about the potential of this new line. We continue to believe that Dockers offers one of the best price-value relationships in the industry and we remain positive about the opportunities for this brand."

The forward-looking statements in this release involve a number of risks and uncertainties. Actual results could be materially different. The factors that could cause materially different results include, among other factors: lower than expected consumer demand for the Company's products in the Holiday selling season and beyond, whether caused by weakness in the overall economy, consumer reactions to unexpected events or changes in fashions or tastes that the Company fails to anticipate or respond to appropriately; greater than anticipated pricing pressure from product mix changes or competition; changes in buying patterns by significant wholesale customers; disruptions in product supply or distribution, including the impact of a continuing transition to a new distribution center; the inability to adjust inventory levels to sales changes in business strategies by the Company's competitors; the inability 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. The Company disclaims any obligation to update such statements.

The Company's live conference call on November 20, 2002, at 8:30 a.m. (Central time), may be accessed through the Company's Internet website, [www.genesco.com](http://www.genesco.com). The Company expects to discuss results from the third quarter and its current expectations for the fourth quarter and fiscal year ending February 1, 2003, 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 more than 975 retail stores in the U.S., principally under the names Journeys, Journeys Kidz, Johnston & Murphy, Jarman and Underground Station, and on internet websites [www.journeys.com](http://www.journeys.com) and [www.johnstonmurphy.com](http://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](http://www.genesco.com).

GENESCO INC.

### Consolidated Earnings Summary

	Three Months Ended		Nine Months Ended	
	November 2,	November 3,	November 2,	November 3,
In Thousands	2002	2001*	2002	2001*
Net sales	\$ 213,157	\$ 185,535	\$ 578,592	\$ 523,680
Cost of sales	112,318	99,814	304,754	277,877

Selling and administrative expenses	82,197	70,694	232,089	204,394
Restructuring credit(1)	--	--	--	(269)
Earnings from operations before interest	18,642	15,027	41,749	41,678
Interest expense, net	2,162	2,159	5,756	5,582
Pretax earnings	16,480	12,868	35,993	36,096
Income tax expense	6,373	4,877	13,721	13,584
Earnings before discontinued operations	10,107	7,991	22,272	22,512
Provision for discontinued operations	--	(708)	--	(708)
Net Earnings	\$ 10,107	\$ 7,283	\$ 22,272	\$ 21,804

#### Earnings Per Share Information

In Thousands (except per share amounts)

	Three Months Ended		Nine Months Ended	
	November 2, 2002	November 3, 2001	November 2, 2002	November 3, 2001
Preferred dividend requirements	\$ 73	\$ 73	\$ 221	\$ 220
Average common shares - Basic EPS	21,785	21,907	21,858	21,905
Basic earnings per share:				
Before discontinued operations	\$ 0.46	\$ 0.36	\$ 1.01	\$ 1.02
Net earnings	\$ 0.46	\$ 0.33	\$ 1.01	\$ 0.99
Average common and common equivalent shares - Diluted EPS	26,985	27,234	27,207	27,334
Diluted earnings per share:				
Before discontinued operations	\$ 0.41	\$ 0.33	\$ 0.92	\$ 0.92
Net earnings	\$ 0.41	\$ 0.30	\$ 0.92	\$ 0.90

(1) Adjustment to Nautica closedown provision including a \$0.1 million

reversal of inventory write-down.

\* Certain amounts have been reclassified to conform to current

presentation.

#### GENESCO INC.

##### Consolidated Earnings Summary

In Thousands	Three Months Ended		Nine Months Ended	
	November 2, 2002	November 3, 2001	November 2, 2002	November 3, 2001
Sales:				
Journeys	\$ 113,777	\$ 97,143	\$ 296,932	\$ 258,538
Jarman	36,415	29,592	99,797	77,619
Johnston & Murphy	40,363	40,812	122,269	125,112
Licensed Brands(1)	22,526	17,988	59,518	62,411
Corporate and Other	76	--	76	--
Net Sales	\$ 213,157	\$ 185,535	\$ 578,592	\$ 523,680
Pretax Earnings (Loss):				
Journeys	\$ 15,464	\$ 12,666	\$ 31,164	\$ 32,071
Jarman	2,637	(264)	6,440	(365)

Johnston & Murphy	992	2,812	6,464	11,470
Licensed Brands(2)	3,305	2,006	7,417	6,996
Corporate and Other	(3,578)	(2,193)	(9,105)	(8,313)
Nonrecurring charges(3)	(178)	--	(631)	(181)
Operating income	18,642	15,027	41,749	41,678
Interest, net	2,162	2,159	5,756	5,582
Total Pretax Earnings	16,480	12,868	35,993	36,096
Income tax expense	6,373	4,877	13,721	13,584
Earnings before discontinued operations	10,107	7,991	22,272	22,512
Provision for discontinued operations	--	(708)	--	(708)
Net Earnings	\$ 10,107	\$ 7,283	\$ 22,272	\$ 21,804

(1) Includes Nautica sales of \$0.1 million and \$6.1 million for the third quarter and nine months of Fiscal 2002.

(2) Includes Nautica operating gain of \$0.1 million for the third quarter

of Fiscal 2002 and an operating loss of \$0.5 million for the nine months of Fiscal 2002.

(3) Includes professional fees and severance charges in the third quarter

and nine months of Fiscal 2003 and litigation and severance charges in the nine months of Fiscal 2002 offset by an adjustment to the Nautica closedown provision of \$0.3 million.

#### GENESCO INC.

#### Consolidated Balance Sheet

In Thousands	November 2, 2002	November 3, 2001
<b>Assets</b>		
Cash and short-term investments	\$ 10,260	\$ 9,926
Accounts receivable	24,597	26,334
Inventories	199,773	183,676
Other current assets	22,021	28,553
Total current assets	256,651	248,489
Plant, equipment and capital leases	129,271	104,336
Other non-current assets	20,884	19,639
Non-current assets of discontinued operations*	499	535
Total Assets	\$ 407,305	\$ 372,999
<b>Liabilities and Shareholders' Equity</b>		
Total current liabilities	96,220	95,478
Long-term debt	103,271	103,272
Other long-term liabilities	25,578	11,132
Shareholders' equity	182,236	163,117
Total Liabilities and Shareholders' Equity	\$ 407,305	\$ 372,999

\*Non-current assets of discontinued operations include Volunteer Leather.

Retail Units Operated - Nine Months Ended November 2, 2002

Balance 02/02/02	Open	Conversions	Close	Balance 11/02/02
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Journeys Group	533	69	0	1	601
Journeys	519	49	0	1	567
Journeys Kidz	14	20	0	0	34
Jarman Group	227	7	0	6	228
Jarman Retail	130	0	(5)	5	120
Underground Station	97	7	5	1	108
Johnston & Murphy	148	4	0	1	151
Shops	116	2	0	1	117
Factory Outlets	32	2	0	0	34
Total Retail Units	908	80	0	8	980

Retail Units Operated - Three Months Ended November 2, 2002

	Balance			Balance	
	08/03/02	Open	Conversions	Close	11/02/02
Journeys Group	586	15	0	0	601
Journeys	558	9	0	0	567
Journeys Kidz	28	6	0	0	34
Jarman Group	229	1	0	2	228
Jarman Retail	126	0	(4)	2	120
Underground Station	103	1	4	0	108
Johnston & Murphy	149	3	0	1	151
Shops	117	1	0	1	117
Factory Outlets	32	2	0	0	34
Total Retail Units	964	19	0	3	980

Constant Store Sales

	Three Months Ended		Nine Months Ended	
	November 2, 2002	November 3, 2001	November 2, 2002	November 3, 2001
Journeys	1%	8%	-1%	7%
Jarman Group	15%	-3%	17%	-5%
Jarman Retail	10%	-4%	16%	-7%
Underground Station	21%	-2%	19%	-1%
Johnston & Murphy	4%	-16%	1%	-11%
Shops	6%	-18%	1%	-12%
Factory Outlets	-2%	-8%	1%	-9%
Total Constant Store Sales	4%	1%	3%	1%

SOURCE Genesco Inc.

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/Company News On-Call: <http://www.prnewswire.com/gh/cnoc/comp/352750.html/>

/Web site: <http://www.journeys.com/>

/Web site: <http://www.johnstonmurphy.com/>