



## Genesco Reports Second Quarter Results

August 19, 2004

-- Company Reports Second Quarter Diluted Earnings Per Share of \$0.21 --

-- Raises Fiscal 2005 Guidance --

NASHVILLE, Tenn., Aug. 19 /PRNewswire-FirstCall/ -- Genesco Inc. (NYSE: GCO) today reported net earnings of \$4.8 million, or \$0.21 per diluted share, for the second quarter ended July 31, 2004. Items including the recognition of a gain on the curtailment of the Company's defined benefit plan and a tax benefit partially offset by retail store asset impairments and retail store closings, added \$0.02 per diluted share in the second quarter of fiscal 2005. This compares with a net loss of \$891,000, or \$0.04 per diluted share, for the second quarter last year, which included a net loss of \$0.07 per diluted share primarily related to the Company's refinancing of its convertible subordinated notes in the second quarter of fiscal 2004. Net sales for the second quarter of fiscal 2005 increased 37% to \$246 million compared to \$179 million for the second quarter of fiscal 2004.

Genesco President and Chief Executive Officer Hal N. Pennington said, "We are very pleased to be able to once again exceed expectations for the second quarter. Our results were primarily driven by continued strength at Hat World, a solid performance at Journeys and ongoing improvements at Johnston & Murphy and Dockers. As we head into the second half of the fiscal year, we are encouraged by our momentum and believe we are well positioned to take advantage of the current trends in the marketplace.

"Total sales at Journeys increased 8.5% to approximately \$106 million and both same store sales and footwear unit comps rose 2%. We continued to benefit from the strong trend in athletic and solid gains in women's fashion footwear, offset in part by the impact of the shift in the tax-free timing in some states. We think our merchandise selection looks great for back-to-school and we are excited about our prospects.

"Underground Station reported a same store sales decline of 11% compared to a 9% increase last year. As expected, Underground Station's business remained challenging during the quarter due to difficult same store sales and product comparisons. Looking ahead, comparisons begin to moderate and we remain focused on improving this business.

"Hat World registered another strong quarter, with total sales up 30% and same store sales up 16% reflecting robust demand for our core sports product and ongoing strength in our fashion and branded businesses. We remain excited about this acquisition and the short and long-term opportunities of this business.

"Johnston & Murphy posted its second consecutive quarter of increased profitability. Operating margin improved significantly as we continued to benefit from enhanced sourcing efficiencies, less promotional selling and a higher mix of premium product. We believe the strong positive feedback that we recently received at WSA is further evidence that our initiatives are working and we remain committed to executing our strategic plan for this business.

"Finally, Dockers generated meaningful gains in terms of sales and operating income during the second quarter. Revenues grew 20.3% to \$14.2 million and operating margin increased to 9.2% compared to a negative operating margin of 2.2% last year. Over the past six months we have made significant progress at Dockers and we are optimistic that this positive momentum will continue into the back half of the fiscal year."

Genesco also stated that it is revising upward its fiscal 2005 guidance. The Company now expects sales for the year of approximately \$1.1 billion and earnings per share to range from \$1.89 to \$1.92, including previously announced charges of approximately \$0.08 to \$0.09 per share associated with the planned closing of Jarman and other underperforming stores in fiscal 2005.

This release contains forward-looking statements, including those regarding the Company's sales and earnings outlook and all other statements not addressing solely historical facts or present conditions. Actual results could vary materially from the expectations reflected in these statements. A number of factors could cause differences. These include weakness in consumer demand for products sold by the Company, fashion trends that affect the sales or product margins of the Company's retail product offerings, changes in buying patterns by significant wholesale customers, disruptions in product supply or distribution, further unfavorable trends in foreign exchange rates and other factors affecting the cost of products, changes in business strategies by the Company's competitors (including pricing and promotional discounts), the integration of the Hat World acquisition, the ability to open, staff and support additional retail stores on schedule and at acceptable expense levels and to renew leases in existing stores on schedule and at acceptable expense levels, variations from expected pension-related charges caused by conditions in the financial markets, 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. They also include the impact of proposed changes in the accounting treatment of the contingent conversion feature of the Company's 4-1/8% convertible subordinated notes due 2023 and the triggering of that feature by certain increases in the trading price of the Company's common stock, either of which could result in an increase in common shares deemed outstanding in the calculation of earnings per share by 3.9 million shares. The Company disclaims any obligation to update such statements.

The Company's live conference call on August 19, 2004, at 7:30 a.m. (Central time) may be accessed through the Company's internet website, <http://www.genesco.com>. The Company expects to discuss results from the second quarter, and its current expectations for the fiscal year ending January 29, 2005, during the call. To listen live, please go to the website at least 15 minutes early to register, download and install any necessary software.

Genesco Inc., a Nashville-based specialty retailer, sells footwear, headwear and accessories in more than 1,550 retail stores in the United States and Canada, principally under the names Journeys, Journeys Kidz, Johnston & Murphy, Underground Station, Hatworld, Lids, Hat Zone, Cap Factory, Cap

Connection and Head Quarters, and on internet websites <http://www.journeys.com>, <http://www.johnstonmurphy.com>, <http://www.lids.com>, <http://www.hatworld.com>, and <http://www.lidscy.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 <http://www.genesco.com>.

GENESCO INC.

Consolidated Earnings Summary

In Thousands	Three Months Ended		Six Months Ended	
	July 31, 2004	August 2, 2003	July 31, 2004	August 2, 2003
Net sales	\$245,939	\$179,478	\$471,465	\$372,224
Cost of sales	124,050	95,989	238,898	200,643
Selling and administrative expenses	112,085	80,271	211,315	160,924
Restructuring and other, net	186	139	40	139
Earnings from operations before interest and other	9,990	3,357	21,292	10,796
Loss on early retirement of debt	-	2,581	-	2,581
Interest expense, net	2,896	2,149	4,778	4,181
Earnings (loss) before income taxes from continuing operations	7,094	(1,373)	16,514	4,034
Income tax expense (benefit)*	2,301	(482)	5,897	1,588
Earnings (loss) from continuing operations	4,793	(891)	10,617	2,446
Provision for discontinued operations, net	(21)	-	(21)	-
Net Earnings (Loss)	\$4,772	\$(891)	\$10,596	\$2,446

\*Includes favorable tax settlements of \$0.4 million and \$0.5 million in the second quarter and six months of Fiscal 2005, respectively.

Earnings Per Share Information

In Thousands (except per share amounts)	Three Months Ended		Six Months Ended	
	July 31, 2004	August 2, 2003	July 31, 2004	August 2, 2003
Preferred dividend requirements	\$73	\$73	\$146	\$147
Average common shares - Basic EPS	21,903	21,754	21,833	21,748
Basic earnings (loss) per share:				
Before discontinued operations	\$0.22	(\$0.04)	\$0.48	\$0.11
Net earnings (loss)	\$0.21	(\$0.04)	\$0.48	\$0.11
Average common and common equivalent shares - Diluted EPS	22,391	21,754	22,309	22,041
Diluted earnings (loss) per share:				
Before discontinued operations	\$0.21	(\$0.04)	\$0.47	\$0.10
Net earnings (loss)	\$0.21	(\$0.04)	\$0.47	\$0.10

GENESCO INC.

Consolidated Earnings Summary

In Thousands	Three Months Ended		Six Months Ended	
	July 31, 2004	August 2, 2003	July 31, 2004	August 2, 2003
Sales:				
Journeys	\$105,785	\$97,474	\$220,026	\$196,189

Underground Station Group	28,462	30,722	63,591	65,295
Hat World	57,956	-	76,041	-
Johnston & Murphy	39,413	39,392	79,954	79,608
Dockers	14,223	11,821	31,703	31,010
Corporate and Other	100	69	150	122
Net Sales	\$245,939	\$179,478	\$471,465	\$372,224
Pretax Earnings (Loss):				
Journeys	\$6,058	\$6,711	\$15,330	\$12,274
Underground Station Group	(1,485)	231	137	1,791
Hat World	7,519	-	9,116	-
Johnston & Murphy	1,285	174	3,626	1,974
Dockers	1,311	(263)	3,055	2,290
Corporate and Other*	(4,698)	(3,496)	(9,972)	(7,533)
Operating income	9,990	3,357	21,292	10,796
Loss on early retirement of debt	-	2,581	-	2,581
Interest, net	2,896	2,149	4,778	4,181
Total Pretax Earnings (Loss)	7,094	(1,373)	16,514	4,034
Income tax expense (benefit)**	2,301	(482)	5,897	1,588
Earnings (loss) from continuing operations				
	4,793	(891)	10,617	2,446
Provision for discontinued operations				
	(21)	-	(21)	-
Net Earnings (Loss)	\$4,772	\$(891)	\$10,596	\$2,446

\*Includes \$0.4 million and \$0.6 million of other charges for asset impairment and lease terminations in the second quarter and six months of Fiscal 2005 offset by a \$0.6 million pension curtailment gain in the second quarter and six months of Fiscal 2005 and a \$0.1 million restructuring adjustment in the second quarter and six months of Fiscal 2004.

\*\*Includes favorable tax settlements of \$0.4 million and \$0.5 million in the second quarter and six months of Fiscal 2005, respectively.

#### GENESCO INC.

#### Consolidated Balance Sheet

In Thousands	July 31, 2004	August 2, 2003
Assets		
Cash and cash equivalents	\$15,380	\$32,968
Accounts receivable	17,449	14,579
Inventories	263,377	213,440
Other current assets	23,918	22,073
Total current assets	320,124	283,060
Property and equipment	148,279	125,865
Other non-current assets	162,563	27,344
Total Assets	\$630,966	\$436,269
Liabilities and Shareholders' Equity		
Accounts payable	\$104,468	\$80,074
Current portion - long-term debt	13,000	-
Other current liabilities	51,621	36,750
Total current liabilities	169,089	116,824
Long-term debt	189,250	86,250

Other long-term liabilities	42,924	47,342
Shareholders' equity	229,703	185,853
Total Liabilities and Shareholders' Equity	\$630,966	\$436,269

GENESCO INC.

Retail Units Operated - Six Months Ended July 31, 2004

	Balance 02/01/03	Open	Conv	Close
Journeys	614	55	0	4
Journeys	579	50	0	4
Journeys Kidz	35	5	0	0
Underground Station Group	229	18	0	14
Underground Station	114	18	8	3
Jarman Retail	115	0	(8)	11
Hat World/Lids	0	0	0	0
Johnston & Murphy	148	7	0	7
Shops	115	5	0	5
Factory Outlets	33	2	0	2
Total Retail Units	991	80	0	25

GENESCO INC.

Retail Units Operated - Six Months Ended July 31, 2004

	Balance 01/31/04	Acquisi- tions	Open	Conv	Close	Balance 07/31/04
Journeys	665		18	0	3	680
Journeys	625		17	0	3	639
Journeys Kidz	40		1	0	0	41
Underground Station Group	233		8	0	11	230
Underground Station	137		8	4	1	148
Jarman Retail	96		0	(4)	10	82
Hat World/Lids	0	503	18	0	2	519
Johnston & Murphy	148		3	0	9	142
Shops	115		0	0	8	107
Factory Outlets	33		3	0	1	35
Total Retail Units	1,046	503	47	0	25	1,571

Retail Units Operated - Three Months Ended July 31, 2004

	Balance 05/01/04	Acquisi- tions	Open	Conv	Close	Balance 07/31/04
Journeys	677		5	0	2	680
Journeys	636		5	0	2	639
Journeys Kidz	41		0	0	0	41
Underground Station Group	231		3	0	4	230
Underground Station	142		3	3	0	148
Jarman Retail	89		0	(3)	4	82
Hat World/Lids	492	17	12	0	2	519
Johnston & Murphy	147		1	0	6	142
Shops	112		0	0	5	107
Factory Outlets	35		1	0	1	35
Total Retail Units	1,547	17	21	0	14	1,571

Constant Store Sales

	Three Months Ended July 31, August 2, 2004	2003	Six Months Ended July 31, August 2, 2004	2003
--	--	------	--	------

Journeys	2%	-1%	5%	-2%
Underground Station Group	-10%	-3%	-6%	-2%
Underground Station	-11%	9%	-6%	8%
Jarman Retail	-9%	-14%	-6%	-12%
Johnston & Murphy	0%	2%	4%	-3%
Shops	0%	1%	3%	-3%
Factory Outlets	0%	8%	6%	0%
Total Constant Store Sales	-1%	-1%	3%	-2%
Hat World/Lids	16%	-		
April 1, 2004 - July 31, 2004			17%	-

SOURCE Genesco Inc.

CONTACT: Financial, James S. Gulmi, +1-615-367-8325, or Media, Claire S. McCall, +1-615-367-8283, both of Genesco Inc.