



Genesco Reports First Quarter Results

May 26, 2005

--Diluted EPS Before Discontinued Operations Increase 33% to \$0.32, including

charges associated with previously announced class action suit--

--Raises Fiscal 2006 Guidance--

NASHVILLE, Tenn., May 26 /PRNewswire-FirstCall/ -- Genesco Inc. (NYSE: GCO) today reported earnings before discontinued operations of \$8.2 million, or \$0.32 per diluted share, for the first quarter ended April 30, 2005. This compares with earnings before discontinued operations of \$5.8 million, or \$0.24 per diluted share, for the first quarter last year. These results include previously announced charges of \$1.6 million, or \$0.06 per diluted share after taxes, associated with the anticipated settlement of a previously disclosed class action suit. Net sales for the first quarter of fiscal 2006 increased 27% to \$286 million compared to \$226 million for the first quarter of fiscal 2005.

Genesco Chairman, President and Chief Executive Officer Hal N. Pennington, said, "Our results for the quarter, which significantly exceeded plan, were fueled by better than expected performances at Journeys, Hat World, Underground Station and Johnston & Murphy. Sales, margins, and cash flow were strong, and we ended the quarter with a good inventory position. We look forward to building on our momentum in the marketplace.

"Journeys' same store sales increased 7%, footwear unit comparable sales rose 11%, and gross margins came in above plan. Journeys generated meaningful leverage on the strong sales as operating margin improved 270 basis points to 10.7%. Our stores are focused and our merchandise selection is reflective of what is currently happening in the marketplace, helping us sustain the favorable same store sales trend.

"Once again, Hat World performed well during the quarter. Total sales increased to \$62 million and same store sales increased 7%, against a 23% comp gain for the same period last year. These strong results and our continued success with multiple stores within malls, street locations and tourist destinations increase our confidence in Hat World's expansion potential. Hat World's operating margins and aggressive growth plans give it the potential to make a significant contribution to our long-term sales and earnings growth objectives.

"Total sales for the Underground Station Group were up 13% to approximately \$40 million during the quarter, comparable store sales rose 9% and operating margin increased 120 basis points to 5.8% due to improved gross margin and increased expense leverage. Same store sales for the Underground Station stores increased 11%, driven by continued increases in average selling prices and a 6% gain in footwear unit comps. We believe the early success of our new Underground Station store in Brooklyn, New York, which shares a location with a Lids store, demonstrates the potential for dual concept stores to contribute to Genesco's retail growth. Our momentum remains positive and we are committed to fully capitalizing on Underground Station's unique position in the marketplace.

"Johnston & Murphy registered another strong quarter as total sales grew to roughly \$42 million, same store sales rose 3% and wholesale sales increased 9%. We believe that Johnston & Murphy's updated image, reflected in its new logo, packaging, website, catalog and print ads will help to attract new customers and drive incremental sales. We remain encouraged about Johnston & Murphy's prospects as it moves forward with great product, innovative marketing and clean inventories.

"Dockers Footwear sales were impacted by internal and external issues during the quarter. We are working hard to improve our market position and we remain confident that Dockers' brand value-equation continues to occupy an important space in the mind of our consumer."

Genesco also stated that it is revising upward its fiscal 2006 guidance. The Company now expects sales for the year to range between \$1.27 billion and \$1.28 billion and earnings per share to range from \$2.21 to \$2.24, including the previously announced charges of approximately \$0.06 per share associated with the anticipated class action settlement.

Pennington concluded, "These excellent results, which come on the heels of a strong fourth quarter, are a great way to start the new fiscal year. We continue to see the positive results of all of our hard work and we remain committed to effectively executing our strategic plan, aimed at driving long-term growth and increasing shareholder value."

This release contains forward-looking statements, including those regarding the Company's sales and earnings outlook, the anticipated class action settlement 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, including 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 the timing of holidays or in the onset of seasonal weather affecting period to period sales comparisons, changes in buying patterns by significant wholesale customers, disruptions in product availability or distribution, 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 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. The Company disclaims any obligation to update such statements.

The Company's live conference call on May 26, 2005, at 7:30 a.m. (Central time) may be accessed through the Company's internet website, <http://www.genesco.com>. 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 1,600 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, Head Quarters and Cap Connection, and on internet websites <http://www.journeys.com> , <http://www.journeyskidz.com> , <http://www.undergroundstation.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	
	April 30, 2005	May 1, 2004
Net sales	\$286,085	\$225,526
Cost of sales	139,532	114,848
Selling and administrative expenses	127,697	99,338
Restructuring and other, net	2,867	68
Earnings from operations before interest	15,989	11,272
Interest expense, net	2,704	1,882
Earnings before income taxes from continuing operations	13,285	9,390
Income tax expense	5,131	3,584
Earnings from continuing operations	8,154	5,806
Excess provision for discontinued operations, net	65	-
Net Earnings	\$8,219	\$5,806

Earnings Per Share Information

In Thousands (except per share amounts)	Three Months Ended	
	April 30, 2005	May 1, 2004
Preferred dividend requirements	\$73	\$73
Average common shares - Basic EPS	22,525	21,763
Basic earnings per share:		
Before discontinued operations	\$0.36	\$0.26
Net earnings	\$0.36	\$0.26
Average common and common equivalent shares - Diluted EPS	26,898	26,126
Diluted earnings per share:		
Before discontinued operations	\$0.32	\$0.24
Net earnings	\$0.33	\$0.24

GENESCO INC.

Consolidated Earnings Summary

In Thousands	Three Months Ended	
	April 30, 2005	May 1, 2004
Sales:		
Journeys	\$128,844	\$114,241
Underground Station Group	39,836	35,129
Hat World	62,147	18,085
Johnston & Murphy	41,508	40,541
Licensed Brands	13,692	17,480
Corporate and Other	58	50
Net Sales	\$286,085	\$225,526

Pretax Earnings (Loss):		
Journeys	\$13,768	\$9,163
Underground Station Group	2,298	1,625
Hat World	5,482	1,551
Johnston & Murphy	2,407	2,385
Licensed Brands	746	1,744
Corporate and Other*	(8,712)	(5,196)
Operating income	15,989	11,272
Interest, net	2,704	1,882
 Total Pretax Earnings	 13,285	 9,390
 Income tax expense	 5,131	 3,584
 Earnings from continuing operations	 8,154	 5,806
 Excess provision for discontinued operations, net	 65	 -
 Net Earnings	 \$8,219	 \$5,806

*Includes \$2.9 million of other charges in the first quarter of Fiscal 2006, including \$2.6 million for a litigation settlement and the remaining \$0.3 million for asset impairment and lease terminations. Includes \$0.1 million of other charges in the first quarter of Fiscal 2005 for lease terminations.

GENESCO INC.

Consolidated Balance Sheet

In Thousands	April 30, 2005	May 1, 2004
Assets		
Cash and cash equivalents	\$62,377	\$11,536
Accounts receivable	17,514	13,465
Inventories	217,086	215,190
Other current assets	20,885	20,615
Total current assets	317,862	260,806
Property and equipment	170,802	162,912
Other non-current assets	160,923	165,195
Total Assets	\$649,587	\$588,913
Liabilities and Shareholders' Equity		
Accounts payable	\$81,828	\$67,207
Current portion - long-term debt	-	10,000
Other current liabilities	52,824	42,407
Total current liabilities	134,652	119,614
Long-term debt	161,250	180,250
Other long-term liabilities	68,790	70,334
Shareholders' equity	284,895	218,715
Total Liabilities and Shareholders' Equity	\$649,587	\$588,913

GENESCO INC.

Retail Units Operated - Three Months Ended April 30, 2005

	Balance Acquisi-				Balance				Balance 04/30/05
	01/31/04	tions	Open	Conv	Close	01/29/05	Open	Conv	
Journeys									
Group	665	37	0	7	695	9	0	3	701
Journeys	625	35	0	6	654	8	0	2	660

Journeys										
Kidz	40		2	0	1	41	1	0	1	41
Underground										
Station Group	233		21	0	25	229	2	0	4	227
Underground										
Station	137		21	12	5	165	2	1	2	166
Jarman										
Retail	96		0	(12)	20	64	0	(1)	2	61
Hat World	0	503	55	0	6	552	16	0	0	568
Johnston &										
Murphy	148		7	0	13	142	1	0	0	143
Shops	115		3	0	11	107	1	0	0	108
Factory										
Outlets	33		4	0	2	35	0	0	0	35
Total Retail										
Units	1,046	503	120	0	51	1,618	28	0	7	1,639

Constant Store Sales

	Three Months Ended	
	April 30, 2005	May 1, 2004
Journeys	7%	9%
Underground Station Group	9%	-3%
Underground Station	11%	-2%
Jarman Retail	4%	-4%
Johnston & Murphy	3%	8%
Shops	3%	6%
Factory Outlets	3%	14%
Total Constant Store Sales	7%	6%
Hat World		
April 1, 2004 - May 1, 2004	7%	20%

SOURCE Genesco Inc.

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

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

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

<http://www.journeys.com>

<http://www.journeyskidz.com>

<http://www.undergroundstation.com>

<http://www.johnstonmurphy.com>

<http://www.lids.com>

<http://www.hatworld.com>

<http://www.lidscyo.com> /

(GCO)

CO: Genesco Inc.

ST: Tennessee

IN: TEX REA

SU: ERN ERP CCA MAV

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