[LOGO OMITTED]

(Mark One) FORM 10-Q

[X] Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934 For Quarter Ended July 31, 1999

[ ] Transition Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

Securities and Exchange Commission
Washington, D.C. 20549
Commission File No. 1-3083

GENESCO INC.
A Tennessee Corporation
I.R.S. No. 62-0211340
Genesco Park
1415 Murfreesboro Road
Nashville, Tennessee 37217-2895
Telephone 615/367-7000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports with the commission) and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Common Shares Outstanding September 3, 1999 - 21,769,379

INDEX

PART I - FINANCIAL INFORMATION

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Balance Sheet
In Thousands

	JULY 31, 1999	JANUARY 30, 1999	AUGUST 1, 1998
ASSETS			
CURRENT ASSETS			
Cash and short-term investments	$ 49,079	$ 58,743	$ 53,249
Accounts receivable	22,132	26,258	27,112
Inventories	119,219	117,213	126,421
Deferred income taxes	14,541	19,327	-0-
Other current assets	5,868	6,719	5,393
Total current assets	210,839	228,260	212,175
Plant, equipment and capital leases, net	62,544	58,387	53,754
Deferred income taxes	10,370	10,370	-0-
Other noncurrent assets	8,826	10,181	9,874
TOTAL ASSETS	$ 292,579	$ 307,198	$ 275,803
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	$ 73,778	$ 70,606	$ 68,970
Provision for discontinued operations	2,264	1,876	2,969
Total current liabilities	76,042	72,482	71,939
Long-term debt	103,500	103,500	103,500
Other long-term liabilities	6,463	6,446	12,059
Provision for discontinued operations	7,148	8,191	9,323
Total liabilities	193,153	190,619	196,821
Contingent liabilities (see Note 8)			
SHAREHOLDERS' EQUITY			
Non-redeemable preferred stock	7,890	7,918	7,951
Common shareholders' equity:			
Common stock, $1 par value:			
Authorized: 80,000,000 shares			
Issued: July 31, 1999 - 22,257,743;			
January 30, 1999 - 24,327,109;			
August 1, 1998 - 26,545,414	22,258	24,327	26,545
Additional paid-in capital	102,947	126,095	133,613
Accumulated deficit	(15,812)	(23,904)	(70,120)
Accumulated other comprehensive income	-0-	-0-	(1,150)
Treasury shares, at cost	(17,857)	(17,857)	(17,857)
Total shareholders' equity	99,426	116,579	78,982
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 292,579	$ 307,198	$ 275,803

The accompanying Notes are an integral part of these Financial Statements.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Earnings
In Thousands

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JULY 31, 1999	AUGUST 1, 1998	JULY 31, 1999	AUGUST 1, 1998
Net sales	$ 125,903	$ 132,049	$ 254,559	$ 265,857
Cost of sales	69,392	74,298	140,533	150,285
Selling and administrative expenses	48,159	51,951	97,528	104,181
Restructuring income and other charges, net	-0-	(2,403)	-0-	(2,403)
Earnings from operations before interest	8,352	8,203	16,498	13,794
Interest expense	2,041	2,180	4,037	5,069
Interest income	(580)	(636)	(1,241)	(1,441)
Total interest expense, net	1,461	1,544	2,796	3,628
Earnings before income taxes and extraordinary loss	6,891	6,659	13,702	10,166
Income taxes (benefit)	2,715	34	5,459	(247)
Earnings before extraordinary loss	4,176	6,625	8,243	10,413
Extraordinary loss from early retirement of debt	-0-	(3,651)	-0-	(3,651)
NET EARNINGS	$ 4,176	$ 2,974	$ 8,243	$ 6,762
Basic earnings per common share:				
Before extraordinary loss	$ .18	$ .25	$ .35	$ .40
Extraordinary loss	$ .00	$ (.14)	$ .00	$ (.15)
Net earnings	$ .18	$ .11	$ .35	$ .25
Diluted earnings per common share:				
Before extraordinary loss	$ .17	$ .24	$ .33	$ .37
Extraordinary loss	$ .00	$ (.13)	$ .00	$ (.13)
Net Earnings	$ .17	$ .11	$ .33	$ .24

The accompanying Notes are an integral part of these Financial Statements.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Cash Flows
In Thousands

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JULY 31, 1999	AUGUST 1, 1998	JULY 31, 1999	AUGUST 1, 1998
OPERATIONS:				
Net earnings	$ 4,176	$ 2,974	$ 8,243	$ 6,762
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	2,438	2,722	4,878	5,107
Provision for deferred income taxes	2,446	-0-	4,786	-0-
Provision for losses on accounts receivable	96	(407)	168	147
Loss on retirement of debt	-0-	3,651	-0-	3,651
Restructuring charge (credit)	-0-	(2,403)	-0-	(2,403)
Other	438	178	627	441
Effect on cash of changes in working capital and other assets and liabilities:				
Accounts receivable	2,105	(2,602)	2,422	(3,367)
Inventories	(14,607)	(14,943)	(9,686)	(21,492)
Other current assets	(377)	83	850	413
Accounts payable and accrued liabilities	17,005	7,613	3,411	(3,411)
Other assets and liabilities	80	(258)	247	(3,100)
Net cash provided by (used in) operations	13,800	(3,392)	15,946	(17,252)
INVESTING ACTIVITIES:				
Capital expenditures	(5,471)	(6,519)	(10,216)	(14,003)
Proceeds from businesses divested and asset sales	91	13,926	10,055	13,926
Net cash provided by (used in) investing activities	(5,380)	7,407	(161)	(77)
FINANCING ACTIVITIES:				
Payments of long-term debt	-0-	(77,220)	-0-	(77,220)
Payments on capital leases	(1)	(70)	(1)	(217)
Dividends paid	(75)	(1,426)	(150)	(1,426)
Long-term borrowings	-0-	-0-	-0-	103,500
Stock repurchase	(15,525)	-0-	(28,264)	-0-
Exercise of stock options and related income tax benefits	549	614	2,966	1,634
Deferred note expense	-0-	(440)	-0-	(3,914)
Other	-0-	74	-0-	(1,055)
Net cash provided by (used in) financing activities	(15,052)	(78,468)	(25,449)	21,302
NET CASH FLOW	(6,632)	(74,453)	(9,664)	3,973
Cash and short-term investments at beginning of period	55,711	127,702	58,743	49,276
CASH AND SHORT-TERM INVESTMENTS AT END OF PERIOD	$ 49,079	$ 53,249	$ 49,079	$ 53,249
SUPPLEMENTAL CASH FLOW INFORMATION:				
Net cash paid (received) for:				
Interest	$ 438	$ 2,528	$ 3,598	$ 7,062
Income taxes	1,577	76	1,652	(101)

The accompanying Notes are an integral part of these Financial Statements.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Shareholders' Equity
In Thousands

	Total Non-Redeemable Preferred Stock	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated (Deficit)	Accumulated Other Comprehensive Income
BALANCE JANUARY 31, 1998	$ 7,945	$ 26,264	$ 132,218	$ (17,857)	$ (75,456)	$ (1,150)
Net earnings	-0-	-0-	-0-	-0-	53,128	-0-
Dividends paid	-0-	-0-	-0-	-0-	(1,576)	-0-
Exercise of options	-0-	230	845	-0-	-0-	-0-
Issue shares - restricted stock options	-0-	67	533	-0-	-0-	-0-
Issue shares - Employee Stock Purchase Plan	-0-	107	387	-0-	-0-	-0-
Tax effect of exercise of stock options	-0-	-0-	1,887	-0-	-0-	-0-
Stock repurchases	-0-	(2,343)	(9,889)	-0-	-0-	-0-
Minimum pension liability adjustment	-0-	-0-	-0-	-0-	-0-	1,150
Other	(27)	2	114	-0-	-0-	-0-
Comprehensive Income						
BALANCE JANUARY 30, 1999	$ 7,918	$ 24,327	$ 126,095	$ (17,857)	$ (23,904)	$ -0-
Net earnings	-0-	-0-	-0-	-0-	8,243	-0-
Dividends paid	-0-	-0-	-0-	-0-	(151)	-0-
Exercise of options	-0-	376	2,334	-0-	-0-	-0-
Tax effect of exercise of stock options	-0-	-0-	256	-0-	-0-	-0-
Stock repurchases	-0-	(2,457)	(25,807)	-0-	-0-	-0-
Other	(28)	12	69	-0-	-0-	-0-
Comprehensive Income						
BALANCE JULY 31, 1999	$ 7,890	$ 22,258	$ 102,947	$ (17,857)	$ (15,812)	$ -0-

	Comprehensive Income	Total Share-holders' Equity
BALANCE JANUARY 31, 1998		$ 71,964
Net earnings	53,128	53,128
Dividends paid	-0-	(1,576)
Exercise of options	-0-	1,075
Issue shares - restricted stock options	-0-	600
Issue shares - Employee Stock Purchase Plan	-0-	494
Tax effect of exercise of stock options	-0-	1,887
Stock repurchases	-0-	(12,232)
Minimum pension liability adjustment	1,150	1,150
Other	-0-	89
Comprehensive Income	$54,278	
BALANCE JANUARY 30, 1999		$ 116,579
Net earnings	8,243	8,243
Dividends paid	-0-	(151)
Exercise of options	-0-	2,710
Tax effect of exercise of stock options	-0-	256
Stock repurchases	-0-	(28,264)
Other	-0-	53
Comprehensive Income	$ 8,243	
BALANCE JULY 31, 1999		$ 99,426

The accompanying Notes are an integral part of these Financial Statements.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTERIM STATEMENTS
The consolidated financial statements contained in this report are unaudited but reflect all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the results for the interim periods of the fiscal year ending January 29, 2000 ("Fiscal 2000") and of the fiscal year ended January 30, 1999 ("Fiscal 1999"). The results of operations for any interim period are not necessarily indicative of results for the full year. The financial statements should be read in conjunction with the financial statements and notes thereto included in the annual report on Form 10-K.

NATURE OF OPERATIONS
The Company's businesses include the manufacture or sourcing, marketing and distribution of footwear principally under the Johnston & Murphy, Dockers and Nautica brands, the tanning and distribution of leather by the Volunteer Leather division and the operation at July 31, 1999 of 635 Jarman, Journeys, Johnston & Murphy, General Shoe Warehouse, Underground Station, Stone & Co. and Nautica retail footwear stores and leased departments. Because of the acquisition of Mercantile by Dillards Inc., the Company ended its operation of the Jarman leased departments. The Company transferred the remaining Jarman lease departments to Dillards Inc. and Saks Inc. during the first quarter ended May 1, 1999. The Jarman leased departments' business contributed sales of approximately $13.9 million for the second quarter of Fiscal 1999 and sales of $1.2 million and $25.3 million for the first six months of Fiscal 2000 and 1999, respectively. The Jarman leased departments' business contributed operating earnings of $0.2 million for the second quarter of Fiscal 1999 and operating income (loss) of $(0.3) million and $0.5 million for the first six months of Fiscal 2000 and 1999, respectively.

BASIS OF PRESENTATION
All subsidiaries are included in the consolidated financial statements. All significant intercompany transactions and accounts have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FINANCIAL STATEMENT RECLASSIFICATIONS
Certain reclassifications have been made to conform prior years' data to the current presentation.

CASH AND SHORT-TERM INVESTMENTS
Included in cash and short-term investments at January 30, 1999 and July 31, 1999, are short-term investments of $53.5 million and $43.2 million, respectively. Short-term investments are highly-liquid debt instruments having an original maturity of three months or less.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

INVENTORIES
Inventories of wholesaling and manufacturing companies are stated at the lower of cost or market, with cost determined principally by the first-in, first-out method. Retail inventories are determined by the retail method.

PLANT, EQUIPMENT AND CAPITAL LEASES
Plant, equipment and capital leases are recorded at cost and depreciated or amortized over the estimated useful life of related assets. Depreciation and amortization expense are computed principally by the straight-line method over estimated useful lives:

Buildings and building equipment	20-45 years
Machinery, furniture and fixtures	3-15 years

Leasehold improvements and properties under capital leases are amortized on the straight-line method over the shorter of their useful lives or their related lease terms.

IMPAIRMENT OF LONG-TERM ASSETS
The Company periodically assesses the realizability of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Asset impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than carrying amount.

HEDGING CONTRACTS
In order to reduce exposure to foreign currency exchange rate fluctuations in connection with inventory purchase commitments, the Company enters into foreign currency forward exchange contracts for Italian lira and Euro. At January 30, 1999 and July 31, 1999, the Company had approximately $21.2 million and $30.0 million, respectively, of such contracts outstanding. Forward exchange contracts have an average term of approximately four months. Gains and losses arising from these contracts offset gains and losses from the underlying hedged transactions. The Company monitors the credit quality of the major national and regional financial institutions with whom it enters into such contracts.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

POSTRETIREMENT BENEFITS
Substantially all full-time employees are covered by a defined benefit pension plan. The Company also provides certain former employees with limited medical and life insurance benefits. The Company funds at least the minimum amount required by the Employee Retirement Income Security Act.

REVENUE RECOGNITION
Retail sales are recorded net of actual returns, and exclude all taxes, while wholesale revenue is recorded net of estimated returns when the related goods have been shipped and legal title has passed to the customer.

PREOPENING COSTS
Costs associated with the opening of new stores are expensed as incurred.

ADVERTISING COSTS
Advertising costs are expensed as incurred. Advertising costs were $9.4 million and $10.0 million for the first six months of Fiscal 2000 and 1999, respectively.

ENVIRONMENTAL COSTS
Environmental expenditures relating to current operations are expensed or capitalized as appropriate. Expenditures relating to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated and are evaluated independently of any future claims for recovery. Generally, the timing of these accruals coincides with completion of a feasibility study or the Company's commitment to a formal plan of action. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

INCOME TAXES
Deferred income taxes are provided for all temporary differences and operating loss and tax credit carryforwards limited, in the case of deferred tax assets, to the amount the Company believes is more likely than not to be realized in the foreseeable future.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

EARNINGS PER COMMON SHARE
Basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities to issue common stock were exercised or converted to common stock. (see Note 7).

COMPREHENSIVE INCOME
The Company implemented Statement of Financial Accounting Standards (SFAS) 130, "Reporting Comprehensive Income" in the first quarter of Fiscal 1999. This statement establishes standards for reporting and display of comprehensive income. SFAS 130 requires the minimum pension liability adjustment to be included in other comprehensive income.

BUSINESS SEGMENTS
The Company implemented Statement of Financial Accounting Standards (SFAS) 131, "Disclosures about Segments of an Enterprise and Related Information" in the fourth quarter of Fiscal 1999. The standard requires that companies disclose "operating segments" based on the way management disaggregates the company for making internal operating decisions. (see Note 9).

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 2
RESTRUCTURINGS

Workforce Reduction
In connection with the divestiture of the western boot business and the substantial completion of the exiting of the Jarman leased department business, the Company reviewed the structure and level of staffing in all of its operations. Upon completion of the review, the Company recorded a $1.3 million charge to earnings, included in selling and administrative expenses, during the fourth quarter of Fiscal 1999 for a workforce reduction of 66 positions, of which 58 positions were eliminated by July 31, 1999. Twenty-six of the positions eliminated related to the Jarman Lease division, with the remainder being primarily employed at corporate headquarters.

Fiscal 1998 Restructuring
As a result of the continued weakness in the western boot market, the Company approved a plan (the "Boot Divestiture") in the fourth quarter of Fiscal 1998 to exit the western boot business. In connection with the Boot Divestiture, the Company recorded a charge to earnings of $17.3 million in the fourth quarter of Fiscal 1998, including $11.3 million in asset writedowns. The carrying value of the assets held for sale was reduced to fair value based on estimated selling values less estimated costs to sell. The charges related to the Boot Divestiture also included $3.2 million in employee-related costs and $2.8 million of facility shutdown and other costs. On June 12, 1998, the Company and Texas Boot, Inc. entered into an agreement providing for the purchase by Texas Boot, Inc. of most of the assets related to the western boot business, including the Company's 26 store Boot Factory retail chain, which the Company had not planned to include in the Boot Divestiture. The Company completed the sale of its western boot business to Texas Boot, Inc. on July 14, 1998. Net sales of the Company's western boot business were $5.8 million and the operating loss was $0.6 million for the second quarter ended August 1, 1998. Net sales of the Company's western boot business were $16.6 million and the operating loss was $1.5 million for the six months ended August 1, 1998.

The Company's actions relating to the Boot Divestiture resulted in the elimination of 622 jobs, including all positions related to the western boot business and the Boot Factory retail chain.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 3
ACCOUNTS RECEIVABLE

IN THOUSANDS	JULY 31, 1999	JANUARY 30, 1999
Trade accounts receivable	$ 23,280	$ 23,106
Miscellaneous receivables	1,701	5,430
Total receivables	24,981	28,536
Allowance for bad debts	(1,109)	(1,075)
Other allowances	(1,740)	(1,203)
NET ACCOUNTS RECEIVABLE	$ 22,132	$ 26,258

The Company's footwear wholesaling business sells primarily to independent retailers and department stores across the United States. Receivables arising from these sales are not collateralized. Credit risk is affected by conditions or occurrences within the economy and the retail industry. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information. Two customers each accounted for 14% of the Company's trade receivables balance as of July 31, 1999 and no other customer accounted for more than 8% of the Company's trade receivables balance as of July 31, 1999.

NOTE 4
INVENTORIES

IN THOUSANDS	JULY 31, 1999	JANUARY 30, 1999
Raw materials	$ 2,647	$ 2,969
Work in process	2,061	2,077
Finished goods	27,326	33,949
Retail merchandise	87,185	78,218
TOTAL INVENTORIES	$119,219	$ 117,213

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 5
PLANT, EQUIPMENT AND CAPITAL LEASES, NET

IN THOUSANDS	JULY 31, 1999	JANUARY 30, 1999
Plant and equipment:		
Land	$ 263	$ 263
Buildings and building equipment	2,726	2,729
Machinery, furniture and fixtures	42,534	39,587
Construction in progress	9,055	8,819
Improvements to leased property	56,909	56,790
Capital leases:		
Buildings	485	200
Machinery, furniture and fixtures	3,515	4,026
Plant, equipment and capital leases, at cost	115,487	112,414
Accumulated depreciation and amortization:		
Plant and equipment	(49,122)	(49,993)
Capital leases	(3,821)	(4,034)
NET PLANT, EQUIPMENT AND CAPITAL LEASES	$ 62,544	$ 58,387

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 6
PROVISION FOR DISCONTINUED OPERATIONS AND RESTRUCTURING RESERVES

PROVISION FOR DISCONTINUED OPERATIONS

IN THOUSANDS	EMPLOYEE RELATED COSTS*	OTHER	TOTAL
Balance January 30, 1999	$ 9,693	$ 374	$ 10,067
Charges and adjustments, net	(496)	(159)	(655)
Balance July 31, 1999	9,197	215	9,412
Current portion	2,049	215	2,264
TOTAL NONCURRENT PROVISION FOR DISCONTINUED OPERATIONS	$ 7,148	$ -0-	$ 7,148

*Union pension withdrawal liability.

Restructuring Reserves

IN THOUSANDS	EMPLOYEE RELATED COSTS	FACILITY SHUTDOWN COSTS	OTHER	TOTAL
Balance January 30, 1999	$ 268	$ 955	$ 985	$ 2,208
Charges and adjustments, net	(24)	(153)	(142)	(319)
Balance July 31, 1999	244	802	843	1,889
Current portion (included in accounts payable and accrued liabilities)	244	683	843	1,770
TOTAL NONCURRENT RESTRUCTURING RESERVES (INCLUDED IN OTHER LONG-TERM LIABILITIES)	$ -0-	$ 119	$ -0-	$ 119

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 7
EARNINGS PER SHARE

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	FOR THE THREE MONTHS ENDED JULY 31, 1999 INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT	FOR THE THREE MONTHS ENDED AUGUST 1, 1998 INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT
Earnings before extraordinary loss	$ 4,176			$ 6,625		
Less: Preferred stock dividends	(75)			(75)		
BASIC EPS						
Income available to common shareholders	4,101	22,428	$ .18	6,550	26,034	$ .25
EFFECT OF DILUTIVE SECURITIES						
Options		1,200			1,363	
Contingent Options(1)		-0-			67	
Employees' Preferred Stock(2)		73			80	
DILUTED EPS						
Income available to common shareholders plus assumed conversions	$ 4,101	23,701	$ .17	$ 6,550	27,544	$ .24

(1) These options are contingent upon service to the Company and the Company's common stock trading at various prices.

(2) The Company's Employees' Subordinated Convertible Preferred Stock is convertible one for one to the Company's common stock. Because there are no dividends paid on this stock, these shares are assumed to be converted.

The amount of the dividend on the convertible preferred stock per common share obtainable on conversion of the convertible preferred stock is higher than basic earnings per share for the period. Therefore, conversion of the convertible preferred stock is not reflected in diluted earnings per share, because it would have been antidilutive. The shares convertible to common stock for Series 1, 3 and 4 preferred stock would have been 30,816, 40,869 and 24,946, respectively.

The amount of the interest on the convertible subordinated notes (net of tax) for the period per common share obtainable on conversion is higher than basic earnings per share, therefore the convertible debt is not reflected in diluted earnings per share because it is antidilutive.

The weighted shares outstanding reflects the effect of the stock buy back program of up to 5.8 million shares announced by the Company in August 1998, January 1999 and August 1999. The Company has repurchased 4.8 million shares as of July 31, 1999.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 7
EARNINGS PER SHARE, CONTINUED

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	FOR THE SIX MONTHS ENDED JULY 31, 1999 INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT	FOR THE SIX MONTHS ENDED AUGUST 1, 1998 INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT
Earnings before extraordinary loss	$ 8,243			$ 10,413		
Less: Preferred stock dividends	(150)			(150)		
BASIC EPS						
Income available to common shareholders	8,093	23,011	$ .35	10,263	25,975	$ .40
EFFECT OF DILUTIVE SECURITIES						
Options		1,081			1,426	
Contingent Options(1)		-0-			67	
Employees' Preferred Stock(2)		73			80	
DILUTED EPS						
Income available to common shareholders plus assumed conversions	$ 8,093	24,165	$ .33	$ 10,263	27,548	$ .37

(1) These options are contingent upon service to the Company and the Company's common stock trading at various prices.

(2) The Company's Employees' Subordinated Convertible Preferred Stock is convertible one for one to the Company's common stock. Because there are no dividends paid on this stock, these shares are assumed to be converted.

The amount of the dividend on the convertible preferred stock per common share obtainable on conversion of the convertible preferred stock is higher than basic earnings per share for the period. Therefore, conversion of the convertible preferred stock is not reflected in diluted earnings per share, because it would have been antidilutive. The shares convertible to common stock for Series 1, 3 and 4 preferred stock would have been 30,816, 40,869 and 24,946, respectively.

The amount of the interest on the convertible subordinated notes (net of tax) for the period per common share obtainable on conversion is higher than basic earnings per share, therefore the convertible debt is not reflected in diluted earnings per share because it is antidilutive.

The weighted shares outstanding reflects the effect of the stock buy back program of up to 5.8 million shares announced by the Company in August 1998, January 1999 and August 1999. The Company has repurchased 4.8 million shares as of July 31, 1999.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 8
LEGAL PROCEEDINGS

New York State Environmental Proceedings
The Company is a defendant in a civil action filed by the State of New York against the City of Gloversville, New York, and 33 other private defendants. The action arose out of the alleged disposal of certain hazardous material directly or indirectly into a municipal landfill and seeks recovery under a federal environmental statute and certain common law theories for the costs of investigating and performing remedial actions and damage to natural resources. The environmental authorities have selected a plan of remediation for the site with a total estimated cost of approximately $12.0 million. The Company has filed an answer to the complaint denying liability and asserting numerous defenses. The Company, along with other defendants, and the State of New York are participating in non-binding mediation in an attempt to agree upon an allocation of the remediation costs. Because of uncertainties related to the ability or willingness of the other defendants to pay a portion of remediation costs, the availability of New York State funding to pay a portion of remediaton costs and insurance coverage available to the various defendants, the applicability of joint and several liability and the basis for contribution claims among the defendants, management is unable to predict the outcome of the action. However, management does not presently expect the action to have a material effect on the Company's financial condition or results of operations.

The Company has received notice from the New York State Department of Environmental Conservation (the "Department") that it deems remedial action to be necessary with respect to certain contaminants in the vicinity of a knitting mill operated by a former subsidiary of the Company from 1965 to 1969, and that it considers the Company a potentially responsible party. In August 1997, the Department and the Company entered into a consent order whereby the Company assumed responsibility for conducting a remedial investigation and feasibility study ("RIFS") and implementing an interim remediation measure with regard to the site, without admitting liability or accepting responsibility for any future remediation of the site. In conjunction with the consent order, the company entered into an agreement with the owner of the site providing for a release from liability for property damage and for necessary access to the site, for payments totaling $400,000. The Company estimates that the cost of conducting the RIFS and implementing the interim remedial measure will be in the range of $1.6 million to $2.0 million. The Company believes that it has adequately reserved for the costs of conducting the RIFS and implementing the interim remedial measure contemplated by the consent order, but there is no assurance that the consent order will ultimately resolve the matter. The Company has not ascertained what responsibility, if any, it has for any contamination in connection with the facility or what other parties may be liable in that connection and is unable to predict whether its liability, if any, beyond that voluntarily assumed by the consent order will have a material effect on its financial condition or results of operations.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 8
LEGAL PROCEEDINGS, CONTINUED

Whitehall Environmental Sampling
Pursuant to a work plan approved by the Michigan Department of Environmental Quality ("MDEQ") the Company has performed sampling and analysis of soil, sediments, surface water, groundwater and waste management areas at the Company's Volunteer Leather Company facility in Whitehall, Michigan. On June 29, 1999, the Company submitted a final remedial action plan for the site to MDEQ. The plan proposes no action with respect to soils at the site, which are in compliance with applicable regulatory standards, or lake sediments, which the Company believes do not pose a threat to human health or the environment and do not violate any applicable regulatory standard. The Company, with the approval of MDEQ, previously installed horizontal wells to capture groundwater from a portion of the site and treat it by air sparging. The remedial action plan proposes continued operation of this system for an indefinite period and monitoring of groundwater samples to ensure that the system is functioning as intended. The remedial action plan is subject to MDEQ approval. If the plan is approved, the Company does not expect it to have a material impact on its financial condition or results of operations. However, there can be no assurance that the plan will be approved as submitted, and the Company is unable to predict whether any further remediation that may ultimately be required will have a material effect on its financial condition or results of operations.

On June 30, 1999, the City of Whitehall filed an action against the Company in the circuit court for the City of Muskegon under various state environmental statutes and City ordinances, seeking to compel a more extensive cleanup of the site than the remediation plan proposes. The Company has filed an answer denying all the material allegations in the City's complaint, asserting affirmative defenses and including a counterclaim against the city for contribution.

Whitehall Accident
On June 4, 1999, a truck driver employed by a carrier for a chemical vendor died after inhaling a toxic vapor produced when he deposited a chemical compound that he was delivering to the Company's Whitehall, Michigan, leather tannery into a tank containing another chemical solution. Regulatory authorities, including the National Transportation Safety Board and the Michigan Occupational Safety and Health Administration, are investigating the incident. The Company is currently unable to predict the additional effect, if any, of the incident on its financial condition or results of operations.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 9
BUSINESS SEGMENT INFORMATION

The Company has four reportable segments: Specialty Retail Footwear, comprised of Journeys, Jarman, Underground Station, Stone & Co. and General Shoe Warehouse; Branded Footwear, comprised of Johnston & Murphy retail and wholesale, Dockers Footwear and Nautica Footwear; Leather; and Western Boots, which was divested in Fiscal 1999. All the Company's segments, except Leather, sell footwear products at either retail or wholesale. The Leather segment is comprised of Volunteer Leather, a leather tanning and finishing company which sells primarily to military boot manufacturers and other customers.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The Company's reportable segments are based on an organization methodology used by management in order to make operating decisions and assess performance along types of products sold. Specialty Retail Footwear primarily sells branded products from other companies while Branded Footwear primarily sells the Company's owned and licensed brands.

Corporate assets include cash, deferred income taxes, prepaid pension cost and deferred note expense. The Company does not allocate certain costs to each segment in order to make decisions and assess performance. These costs include corporate overhead, restructuring gains and losses, interest expense, interest income, and other charges. Other includes severance and litigation charges and a $2.4 million restructuring gain in Fiscal 1999.

THREE MONTHS ENDED JULY 31, 1999	SPECIALTY RETAIL FOOTWEAR	BRANDED FOOTWEAR	LEATHER	CORPORATE	CONSOLIDATED
Sales	$ 65,275	$ 56,934	$ 5,369	$ -0-	$ 127,578
Intercompany sales	-0-	(1,205)	(470)	-0-	(1,675)
Net sales to external customers	65,275	55,729	4,899	-0-	125,903
Operating income (loss)	5,742	5,606	325	(2,919)	8,754
Interest expense	-0-	-0-	-0-	2,041	2,041
Interest income	-0-	-0-	-0-	580	580
Other	-0-	-0-	-0-	(402)	(402)
Pretax earnings (loss)	5,742	5,606	325	(4,782)	6,891
Total assets	100,210	84,250	8,183	99,936	292,579
Depreciation	1,190	730	114	404	2,438
Capital expenditures	3,549	1,011	11	900	5,471

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 9
BUSINESS SEGMENT INFORMATION, CONTINUED

THREE MONTHS ENDED AUGUST 1, 1998	SPECIALTY RETAIL FOOTWEAR	BRANDED FOOTWEAR	LEATHER	WESTERN BOOT	CORPORATE	CONSOLIDATED
Sales	$ 69,230	$ 55,052	$ 4,110	$ 5,764	$ -0-	$ 134,156
Intercompany sales	-0-	(1,312)	(795)	-0-	-0-	(2,107)
Net sales to external customers	69,230	53,740	3,315	5,764	-0-	132,049
Operating income (loss)	3,247	6,908	(134)	(646)	(2,860)	6,515
Interest expense	-0-	-0-	-0-	-0-	2,180	2,180
Interest income	-0-	-0-	-0-	-0-	636	636
Other	-0-	-0-	-0-	-0-	1,688	1,688
Pretax earnings (loss)	3,247	6,908	(134)	(646)	(2,716)	6,659
Total assets	103,662	86,416	8,733	-0-	76,992	275,803
Depreciation	1,242	705	138	140	497	2,722
Capital expenditures	4,308	881	129	(18)	1,219	6,519

SIX MONTHS ENDED JULY 31, 1999	SPECIALTY RETAIL FOOTWEAR	BRANDED FOOTWEAR	LEATHER	CORPORATE	CONSOLIDATED
Sales	$126,528	$ 120,484	$ 11,205	$ -0-	$ 258,217
Intercompany sales	-0-	(2,641)	(1,017)	-0-	(3,658)
Net sales to external customers	126,528	117,843	10,188	-0-	254,559
Operating income (loss)	9,263	12,431	525	(5,192)	17,027
Interest expense	-0-	-0-	-0-	4,037	4,037
Interest income	-0-	-0-	-0-	1,241	1,241
Other	-0-	-0-	-0-	(529)	(529)
Pretax earnings (loss)	9,263	12,431	525	(8,517)	13,702
Total assets	100,210	84,250	8,183	99,936	292,579
Depreciation	2,419	1,448	229	782	4,878
Capital expenditures	6,396	2,131	20	1,669	10,216

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 9
BUSINESS SEGMENT INFORMATION, CONTINUED

SIX MONTHS ENDED AUGUST 1, 1998	SPECIALTY RETAIL FOOTWEAR	BRANDED FOOTWEAR	LEATHER	WESTERN BOOT	CORPORATE	CONSOLIDATED
Sales	$131,173	$ 112,155	$ 10,731	$ 16,560	$ -0-	$ 270,619
Intercompany sales	-0-	(3,170)	(1,592)	-0-	-0-	(4,762)
Net sales to external customers	131,173	108,985	9,139	16,560	-0-	265,857
Operating income (loss)	7,052	12,484	128	(1,529)	(5,956)	12,179
Interest expense	-0-	-0-	-0-	-0-	5,069	5,069
Interest income	-0-	-0-	-0-	-0-	1,441	1,441
Other	-0-	-0-	-0-	-0-	1,615	1,615
Pretax earnings (loss)	7,052	12,484	128	(1,529)	(7,969)	10,166
Total assets	103,662	86,416	8,733	-0-	76,992	275,803
Depreciation	2,303	1,348	317	336	803	5,107
Capital expenditures	9,716	1,656	157	-0-	2,474	14,003

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Management's Discussion and Analysis
of Financial Condition and Results of Operations

This discussion and the notes to the Consolidated Financial Statements include certain forward-looking statements. Actual results could differ materially from those reflected by the forward-looking statements in this discussion and a number of factors may adversely affect future results, liquidity and capital resources. These factors include changes in consumer demand or tastes that affect sales in the Company's retail stores or sales by its Branded Footwear operations at wholesale, changes in business strategies or directions of the Company's competitors, the Company's ability to open, staff and support additional retail stores on schedule and at acceptable expense levels, the cost and availability of externally sourced products and the acceptance of planned new product offerings and new store concepts. Failure by the Company to successfully complete its plans for addressing the Year 2000 issue, discussed elsewhere in this report, or failures related to the issue by key suppliers of goods or services to the Company or by the customers of the Company could also result in a failure to meet expectations reflected in forward-looking statements. Other factors that could also lead to such a failure to meet expectations reflected in forward looking statements include international trade developments affecting foreign sourcing of products, the outcome of various litigation and environmental contingencies, including those discussed in Note 8 to the Consolidated Financial Statements, the solvency of the wholesale customers of the Company, the ability to deal with changes in markets for the Company's products and the impact of the Year 2000 issue on the economy as a whole. Although the Company believes it has an appropriate business strategy and the resources necessary for its operations, future revenue and margin trends cannot be reliably predicted and the Company may alter its business strategies to address changing conditions.

SIGNIFICANT DEVELOPMENTS

Leased Department Transition

Under an agreement with Mercantile Stores Company, Inc. the Company operated the men's shoe departments in Mercantile department stores through the Company's Jarman Lease division. Because of the acquisition of Mercantile by Dillards Inc., the Company has ended its operation of the leased departments. The Company transferred the remaining Jarman leased departments to Dillards Inc. and Saks Inc. during the first quarter ended May 1, 1999. The Jarman leased departments' business contributed sales of $13.9 million for the second quarter of Fiscal 1999 and sales of $1.2 million and $25.3 million for the first six months of Fiscal 2000 and 1999, respectively. The Jarman leased departments' business contributed operating earnings of $0.2 million for the second quarter of Fiscal 1999 and operating income (loss) of $(0.3) million and $0.5 million for the first six months of Fiscal 2000 and 1999, respectively.

Share Repurchase Program

During the third quarter ended October 31, 1998, the Company authorized the purchase, from time to time, of up to 2.6 million shares of the Company's common stock. During the fourth quarter ended January 30, 1999, the Company authorized an additional 2.2 million shares to be repurchased. As of July 31, 1999, the Company completed the repurchase of 4.8 million shares at a cost of $40.5 million. In August of 1999, the Company authorized the repurchase from time to time of an additional 1.0 million shares. The purchases may be made on the open market or in privately negotiated transactions.

- --

Workforce Reduction

In connection with the divestiture of the western boot business and the substantial completion of the exiting of the Jarman leased department business, the Company reviewed the structure and level of staffing in all of its operations. Upon completion of the review, the Company recorded a $1.3 million charge to earnings, included in selling and administrative expenses, during the fourth quarter of Fiscal 1999 for a workforce reduction of 66 positions, of which 58 positions were eliminated by July 31, 1999. Twenty-six of the positions eliminated related to the Jarman Lease division, with the remainder being primarily employed at corporate headquarters.

5 1/2% Convertible Subordinated Notes

On April 9, 1998, the Company issued $103.5 million of 5 1/2% convertible subordinated notes due April 15, 2005. During the second quarter of Fiscal 1999 the Company used: 1) $79.9 million of the proceeds to repay all of the Company's 10 3/8% senior notes including interest and expenses incurred in connection therewith, resulting in an extraordinary loss of $3.7 million in the second quarter, 2) $1.3 million of the proceeds to pay preferred dividends in arrears because of certain covenants in the indenture relating to the senior notes, and 3) the remaining proceeds for general corporate purposes.

Fiscal 1998 Restructuring

As a result of the continued weakness in the western boot market, the Company approved a plan (the "Boot Divestiture") in the fourth quarter of Fiscal 1998 to exit the western boot business. In connection with the Boot Divestiture, the Company recorded a charge to earnings of $17.3 million in the fourth quarter of Fiscal 1998, including $11.3 million in asset writedowns. The carrying value of the assets held for sale was reduced to fair value based on estimated selling values less estimated costs to sell. The charges related to the Boot Divestiture also included $3.2 million in employee-related costs and $2.8 million of facility shutdown and other costs. On June 12, 1998, the Company and Texas Boot, Inc. entered into an agreement providing for the purchase by Texas Boot, Inc. of most of the assets related to the western boot business, including the Company's 26 store Boot Factory retail chain, which the Company had not planned to include in the Boot Divestiture. The Company completed the sale of its western boot business to Texas Boot, Inc. on July 14, 1998. Net sales of the Company's western boot business were $5.8 million and the operating loss was $0.6 million for the second quarter ended August 1, 1998. Net sales of the Company's western boot business were $16.6 million and the operating loss was $1.5 million for the six months ended August 1, 1998.

The Company's actions relating to the Boot Divestiture resulted in the elimination of 622 jobs, including all positions related to the western boot business and the Boot Factory retail chain.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Management's Discussion and Analysis
of Financial Condition and Results of Operations

RESULTS OF OPERATIONS - SECOND QUARTER FISCAL 2000 COMPARED TO FISCAL 1999

The Company's net sales in the second quarter ended July 31, 1999 decreased 4.7% to $125.9 million from $132.0 million in the second quarter ended August 1, 1998. Excluding sales attributable to the Jarman lease business and the Boot Divestiture from last year, the Company's net sales increased 12.0% to $125.9 million for the second quarter of this year compared to $112.4 million for the second quarter of last year. Gross margin decreased 2.1% to $56.5 million in the second quarter this year from $57.8 million in the same period last year but increased as a percentage of net sales from 43.7% to 44.9%. Selling and administrative expenses in the second quarter this year decreased 7.3% from the second quarter last year and decreased as a percentage of net sales from 39.3% to 38.3%.

Pretax earnings in the second quarter ended July 31, 1999 were $6.9 million compared to $6.7 million for the second quarter ended August 1, 1998. Pretax earnings for the second quarter ended August 1, 1998 included a restructuring gain of $2.4 million.

Net earnings for the second quarter ended July 31, 1999 were $4.2 million ($.17 diluted earnings per share) compared to $3.0 million ($0.11 diluted earnings per share) for the second quarter ended August 1, 1998. The Company had an effective tax rate of 39.4% for the second quarter ended July 31, 1999. Net earnings for the second quarter last year included taxes of $34,000 and an extraordinary loss for the early retirement of debt of $3.7 million.

Specialty Retail Footwear

	Three Months Ended		
	July 31, 1999	August 1, 1998	% Change
	(dollars in thousands)		
Net sales	$65,275	$69,230	(5.7)%
Operating income	$ 5,742	$ 3,247	76.8%
Operating margin	8.8%	4.7%	

Primarily due to exiting the Jarman lease business, net sales from Specialty Retail Footwear operations decreased 5.7% for the second quarter ended July 31, 1999 compared to the same period last year. Excluding sales attributable to the Jarman lease business from both periods, Specialty Retail Footwear net sales increased 18.0% for the second quarter of this year compared to the second quarter of last year, primarily due to a 6% increase in comparable store sales and a 14% increase in average ongoing Specialty Retail Footwear stores operated. Excluding the Jarman lease business, the average price per pair of shoes increased 8% and unit sales increased 4% for the second quarter of Fiscal 2000.

The Company's comparable store sales and store count for Specialty Retail Footwear at the end of the periods were as follows:

	Comparable Sales Changes	Store Count July 31, 1999	Store Count August 1, 1998
Journeys	7%	287	232
Jarman Retail	6%	158(1)	166(2)
Jarman Lease	--	-0-	103
General Shoe Warehouse	-9%	15	13
Total Specialty Retail Footwear	6%	460	514

- --------------------
(1) Includes seventeen Underground Station stores and one Stone & Co. store.
(2) Includes eleven Underground Station stores.

Specialty Retail Footwear operating income for the second quarter ended July 31, 1999 increased 76.8% to $5.7 million compared to $3.2 million for the same period last year. The increase was due primarily to increased sales, increased gross margin as percentage of sales and decreased expenses as a percentage of sales from the ongoing Specialty Retail Footwear businesses. The Jarman lease business had earnings of $0.2 million for the second quarter ended August 1, 1998.

Branded Footwear

	Three Months Ended July 31, 1999	Three Months Ended August 1, 1998	% Change
	(dollars in thousands)		
Net sales	$55,729	$53,740	3.7%
Operating income................	$ 5,606	$ 6,908	(18.8)%
Operating margin	10.1%	12.9%	

Branded Footwear net sales increased 3.7% to $55.7 million for the second quarter ended July 31, 1999 from $53.7 million for the second quarter ended August 1, 1998, reflecting primarily a 3% increase in comparable store sales for Johnston & Murphy Retail. The store count for Branded Footwear retail operations at the end of the second quarter this year included 138 Johnston & Murphy stores and factory stores and 37 Nautica Retail leased departments compared to 127 Johnston & Murphy stores and factory stores and 15 Nautica Retail leased departments at the end of the second quarter of last year. The average price per pair of shoes for Branded Footwear retail increased 1% for the second quarter of this year and unit sales increased 10% during the same period. Unit sales for the Branded Footwear wholesale businesses decreased 3% for the second quarter of this year due primarily to decreased sales in the Company's Nautica Footwear business, and the average price per pair of shoes decreased 1% for the same period.

Branded Footwear operating income for the second quarter ended July 31, 1999 decreased 18.8% from $6.9 million in the second quarter of last year to $5.6 million in the second quarter of this year, primarily due to decreased gross margin as a percentage of sales and increased expenses as a percentage of sales. In the Company's Nautica Footwear business, sales were down for the quarter, primarily due to a significant decline in shipments to a single major customer since the end of the second quarter last year. As a result of the decreased sales, additional markdowns were taken, causing a decrease in gross margin.

Leather

	Three Months Ended		
	July 31, 1999	August 1, 1998	% Change
	(dollars in thousands)		
Net sales	$4,899	$ 3,315	47.8%
Operating income (loss)..	$ 325	$ (134)	NA
operating margin	6.6%	(4.0)%	

Leather net sales increased 47.8% to $4.9 million in the second quarter ended July 31, 1999 from $3.3 million in the second quarter ended August 1, 1998, primarily due to increased orders from military footwear suppliers, which makes up the bulk of the Company's tanned leather business.

Leather operating income increased from a loss of ($0.1) million in the second quarter last year to earnings of $0.3 million in the second quarter this year, primarily due to increased sales, increased gross margin as a percentage of sales and decreased expenses as a percentage of sales.

Corporate, Interest Expenses and Other Charges

Corporate and other expenses for the second quarter ended July 31, 1999 were flat with the same period last year (exclusive of other charges of $0.4 million, primarily environmental charges, in the second quarter this year and an other credit of $1.7 million, comprising primarily litigation and severance charges and a restructuring gain of $2.4 million, in the second quarter last year).

Interest expense decreased 6.4% from $2.2 million in the second quarter ended August 1, 1998 to $2.0 million in the second quarter ended July 31, 1999, primarily due to the decrease in interest rates on the Company's long-term debt from 10 3/8% on $75 million borrowings to 5 1/2% on $103.5 million borrowings. Interest income decreased 8.8% from $636,000 in the second quarter of last year to $580,000 in the second quarter of this year, due to decreases in interest rates. There were no borrowings under the Company's revolving credit facility during the three months ended July 31, 1999 or August 1, 1998.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Management's Discussion and Analysis
of Financial Condition and Results of Operations

RESULTS OF OPERATIONS - SIX MONTHS FISCAL 2000 COMPARED TO FISCAL 1999

The Company's net sales for the six months ended July 31, 1999 decreased 4.2% to $254.6 million from $265.9 million for the six months ended August 1, 1998. Excluding sales attributable to the Jarman lease business and the Boot Divestiture from both periods, the Company's net sales increased 13.1% to $253.4 million for the first six months this year compared to $224.0 million for the first six months last year. Gross margin decreased 1.3% to $114.0 million in the first six months this year from $115.6 million in the same period last year but increased as a percentage of net sales from 43.5% to 44.8%. Selling and administrative expenses in the first six months this year decreased 6.4% from the first six months last year and decreased as a percentage of net sales from 39.2% to 38.3%.

Pretax earnings for the six months ended July 31, 1999 were $13.7 million compared to $10.2 million for the six months ended August 1, 1998. Pretax earnings for the six months ended August 1, 1998 included a restructuring gain of $2.4 million.

Net earnings for the six months ended July 31, 1999 were $8.2 million ($.33 diluted earnings per share) compared to $6.8 million ($0.24 diluted earnings per share) for the six months ended August 1, 1998. The Company had an effective tax rate of 39.8% for the six months ended July 31, 1999. Net earnings for the first six months last year included a tax credit of $247,000 and an extraordinary loss for the early retirement of debt of $3.7 million.

Specialty Retail Footwear

	Six Months Ended		
	July 31, 1999	August 1, 1998	% Change
	(dollars in thousands)		
Net sales	$126,528	$131,173	(3.5)%
Operating income	$ 9,263	$ 7,052	31.4%
Operating margin	7.3%	5.4%	

Primarily due to exiting the Jarman lease business, net sales from Specialty Retail Footwear operations decreased 3.5% for the six months ended July 31, 1999 compared to the same period last year. Excluding sales attributable to the Jarman lease business from both periods, Specialty Retail Footwear net sales increased 18.4% for the first six months of this year compared to the first six months of last year, primarily due to a 5% increase in comparable store sales and an 18% increase in average ongoing Specialty Retail Footwear stores operated. Excluding the Jarman lease business, the average price per pair of shoes increased 7% and unit sales increased 10% for the first six months of Fiscal 2000.

The Company's comparable store sales and store count for Specialty Retail Footwear at the end of the periods were as follows:

		Store Count	
	Comparable Sales Changes	July 31, 1999	August 1, 1998
Journeys	7%	287	232
Jarman Retail	3%	158(1)	166(2)
Jarman Lease	56%(3)	-0-	103
General Shoe Warehouse	-11%	15	13
Total Specialty Retail Footwear....	5%	460	514

(1) Includes seventeen Underground Station stores and one Stone & Co. store.
(2) Includes eleven Underground Station stores.
(3) This number resulted from the liquidation of the inventory due to the close out of the Jarman lease business in the first quarter of Fiscal 2000.

Specialty Retail Footwear operating income for the six months ended July 31, 1999 increased 31.4% to $9.3 million compared to $7.1 million for the same period last year. The increase was due primarily to increased sales, increased gross margin as a percentage of sales and decreased expenses as a percentage of sales from the ongoing Specialty Retail Footwear businesses. The Jarman lease business lost $0.3 million in the first six months this year compared to earnings of $0.5 million for the same period last year.

Branded Footwear

	Six Months Ended		
	July 31, 1999	August 1, 1998	% Change
	(dollars in thousands)		
Net sales	$117,843	$108,985	8.1%
Operating income	$ 12,431	$ 12,484	(0.4)%
Operating margin	10.5%	11.5%	

Branded Footwear net sales increased 8.1% to $117.8 million for the six months ended July 31, 1999 from $109.0 million for the six months ended August 1, 1998, reflecting primarily a 4% increase in comparable store sales for Johnston & Murphy Retail and a 4% increase in men's Branded Footwear wholesale sales. The store count for Branded Footwear retail operations at the end of the first six months this year included 138 Johnston & Murphy stores and factory stores and 37 Nautica Retail leased departments compared to 127 Johnston & Murphy stores and factory stores and 15 Nautica Retail leased departments at the end of the first six months of last year. The average price per pair of shoes for Branded Footwear retail increased 1% for the first six months of this year and unit sales increased 11% during the same period. Unit sales for the Branded Footwear wholesale businesses increased 5% for the first six months of this year while the average price per pair of shoes decreased 2% for the same period.

Branded Footwear operating income for the six months ended July 31, 1999 decreased 0.4% from $12.5 million in the first six months of last year to $12.4 million in the first six months of this year, primarily due to decreased gross margin as a percentage of sales as a result of the decreased sales and increased markdowns in the Company's Nautica Footwear business.

Leather

	Six Months Ended		
	July 31, 1999	August 1, 1998	% Change
	(dollars in thousands)		
Net sales	$10,188	$9,139	11.5%
Operating income	$ 525	$ 128	310.2%
Operating margin	5.2%	1.4%	

Leather net sales increased 11.5% to $10.2 million for the six months ended July 31, 1999 from $9.1 million for the six months ended August 1, 1998, primarily due to increased orders from military footwear suppliers, which makes up the bulk of the Company's tanned leather business.

Leather operating income increased 310.2% from $0.1 million in the first six months last year to $0.5 million in the first six months this year, primarily due to increased sales, increased gross margin as a percentage of sales and decreased expenses as a percentage of sales.

Corporate, Interest Expenses and Other Charges

Corporate and other expenses for the first six months ended July 31, 1999 were $5.2 million compared to $6.0 million for the six months ended August 1, 1998 (exclusive of other charges of $0.5 million, primarily environmental charges, in the first six months this year and an other credit of $1.6 million, comprising primarily litigation and severance charges and a restructuring gain of $2.4 million, in the first six months last year), a decrease of 12.8%. The decrease in corporate expenses in the first six months this year is attributable primarily to decreased professional expenses.

Interest expense decreased 20.4% from $5.1 million for the six months ended August 1, 1998 to $4.0 million for the six months ended July 31, 1999, primarily due to the decrease in interest rates on the Company's long-term debt from 10 3/8% on $75 million of borrowings to 5 1/2% on $103.5 million of borrowings. Interest income decreased 13.9% from $1.4 million in the first six months of last year to $1.2 million in the first six months of this year, due to decreases in interest rates. There were no borrowings under the Company's revolving credit facility during the six months ended July 31, 1999 or August 1, 1998.

LIQUIDITY AND CAPITAL RESOURCES

The following table sets forth certain financial data at the dates indicated.

	July 31, 1999	August 1, 1998
	(dollars in millions)	
Cash and short-term investments	$ 49.1	$ 53.2
Working capital	$ 134.8	$ 140.2
Long-term debt (includes current maturities) .	$ 103.5	$ 103.5
Current ratio	2.8X	2.9X

Working Capital

The Company's business is somewhat seasonal, with the Company's investment in inventory and accounts receivable normally reaching peaks in the spring and fall of each year. Cash flow from operations is generated principally in the fourth quarter of each fiscal year.

Cash provided by operating activities was $15.9 million in the first six months of Fiscal 2000 compared to $17.3 million cash used in operating activities in the first six months of Fiscal 1999. The $33.2 million increase in cash flow from operating activities reflects primarily the increase in earnings, a smaller increase in inventory for the first six months this year compared to the first six months last year and an increase in payables due to changes in buying patterns and payment terms negotiated with individual vendors. Contributing to the inventory change was a slowdown in store openings from 107 +tores in last years first six months to 52 stores in this years first six months and the selloff of Jarman lease inventory.

The $9.7 million increase in inventories at July 31, 1999 from January 30, 1999 levels included in the statement of cash flows reflects planned increases in retail inventory to support the net increase of 39 stores in the first six months of Fiscal 2000.

Accounts receivable at July 31, 1999 decreased $2.4 million compared to January 30, 1999, primarily due to exiting the Jarman lease business.

Cash provided (or used) due to changes in accounts payable and accrued liabilities are as follows:

	Six Months Ended	
	July 31, 1999	August 1, 1998
	(in thousands)	
Accounts payable	$ 8,315	$ 3,431
Accrued liabilities	(4,904)	(6,842)
	$ 3,411	$ (3,411)

The fluctuations in accounts payable for the first six months this year from the first six months last year are due to changes in buying patterns, payment terms negotiated with individual vendors and changes in inventory levels.

The change in accrued liabilities for the first six months this year was due primarily to payments of liabilities related to restructurings.

- ---

There were no revolving credit borrowings during the first six months ended July 31, 1999 and August 1, 1998, as cash generated from operations and cash on hand funded seasonal working capital requirements and capital expenditures.

Capital Expenditures
Total capital expenditures in Fiscal 2000 are expected to be approximately $26.1 million. These include expected retail expenditures of $19.0 million to open approximately 66 Journeys stores, 18 Johnston & Murphy stores and factory stores and six Jarman Retail stores and to complete 27 major store renovations. Capital expenditures for wholesale and manufacturing operations and other purposes are expected to be approximately $7.1 million, including approximately $3.2 million for new computer systems to improve customer service and support the Company's growth.

Year 2000
The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Company's computer programs that have date-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal activities.

The Company has determined that it will be required to modify or replace significant portions of its software so that its computer systems will properly utilize dates beyond December 31, 1999. The Company is in the process of upgrading and modernizing its major information systems, including its wholesale and retail operating systems and its financial systems. The replacement systems are expected to be Year 2000 compliant.

The Company is utilizing both internal and external resources to reprogram or replace and test software for Year 2000 compliance. The Company currently has 100% of the estimated human resources it expects to be required in the remediation and testing process committed.

The Company plans to complete its Year 2000 remediation project no later than October 31, 1999. As of the beginning of the first quarter of Fiscal 2000, the Company is using all modules of its new financial system. The Company has implemented a contingency plan that provides for remediation of the existing retail systems, adding an additional 0.5 million lines of code to be remediated. After adjusting for the additional lines of code to be remediated, the Company has completed the remediation, including final testing, of approximately 91% of its identified 2.5 million lines of code in its legacy systems. The Company's existing staffing plan would allow the completion of this contingency plan by the end of October 1999.

- ---

The total cost of upgrading most of the Company's major operating systems, including the Year 2000 project for Fiscal Years 1998 through 2000, is estimated at $20.3 million and is being funded through operating cash flows and cash on hand. Of the total project cost, approximately $12.6 million is attributable to the purchase of new software and hardware which has been or will be capitalized. The remaining $7.7 million has been or will be expensed, including projected costs of $2.0 million for Fiscal 2000. Cumulative to date expenditures through July 31, 1999 are $6.3 million plus cumulative capital expenditures of $10.7 million.

The Company has developed plans for formal communications with all of its significant suppliers and large customers to determine the extent to which the Company is vulnerable to those third parties' failure to remediate their own Year 2000 issues. The communications began in the last quarter of Fiscal 1998 which the Company initially completed in the fourth quarter of Fiscal 1999 and the Company anticipates follow-up continuing until the Year 2000 with critical trading partners based on the initial responses. There can be no assurance the systems of other companies on which the Company's systems rely will be timely converted, or that a failure to convert by another company, or a conversion that is incompatible with the Company's systems, would not have material adverse effect on the Company.

Under the most reasonably likely worst case scenario, the Company believes problems could arise that would relate to possible failure in one or more geographic regions of third party systems over which the Company has no control, principally relating to power and telecommunications systems. These failures could effect the Company's own stores as well as its suppliers of footwear. The Company anticipates the disruptions will be short-term in nature and because the shipment of merchandise to the Company's stores is traditionally at a low point during that time of year, the impact should be minimal. However, despite the Company's efforts in remediation on contingency planning there can be no assurance that the Year 2000 issues will not have a material adverse impact on the Company's financial condition and operating results.

The costs of the project and the date on which the Company plans to complete the Year 2000 modifications are based on management's best estimates, which were derived utilizing numerous assumptions of future events, including the continued availability of certain resources, third party modification plans and other factors. Management uses outside consultants to review the adequacy of its Year 2000 plans. However, there can be no assurance that these estimates will be achieved and actual results could differ materially from those plans. Specific factors that might cause such material differences include, but are not limited to, the availability and cost of personnel trained in this area, the ability to locate and correct all relevant computer codes, and similar uncertainties.

Environmental and Other Contingencies

The Company is subject to certain loss contingencies related to environmental proceedings and other legal matters, including those disclosed in Note 8 to the Company's Consolidated Financial Statements. The Company has made provisions for certain of these contingencies, including provisions of $150,000 in discontinued operations in Fiscal 1997, $250,000 reflected in Fiscal 1998 and $402,000 reflected in Fiscal 1999. The Company monitors these proceedings on an ongoing basis and at least quarterly management reviews the Company's reserves and accruals in relation to each of them, adjusting provisions as management deems necessary in view of changes in available information. Changes in estimates of liability are reported in the periods when they occur. Consequently, management believes that its reserve in relation to each proceeding is a reasonable estimate of the probable loss connected to the proceeding, or in cases in which no reasonable estimate is possible, the minimum amount in the range of estimated losses, based upon its analysis of the facts as of the close of the most recent fiscal quarter. Because of uncertainties and risks inherent in litigation generally and in environmental proceedings in particular, however, there can be no assurance that future developments will not require additional reserves to be set aside, that some or all reserves may not be adequate or that the amounts of any such additional reserves or any such inadequacy will not have a material adverse effect upon the Company's financial condition or results of operations.

Future Capital Needs
The Company expects that cash on hand and cash provided by operations will be sufficient to fund all of its capital expenditures through Fiscal 2000, although the Company may borrow from time to time to support seasonal working capital requirements. Approximately $4.0 million of costs associated with the prior restructurings and discontinued operations that are expected to be incurred during the next twelve months are also expected to be funded from cash on hand. The Company has also authorized the repurchase, from time to time, of up to 1.0 million shares of the Company's common stock. These purchases will be funded from available cash. The Company completed the previously authorized repurchase of 4.8 million shares at a cost of $40.5 million as of July 31, 1999.

There were $12.3 million of letters of credit outstanding under the revolving credit agreement at July 31, 1999, leaving availability under the revolving credit agreement of $52.7 million.

The Company's revolving credit agreement restricts the payment of dividends and other payments with respect to capital stock. At July 31, 1999, $32.0 million was available for such payments. The aggregate of annual dividend requirements on the Company's Subordinated Serial Preferred Stock, $2.30 Series 1, $4.75 Series 3 and $4.75 Series 4, and on its $1.50 Subordinated Cumulative Preferred Stock is $300,000.

Changes in Accounting Principles
In June 1998 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Instruments and Hedging Activities, effective for fiscal years beginning after June 15, 1999. The Financial Accounting Standards Board issued SFAS No. 137 in July 1999 to delay the effective date of SFAS No. 133 for one year, to fiscal years beginning after June 15, 2000. SFAS No. 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires an entity to recognize all derivatives as either assets or liabilities in the consolidated balance sheet and to measure those instruments at fair value. Under certain conditions, a derivative may be specifically designated as a fair value hedge or a cash flow hedge. The accounting for changes in the fair value of a derivative will depend on the intended use of the derivative and the resulting designation. At this time, management has not fully evaluated the impact of SFAS No. 133.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On June 4, 1999, a truck driver employed by a carrier for a chemical vendor died after inhaling a toxic vapor produced when he deposited a chemical compound that he was delivering to the Company's Whitehall, Michigan, leather tannery into a tank containing another chemical solution. Regulatory authorities, including the National Transportation Safety Board and the Michigan Occupational Safety and Health Administration, are investigating the incident. The Company is currently unable to predict the additional effect, if any, of the incident on its financial condition or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Company's annual meeting of shareholders held on June 23, 1999, shares representing a total of 22,810,672 votes were outstanding and entitled to vote. At the meeting, shareholders of the Company:

(1) elected nine directors nominated by the board of directors by the following votes:

	Votes "For"	Votes "Withheld"
Leonard L. Berry	20,106,679	116,137
David M. Chamberlain	20,111,175	107,145
W. Lipscomb Davis, Jr.	20,112,479	104,537
Joel C. Gordon	20,111,350	106,795
Ben T. Harris	20,114,163	101,169
Kathleen Mason	20,112,579	104,337
William A. Williamson, Jr.	20,112,907	103,681
William S. Wire II	20,108,736	112,023
Gary M. Witkin	20,082,446	164,603

(2) approved an amendment to the Company's 1996 Stock Incentive Plan by a vote of 20,621,896 for, 768,774 against, with 68,092 abstentions.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS

(27) Financial Data Schedule (for SEC use only)

REPORTS ON FORM 8-K
None

SIGNATURE

- ---
Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Genesco Inc.

/s/ James S. Gulmi

James S. Gulmi
Chief Financial Officer
September 14, 1999

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
COMPANY'S SECOND QUARTER FISCAL 2000 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS
JAN-29-2000
JAN-31-1999
JUL-31-1999
5,860
43,219
21,540
1,109
119,219
210,839
115,487
52,943
292,579
76,042
103,500
0
7,890
22,258
69,278
292,579
254,559
254,559
140,533
140,533
0
224
4,037
13,702
5,459
8,243
0
0
0
8,243
.35
.33