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GENESCO

(Mark One)

☑ **Form 10-Q**
Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934 For Quarter Ended October 29, 2005

o **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 for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
Yes ☑ No o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No ☑

Common Shares Outstanding November 25, 2005 – 22,869,210

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PART I — FINANCIAL INFORMATION
Item 1. Financial Statements

Genesco Inc.
and Subsidiaries
Consolidated Balance Sheets
In Thousands, except share amounts

	October 29, 2005	January 29, 2005	October 30, 2004 (as restated, see Note 2)
Assets			
Current Assets			
Cash and cash equivalents	**$ 33,398**	$ 60,068	$ 15,012
Accounts receivable, net of allowances of $1,933 at October 29, 2005, $2,166 at January 29, 2005 and $2,409 at October 30, 2004	**22,738**	17,906	18,823
Inventories	**292,798**	207,197	265,733
Deferred income taxes	**6,087**	2,699	6,199
Prepaids and other current assets	**19,925**	18,049	17,706
Total current assets	**374,946**	305,919	323,473
Property and equipment:			
Land	**4,972**	4,972	4,972
Buildings and building equipment	**14,690**	14,565	14,336
Computer hardware, software and equipment	**58,978**	54,445	52,784
Furniture and fixtures	**63,420**	58,679	56,051
Construction in progress	**15,664**	6,085	7,231
Improvements to leased property	**174,562**	158,692	154,741
Property and equipment, at cost	**332,286**	297,438	290,115
Accumulated depreciation	**(150,656)**	(128,768)	(121,913)
Property and equipment, net	**181,630**	168,670	168,202
Deferred income taxes	**817**	329	2,245
Goodwill	**96,561**	97,223	97,430
Trademarks	**47,665**	47,633	47,621
Other intangibles, net of accumulated amortization of $3,741 at October 29, 2005, $1,954 at January 29, 2005 and $1,350 at October 30, 2004	**4,845**	6,632	7,236
Other noncurrent assets	**9,241**	9,165	9,243
Total Assets	**$ 715,705**	$ 635,571	$ 655,450

Genesco Inc.
and Subsidiaries
Consolidated Balance Sheets
In Thousands, except share amounts

	October 29, 2005	January 29, 2005	October 30, 2004
			(as restated, see Note 2)
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable	**$ 115,993**	$ 65,599	$ 93,541
Accrued employee compensation	**18,384**	21,836	17,411
Accrued other taxes	**9,128**	10,162	7,471
Accrued income taxes	**4,496**	5,312	6,058
Other accrued liabilities	**26,910**	22,640	22,137
Current portion — long-term debt	**-0-**	-0-	17,000
Provision for discontinued operations	**3,753**	4,125	4,121
Total current liabilities	**178,664**	129,674	167,739
Long-term debt	**151,250**	161,250	175,250
Pension liability	**24,230**	28,328	29,180
Deferred rent and other long-term liabilities	**48,218**	42,576	42,175
Provision for discontinued operations	**1,628**	1,678	1,854
Total liabilities	**403,990**	363,506	416,198
Commitments and contingent liabilities			
Shareholders' Equity			
Non-redeemable preferred stock	**6,704**	7,474	7,493
Common shareholders' equity:			
Common stock, $1 par value:			
Authorized: 80,000,000 shares			
Issued/Outstanding:			
October 29, 2005 — 23,357,359/22,868,895			
January 29, 2005 — 22,925,857/22,437,393			
October 30, 2004 — 22,586,946/22,098,482	**23,357**	22,926	22,587
Additional paid-in capital	**118,592**	109,005	101,767
Retained earnings	**208,010**	176,819	151,196
Accumulated other comprehensive loss	**(27,091)**	(26,302)	(25,934)
Treasury shares, at cost	**(17,857)**	(17,857)	(17,857)
Total shareholders' equity	**311,715**	272,065	239,252
Total Liabilities and Shareholders' Equity	**$ 715,705**	$ 635,571	$ 655,450

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

Genesco Inc.
and Subsidiaries
Consolidated Statements of Earnings
In Thousands, except per share amounts

	Three Months Ended		Nine Months Ended	
	October 29, 2005	October 30, 2004	October 29, 2005	October 30, 2004
		(as restated, see Note 2)		(as restated, see Note 2)
Net sales	**$ 316,336**	$ 288,398	**$ 877,589**	$ 759,863
Cost of sales	**154,825**	145,030	**430,567**	383,928
Selling and administrative expenses	**133,225**	119,492	**385,429**	330,841
Restructuring and other, net	**(789)**	664	**2,255**	572
Earnings from operations	**29,075**	23,212	**59,338**	44,522
Interest expense, net				
Interest expense	**2,871**	3,204	**8,748**	8,138
Interest income	**(202)**	(66)	**(807)**	(222)
Total interest expense, net	**2,669**	3,138	**7,941**	7,916
Earnings before income taxes from continuing operations	**26,406**	20,074	**51,397**	36,606
Income taxes	**10,168**	7,691	**19,967**	13,592
Earnings from continuing operations	**16,238**	12,383	**31,430**	23,014
Provision for discontinued operations, net	**(95)**	(440)	**(30)**	(461)
Net Earnings	**$ 16,143**	$ 11,943	**$ 31,400**	$ 22,553
Basic earnings per common share:				
Continuing operations	**$ .71**	$ .56	**$ 1.38**	$ 1.04
Discontinued operations	**$ .00**	$ (.02)	**$ .00**	$ (.02)
Net earnings	**$ .71**	$ .54	**$ 1.38**	$ 1.02
Diluted earnings per common share:				
Continuing operations	**$ .62**	$ .49	**$ 1.22**	$ .94
Discontinued operations	**$ (.01)**	$ (.02)	**$ .00**	$ (.02)
Net earnings	**$ .61**	$ .47	**$ 1.22**	$ .92

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

Genesco Inc.
and Subsidiaries
Consolidated Statements of Cash Flows
In Thousands

	Three Months Ended		Nine Months Ended	
	October 29, 2005	October 30, 2004 (as restated, see Note 2)	October 29, 2005	October 30, 2004 (as restated, see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net earnings	**$ 16,143**	$ 11,943	**$ 31,400**	$ 22,553
Tax benefit of stock options exercised	**850**	97	**2,350**	1,192
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:				
Depreciation	**8,743**	8,051	**25,630**	22,837
Provision for legal settlement	**(891)**	-0-	**1,680**	-0-
Deferred income taxes	**(2,157)**	266	**(2,679)**	(43)
Provision for losses on accounts receivable	**55**	(12)	**39**	76
Impairment of long-lived assets	**39**	369	**376**	688
Loss on retirement of debt	**-0-**	-0-	**74**	-0-
Provision for discontinued operations	**157**	705	**51**	739
Other	**1,390**	998	**2,810**	2,190
Effect on cash of changes in working capital and other assets and liabilities, net of acquisitions:				
Accounts receivable	**(5,030)**	(2,441)	**(4,870)**	(5,890)
Inventories	**(22,109)**	(2,356)	**(85,601)**	(63,729)
Prepaids and other current assets	**(77)**	(4,305)	**(1,876)**	(2,400)
Accounts payable	**990**	(2,572)	**45,274**	21,330
Other accrued liabilities	**8,972**	14,769	**(3,151)**	13,628
Other assets and liabilities	**3,831**	2,601	**2,731**	6,408
Net cash provided by operating activities	**10,906**	28,113	**14,238**	19,579
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital expenditures	**(18,040)**	(12,044)	**(41,184)**	(29,873)
Acquisitions, net of cash acquired	**-0-**	1,120	**-0-**	(167,663)
Proceeds from sale of property and equipment	**18**	9	**19**	11
Net cash used in investing activities	**(18,022)**	(10,915)	**(41,165)**	(197,525)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments of long-term debt	**-0-**	-0-	**(10,000)**	-0-
Payments of capital leases	**(77)**	(135)	**(267)**	(321)
Change in overdraft balances	**166**	(8,355)	**5,120**	5,253
Revolver borrowings, net	**-0-**	(10,000)	**-0-**	6,000
Dividends paid	**(67)**	(73)	**(209)**	(219)
Long-term borrowings	**-0-**	-0-	**-0-**	100,000
Options exercised	**1,644**	1,100	**5,613**	4,065
Deferred financing costs	**-0-**	-0-	**-0-**	(3,360)
Other	**-0-**	(9)	**-0-**	(9)
Net cash provided by (used in) financing activities	**1,666**	(17,472)	**257**	111,409
Net Cash Flow	**(5,450)**	(274)	**(26,670)**	(66,537)
Cash and cash equivalents at beginning of period	**38,848**	15,286	**60,068**	81,549
Cash and cash equivalents at end of period	**$ 33,398**	$ 15,012	**$ 33,398**	$ 15,012
Supplemental Cash Flow Information:				
Net cash paid for:				
Interest	**$ 1,712**	$ 1,831	**$ 6,884**	$ 5,939
Income taxes	**5,412**	1,236	**20,948**	15,890

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

Genesco Inc.
and Subsidiaries
Consolidated Statements of Shareholders' Equity
In Thousands

	Total Non-Redeemable Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Comprehensive Income	Total Share-holders' Equity
Balance January 31, 2004	**$7,580**	**$ 22,212**	**$ 96,612**	**$ 128,862**	**$(25,164)**	**$ (17,857)**		**$ 212,245**
Net earnings	-0-	-0-	-0-	48,249	-0-	-0-	$ 48,249	48,249
Dividends paid	-0-	-0-	-0-	(292)	-0-	-0-	-0-	(292)
Exercise of stock options	-0-	667	8,448	-0-	-0-	-0-	-0-	9,115
Issue shares — Employee Stock Purchase Plan	-0-	25	327	-0-	-0-	-0-	-0-	352
Tax benefit of stock options exercised	-0-	-0-	3,264	-0-	-0-	-0-	-0-	3,264
Loss on foreign currency forward contracts (net of tax benefit of $0.6 million)	-0-	-0-	-0-	-0-	(905)	-0-	(905)	(905)
Gain on interest rate swaps (net of tax of $0.1 million)	-0-	-0-	-0-	-0-	157	-0-	157	157
Foreign currency translation adjustment	-0-	-0-	-0-	-0-	101	-0-	101	101
Minimum pension liability adjustment (net of tax benefit of $0.6 million)	-0-	-0-	-0-	-0-	(491)	-0-	(491)	(491)
Other	(106)	22	354	-0-	-0-	-0-	-0-	270
Comprehensive income							$ 47,111	
Balance January 29, 2005	**7,474**	**22,926**	**109,005**	**176,819**	**(26,302)**	**(17,857)**		**272,065**
Net earnings	-0-	-0-	-0-	31,400	-0-	-0-	31,400	31,400
Dividends paid	-0-	-0-	-0-	(209)	-0-	-0-	-0-	(209)
Exercise of stock options	-0-	387	5,718	-0-	-0-	-0-	-0-	6,105
Issue shares — Employee Stock Purchase Plan	-0-	25	483	-0-	-0-	-0-	-0-	508
Tax benefit of stock options exercised	-0-	-0-	2,350	-0-	-0-	-0-	-0-	2,350
Conversion of Series 4 Preferred Stock	(723)	11	712	-0-	-0-	-0-	-0-	-0-
Loss on foreign currency forward contracts (net of tax benefit of $0.7 million)	-0-	-0-	-0-	-0-	(1,060)	-0-	(1,060)	(1,060)
Gain on interest rate swaps (net of tax of $0.2 million)	-0-	-0-	-0-	-0-	309	-0-	309	309
Foreign currency translation adjustment	-0-	-0-	-0-	-0-	(38)	-0-	(38)	(38)
Other	(47)	8	324	-0-	-0-	-0-	-0-	285
Comprehensive income*							$ 30,611	
Balance October 29, 2005	**$6,704**	**$ 23,357**	**$ 118,592**	**$ 208,010**	**$(27,091)**	**$ (17,857)**		**$ 311,715**

* Comprehensive income was $15.8 million and $11.7 million for the third quarter ended October 29, 2005 and October 30, 2004, respectively. Comprehensive income was $21.8 million for the nine month period ended October 30, 2004.

The accompanying Notes are an integral part of these 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 28, 2006 ("Fiscal 2006") and of the fiscal year ended January 29, 2005 ("Fiscal 2005"). The results of operations for any interim period are not necessarily indicative of results for the full year. The interim 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 design or sourcing, marketing and distribution of footwear, principally under the *Johnston & Murphy, Dockers* and *Perry Ellis* brands and the operation at October 29, 2005 of 1,718 *Jarman, Journeys, Journeys Kidz, Johnston & Murphy, Underground Station, Hat World, Lids, Hat Zone, Cap Connection and Head Quarters* retail footwear and headwear stores.

Principles of Consolidation

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

Financial Statement Reclassifications

Certain reclassifications have been made to conform prior years' data to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

Significant areas requiring management estimates or judgments include the following key financial areas:

Inventory Valuation

The Company values its inventories at the lower of cost or market.

In its wholesale operations, cost is determined using the first-in, first-out (FIFO) method. Market is determined using a system of analysis which evaluates inventory at the stock number level based on factors such as inventory turn, average selling price, inventory level, and selling prices reflected in future orders. The Company provides reserves when the inventory has not been marked down to market based on current selling prices or when the inventory is not turning and is not expected to turn at levels satisfactory to the Company.

Note 1
Summary of Significant Accounting Policies, Continued

In its retail operations, other than the Hat World segment, the Company employs the retail inventory method, applying average cost-to-retail ratios to the retail value of inventories. Under the retail inventory method, valuing inventory at the lower of cost or market is achieved as markdowns are taken or accrued as a reduction of the retail value of inventories.

Inherent in the retail inventory method are subjective judgments and estimates including merchandise mark-on, markups, markdowns, and shrinkage. These judgments and estimates, coupled with the fact that the retail inventory method is an averaging process, could produce a range of cost figures. To reduce the risk of inaccuracy and to ensure consistent presentation, the Company employs the retail inventory method in multiple subclasses of inventory with similar gross margin, and analyzes markdown requirements at the stock number level based on factors such as inventory turn, average selling price, and inventory age. In addition, the Company accrues markdowns as necessary. These additional markdown accruals reflect all of the above factors as well as current agreements to return products to vendors and vendor agreements to provide markdown support. In addition to markdown provisions, the Company maintains provisions for shrinkage and damaged goods based on historical rates.

The Hat World segment employs the moving average cost method for valuing inventories and applies freight using an allocation method. The Company provides a valuation allowance for slow-moving inventory based on negative margins and estimated shrink based on historical experience and specific analysis, where appropriate.

Inherent in the analysis of both wholesale and retail inventory valuation are subjective judgments about current market conditions, fashion trends, and overall economic conditions. Failure to make appropriate conclusions regarding these factors may result in an overstatement or understatement of inventory value.

Impairment of Definite-Lived Long-Lived Assets

The Company periodically assesses the realizability of its definite-lived 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 the carrying amount. Inherent in the analysis of impairment are subjective judgments about future cash flows. Failure to make appropriate conclusions regarding these judgments may result in an overstatement of the value of definite-lived long-lived assets.

Note 1
Summary of Significant Accounting Policies, Continued

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 9 to the Company's Consolidated Financial Statements. The Company monitors these matters on an ongoing basis and, on a quarterly basis, 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 best estimate of probable loss connected to the proceeding, or in cases in which no best estimate is possible, the minimum amount in the range of estimated losses, based upon its analysis of the facts and circumstance as of the close of the most recent fiscal quarter. However, because of uncertainties and risks inherent in litigation generally and in environmental proceedings in particular, there can be no assurance that future developments will not require additional reserves to be set aside, that some or all reserves will 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.

Revenue Recognition

Retail sales are recorded at the point of sale and are net of estimated returns. Catalog and internet sales are recorded at time of delivery to the customer and are net of estimated returns. Wholesale revenue is recorded net of estimated returns and allowances for markdowns, damages and miscellaneous claims when the related goods have been shipped and legal title has passed to the customer. Shipping and handling costs charged to customers are included in net sales. Estimated returns are based on historical returns and claims. Actual amounts of markdowns have not differed materially from estimates. Actual returns and claims in any future period may differ from historical experience.

Pension Plan Accounting

In December 2003, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 132 (revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits." This statement revised employers' disclosures about pension plans and other post retirement benefit plans. It did not change the measurement or recognition of those plans required by SFAS No. 87, "Employers' Accounting for Pensions."

The Company accounts for the defined benefit pension plans using SFAS No. 87, "Employers' Accounting for Pensions." Under SFAS No. 87, pension expense is recognized on an accrual basis over employees' approximate service periods. The calculation of pension expense and the corresponding liability requires the use of a number of critical assumptions, including the expected long-term rate of return on plan assets and the assumed discount rate, as well as the recognition of actuarial gains and losses. Changes in these assumptions can result in different expense and liability amounts, and future actual experience can differ from these assumptions.

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Note 1
Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

Included in cash and cash equivalents at October 29, 2005 and January 29, 2005 are cash equivalents of $17.7 million and $51.3 million, respectively. Cash equivalents are highly-liquid debt instruments having an original maturity of three months or less. The majority of payments due from banks for customer credit card transactions process within 24 — 48 hours and are accordingly classified as cash and cash equivalents.

At October 29, 2005 and January 29, 2005, outstanding checks drawn on zero-balance accounts at certain domestic banks exceeded book cash balances at those banks by approximately $22.8 million and $17.6 million, respectively. These amounts are included in accounts payable.

Concentration of Credit Risk and Allowances on Accounts Receivable

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. Customer credit risk is affected by conditions or occurrences within the economy and the retail industry. One customer accounted for 13% of the Company's trade receivables balance and another customer accounted for 11% as of October 29, 2005 and no other customer accounted for more than 9% of the Company's trade receivables balance as of October 29, 2005.

The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information, as well as company-specific factors. The Company also establishes allowances for sales returns, customer deductions and co-op advertising based on specific circumstances, historical trends and projected probable outcomes.

Property and Equipment

Property and equipment 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 the following estimated useful lives:

Buildings and building equipment	20-45 years
Computer hardware, software and equipment	3-10years
Furniture and fixtures	10years

Leases

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 and the charge to earnings is included in depreciation expense in the Consolidated Statements of Earnings.

Note 1
Summary of Significant Accounting Policies, Continued

Certain leases include rent increases during the initial lease term. For these leases, the Company recognizes the related rental expense on a straight-line basis over the term of the lease (which includes any rent holidays and the pre-opening period of construction, renovation, fixturing and merchandise placement) and records the difference between the amounts charged to operations and amounts paid as a rent liability.

The Company occasionally receives reimbursements from landlords to be used towards construction of the store the Company intends to lease. Leasehold improvements are recorded at their gross costs including items reimbursed by landlords. The reimbursements are amortized as a reduction of rent expense over the initial lease term.

Goodwill and Other Intangibles

Under the provisions of SFAS No. 142, “Goodwill and Other Intangible Assets,” goodwill and intangible assets with indefinite lives are not amortized, but tested at least annually for impairment. This Statement also requires that intangible assets with finite lives be amortized over their respective lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets.”

Intangible assets of the Company with indefinite lives are primarily goodwill and identifiable trademarks acquired in connection with the acquisition of Hat World Corporation on April 1, 2004. The Company tests for impairment of intangible assets with an indefinite life, at a minimum on an annual basis, relying on a number of factors including operating results, business plans and projected future cash flows.

The impairment test for identifiable assets not subject to amortization consists of a comparison of the fair value of the intangible asset with its carrying amount.

Identifiable intangible assets of the Company with finite lives are primarily leases and customer lists. They are subject to amortization based upon their estimated useful lives. Finite-lived intangible assets are evaluated for impairment using a process similar to that used to evaluate other definite-lived long-lived assets, a comparison of the fair value of the intangible asset with its carrying amount. An impairment loss is recognized for the amount by which the carrying value exceeds the fair value of the asset.

Note 1
Summary of Significant Accounting Policies, Continued

Postretirement Benefits

Substantially all full-time employees, except employees in the Hat World segment, are covered by a defined benefit pension plan. The Company froze the defined benefit pension plan effective January 1, 2005. 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.

Cost of Sales

For the Company’s retail operations, the cost of sales includes actual product cost, the cost of transportation to the Company’s warehouses from suppliers and the cost of transportation from the Company’s warehouses to the stores. Additionally, the cost of its distribution facilities allocated to its retail operations is included in cost of sales.

For the Company’s wholesale operations, the cost of sales includes the actual product cost and the cost of transportation to the Company’s warehouses from suppliers.

Selling and Administrative Expenses

Selling and administrative expenses include all operating costs of the Company excluding (i) those related to the transportation of products from the supplier to the warehouse, (ii) for its retail operations, those related to the transportation of products from the warehouse to the store and (iii) costs of its distribution facilities which are allocated to its retail operations. Wholesale and unallocated retail costs of distribution are included in selling and administrative expenses in the amounts of $1.1 million and $1.8 million for the third quarter of Fiscal 2006 and 2005, respectively, and $3.2 million and $4.2 million for the first nine months of Fiscal 2006 and 2005, respectively.

Buying, Merchandising and Occupancy Costs

The Company records buying and merchandising and occupancy costs in selling and administrative expense. Because the Company does not include these costs in cost of sales, the Company’s gross margin may not be comparable to other retailers that include these costs in the calculation of gross margin.

Shipping and Handling Costs

Shipping and handling costs related to inventory purchased from suppliers is included in the cost of inventory and is charged to cost of sales in the period that the inventory is sold. All other shipping and handling costs are charged to cost of sales in the period incurred except for wholesale and unallocated retail costs of distribution, which are included in selling and administrative expenses.

Note 1
Summary of Significant Accounting Policies, Continued

Preopening Costs

Costs associated with the opening of new stores are expensed as incurred, and are included in selling and administrative expenses on the accompanying Statements of Earnings.

Store Closings and Exit Costs

From time to time, the Company makes strategic decisions to close stores or exit locations or activities. If stores or operating activities to be closed or exited constitute components, as defined by SFAS No. 144, and will not result in a migration of customers and cash flows, these closures will be considered discontinued operations when the related assets meet the criteria to be classified as held for sale, or at the cease-use date, whichever occurs first. The results of operations of discontinued operations are presented retroactively, net of tax, as a separate component on the Statement of Earnings, if material individually or cumulatively.

Assets related to planned store closures or other exit activities are reflected as assets held for sale and recorded at the lower of carrying value or fair value less costs to sell when the required criteria, as defined by SFAS No. 144, are satisfied. Depreciation ceases on the date that the held for sale criteria are met.

Assets related to planned store closures or other exit activities that do not meet the criteria to be classified as held for sale are evaluated for impairment in accordance with the Company’s normal impairment policy, but with consideration given to revised estimates of future cash flows. In any event, the remaining depreciable useful lives are evaluated and adjusted as necessary.

Exit costs related to anticipated lease termination costs, severance benefits and other expected charges are accrued for and recognized in accordance with SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities.”

Advertising Costs

Advertising costs are predominantly expensed as incurred. Advertising costs were $7.0 million and $6.1 million for the third quarter of Fiscal 2006 and 2005, respectively, and $21.1 million and $18.0 million for the first nine months of Fiscal 2006 and 2005, respectively. Direct response advertising costs for catalogs are capitalized, in accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Position No. 93-7, “Reporting on Advertising Costs.” Such costs are amortized over the estimated future revenues realized from such advertising, not to exceed six months. The Consolidated Balance Sheets included prepaid assets for direct response advertising costs of $0.9 million and $1.2 million at October 29, 2005 and January 29, 2005.

Note 1
Summary of Significant Accounting Policies, Continued

Consideration to Resellers

The Company does not have any written buy-down programs with retailers, but the Company has provided certain retailers with markdown allowances for obsolete and slow moving products that are in the retailer's inventory. The Company estimates these allowances and provides for them as reductions to revenues at the time revenues are recorded. Markdowns are negotiated with retailers and changes are made to the estimates as agreements are reached. Actual amounts for markdowns have not differed materially from estimates.

Cooperative Advertising

Cooperative advertising funds are made available to all of the Company's retail customers. In order for retailers to receive reimbursement under such programs, the retailer must meet specified advertising guidelines and provide appropriate documentation of expenses to be reimbursed. The Company's cooperative advertising agreements require that retail customers present documentation or other evidence of specific advertisements or display materials used for the Company's products by submitting the actual print advertisements presented in catalogs, newspaper inserts or other advertising circulars, or by permitting physical inspection of displays. Additionally, the Company's cooperative advertising agreements require that the amount of reimbursement requested for such advertising or materials be supported by invoices or other evidence of the actual costs incurred by the retailer. The Company accounts for these cooperative advertising costs as selling and administrative expenses, in accordance with Emerging Issues Task Force ("EITF") Issue No. 01-9, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)."

Cooperative advertising costs recognized in selling and administrative expenses were $0.6 million and $0.7 million for the third quarter of Fiscal 2006 and 2005, respectively, and $1.6 million and $1.8 million for the first nine months of Fiscal 2006 and 2005, respectively. During the first nine months of Fiscal 2006 and 2005, the Company's cooperative advertising reimbursements paid did not exceed the fair value of the benefits received under those agreements.

Vendor Allowances

From time to time the Company negotiates allowances from its vendors for markdowns taken or expected to be taken. These markdowns are typically negotiated on specific merchandise and for specific amounts. These specific allowances are recognized as a reduction in cost of sales in the period in which the markdowns are taken. Markdown allowances not attached to specific inventory on hand or already sold are applied to concurrent or future purchases from each respective vendor.

Note 1
Summary of Significant Accounting Policies, Continued

The Company receives support from some of its vendors in the form of reimbursements for cooperative advertising and catalog costs for the launch and promotion of certain products. The reimbursements are agreed upon with vendors and represent specific, incremental, identifiable costs incurred by the Company in selling the vendor's products. Such costs and the related reimbursements are accumulated and monitored on an individual vendor basis, pursuant to the respective cooperative advertising agreements with vendors. Such cooperative advertising reimbursements are recorded as a reduction of selling and administrative expenses in the same period in which the associated expense is incurred. If the amount of cash consideration received exceeds the costs being reimbursed, such excess amount would be recorded as a reduction of cost of sales.

Vendor reimbursements of cooperative advertising costs recognized as a reduction of selling and administrative expenses were $0.3 million and $1.1 million for the third quarter of Fiscal 2006 and 2005, respectively, and $2.5 million and $2.2 million for the first nine months of Fiscal 2006 and 2005, respectively. During the first nine months of Fiscal 2006 and 2005, the Company's cooperative advertising reimbursements received were not in excess of the costs reimbursed.

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 are 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.

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 8).

Note 1
Summary of Significant Accounting Policies, Continued

Other Comprehensive Income

SFAS No. 130, "Reporting Comprehensive Income," requires, among other things, the Company's minimum pension liability adjustment, unrealized gains or losses on foreign currency forward contracts, unrealized gains and losses on interest rate swaps and foreign currency translation adjustments to be included in other comprehensive income net of tax. Accumulated other comprehensive loss at October 29, 2005 consists of $27.0 million of cumulative minimum pension liability adjustments, net of tax, cumulative net losses of $0.6 million on foreign currency forward contracts, net of tax, cumulative net gains of $0.5 million on interest rate swaps, net of tax, and a foreign currency translation adjustment of $0.1 million.

Business Segments

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," requires that companies disclose "operating segments" based on the way management disaggregates the Company for making internal operating decisions (see Note 10).

Derivative Instruments and Hedging Activities

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities – Deferral of the Effective Date of SFAS No. 133," SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" and SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," (collectively "SFAS 133") require 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 are recorded each period in current earnings or in other comprehensive income depending on the intended use of the derivative and the resulting designation.

Note 1
Summary of Significant Accounting Policies, Continued

Stock Incentive Plans

As of October 29, 2005, the Company had two fixed stock incentive plans. Under the new 2005 Equity Incentive Plan, effective as of June 23, 2005, the Company may grant options, restricted shares and other stock-based awards to its management personnel as well as directors for up to 1.0 million shares of common stock. Under the 1996 Stock Incentive Plan, the Company granted options to management personnel as well as directors for up to 4.4 million shares of common stock. There will be no future awards under the 1996 Stock Incentive Plan. The Company accounts for these plans under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. In April 2005, 36,764 shares of restricted stock granted to the chairman, president and chief executive officer of the Company in April 2002 vested and their fair value was charged against income as compensation cost over the vesting period. The Company's only outstanding, unvested restricted stock under the 1996 Stock Incentive Plan consists of shares granted to non-employee directors. Under the 2005 Equity Incentive Plan, the Company issued 226,188 shares of restricted stock in October 2005. The fair value of this stock is charged against income as compensation cost over the vesting period. Compensation cost of $0.1 million, $0.1 million, $0.2 million and $0.3 million, net of tax, for each of the third quarters and first nine months of Fiscal 2006 and 2005, respectively, has been charged against income for restricted stock granted under our stock incentive plans. No other stock incentive plan compensation is reflected in net earnings, as all other awards under the fixed stock incentive plans were options with an exercise price equal to the market value of the underlying common stock on the date of grant. Had compensation cost for all of the Company's stock-based compensation plans been determined based on the fair value at the grant dates for awards under those plans consistent with the methodology prescribed by SFAS No. 123, "Accounting for Stock-Based Compensation" (as amended by SFAS No. 148), the Company's net earnings and earnings per share would have been reduced to the pro forma amounts indicated below:

	Three Months Ended		Nine Months Ended	
(In thousands, except per share amounts)	**October 29, 2005**	October 30, 2004	**October 29, 2005**	October 30, 2004
Net earnings, as reported	**$ 16,143**	$ 11,943	**$ 31,400**	$ 22,553
Add: stock-based employee compensation expense included in reported net earnings, net of related tax effects	**73**	99	**229**	318
Deduct: total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	**(778)**	(760)	**(2,257)**	(2,012)
Pro forma net earnings	**$ 15,438**	$ 11,282	**$ 29,372**	$ 20,859
Earnings per share:				
Basic — as reported	**$ .71**	$ .54	**$ 1.38**	$ 1.02
Basic — pro forma	**$ .67**	$ .51	**$ 1.29**	$ .94
Diluted — as reported	**$ .61**	$ .47	**$ 1.22**	$ .92
Diluted — pro forma	**$ .59**	$ .45	**$ 1.14**	$ .86

Note 1
Summary of Significant Accounting Policies, Continued

New Accounting Principles

In December 2004, the FASB issued SFAS No. 123 (revised 2004), “Share-Based Payment,” which is a revision of SFAS No. 123, “Accounting for Stock-Based Compensation.” SFAS No. 123(R) supersedes APB Opinion No. 25, “Accounting for Stock Issued to Employees,” and amends SFAS No. 95, “Statement of Cash Flows.” Generally, the approach in SFAS No. 123(R) is similar to the approach described in SFAS No. 123. However, SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the Statements of Earnings based on their fair values. Pro forma disclosure is no longer an alternative. SFAS No. 123(R) covers a wide range of share-based compensation arrangements including stock options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. The Company’s board of directors has amended the Company’s Employee Stock Purchase Plan to provide that participants may acquire shares under the Plan at a 5% discount from fair market value on the last day of the Plan year. Under SFAS No. 123(R), shares issued under the Plan as amended are non-compensatory and compensation expense related thereto is not required to be reflected in the Consolidated Statements of Earnings.

SFAS No. 123(R) is effective for public companies at the beginning of the first fiscal year beginning after June 15, 2005 (Fiscal 2007 for the Company).

SFAS No. 123(R) permits public companies to adopt its requirements using one of two methods:

1. A “modified prospective” method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS No. 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of SFAS No. 123 for all awards granted to employees prior to the effective date of SFAS No. 123(R) that remain unvested on the effective date.

2. A “modified retrospective” method which includes the requirements of the modified prospective method described above, but also permits entities to restate based on the amounts previously recognized under SFAS No. 123 for purposes of pro forma disclosures of all prior periods presented.

Note 1
Summary of Significant Accounting Policies, Continued

As permitted by SFAS No. 123, the Company currently accounts for share-based payments to employees using APB Opinion No. 25's intrinsic value method and, as such, generally recognizes no compensation cost for employee stock options. Accordingly, the adoption of SFAS No. 123(R)'s fair value method will have a significant impact on the Company's results of operations, although it will have no impact on the Company's overall financial position. The impact of adoption of SFAS No. 123(R) cannot be predicted at this time because it will depend on levels of share-based payments granted in the future. However, had the Company adopted SFAS No. 123(R) in prior periods, the impact of that standard would have approximated the impact of SFAS No. 123 as described in the disclosure of pro forma net earnings and earnings per share set forth above. The pro forma amounts were calculated using a Black-Scholes option pricing model and may not be indicative of amounts which should be expected in future years. As of the date of this filing, the Company has not determined which option pricing model is most appropriate for future option grants or which method of adoption the Company will apply. SFAS No. 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption. While the Company cannot estimate what those amounts will be in the future (because they depend on, among other things, when employees exercise stock options), the amount of operating cash flows recognized in prior periods for such excess tax deductions were $0.9 million and $0.1 million for the third quarter of Fiscal 2006 and 2005, respectively, and $2.4 million and $1.2 million for the first nine months of Fiscal 2006 and 2005, respectively.

In November 2004, the EITF reached a consensus on Issue No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share." The Issue addressed when to include contingently convertible debt instruments in diluted earnings per share. The Issue required companies to include the convertible debt in diluted earnings per share regardless of whether the market price trigger had been met. The Company's diluted earnings per share calculation for the third quarter and first nine months of Fiscal 2006 includes an additional 3.9 million shares and a net after tax interest add back of $0.6 million and $1.8 million, respectively. The Issue was effective for periods ending after December 15, 2004 and required restatement of prior period diluted earnings per share. Earnings per share for the third quarter and first nine months of Fiscal 2005 were previously restated.

Note 2
Restatement of Financial Statements

On April 14, 2005, the Company filed its annual report on Form 10-K. In that report, the Company restated its financial statements for fiscal years 2004 and 2003 and the first three quarters of Fiscal 2005. Accordingly, the prior year financial results for the fiscal quarter and nine months ended October 30, 2004 reflect the impact of the restatement.

The issue requiring restatement related to the Company's lease-related accounting methods. The Company determined that its methods of accounting for (1) amortization of leasehold improvements, (2) leasehold improvements funded by landlord incentives and (3) rent expense prior to commencement of operations and rent payments, while in line with common industry practice, were not in accordance with U.S. generally accepted accounting principles. As a result, the Company restated its consolidated financial statements for each of the fiscal years ended January 31, 2004 and February 1, 2003, and the first three quarters of Fiscal 2005.

Following is a summary of the effects of these changes on the Company's Consolidated Balance Sheet as of October 30, 2004, as well as on the Company's Consolidated Statements of Earnings and Cash Flows for the three months and nine months ended October 30, 2004 (in thousands, except per share amounts):

Consolidated Balance Sheet

	As Previously Reported	Adjustments	As Restated
October 30, 2004:			
Deferred income taxes – current	$ 10,510	$ (4,311)	$ 6,199
Property and equipment, net	152,125	16,077	168,202
Deferred income taxes – non-current	-0-	2,245	2,245
Total assets	641,439	14,011	655,450
Total current liabilities*	179,150	(11,411)	167,739
Deferred income tax liability	4,210	(4,210)	-0-
Deferred rent and other long-term liabilities	9,076	33,099	42,175
Retained earnings	154,663	(3,467)	151,196
Total shareholders' equity	242,719	(3,467)	239,252
Total liabilities and shareholders' equity	$ 641,439	$ 14,011	$ 655,450

* Deferred rent reclassified to other long-term liabilities.

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Note 2
Restatement of Financial Statements, Continued

Consolidated Statement of Earnings

	As Previously Reported	Adjustments	As Restated
Three Months Ended October 30, 2004:			
Selling and administrative expenses	$ 119,251	$ 241	$ 119,492
Restructuring and other, net	667	(3)	664
Earnings from operations	23,450	(238)	23,212
Earnings before income taxes from continuing operations	20,312	(238)	20,074
Income taxes	7,783	(92)	7,691
Earnings from continuing operations	12,529	(146)	12,383
Net Earnings	$ 12,089	$ (146)	$ 11,943
Net earnings per common share — basic	$ .55	$ (.01)	$ .54
Net earnings per common share — diluted*	$ .54	$ (.07)	$ .47

* Diluted net earnings per share decreased $0.06 per share due to the restatement for EITF Issue No. 04-8, “The Effect of Contingently Convertible Debt on Diluted Earnings per Share” (see Note 8). The lease restatement decreased net earnings $0.01 per share for the three months ended October 30, 2004.

Consolidated Statement of Earnings

	As Previously Reported	Adjustments	As Restated
Nine Months Ended October 30, 2004:			
Selling and administrative expenses	$ 330,596	$ 245	$ 330,841
Restructuring and other, net	627	(55)	572
Earnings from operations	44,712	(190)	44,522
Earnings before income taxes from continuing operations	36,796	(190)	36,606
Income taxes	13,668	(76)	13,592
Earnings from continuing operations	23,128	(114)	23,014
Net Earnings	$ 22,667	$ (114)	$ 22,553
Net earnings per common share — basic	$ 1.02	$ .00	$ 1.02
Net earnings per common share — diluted*	$ 1.00	$ (.08)	$ .92

* Diluted net earnings per share decreased $0.07 per share due to the restatement for EITF Issue No. 04-8, “The Effect of Contingently Convertible Debt on Diluted Earnings per Share” (see Note 8). The lease restatement decreased net earnings $0.01 per share for the nine months ended October 30, 2004.

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Note 2
Restatement of Financial Statements, Continued

Consolidated Statement of Cash Flows

	As Previously Reported	Adjustments	As Restated
Three Months Ended October 30, 2004:			
Net cash provided by operating activities	$ 27,628	485	$ 28,113
Net cash used in investing activities	(10,430)	(485)	(10,915)
Nine Months Ended October 30, 2004:			
Net cash provided by operating activities	$ 17,520	2,059	$ 19,579
Net cash used in investing activities	(195,466)	(2,059)	(197,525)

Note 3
Acquisitions

Hat World Acquisition

On April 1, 2004, the Company completed the acquisition of 100% of the outstanding common shares of Hat World Corporation ("Hat World") for a total purchase price of approximately $179 million, including adjustments for $12.6 million of net cash acquired, a $1.2 million subsequent working capital adjustment and direct acquisition expenses of $2.8 million. The results of Hat World's operations have been included in the consolidated financial statements since that date. Headquartered in Indianapolis, Indiana, Hat World is a leading specialty retailer of licensed and branded headwear. The Company believes the acquisition has enhanced its strategic development and prospects for growth.

The acquisition has been accounted for using the purchase method in accordance with SFAS No. 141, "Business Combinations." Accordingly, the total purchase price has been allocated to the assets acquired and liabilities assumed based on their estimated fair values at acquisition as follows (amounts in thousands):

	At April 1, 2004
Inventories	$ 33,888
Property and equipment	24,278
Unamortizable intangible assets (indefinite-lived trademarks)	47,324
Amortizable intangibles (primarily lease write-up)	8,586
Goodwill	96,561
Other assets	4,524
Accounts payable	(19,036)
Noncurrent deferred tax liability	(22,828)
Other liabilities	(6,979)
Net Assets Acquired	$166,318

The trademarks acquired include the concept names and are deemed to have an indefinite life. Finite-lived intangibles include a $0.3 million customer list and an $8.3 million asset to reflect the adjustment of acquired leases to market. The weighted average amortization period for the asset to adjust acquired leases to market is 4.2 years. The goodwill related to the Hat World acquisition is not deductible for tax purposes. Goodwill decreased $0.7 million in the second quarter of Fiscal 2006 due to the recognition of a deferred tax asset.

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Note 3
Acquisitions, Continued

The following pro forma information presents the results of operations of the Company as if the Hat World acquisition had taken place at the beginning of Fiscal 2005. Pro forma adjustments have been made to reflect additional interest expense from the $100.0 million in debt associated with the acquisition. The pro forma results of operations include $2.0 million of non-recurring transaction costs incurred by Hat World for the two months ended March 31, 2004.

In thousands, except per share data	Three Months Ended		Nine Months Ended	
	Actual October 29, 2005	Actual October 30, 2004	**Actual October 29, 2005**	Pro forma October 30, 2004
Net sales	**$ 316,336**	$ 288,398	**$ 877,589**	$ 792,824
Net earnings	**16,143**	11,943	**31,400**	21,103
Net earnings per share:				
Basic	**$ 0.71**	$ 0.54	**$ 1.38**	$ 0.95
Diluted	**$ 0.61**	$ 0.47	**$ 1.22**	$ 0.87

The pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the results of operations that would have occurred had the Hat World acquisition occurred at the beginning of all periods presented.

Cap Connection Acquisition

On July 1, 2004, the Company acquired the assets and business of Edmonton, Alberta-based Cap Connection Ltd., consisting of 18 Cap Connection and Head Quarters stores at October 29, 2005 in Alberta, British Columbia and Ontario, Canada. The purchase price for the Cap Connection business was approximately $1.7 million. Cap Connection is a leading Canadian specialty retailer of headwear.

Note 4
Restructuring and Other Charges and Discontinued Operations

Restructuring and Other Charges

The Company recorded a pretax credit to earnings of $0.8 million ($0.5 million net of tax) in the third quarter of Fiscal 2006. The credit was primarily for the recognition of a gain of $0.9 million associated with the conclusion of the settlement of a California employment class action more favorably than originally anticipated, when the charge associated with the settlement was originally taken in the first quarter of Fiscal 2006 (see Note 9), offset by a $0.1 million charge for retail store asset impairments and lease terminations of four Jarman stores. These lease terminations are the continuation of a plan previously announced by the Company in Fiscal 2004.

The Company recorded a pretax charge to earnings of $0.2 million ($0.1 million net of tax) in the second quarter of Fiscal 2006. The charge was primarily for retail store asset impairments and lease terminations of two Jarman stores.

The Company recorded a pretax charge to earnings of $2.9 million ($1.8 million net of tax) in the first quarter of Fiscal 2006. The charge included a $2.6 million charge for the anticipated settlement of the California class action referenced above, $0.2 million in retail store asset impairments and $0.1 million related to lease terminations of two Jarman stores.

The Company recorded a pretax charge to earnings of $0.7 million in the third quarter of Fiscal 2005. The charge was primarily for lease terminations of four Jarman stores and retail store asset impairments.

The Company recorded a pretax credit to earnings of $0.2 million in the second quarter of Fiscal 2005. The credit was primarily for the recognition of a gain on the curtailment of the Company’s defined benefit pension plan, offset by charges for retail store asset impairments and lease terminations of four Jarman stores.

The Company recorded a pretax charge to earnings of $0.1 million in the first quarter of Fiscal 2005. The charge was primarily for lease terminations of six Jarman stores.

In accordance with Company policy, the Company evaluated assets at these identified stores for impairment when a strategic decision was made during the fourth quarter of Fiscal 2004 to pursue the closure of these stores. Assets were determined to be impaired when the revised estimated future cash flows were insufficient to recover the carrying costs. Impairment charges represent the excess of the carrying value over the fair value of those assets.

Asset impairment charges are reflected as a reduction of the net carrying value of property and equipment, and in restructuring and other, net in the accompanying Statements of Earnings.

Note 4
Restructuring and Other Charges and Discontinued Operations, Continued

Restructuring Reserves

In thousands	Employee Related Costs	Facility Shutdown Costs	Total
Balance January 31, 2004 (included in other accrued liabilities)	$ 54	$ 453	$ 507
Charges and adjustments, net	(54)	(453)	(507)
Balance January 29, 2005	**$ -0-**	**$ -0-**	**$ -0-**

Accrued Provision for Discontinued Operations

In thousands	Facility Shutdown Costs	Other	Total
Balance January 31, 2004	$ 3,021	$ 2	$ 3,023
Additional provisions Fiscal 2005	911	-0-	911
Charges and adjustments, net	1,868	1	1,869
Balance January 29, 2005	5,800	3	5,803
Additional provisions Fiscal 2006	51	-0-	51
Charges and adjustments, net	(473)	-0-	(473)
Balance October 29, 2005*	5,378	3	5,381
Current provision for discontinued operations	**3,750**	**3**	**3,753**
Total Noncurrent Provision for Discontinued Operations	**$ 1,628**	**$ -0-**	**$ 1,628**

* Includes $5.2 million environmental provision including $3.6 million in current provision for discontinued operations.

Note 5
Inventories

In thousands	October 29, 2005	January 29, 2005
Raw materials	**$ 211**	$ 212
Wholesale finished goods	**23,018**	28,476
Retail merchandise	**269,569**	178,509
Total Inventories	**$ 292,798**	$ 207,197

Note 6
Derivative Instruments and Hedging Activities

In order to reduce exposure to foreign currency exchange rate fluctuations in connection with inventory purchase commitments for its Johnston & Murphy division, the Company enters into foreign currency forward exchange contracts for Euro to make Euro denominated payments with a maximum hedging period of twelve months. Derivative instruments used as hedges must be effective at reducing the risk associated with the exposure being hedged. The settlement terms of the forward contracts correspond with the payment terms for the merchandise inventories. As a result, there is no hedge ineffectiveness to be reflected in earnings. At October 29, 2005 and January 29, 2005, the Company had approximately $9.6 million and $12.8 million, respectively, of such contracts outstanding. Forward exchange contracts have an average remaining term of approximately three and one-half months as of October 29, 2005. The loss based on spot rates under these contracts at October 29, 2005 was $0.1 million and the gain based on spot rates at January 29, 2005 was $0.1 million. For the nine months ended October 29, 2005, the Company recorded an unrealized loss on foreign currency forward contracts of $1.8 million in accumulated other comprehensive loss, before taxes. The Company monitors the credit quality of the major national and regional financial institutions with which it enters into such contracts.

The Company estimates that the majority of net hedging losses related to forward exchange contracts will be reclassified from accumulated other comprehensive loss into earnings through higher cost of sales over the succeeding year.

Note 6
Derivative Instruments and Hedging Activities, Continued

The Company uses interest rate swaps as a cash flow hedge to manage interest costs and the risk associated with changing interest rates of long-term debt. During the first quarter of Fiscal 2005, the Company entered into three separate forward-starting interest rate swap agreements as a means of managing its interest rate exposure on its $100.0 million variable rate term loan. All three agreements were effective beginning on October 1, 2004 and are designed to swap a variable rate of three-month LIBOR (4.054% at October 3, 2005, the day the rate was last set) for a fixed rate ranging from 2.52% to 3.32%. The aggregate notional amount of the swaps was $65.0 million as of October 1, 2004. Of the three agreements, the swap agreement with a $15.0 million notional amount expired on October 1, 2005, the swap agreement with a $20.0 million notional amount expires on July 1, 2006 and the swap agreement with a $30.0 million notional amount expires on April 1, 2007. These agreements have the effect of converting certain of the Company's variable rate obligations to fixed rate obligations.

In order to ensure continued hedge effectiveness, the Company intends to elect the three-month LIBOR option for its variable rate interest payments on its term loan as of each interest payment date. Since the interest payment dates coincide with the swap reset dates, the hedges are expected to be perfectly effective. However, because the swaps do not qualify for the short-cut method, the Company will evaluate quarterly the continued effectiveness of the hedge and will reflect any ineffectiveness in the results of operations. As long as the hedge continues to be perfectly effective, net amounts paid or received will be reflected as an adjustment to interest expense and the changes in the fair value of the derivative will be reflected in other comprehensive income.

At October 29, 2005, the net gain of these interest rate swap agreements was $0.5 million, net of tax, representing the change in fair value of the derivative instruments.

Note 7
Defined Benefit Pension Plans and Other Benefit Plans

Components of Net Periodic Benefit Cost

	Pension Benefits			
	Three Months Ended		Nine Months Ended	
In thousands	**October 29, 2005**	October 30, 2004	**October 29, 2005**	October 30, 2004
Service cost	**$ 61**	$ 520	**$ 188**	$ 1,644
Interest cost	**1,656**	1,734	**4,982**	5,136
Expected return on plan assets	**(1,920)**	(1,862)	**(5,781)**	(5,631)
Amortization:				
Prior service cost	**-0-**	-0-	-0-	(70)
Losses	**1,087**	973	**3,416**	3,043
Net amortization	**1,087**	973	**3,416**	2,973
Curtailment gain	**-0-**	-0-	**-0-**	(605)
Net Periodic Benefit Cost	**$ 884**	$ 1,365	**$ 2,805**	$ 3,517

	Other Benefits			
	Three Months Ended		Nine Months Ended	
In thousands	**October 29, 2005**	October 30, 2004	**October 29, 2005**	October 30, 2004
Service cost	**$ 37**	$ 44	**$ 111**	$ 132
Interest cost	**44**	24	**132**	72
Expected return on plan assets	**-0-**	-0-	**-0-**	-0-
Amortization:				
Prior service cost	**-0-**	-0-	**-0-**	-0-
Losses	**14**	20	**42**	60
Net amortization	**14**	20	**42**	60
Net Periodic Benefit Cost	**$ 95**	$ 88	**$ 285**	$ 264

Curtailment

The Company’s board of directors approved freezing the Company’s defined benefit pension plan in the second quarter ended July 31, 2004, effective January 1, 2005. The action resulted in a curtailment gain of $0.6 million in the second quarter ended July 31, 2004 which is reflected in the restructuring and other, net line on the accompanying Statements of Earnings for the nine months ended October 30, 2004.

Note 8
Earnings Per Share

(In thousands, except per share amounts)	For the Three Months Ended October 29, 2005 Income (Numerator)	Shares (Denominator)	Per-Share Amount	For the Three Months Ended October 30, 2004 Income (Numerator)	Shares (Denominator)	Per-Share Amount
Earnings from continuing operations	$ 16,238			$ 12,383		
Less: Preferred stock dividends	(67)			(73)		
Basic EPS						
Income available to common shareholders	16,171	22,797	$ .71	12,310	22,041	$ .56
Effect of Dilutive Securities						
Options		521			348	
Convertible preferred stock(1)	42	67		21	37	
4 1/8% Convertible Subordinated Debentures(2)	617	3,899		616	3,899	
Employees' preferred stock(3)		62			63	
Diluted EPS						
Income available to common shareholders plus assumed conversions	$ 16,830	27,346	$ .62	$ 12,947	26,388	$ .49

(1) The amounts of the dividend on the Series 1 and 3 convertible preferred stock in the third quarter ended October 29, 2005 and the Series 1 convertible preferred stock in the third quarter ended October 30, 2004 per common share obtainable on conversion of the convertible preferred stock were less than basic earnings per share. Therefore, conversion of these preferred shares were included in diluted earnings per share. The amounts of the dividend on the Series 4 convertible preferred stock in the third quarter this year and the Series 3 and 4 convertible preferred stock in last year's third quarter per common share obtainable on conversion of the convertible preferred stock were higher than basic earnings per share. Therefore, conversion of these preferred shares were 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 were 30,125, 37,263 and 13,960, respectively, as of October 29, 2005.

(2) These debentures are included in diluted earnings per share effective for periods ending after December 15, 2004. The EITF issued Consensus No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share" in November 2004. The Consensus requires companies to include the convertible debt in diluted earnings per share regardless of whether the market price trigger has been met and to restate prior periods. Results for the third quarter of Fiscal 2005 have been restated to include these shares.

(3) 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 weighted shares outstanding reflects the effect of the stock buy back programs of up to 7.5 million shares announced by the Company in Fiscal 1999 — 2003. The Company had repurchased 7.1 million shares as of January 31, 2004. There were 398,300 shares remaining to be repurchased under these authorizations. The board subsequently reduced the repurchase authorization to 100,000 shares in Fiscal 2005 in view of the Hat World acquisition. The Company has not repurchased any shares since Fiscal 2004.

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Note 8
Earnings Per Share, Continued

(In thousands, except per share amounts)	For the Nine Months Ended October 29, 2005			For the Nine Months Ended October 30, 2004		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Earnings from continuing operations	$ 31,430			$ 23,014		
Less: Preferred stock dividends	(209)			(219)		
Basic EPS						
Income available to common shareholders	31,221	22,675	$ 1.38	22,795	21,902	$ 1.04
Effect of Dilutive Securities						
Options		469			391	
Convertible preferred stock(1)	-0-	-0-		-0-	-0-	
4 1/8% Convertible Subordinated Debentures(2)	1,850	3,899		1,843	3,899	
Employees' preferred stock(3)		63			64	
Diluted EPS						
Income available to common shareholders plus assumed conversions	$ 33,071	27,106	$ 1.22	$ 24,638	26,256	$ .94

(1) 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 all periods presented. 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 30,125, 37,263 and 13,960, respectively, as of October 29, 2005.

(2) These debentures are included in diluted earnings per share effective for periods ending after December 15, 2004. The EITF issued Consensus No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share" in November 2004. The Consensus requires companies to include the convertible debt in diluted earnings per share regardless of whether the market price trigger has been met and to restate prior periods. Results for the first nine months of Fiscal 2005 have been restated to include these shares.

(3) 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 weighted shares outstanding reflects the effect of the stock buy back programs of up to 7.5 million shares announced by the Company in Fiscal 1999 — 2003. The Company had repurchased 7.1 million shares as of January 31, 2004. There were 398,300 shares remaining to be repurchased under these authorizations. The board subsequently reduced the repurchase authorization to 100,000 shares in Fiscal 2005 in view of the Hat World acquisition. The Company has not repurchased any shares since Fiscal 2004.

Note 9
Legal Proceedings

Environmental Matters

New York State Environmental Matters

In August 1997, the New York State Department of Environmental Conservation (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 ("IRM") with regard to the site of a knitting mill operated by a former subsidiary of the Company from 1965 to 1969. The Company undertook the IRM and RIFS voluntarily, without admitting liability or accepting responsibility for any future remediation of the site. The Company estimates that the cost of conducting the RIFS and implementing the IRM will be in the range of $6.3 million to $6.5 million, net of insurance recoveries, $3.0 million of which the Company has already paid. In the course of preparing the RIFS, the Company has identified remedial alternatives with estimated undiscounted costs ranging from $-0- to $24.0 million, including amounts previously expended or provided for by the Company, as described in this footnote.

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 the extent of its liability, if any, beyond that voluntarily assumed by the consent order. The Company's voluntary assumption of certain responsibility to date was based upon its judgment that such action was preferable to litigation to determine its liability, if any, for contamination related to the site. The Company intends to continue to evaluate the costs of further voluntary remediation versus the costs and uncertainty of litigation.

As part of its analysis of whether to undertake further voluntary action, the Company has assessed various methods of preventing potential future impact of contamination from the site on two public wells that are in the expected future path of the groundwater plume from the site. The Village of Garden City has proposed the installation at the supply wells of enhanced treatment measures at an estimated cost of approximately $2.6 million, with estimated future costs of up to $2.0 million. In the third quarter of Fiscal 2005, the Company provided for the estimated cost of a remedial alternative it considers adequate to prevent such impact and which it would be willing to implement voluntarily. The Village of Garden City has also asserted that the Company is liable for historical costs of treatment at the wells totaling approximately $3.4 million. Because of evidence with regard to when contaminants from the site of the Company's former operations first reached the wells, the Company believes it should have no liability with respect to such historical costs.

Note 9
Legal Proceedings, Continued

Whitehall Environmental Matters

The Company has performed sampling and analysis of soil, sediments, surface water, groundwater and waste management areas at the Company's former Volunteer Leather Company facility in Whitehall, Michigan.

The Company has submitted to the Michigan Department of Environmental Quality ("MDEQ") and provided for certain costs associated with a remedial action plan (the "Plan") designed to bring the property into compliance with regulatory standards for non-industrial uses. The Company estimates that the costs of resolving environmental contingencies related to the Whitehall property range from $0.8 million to $5.1 million, and considers the cost of implementing the Plan to be the most likely cost within that range. While management believes that the Plan should be sufficient to satisfy applicable regulatory standards with respect to the site, until the Plan is finally approved by MDEQ, management cannot provide assurances that no further remediation will be required or that its estimate of the range of possible costs or of the most likely cost of remediation will prove accurate.

Related to all outstanding environmental contingencies, the Company had accrued $5.2 million as of October 29, 2005, $5.5 million as of January 29, 2005 and $2.7 million as of January 31, 2004. All such provisions reflect the Company's estimates of the most likely cost (undiscounted, including both current and noncurrent portions) of resolving the contingencies, based on facts and circumstances as of the time they were made. There is no assurance that relevant facts and circumstances will not change, necessitating future changes to the provisions. Such contingent liabilities are included in the liability arising from provision for discontinued operations on the accompanying Consolidated Balance Sheets.

Insurance Matter

In May 2003, the Company filed a declaratory judgment action in the U.S. District Court for the Middle District of Tennessee against former general liability insurance carriers that underwrote policies covering the Company during periods relevant to the New York State knitting mill matter described above and the matters described above under the caption "Whitehall Environmental Matters." The action sought a determination that the carriers' defense and indemnity obligations under the policies extend to the sites. During the third quarter of Fiscal 2005, the Company and the carriers reached definitive settlement agreements and the Company received cash payments from the carriers totaling approximately $3.0 million in exchange for releases from liability with respect to the two sites. Net of the insurance proceeds, additional pretax provisions totaling approximately $1.0 million for future remediation expenses associated with the New York State knitting mill matter described above and the Whitehall matter described above, are reflected in the loss from discontinued operations for Fiscal 2005.

Note 9
Legal Proceedings, Continued

Other Matters

Patent Action

In January 2003, the Company was named a defendant in an action filed in the United States District Court for the Eastern District of Pennsylvania, *Schoenhaus, et al. vs. Genesco Inc., et al.*, alleging that certain features of shoes in the Company's Johnston & Murphy line infringe the plaintiff's patent, misappropriate trade secrets and involve conversion of the plaintiff's proprietary information and unjust enrichment of the Company. On January 10, 2005, the court granted summary judgment to the Company on the patent claims, finding that the accused products do not infringe the plaintiff's patent. The plaintiffs have appealed the summary judgment to the U.S. Court of Appeals for the Federal Circuit, pending which the trial court has stayed the remainder of the case.

California Employment Matter

On October 22, 2004, the Company was named a defendant in a putative class action filed in the Superior Court of the State of California, Los Angeles, *Schreiner vs. Genesco Inc., et al.*, alleging violations of California wages and hours laws, and seeking damages of $40 million plus punitive damages. On May 4, 2005, the Company and the plaintiffs reached an agreement in principle to settle the action, subject to court approval and other conditions. In connection with the proposed settlement, to provide for the settlement payment to the plaintiff class and related expenses, the Company recognized a charge of $2.6 million before taxes included in restructuring and other, net in the Consolidated Statements of Earnings for the first three months of Fiscal 2006. On May 25, 2005, a second putative class action, *Drake vs. Genesco Inc., et al.*, making allegations similar to those in the Schreiner complaint on behalf of employees of the Company's Johnston & Murphy division, was filed by a different plaintiff in the California Superior Court, Los Angeles. On November 22, 2005, the *Schreiner* court granted final approval of the settlement and the Company and the *Drake* plaintiff reached an agreement on November 17, 2005 to settle that action. The two matters were resolved more favorably to the Company than originally expected, as not all members of the plaintiff class in *Schreiner* submitted claims and because the court required that plaintiff's counsel bear the administrative expenses of the settlement. Consequently, the Company recognized income of $0.9 million before tax, reflected in restructuring and other, net in the accompanying Consolidated Statements of Earnings for the third quarter of Fiscal 2006.

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Note 10
Business Segment Information

The Company currently operates five reportable business segments (not including corporate): Journeys, comprised of Journeys and Journeys Kidz retail footwear operations; Underground Station Group, comprised of the Underground Station and Jarman retail footwear operations; Hat World, comprised of Hat World, Lids, Hat Zone, Cap Connection and Head Quarters retail headwear operations; Johnston & Murphy, comprised of Johnston & Murphy retail operations and wholesale distribution; and Licensed Brands, comprised of Dockers Footwear and Perry Ellis Footwear. The Company introduced Perry Ellis footwear with a limited offering for the Holiday 2005 season. All the Company's segments sell footwear or headwear products to either retail or wholesale markets/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 the way management organizes the segments in order to make operating decisions and assess performance along types of products sold. Journeys, Underground Station Group and Hat World sell primarily branded products from other companies while Johnston & Murphy and Licensed Brands sell primarily the Company's owned and licensed brands.

Corporate assets include cash, deferred income taxes, deferred note expense and corporate fixed assets. The Company charges allocated retail costs of distribution to each segment and unallocated retail costs of distribution to the corporate segment. The Company does not allocate certain costs to each segment in order to make decisions and assess performance. These costs include corporate overhead, interest expense, interest income, restructuring charges and other, including a $1.7 million charge for a litigation settlement in the first nine months of Fiscal 2006.

Three Months Ended October 29, 2005 In thousands	Journeys	Underground Station Group	Hat World	Johnston & Murphy	Licensed Brands	Corporate & Other	Consolidated
Sales	$ 153,109	$ 38,395	$ 68,330	$ 38,981	$ 17,548	$ 64	$ 316,427
Intercompany sales	-0-	-0-	-0-	-0-	(91)	-0-	(91)
Net sales to external customers	$ 153,109	$ 38,395	$ 68,330	$ 38,981	$ 17,457	$ 64	$ 316,336
Segment operating income (loss)	$ 21,551	$ 1,965	$ 7,615	$ 1,404	$ 1,781	$ (6,030)	$ 28,286
Restructuring and other	-0-	-0-	-0-	-0-	-0-	789	789
Earnings (loss) from operations	21,551	1,965	7,615	1,404	1,781	(5,241)	29,075
Interest expense	-0-	-0-	-0-	-0-	-0-	(2,871)	(2,871)
Interest income	-0-	-0-	-0-	-0-	-0-	202	202
Earnings (loss) before income taxes from continuing operations	$ 21,551	$ 1,965	$ 7,615	$ 1,404	$ 1,781	$ (7,910)	$ 26,406
Total assets	$ 202,105	$ 65,897	$ 258,002	$ 63,123	$ 20,934	$ 105,644	$ 715,705
Depreciation	3,289	1,078	2,348	713	12	1,303	8,743
Capital expenditures	7,756	2,998	6,215	602	17	452	18,040

Genesco Inc.
and Subsidiaries
Notes to Consolidated Financial Statements

Note 10
Business Segment Information, Continued

Three Months Ended October 30, 2004 In thousands	Journeys	Underground Station Group	Hat World	Johnston & Murphy	Licensed Brands	Corporate & Other	Consolidated
Sales	$ 137,985	$ 34,273	$ 59,477	$ 38,256	$ 18,400	$ 73	$ 288,464
Intercompany sales	-0-	-0-	-0-	-0-	(66)	-0-	(66)
Net sales to external customers	$ 137,985	$ 34,273	$ 59,477	$ 38,256	$ 18,334	$ 73	$ 288,398
Segment operating income (loss)	$ 17,830	$ 720	$ 7,612	$ 1,881	$ 2,140	$ (6,307)	$ 23,876
Restructuring charge	-0-	-0-	-0-	-0-	-0-	(664)	(664)
Earnings (loss) from operations	17,830	720	7,612	1,881	2,140	(6,971)	23,212
Interest expense	-0-	-0-	-0-	-0-	-0-	(3,204)	(3,204)
Interest income	-0-	-0-	-0-	-0-	-0-	66	66
Earnings (loss) before income taxes from continuing operations	$ 17,830	$ 720	$ 7,612	$ 1,881	$ 2,140	$ (10,109)	$ 20,074
Total assets	$ 180,558	$ 64,670	$ 234,445	$ 64,214	$ 23,199	$ 88,364	$ 655,450
Depreciation	3,071	939	1,990	680	31	1,340	8,051
Capital expenditures	2,706	1,934	4,628	1,100	10	1,666	12,044

Nine Months Ended October 29, 2005 In thousands	**Journeys**	**Underground Station Group**	**Hat World**	**Johnston & Murphy**	**Licensed Brands**	**Corporate & Other**	**Consolidated**
Sales	$ 400,881	$ 110,417	$ 199,532	$ 121,497	$ 45,417	$ 197	$ 877,941
Intercompany sales	-0-	-0-	-0-	-0-	(352)	-0-	(352)
Net sales to external customers	$ 400,881	$ 110,417	$ 199,532	$ 121,497	$ 45,065	$ 197	$ 877,589
Segment operating income (loss)	$ 42,270	$ 3,900	$ 22,355	$ 6,352	$ 3,545	$ (16,829)	$ 61,593
Restructuring and other	-0-	-0-	-0-	-0-	-0-	(2,255)	(2,255)
Earnings (loss) from operations	42,270	3,900	22,355	6,352	3,545	(19,084)	59,338
Interest expense	-0-	-0-	-0-	-0-	-0-	(8,748)	(8,748)
Interest income	-0-	-0-	-0-	-0-	-0-	807	807
Earnings (loss) before income taxes from continuing operations	$ 42,270	$ 3,900	$ 22,355	$ 6,352	$ 3,545	$ (27,025)	$ 51,397
Total assets	$ 202,105	$ 65,897	$ 258,002	$ 63,123	$ 20,934	$ 105,644	$ 715,705
Depreciation	9,753	3,009	6,721	2,131	34	3,982	25,630
Capital expenditures	16,163	5,515	16,331	1,807	89	1,279	41,184

Note 10
Business Segment Information, Continued

Nine Months Ended October 30, 2004 In thousands	Journeys	Underground Station Group	Hat World	Johnston & Murphy	Licensed Brands	Corporate & Other	Consolidated
Sales	$ 358,011	$ 97,864	$ 135,518	$ 118,210	$ 50,485	$ 223	$ 760,311
Intercompany sales	-0-	-0-	-0-	-0-	(448)	-0-	(448)
Net sales to external customers	$ 358,011	$ 97,864	$ 135,518	$ 118,210	$ 50,037	$ 223	$ 759,863
Segment operating income (loss)	$ 33,076	$ 862	$ 16,614	$ 5,666	$ 5,195	$ (16,319)	$ 45,094
Restructuring charge	-0-	-0-	-0-	-0-	-0-	(572)	(572)
Earnings (loss) from operations	33,076	862	16,614	5,666	5,195	(16,891)	44,522
Interest expense	-0-	-0-	-0-	-0-	-0-	(8,138)	(8,138)
Interest income	-0-	-0-	-0-	-0-	-0-	222	222
Earnings (loss) before income taxes from continuing operations	$ 33,076	$ 862	$ 16,614	$ 5,666	$ 5,195	$ (24,807)	$ 36,606
Total assets	$ 180,558	$ 64,670	$ 234,445	$ 64,214	$ 23,199	$ 88,364	$ 655,450
Depreciation	9,241	2,745	4,418	2,068	93	4,272	22,837
Capital expenditures	7,874	5,019	9,703	2,607	31	4,639	29,873

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward Looking Statements

This discussion and the notes to the Consolidated Financial Statements include certain forward-looking statements, which include statements regarding our intent, belief or expectations and all statements other than those made solely with respect to historical fact. Actual results could differ materially from those reflected by the forward-looking statements in this discussion and a number of factors may adversely affect the forward looking statements and the Company's future results, liquidity, capital resources or prospects. These factors (some of which are beyond the Company's control) include:

- The Company's 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;
- 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 the holidays or in the onset of seasonal weather affecting demand or 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);
- Variations from expected pension-related charges caused by conditions in the financial markets; and
- The outcome of litigation and environmental matters involving the Company, including those discussed in Note 9 to the Consolidated Financial Statements.

Forward-looking statements reflect the expectations of the Company at the time they are made, and investors should rely on them only as expressions of opinion about what may happen in the future and only at the time they are made. The Company undertakes no obligation to update any forward-looking statement. Although the Company believes it has an appropriate business strategy and the resources necessary for its operations, predictions about future results, revenue and margin trends are inherently uncertain and the Company may alter its business strategies to address changing conditions.

Overview

Description of Business

The Company is a leading retailer of branded footwear and of licensed and branded headwear, operating 1,700 retail footwear and headwear stores throughout the United States and Puerto Rico and 18 headwear stores in Canada as of October 29, 2005. The Company also designs, sources, markets and distributes footwear under its own Johnston & Murphy brand and under the licensed Dockers and Perry Ellis brands to over 1,000 retail accounts in the United States, including a number of leading department, discount, and specialty stores. On April 1, 2004, the Company acquired Hat

World Corporation (“Hat World”), a leading retailer of licensed and branded headwear. On July 1, 2004, the Company acquired the assets and business of Edmonton, Alberta–based Cap Connection Ltd., a leading Canadian specialty retailer of headwear, operating 18 stores at October 29, 2005. See “Significant Developments.”

The Company operates five reportable business segments (not including corporate): Journeys, comprised of Journeys and Journeys Kidz retail footwear chains; Underground Station Group, comprised of the Underground Station and Jarman retail footwear chains; Hat World, comprised of Hat World, Lids, Hat Zone, Cap Connection and Head Quarters retail headwear operations; Johnston & Murphy, comprised of Johnston & Murphy retail operations and wholesale distribution; and Licensed Brands, comprised of Dockers® Footwear and Perry Ellis® Footwear. The Company introduced Perry Ellis Footwear with a limited offering for the Holiday 2005 season.

The Journeys retail footwear stores sell footwear and accessories primarily for 13 to 22 year old men and women. The stores average approximately 1,700 square feet. The Journeys Kidz retail footwear stores sell footwear primarily for younger children, ages four to eleven. These stores average approximately 1,400 square feet.

The Underground Station Group retail footwear stores sell footwear and accessories for men and women in the 20 to 35 age group. The Underground Station Group stores average approximately 1,600 square feet. In the fourth quarter of Fiscal 2004, the Company made the strategic decision to close 34 Jarman stores subject to its ability to negotiate lease terminations. These stores are not suitable for conversion to Underground Station stores. The Company intends to convert the remaining Jarman stores to Underground Station stores and close the remaining Jarman stores not closed in Fiscal 2005 as quickly as it is financially feasible, subject to landlord approval. During the first nine months of Fiscal 2006, eight Jarman stores were closed and two Jarman stores were converted to Underground Station stores. During Fiscal 2005, 20 Jarman stores were closed and twelve Jarman stores were converted to Underground Station stores.

Hat World retail stores sell licensed and branded headwear to men and women primarily in the mid-teen to mid-20’s age group. These stores average approximately 700 square feet and are located in malls, airports, street level stores and factory outlet stores nationwide and in Canada.

Johnston & Murphy retail stores sell a broad range of men’s dress and casual footwear and accessories to business and professional consumers. These stores average approximately 1,300 square feet and are located primarily in better malls nationwide. Johnston & Murphy shoes are also distributed through the Company’s wholesale operations to better department and independent specialty stores. In addition, the Company sells Johnston & Murphy footwear in factory stores located in factory outlet malls. These stores average approximately 2,400 square feet.

The Company entered into an exclusive license with Levi Strauss and Company to market men’s footwear in the United States under the Dockers® brand name in 1991. The Dockers license agreement was renewed October 22, 2004. The Dockers license agreement, as amended, expires on December 31, 2006 with a Company option to renew through December 31, 2008, subject to certain conditions. The Company uses the Dockers name to market casual and dress casual footwear to men aged 30 to 55 through many of the same national retail chains that carry Dockers slacks and sportswear and in department and specialty stores across the country.

The Company entered into an exclusive license with Perry Ellis International to market men's footwear in the United States under the Perry Ellis® and Perry Ellis Portfolio® brands in 2005. The Perry Ellis license agreement expires December 31, 2008 with a Company option to renew through December 31, 2011. The Company introduced Perry Ellis Footwear with a limited offering for Holiday 2005 season. The Company expects to sell footwear under the Perry Ellis license primarily to department and specialty stores across the country.

Strategy

The Company's strategy is to seek long-term growth by: 1) increasing the Company's store base, 2) increasing retail square footage, 3) improving comparable store sales, 4) increasing operating margin and 5) enhancing the value of its brands. Our future results are subject to various risks, uncertainties and other challenges, including those discussed under the caption "Forward Looking Statements," above. Among the most important of these factors are those related to consumer demand. Conditions in the external economy can affect demand, resulting in changes in sales and, as prices are adjusted to drive sales and control inventories, in gross margins. Because fashion trends influencing many of the Company's target customers (particularly customers of Journeys, Underground Station and Hat World) can change rapidly, the Company believes that its ability to detect and respond quickly to those changes has been important to its success. Even when the Company succeeds in aligning its merchandise offerings with consumer preferences, those preferences may affect results. The Company believes its experience and discipline in merchandising and the buying power associated with its relative size in the industry are important to its ability to mitigate risks associated with changing customer preferences. Also important to the Company's long-term prospects are the availability and cost of appropriate locations for the Company's retail concepts. The Company is opening stores in airports and on streets in major cities, tourist venues and college campuses, among other locations in an effort to broaden its selection of locations for additional stores beyond the malls that have traditionally been the dominant venue for its retail concepts.

Summary of Operating Results

The Company's net sales increased 9.7% during the third quarter of Fiscal 2006 compared to the third quarter of Fiscal 2005. The increase was driven primarily by the addition of new stores and a 5% increase in comparable store sales for all concepts. Gross margin increased as a percentage of net sales during the third quarter of Fiscal 2006 primarily due to improved gross margins in the Journeys, Underground Station and Hat World businesses. Selling and administrative expenses increased as a percentage of net sales during the third quarter of Fiscal 2006 due to increased expenses in the Journeys, Hat World, Johnston & Murphy and Licensed Brands businesses. Operating income increased as a percentage of net sales during the third quarter of Fiscal 2006 due to improved operating income in the Journeys and Underground Station businesses.

Significant Developments

Hurricanes Katrina and Rita

Nine of the Company's stores sustained damage in Hurricanes Katrina and Rita. The Company recorded a pretax charge to earnings of $0.6 million ($0.4 million net of tax) in the third quarter of Fiscal 2006 for uninsured losses related to the hurricanes.

Restatement of Financial Statements

On April 14, 2005, the Company filed its annual report on Form 10-K. In that report, the Company restated its financial statements for fiscal years 2004 and 2003 and the first three quarters of Fiscal

2005. Accordingly, the prior year financial results for the fiscal quarter and nine months ended October 30, 2004 reflect the impact of the restatement.

The issue requiring restatement related to the Company's lease-related accounting methods. The Company determined that its methods of accounting for (1) amortization of leasehold improvements, (2) leasehold improvements funded by landlord incentives and (3) rent expense prior to commencement of operations and rent payments, while in line with common industry practice, were not in accordance with generally accepted accounting principles. As a result, the Company restated its consolidated financial statements for each of the fiscal years ended January 31, 2004 and February 1, 2003, and the first three quarters of Fiscal 2005.

See Note 2 to the Consolidated Financial Statements for a summary of the effects of this restatement on the Company's Consolidated Balance Sheet as of October 30, 2004, as well as the Company's Consolidated Statements of Earnings and Cash Flows for the three months and nine months ended October 30, 2004.

Cap Connection Acquisition

On July 1, 2004, the Company acquired the assets and business of Edmonton, Alberta-based Cap Connection Ltd. The purchase price for the Cap Connection business was approximately $1.7 million. At October 29, 2005, the Company operated 18 Cap Connection and Head Quarters stores in Alberta, British Columbia and Ontario, Canada.

Hat World Acquisition

On April 1, 2004, the Company completed the acquisition of Hat World for a total purchase price of approximately $179 million, including adjustments for $12.6 million of net cash acquired, a $1.2 million subsequent working capital adjustment and direct acquisition expenses of $2.8 million. Hat World is a leading specialty retailer of licensed and branded headwear operating under the Hat World, Lids and Hat Zone names. The Company believes the acquisition has enhanced its strategic development and prospects for growth. The Company funded the acquisition and associated expenses with a $100.0 million, five-year term loan and the balance from cash on hand.

Restructuring and Other Charges

The Company recorded a pretax credit to earnings of $0.8 million ($0.5 million net of tax) in the third quarter of Fiscal 2006. The credit was primarily for the recognition of a gain of $0.9 million associated with the conclusion of the settlement of a California employment class action more favorably than originally anticipated, when the charge associated with the settlement was originally taken in the first quarter of Fiscal 2006 (see Note 9), offset by a $0.1 million charge for retail store asset impairments and lease terminations of four Jarman stores. These lease terminations are the continuation of a plan previously announced by the Company in Fiscal 2004.

The Company recorded a pretax charge to earnings of $0.2 million ($0.1 million net of tax) in the second quarter of Fiscal 2006. The charge was primarily for retail store asset impairments and lease terminations of two Jarman stores.

The Company recorded a pretax charge to earnings of $2.9 million ($1.8 million net of tax) in the first quarter of Fiscal 2006. The charge included a $2.6 million charge for the anticipated settlement of the California class action referenced above, $0.2 million in retail store asset impairments and $0.1 million related to lease terminations of two Jarman stores.

The Company recorded a pretax charge to earnings of $0.7 million in the third quarter of Fiscal 2005. The charge was primarily for lease terminations of four Jarman stores and retail store asset impairments.

The Company recorded a pretax credit to earnings of $0.2 million in the second quarter of Fiscal 2005. The credit was primarily for the recognition of a gain on the curtailment of the Company’s defined benefit pension plan, offset by charges for retail store asset impairments and lease terminations of four Jarman stores.

The Company recorded a pretax charge to earnings of $0.1 million in the first quarter of Fiscal 2005. The charge was primarily for lease terminations of six Jarman stores.

Results of Operations — Third Quarter Fiscal 2006 Compared to Fiscal 2005

The Company’s net sales in the third quarter ended October 29, 2005 increased 9.7% to $316.3 million from $288.4 million in the third quarter ended October 30, 2004. Gross margin increased 12.7% to $161.5 million in the third quarter this year from $143.4 million in the same period last year and increased as a percentage of net sales from 49.7% to 51.1%. Selling and administrative expenses in the third quarter this year increased 11.5% from the third quarter last year and increased as a percentage of net sales from 41.4% to 42.1%. The Company records buying and merchandising and occupancy costs in selling and administrative expense. Because the Company does not include these costs in cost of sales, the Company’s gross margin may not be comparable to other retailers that include these costs in the calculation of gross margin. Explanations of the changes in results of operations are provided by business segment in discussions following these introductory paragraphs.

Earnings before income taxes from continuing operations (“pretax earnings”) for the third quarter ended October 29, 2005 were $26.4 million compared to $20.1 million for the third quarter ended October 30, 2004. Pretax earnings for the third quarter ended October 29, 2005 included a restructuring and other credit of $0.8 million, primarily due to a favorable adjustment to a litigation settlement in the third quarter, offset by retail store asset impairments and lease terminations of four Jarman stores. These lease terminations are the continuation of a plan previously announced by the Company in Fiscal 2004. Pretax earnings for the third quarter ended October 30, 2004 included a restructuring and other charge of $0.7 million, primarily for lease terminations of four Jarman stores and retail store asset impairments.

Net earnings for the third quarter ended October 29, 2005 were $16.1 million ($0.61 diluted earnings per share) compared to $11.9 million ($0.47 diluted earnings per share) for the third quarter ended October 30, 2004. Net earnings for the third quarter ended October 29, 2005 included a $0.1 million ($0.01 diluted earnings per share) charge to earnings (net of tax) primarily for additional environmental costs. Net earnings for the third quarter ended October 30, 2004 included a $0.4 million ($0.02 diluted earnings per share) charge to earnings (net of tax) primarily for anticipated costs of environmental remedial alternatives related to two manufacturing facilities formerly operated by the Company, offset by $3.0 million from settlements with certain insurance carriers regarding the sites. See Note 9 to the Consolidated Financial Statements. The Company recorded an effective income tax rate of 38.5% in the third quarter this year compared to 38.3% in the same period last year.

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Journeys

	Three Months Ended		
	October 29, 2005	October 30, 2004	% Change
	(dollars in thousands)		
Net sales	**$ 153,109**	$ 137,985	11.0%
Operating income	**$ 21,551**	$ 17,830	20.9%
Operating margin	**14.1%**	12.9%	

Net sales from Journeys increased 11.0% for the third quarter ended October 29, 2005 compared to the same period last year. The increase reflects a 5% increase in comparable store sales and a 5% increase in average Journeys stores operated (i.e., the sum of the number of stores open on the first day of the fiscal quarter and the last day of each fiscal month during the quarter divided by four). Footwear unit comparable sales also increased 6% for the third quarter ended October 29, 2005. The average price per pair of shoes decreased 1% in the third quarter of Fiscal 2006, reflecting changes in product mix, while unit sales increased 11% during the same period. The comparable sales performance was primarily driven by continued growth in comparable unit sales. Journeys operated 724 stores at the end of the third quarter of Fiscal 2006, including 41 Journeys Kidz stores, compared to 687 stores at the end of the third quarter last year, including 41 Journeys Kidz stores.

Journeys operating income for the third quarter ended October 29, 2005 was up 20.9% to $21.6 million, compared to $17.8 million for the third quarter ended October 30, 2004. The increase was due to increased net sales, reflecting increased comparable store sales and store growth, and to increased gross margin as a percentage of net sales, primarily reflecting changes in product mix and decreased markdowns as a percentage of net sales.

Underground Station Group

	Three Months Ended		
	October 29, 2005	October 30, 2004	% Change
	(dollars in thousands)		
Net sales	**$ 38,395**	$ 34,273	12.0%
Operating income	**$ 1,965**	$ 720	172.9%
Operating margin	**5.1%**	2.1%	

Net sales from the Underground Station Group (comprised of Underground Station and Jarman retail stores) increased 12.0% for the third quarter ended October 29, 2005 compared to the same period last year. Comparable store sales were up 9% for the Underground Station Group, 13% for Underground Station stores and down 5% for Jarman retail stores. Footwear unit comparable sales were up 7% in the Underground Station stores. The strong comparable sales performance was primarily driven by continued increases in average selling prices and continued growth in unit comparable sales. The average price per pair of shoes increased 4% in the third quarter of Fiscal 2006, primarily reflecting lower markdowns as a percentage of net sales and changes in product mix, and unit sales increased 5% during the same period. Underground Station Group operated 230 stores at the end of the third quarter of Fiscal 2006, including 176 Underground Station stores. The

Underground Station Group operated 231 stores at the end of the third quarter last year, including 158 Underground Station stores.

Underground Station Group operating income for the third quarter ended October 29, 2005 was $2.0 million, compared to $0.7 million for the third quarter last year. The increase was due to increased net sales, to increased gross margin as a percentage of net sales, primarily reflecting lower markdowns as a percentage of net sales and changes in product mix, and to decreased expenses as a percentage of net sales.

Hat World

	Three Months Ended		
	October 29, 2005	October 30, 2004	% Change
	(dollars in thousands)		
Net sales	**$68,330**	$59,477	14.9%
Operating income	**$ 7,615**	$ 7,612	0%
Operating margin	**11.1%**	12.8%	

Net sales from Hat World increased 14.9% for the third quarter ended October 29, 2005 compared to the same period last year. The increase reflects primarily a 14% increase in average Hat World stores operated and a 1% increase in comparable store sales. Hat World's comparable store sales were impacted by significantly lower consumer demand for baseball caps featuring the teams in this year's World Series as compared to last year's. Hat World operated 621 stores at the end of the third quarter of Fiscal 2006, including 18 stores in Canada, compared to 543 stores at the end of the third quarter last year, including 18 stores in Canada.

Hat World operating income for the third quarter ended October 29, 2005 was flat at $7.6 million compared to the third quarter ended October 30, 2004. While net sales increased, reflecting primarily increased average stores operated, and gross margin increased as a percentage of net sales, primarily reflecting decreased stock shortages, Hat World expenses as a percentage of net sales also increased as a result of the inability to leverage expenses due to the small increase in comparable store sales. Therefore, operating income was flat.

Johnston & Murphy

	Three Months Ended		
	October 29, 2005	October 30, 2004	% Change
	(dollars in thousands)		
Net sales	**$38,981**	$38,256	1.9%
Operating income	**$ 1,404**	$ 1,881	(25.4)%
Operating margin	**3.6%**	4.9%	

Johnston & Murphy net sales increased 1.9% to $39.0 million for the third quarter ended October 29, 2005 from $38.3 million for the third quarter ended October 30, 2004, reflecting primarily a 5% increase in comparable store sales for Johnston & Murphy retail operations offset by a 1% decrease in Johnston & Murphy wholesale sales. Unit sales for the Johnston & Murphy wholesale business increased 9% in the third quarter of Fiscal 2006 while the average price per pair of shoes decreased

9% for the same period primarily due to changes in product mix. Retail operations accounted for 73.1% of Johnston & Murphy segment sales in the third quarter this year, up from 72.5% in the third quarter last year. The average price per pair of shoes for Johnston & Murphy retail operations decreased 4% (5% in the Johnston and Murphy Shops) in the third quarter this year primarily due to changes in product mix, while unit sales increased 5% during the same period. The store count for Johnston & Murphy retail operations at the end of the third quarter this year included 143 Johnston & Murphy stores and factory stores compared to 142 Johnston & Murphy stores and factory stores at the end of the third quarter last year.

Johnston & Murphy operating income for the third quarter ended October 29, 2005 decreased to $1.4 million from $1.9 million compared to the same period last year, primarily due to increased expenses as a percentage of net sales due to increased advertising expenses.

Licensed Brands

	Three Months Ended		
	October 29, 2005	October 30, 2004	% Change
	(dollars in thousands)		
Net sales	**$17,457**	$18,334	(4.8)%
Operating income	**$ 1,781**	$ 2,140	(16.8)%
Operating margin	**10.2%**	11.7%	

Licensed Brands' net sales, primarily consisting of sales of Dockers® branded footwear sold under a license from Levi Strauss & Co., decreased 4.8% to $17.5 million for the third quarter ended October 29, 2005, from $18.3 million for the third quarter ended October 30, 2004. Unit sales for Dockers Footwear decreased 14% while the average price per pair of shoes increased 9% compared to the third quarter last year. The sales decrease reflected lower close-out sales as a result of cleaner inventory from last year and no new product initiatives resulting in lower initial shipments during the quarter.

Licensed Brands' operating income for the third quarter ended October 29, 2005 decreased 16.8% from $2.1 million for the third quarter ended October 30, 2004 to $1.8 million, primarily due to decreased net sales, decreased gross margin as a percentage of net sales, reflecting changes in product mix, and to increased expenses as a percentage of net sales.

Corporate, Interest Expenses and Other Charges

Corporate and other expenses for the third quarter ended October 29, 2005 were $5.2 million, compared to $7.0 million for the third quarter ended October 30, 2004. This year's third quarter included a $0.8 million restructuring and other credit, primarily due to a favorable adjustment to a litigation settlement in the third quarter, offset by retail store asset impairments and lease terminations of four Jarman stores. Last year's third quarter included $0.7 million of restructuring and other charges, primarily for lease terminations of four Jarman stores and retail store asset impairments. Excluding the listed items in both periods, corporate expenses were down 4%, primarily due to lower bonus accruals and professional fees.

Interest expense decreased 10.4% from $3.2 million in the third quarter ended October 30, 2004, to $2.9 million for the third quarter ended October 29, 2005, primarily due to lower outstanding debt in the third quarter this year as a result of the Company paying $35.0 million, including $18.0 million

early, on the $100.0 million term loan. In addition, interest expense decreased because there were no borrowings under the Company's revolving credit facility during the three months ended October 29, 2005 and there was an average of $11.1 million of borrowings under the Company's revolving credit facility during the three months ended October 30, 2004.

Interest income increased from $0.1 million for the third quarter ended October 30, 2004 to $0.2 million for the third quarter ended October 29, 2005 due to the increase in average short-term investments.

Results of Operations — Nine Months Fiscal 2006 Compared to Fiscal 2005

The Company's net sales in the nine months ended October 29, 2005 increased 15.5% to $877.6 million from $759.9 million in the nine months ended October 30, 2004. The sales increase included Hat World sales of $199.5 million in the nine months this year compared to $135.5 million in the nine months last year. Hat World was acquired April 1, 2004 and last year's nine months only included seven months of Hat World sales. Gross margin increased 18.9% to $447.0 million in the nine months this year from $375.9 million in the same period last year and increased as a percentage of net sales from 49.5% to 50.9%. Selling and administrative expenses in the nine months this year increased 16.5% from the nine months last year and increased as a percentage of net sales from 43.5% to 43.9%. The Company records buying and merchandising and occupancy costs in selling and administrative expense. Because the Company does not include these costs in cost of sales, the Company's gross margin may not be comparable to other retailers that include these costs in the calculation of gross margin. Explanations of the changes in results of operations are provided by business segment in discussions following these introductory paragraphs.

Earnings before income taxes from continuing operations ("pretax earnings") for the nine months ended October 29, 2005 were $51.4 million compared to $36.6 million for the nine months ended October 30, 2004. Pretax earnings for the nine months ended October 29, 2005 included restructuring and other charges of $2.3 million, including $1.7 million for settlement of a previously announced class action lawsuit (see Note 9), retail store asset impairments and lease terminations of eight Jarman stores. These lease terminations are the continuation of a plan previously announced by the Company in Fiscal 2004. Pretax earnings for the nine months ended October 30, 2004 included a restructuring and other charge of $0.6 million, primarily for lease terminations of fourteen Jarman stores and retail store asset impairments offset by the gain on the curtailment of the Company's defined benefit pension plan.

Net earnings for the nine months ended October 29, 2005 were $31.4 million ($1.22 diluted earnings per share) compared to $22.6 million ($0.92 diluted earnings per share) for the nine months ended October 30, 2004. Net earnings for the nine months ended October 30, 2004 included a $0.5 million ($0.02 diluted earnings per share) charge to earnings (net of tax) primarily for anticipated costs of environmental remedial alternatives related to two manufacturing facilities formerly operated by the Company, offset by $3.3 million from settlements with certain insurance carriers regarding the sites. See Note 9 to the Consolidated Financial Statements. The Company recorded an effective income tax rate of 38.8% in the nine months ended October 29, 2005 compared to 37.1% in the same period last year. Income taxes for the nine months ended October 30, 2004 included a favorable tax settlement of $0.5 million. Without the settlement the income tax rate would have been 38.5% for the nine months last year.

Journeys

	Nine Months Ended		
	October 29, 2005	October 30, 2004	% Change
	(dollars in thousands)		
Net sales	**$400,881**	$358,011	12.0%
Operating income	**$ 42,270**	$ 33,076	27.8%
Operating margin	**10.5%**	9.2%	

Net sales from Journeys increased 12.0% for the nine months ended October 29, 2005 compared to the same period last year. The increase reflects primarily a 6% increase in comparable store sales and a 4% increase in average Journeys stores operated (i.e., the sum of the number of stores open on the first day of the fiscal year and the last day of each fiscal month during the nine months divided by ten). Footwear unit comparable sales also increased 9% for the nine months ended October 29, 2005. The average price per pair of shoes decreased 2% in the first nine months of Fiscal 2006, reflecting changes in product mix, while unit sales increased 14% during the same period driven by fashion athletic, euro casuals, board sport shoes, and women's fashion footwear. The comparable sales performance was primarily driven by continued growth in comparable unit sales.

Journeys operating income for the nine months ended October 29, 2005 was up 27.8% to $42.3 million compared to $33.1 million for the nine months ended October 30, 2004. The increase was due to increased net sales, reflecting increased comparable store sales and store growth, and to increased gross margin as a percentage of net sales, primarily reflecting changes in product mix and decreased markdowns.

Underground Station Group

	Nine Months Ended		
	October 29, 2005	October 30, 2004	% Change
	(dollars in thousands)		
Net sales	**$110,417**	$97,864	12.8%
Operating income	**$ 3,900**	$ 862	352.4%
Operating margin	**3.5%**	0.9%	

Net sales from the Underground Station Group (comprised of Underground Station and Jarman retail stores) increased 12.8% for the nine months ended October 29, 2005 compared to the same period last year. Comparable store sales were up 9% for the Underground Station Group, 12% for Underground Station stores and flat for Jarman retail stores. Footwear unit comparable sales were up 7% in the Underground Station stores. The strong comparable sales performance was primarily driven by continued increases in average selling prices and continued growth in unit comparable sales. The average price per pair of shoes increased 4% in the first nine months of Fiscal 2006, primarily reflecting changes in product mix and lower markdowns as a percentage of net sales, and unit sales increased 7% during the same period.

Underground Station Group operating income for the nine months ended October 29, 2005 increased to $3.9 million, compared to $0.9 million in the nine months ended October 30, 2004. The increase was due to increased net sales, to increased gross margin as a percentage of net sales, primarily

reflecting changes in product mix and lower markdowns as a percentage of net sales, and to decreased expenses as a percentage of net sales.

Hat World

	Nine Months Ended		
	October 29, 2005	October 30, 2004*	% Change
	(dollars in thousands)		
Net sales	**$199,532**	$135,518	NM
Operating income	**$ 22,355**	$ 16,614	NM
Operating margin	**11.2%**	12.3%	

* The Company acquired Hat World on April 1, 2004. Results for the nine month period ended October 30, 2004 are for the period April 1, 2004 – October 30, 2004, and are therefore not comparable to the nine month period ended October 29, 2005.

Hat World comparable store sales increased 4% for the nine months ended October 29, 2005. Hat World's comparable store sales increase was primarily driven by an increased number of units sold and higher selling prices.

Johnston & Murphy

	Nine Months Ended		
	October 29, 2005	October 30, 2004	% Change
	(dollars in thousands)		
Net sales	**$121,497**	$118,210	2.8%
Operating income	**$ 6,352**	$ 5,666	12.1%
Operating margin	**5.2%**	4.8%	

Johnston & Murphy net sales increased 2.8% to $121.5 million for the nine months ended October 29, 2005 from $118.2 million for the nine months ended October 30, 2004, reflecting primarily a 6% increase in comparable store sales for Johnston & Murphy retail operations and a 1% increase in Johnston & Murphy wholesale sales. Unit sales for the Johnston & Murphy wholesale business increased 6% in the first nine months of Fiscal 2006 while the average price per pair of shoes decreased 4% for the same period. Retail operations accounted for 74.3% of Johnston & Murphy segment sales in the nine months this year, up from 73.9% in the nine months last year. The average price per pair of shoes for Johnston & Murphy retail operations decreased 6% (8% in the Johnston and Murphy Shops) in the first nine months this year primarily due to changes in product mix, while unit sales increased 8% during the same period.

Johnston & Murphy operating income for the nine months ended October 29, 2005 increased 12.1% compared to the same period last year, primarily due to increased net sales and to increased gross margin as a percentage of net sales, reflecting improvements in sourcing and a healthier product mix resulting in less promotional selling.

Licensed Brands

	Nine Months Ended		
	October 29, 2005	October 30, 2004	% Change
	(dollars in thousands)		
Net sales	**$45,065**	$50,037	(9.9)%
Operating income	**$ 3,545**	$ 5,195	(31.8)%
Operating margin	**7.9%**	10.4%	

Licensed Brands' net sales, primarily consisting of sales of Dockers® branded footwear sold under a license from Levi Strauss & Co., decreased 9.9% to $45.1 million for the nine months ended October 29, 2005, from $50.0 million for the nine months ended October 30, 2004. Unit sales for Dockers Footwear decreased 13% while the average price per pair of shoes increased 4% compared to the first nine months last year. The sales decrease reflected some product quality issues, a change in merchandising strategy of a key customer and other customers pursuing private label initiatives at the expense of branded product offerings.

Licensed Brands' operating income for the nine months ended October 29, 2005 decreased 31.8% from $5.2 million for the nine months ended October 30, 2004 to $3.5 million, primarily due to decreased net sales, to decreased gross margin as a percentage of net sales, reflecting changes in product mix, and to increased expenses as a percentage of net sales.

Corporate, Interest Expenses and Other Charges

Corporate and other expenses for the nine months ended October 29, 2005 were $19.1 million compared to $16.9 million for the nine months ended October 30, 2004. This year's nine months included $2.3 million in restructuring and other charges, primarily for settlement of a previously announced class action lawsuit, retail store asset impairments and lease terminations of eight Jarman stores. Last year's nine months included $0.6 million in restructuring and other charges, primarily for lease terminations of 14 Jarman stores and retail store asset impairments offset by the gain on the curtailment of the Company's defined benefit pension plan. In addition to the listed items in both periods, the increase in corporate expenses in the nine months this year is attributable primarily to increased costs resulting from additional work to comply with the Sarbanes-Oxley legislation and related regulations.

Interest expense increased 7.5% from $8.1 million in the nine months ended October 30, 2004, to $8.7 million for the nine months ended October 29, 2005, primarily due to the $100.0 million term loan which was used to partially finance the purchase of Hat World and was included in only seven months of last year's first nine months versus the full nine months this year, and to the increase in bank activity fees as a result of new stores added due to the acquisition of Hat World, offset by less revolver borrowings in the first nine months this year versus the first nine months last year. There were no borrowings under the Company's revolving credit facility during the nine months ended October 29, 2005 and there was an average of $6.5 million of borrowings under the Company's revolving credit facility during the nine months ended October 30, 2004.

Interest income increased from $0.2 million for the nine months ended October 30, 2004 to $0.8 million for the nine months ended October 29, 2005 due to the increase in average short-term investments.

Liquidity and Capital Resources

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

	October 29, 2005	October 30, 2004
	(dollars in millions)	
Cash and cash equivalents	**$ 33.4**	$ 15.0
Working capital	**$196.3**	$155.7
Long-term debt (includes current maturities)	**$151.3**	$192.3

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. Historically, cash flow from operations has been generated principally in the fourth quarter of each fiscal year.

Cash provided by operating activities was $14.2 million in the first nine months of Fiscal 2006 compared to $19.6 million in the first nine months of Fiscal 2005. The $5.4 million decrease in cash flow from operating activities from last year reflects primarily a decrease in cash flow from changes in inventory of $21.9 million and a decrease in cash flow from changes in other accrued liabilities of $16.8 million offset by an increase in cash flow from changes in accounts payable of $23.9 million and an increase in net earnings of $8.8 million. The $21.9 million decrease in cash flow from inventory was due to growth in Journeys' and Hat World's inventory to support the growth in those businesses as well as seasonal increases in retail inventory. The $16.8 million decrease in cash flow from other accrued liabilities was due to increased bonus payments and tax payments in the first nine months of Fiscal 2006. The $23.9 million increase in cash flow from accounts payable was due to changes in buying patterns.

The $85.6 million increase in inventories at October 29, 2005 from January 29, 2005 levels reflects seasonal increases in retail inventory and inventory purchased to support the net increase of 100 stores in the first nine months of this year.

Accounts receivable at October 29, 2005 increased $4.9 million compared to January 29, 2005 due to increased wholesale sales and increased tenant allowance receivables.

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

	Nine Months Ended	
	October 29, 2005	October 30, 2004
	(in thousands)	
Accounts payable	**$ 45,274**	$ 21,330
Accrued liabilities	**(3,151)**	13,628
	$ 42,123	$ 34,958

The fluctuations in cash provided due to changes in accounts payable for the first nine months this year from the first nine months last year are due to changes in buying patterns and payment terms negotiated with individual vendors. The change in cash used due to changes in accrued liabilities for

the first nine months this year from the first nine months last year was due primarily to increased bonus payments and tax payments in the first nine months of Fiscal 2006.

There were no revolving credit borrowings during the nine months ended October 29, 2005 and there was an average of $6.5 million of revolving credit borrowings during the nine months ended October 30, 2004, as cash generated from operations and cash on hand funded seasonal working capital requirements and capital expenditures for the first nine months of Fiscal 2006. On April 1, 2004, the Company entered into a new credit agreement with ten banks, providing for a $100.0 million, five-year term loan and a $75.0 million, five-year revolving credit facility.

Contractual Obligations

The Company's contractual obligations have increased from January 29, 2005. Total operating lease obligations increased to $795 million from $606 million due to new store openings. This increase to contractual obligations was partially offset by a decrease to purchase obligations of $25 million from $208 million at January 29, 2005 to $183 million at October 29, 2005 and a decrease in long-term debt of $10 million from $161 million at January 29, 2005 to $151 million at October 29, 2005.

Capital Expenditures

Total capital expenditures in Fiscal 2006 are expected to be approximately $55.1 million. These include expected retail capital expenditures of $49.9 million to open approximately 61 Journeys stores, 11 Journeys Kidz stores, 6 Johnston & Murphy stores, 21 Underground Station stores and at least 96 Hat World stores and to complete 71 major store renovations, including two conversions of Jarman stores to Underground Station stores. The amount of capital expenditures in Fiscal 2006 for other purposes is expected to be approximately $5.2 million, including approximately $0.8 million for new systems to improve customer service and support the Company's growth.

Future Capital Needs

The Company expects that cash on hand and cash provided by operations will be sufficient to fund all of its planned capital expenditures through Fiscal 2006. The Company plans to borrow under its credit facility from time to time, particularly in the fall, to support seasonal working capital requirements. The approximately $3.8 million of costs associated with discontinued operations that are expected to be incurred during the next twelve months are also expected to be funded from cash on hand and borrowings under the revolving credit facility.

In total, the Company's board of directors has authorized the repurchase, from time to time, of up to 7.5 million shares of the Company's common stock. There were 398,300 shares remaining to be repurchased under these authorizations as of January 29, 2005. The board reduced the repurchase authorization to 100,000 shares in Fiscal 2005 as a result of the Hat World acquisition. Any purchases would be funded from available cash and borrowings under the revolving credit facility. The Company has repurchased a total of 7.1 million shares at a cost of $71.3 million under a series of authorizations since Fiscal 1999. The Company has not repurchased any shares since Fiscal 2004.

There were $13.4 million of letters of credit outstanding at October 29, 2005, leaving availability under the revolving credit facility of $61.6 million. The revolving credit agreement requires the Company to meet certain financial ratios and covenants, including minimum tangible net worth, fixed charge coverage and lease adjusted debt to EBITDAR ratios. The Company was in compliance with these financial covenants at October 29, 2005.

The Company's revolving credit agreement restricts the payment of dividends and other payments with respect to common stock, including repurchases. 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 $256,000.

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 9 to the Company's Consolidated Financial Statements. The Company has made accruals for certain of these contingencies, including approximately $0.3 million reflected in Fiscal 2006, $0.9 million reflected in Fiscal 2005 and $1.8 million reflected in Fiscal 2004. The Company monitors these matters on an ongoing basis and, on a quarterly basis, 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 and circumstances as of the close of the most recent fiscal quarter. However, because of uncertainties and risks inherent in litigation generally and in environmental proceedings in particular, 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.

Financial Market Risk

The following discusses the Company's exposure to financial market risk related to changes in interest rates and foreign currency exchange rates.

Outstanding Debt of the Company — The Company's outstanding long-term debt of $86.3 million 4 1/8% Convertible Subordinated Debentures due June 15, 2023 bears interest at a fixed rate. Accordingly, there would be no immediate impact on the Company's interest expense due to fluctuations in market interest rates. The Company's $65.0 million outstanding under the term loan bears interest according to a pricing grid providing margins over LIBOR or the Alternate Base Rate. The Company entered into three separate interest rate swap agreements as a means of managing its interest rate exposure on the $65.0 million balance remaining on the term loan. The aggregate notional amount of the swaps is $50.0 million. At October 29, 2005, the net gain on these interest rate swaps was $0.5 million. As of October 29, 2005, a 1% adverse change in the three month LIBOR interest rate would increase the Company's interest expense on the $65.0 million term loan by approximately $0.1 million on an annual basis.

Cash and Cash Equivalents — The Company's cash and cash equivalent balances are invested in financial instruments with original maturities of three months or less. The Company does not have significant exposure to changing interest rates on invested cash at October 29, 2005. As a result, the Company considers the interest rate market risk implicit in these investments at October 29, 2005 to be low.

Foreign Currency Exchange Rate Risk — Most purchases by the Company from foreign sources are denominated in U.S. dollars. To the extent that import transactions are denominated in other currencies, it is the Company's practice to hedge its risks through the purchase of forward foreign

exchange contracts. At October 29, 2005, the Company had $9.6 million of forward foreign exchange contracts for Euro. The Company's policy is not to speculate in derivative instruments for profit on the exchange rate price fluctuation and it does not hold any derivative instruments for trading purposes. Derivative instruments used as hedges must be effective at reducing the risk associated with the exposure being hedged and must be designated as a hedge at the inception of the contract. The unrealized loss on contracts outstanding at October 29, 2005 was $0.1 million based on current spot rates. As of October 29, 2005, a 10% adverse change in foreign currency exchange rates from market rates would decrease the fair value of the contracts by approximately $1.1 million.

Accounts Receivable — The Company's accounts receivable balance at October 29, 2005 is concentrated in its two wholesale businesses, which sell primarily to department stores and independent retailers across the United States. One customer accounted for 13% of the Company's trade accounts receivable balance and another customer accounted for 11% as of October 29, 2005. The Company monitors the credit quality of its customers and establishes an allowance for doubtful accounts based upon factors surrounding credit risk, historical trends and other information; however, credit risk is affected by conditions or occurrences within the economy and the retail industry, as well as company-specific information.

Summary — Based on the Company's overall market interest rate and foreign currency rate exposure at October 29, 2005, the Company believes that the effect, if any, of reasonably possible near-term changes in interest rates on the Company's consolidated financial position, results of operations or cash flows for Fiscal 2006 would not be material. However, fluctuations in foreign currency exchange rates could have a material effect on the Company's consolidated financial position, results of operations or cash flows for Fiscal 2006.

New Accounting Principles

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment," which is a revision of SFAS No. 123, "Accounting for Stock-Based Compensation." SFAS No. 123(R) supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees," and amends SFAS No. 95, "Statement of Cash Flows." Generally, the approach in SFAS No. 123(R) is similar to the approach described in SFAS No. 123. However, SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the Statements of Earnings based on their fair values. Pro forma disclosure is no longer an alternative. SFAS No. 123(R) covers a wide range of share-based compensation arrangements including stock options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. The Company's board of directors has amended the Company's Employee Stock Purchase Plan to provide that participants may acquire shares under the Plan at a 5% discount from fair market value on the last day of the Plan year. Under SFAS No. 123(R), shares issued under the Plan as amended are non-compensatory and compensation expense related thereto is not required to be reflected in the Consolidated Statements of Earnings.

SFAS No. 123(R) is effective for public companies at the beginning of the first fiscal year beginning after June 15, 2005 (Fiscal 2007 for the Company).

SFAS No. 123(R) permits public companies to adopt its requirements using one of two methods:

1. A "modified prospective" method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS No. 123(R) for all share-

based payments granted after the effective date and (b) based on the requirements of SFAS No. 123 for all awards granted to employees prior to the effective date of SFAS No. 123(R) that remain unvested on the effective date.

2. A “modified retrospective” method which includes the requirements of the modified prospective method described above, but also permits entities to restate based on the amounts previously recognized under SFAS No. 123 for purposes of pro forma disclosures of all prior periods presented.

As permitted by SFAS No. 123, the Company currently accounts for share-based payments to employees using APB Opinion No. 25’s intrinsic value method and, as such, generally recognizes no compensation cost for employee stock options. Accordingly, the adoption of SFAS No. 123(R)’s fair value method will have a significant impact on the Company’s results of operations, although it will have no impact on the Company’s overall financial position. The impact of adoption of SFAS No. 123(R) cannot be predicted at this time because it will depend on levels of share-based payments granted in the future. However, had the Company adopted SFAS No. 123(R) in prior periods, the impact of that standard would have approximated the impact of SFAS No. 123 as described in the disclosure of pro forma net earnings and earnings per share (see Note 1). The pro forma amounts were calculated using a Black-Scholes option pricing model and may not be indicative of amounts which should be expected in future years. As of the date of this filing, the Company has not determined which option pricing model is most appropriate for future option grants or which method of adoption the Company will apply. SFAS No. 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption. While the Company cannot estimate what those amounts will be in the future (because they depend on, among other things, when employees exercise stock options), the amount of operating cash flows recognized in prior periods for such excess tax deductions were $0.9 million and $0.1 million for the third quarter of Fiscal 2006 and 2005, respectively, and $2.4 million and $1.2 million for the first nine months of Fiscal 2006 and 2005, respectively.

In November 2004, the EITF reached a consensus on Issue No. 04-8, “The Effect of Contingently Convertible Debt on Diluted Earnings per Share.” The Issue addressed when to include contingently convertible debt instruments in diluted earnings per share. The Issue required companies to include the convertible debt in diluted earnings per share regardless of whether the market price trigger had been met. The Company’s diluted earnings per share calculation for the third quarter and first nine months of Fiscal 2006 includes an additional 3.9 million shares and a net after tax interest add back of $0.6 million and $1.8 million, respectively. The Issue was effective for periods ending after December 15, 2004 and required restatement of prior period diluted earnings per share. Earnings per share for the third quarter and first nine months of Fiscal 2005 were previously restated.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company incorporates by reference the information regarding market risk appearing under the heading “Financial Market Risk” in Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. The Company's chief executive officer and chief financial officer have reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on that evaluation, the Company's chief executive officer and chief financial officer have concluded that, as of October 29, 2005, the Company's disclosure controls and procedures effectively and timely provide them with material information relating to the Company and its consolidated subsidiaries required to be disclosed in the reports the Company files or submits under the Exchange Act.

(b) Changes in internal control over financial reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act).

During the quarter ended October 29, 2005, the Company continued to evaluate processes and implement changes to enhance the effectiveness of internal controls surrounding information systems security and program changes and inventory purchase pricing relating to one of the Company's business units. None of the changes in the Company's internal control over financial reporting during the quarter ended October 29, 2005 have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

California Employment Matter

On October 22, 2004, the Company was named a defendant in a putative class action filed in the Superior Court of the State of California, Los Angeles, *Schreiner vs. Genesco Inc., et al.*, alleging violations of California wages and hours laws, and seeking damages of $40 million plus punitive damages. On May 4, 2005, the Company and the plaintiffs reached an agreement in principle to settle the action, subject to court approval and other conditions. In connection with the proposed settlement, to provide for the settlement payment to the plaintiff class and related expenses, the Company recognized a charge of $2.6 million before taxes included in restructuring and other, net in the Consolidated Statements of Earnings for the first three months of Fiscal 2006. On May 25, 2005, a second putative class action, *Drake vs. Genesco Inc., et al.*, making allegations similar to those in the Schreiner complaint on behalf of employees of the Company's Johnston & Murphy division, was filed by a different plaintiff in the California Superior Court, Los Angeles. On November 22, 2005, the *Schreiner* court granted final approval of the settlement and the Company and the *Drake* plaintiff reached an agreement on November 17, 2005 to settle that action. The two matters were resolved more favorably to the Company than originally expected, as not all members of the plaintiff class in *Schreiner* submitted claims and because the court required that plaintiff's counsel bear the administrative expenses of the settlement. Consequently, the Company recognized income of $0.9 million before tax, reflected in restructuring and other, net in the accompanying Consolidated Statements of Earnings for the third quarter of Fiscal 2006.

Item 6. Exhibits

(a) Exhibits

(10)a. Employment Agreement, dated as of February 5, 2004, between Genesco Inc. and Robert J. Dennis. Incorporated by reference to Exhibit 10.1 to the current report on Form 8-K filed October 27, 2005 (File No. 1-3083).

(10)b. Non-Employee Director and Named Executive Officer Compensation.

(10)c. Form of Incentive Stock Option Agreement.

(10)d. Form of Non-Qualified Stock Option Agreement.

(10)e. Form of Restricted Share Award Agreement for Executive Officers.

(10)f. Form of Restricted Share Award Agreement for Officers and Employee.

(31.1) Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(31.2) Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(32.1) Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(32.2) Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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
December 8, 2005

EXHIBIT (10)b.

NON-EMPLOYEE DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

NON-EMPLOYEE DIRECTOR COMPENSATION SUMMARY

Effective as of the beginning of Fiscal 2007, directors who are not employees of the Company will receive a retainer of $30,000 per year and a fee of $1,500 for each board meeting they attend in person, $1,000 for each committee meeting they attend in person and $750 for each meeting they attend by telephone. Each committee chairman other than the chairman of the audit committee will receive an additional retainer of $4,000 per year. The audit committee chairman will receive an additional retainer of $11,500 per year. The Company also pays the premiums for non-employee directors on $50,000 of coverage under the Company's group term life insurance policy plus additional cash compensation to offset taxes on their imputed income from such premiums. Directors who are full-time Company employees do not receive any extra compensation for serving as directors.

Pursuant to the terms of the Company's 2005 Equity Incentive Plan, the Board may provide that all or a portion of a non-employee director's annual retainer and/or retainer fees or other awards or compensation as determined by the Board be payable in non-qualified stock options, restricted shares, restricted share units and/or other stock-based awards, including unrestricted shares, either automatically or at the option of the non-employee directors. The Board will determine the terms and conditions of any such awards, including those that apply upon the termination of a non-employee director's service as a member of the Board. Non-employee directors are also eligible to receive other awards pursuant to the terms of the 2005 Equity Incentive Plan, including options and SARs, restricted shares and restricted share units, and other stock-based awards upon such terms as the Company's Compensation Committee may determine; provided, however, that with respect to awards made to members of the Compensation Committee, the 2005 Equity Incentive Plan will be administered by the Board.

NAMED EXECUTIVE OFFICER COMPENSATION SUMMARY

Fiscal 2007 salaries for the Company's named executive officers are as follows:

Name	Title	Salary
Hal N. Pennington	Chairman, President and Chief Executive Officer	$ 720,000
Robert J. Dennis	Executive Vice President and Chief Operating Officer	500,000
James S. Gulmi	Senior Vice President and Chief Financial Officer	350,000
Jonathan D. Caplan	Senior Vice President	290,000
James C. Estepa	Senior Vice President	495,000

Target incentive awards for Fiscal 2007 performance for the named executive officers pursuant to the EVA Incentive Plan are as follows:

Name	Title	Target Incentive
Hal N. Pennington	Chairman, President and Chief Executive Officer	$ 575,000
Robert J. Dennis	Executive Vice President and Chief Operating Officer	350,000
James S. Gulmi	Senior Vice President and Chief Financial Officer	165,000
Jonathan D. Caplan	Senior Vice President	130,000
James C. Estepa	Senior Vice President	300,000

The named executive officers also receive long-term incentive awards pursuant to the Company's shareholder approved equity incentive plans.

In addition, certain of the named executive officers are eligible to receive matching contributions to their 401(k) Plan accounts, tax preparation fees, financial planning fees, club dues, and/or auto allowances. The Company's named executive officers are also eligible to participate in the Company's broad-based benefit programs generally available to its salaried employees, including health, disability and life insurance programs and 401(k) Plan.

ADDITIONAL INFORMATION

The foregoing information is summary in nature. Additional information regarding director and named executive officer compensation will be provided in the Company's proxy statement to be filed in connection with the 2006 annual meeting of shareholders.

EXHIBIT (10)c.

GENESCO INC.
INCENTIVE STOCK OPTION AGREEMENT

THIS INCENTIVE STOCK OPTION AGREEMENT (this "Agreement") is made and entered into as of this _____ day of _______________, 2005 (the "Grant Date"), by and between Genesco Inc., a Tennessee corporation (together with its Subsidiaries and Affiliates, the "Company"), and __________________ (the "Optionee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Genesco Inc. 2005 Equity Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of stock options for the purchase of shares of the common stock, par value One Dollar ($1.00) per share, of the Company (the "Shares"); and

WHEREAS, the Company desires to afford the Optionee an opportunity to purchase Shares as hereinafter provided in accordance with the provisions of the Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Option.

(a) The Company grants as of the date of this Agreement the right and option (the "Option") to purchase __________ Shares, in whole or in part (the "Option Stock"), at an exercise price of ____________________________________ and No/100 Dollars ($_________) per Share, on the terms and conditions set forth in this Agreement and subject to all provisions of the Plan. The Optionee, holder or beneficiary of the Option shall not have any of the rights of a shareholder with respect to the Option Stock until such person has become a holder of such Shares by the due exercise of the Option and payment of the Option Payment (as defined in Section 3 below) in accordance with this Agreement.

(b) The Option shall be an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and this Agreement shall be interpreted in a manner consistent therewith. In order to provide the Company with the opportunity to claim the benefit of any income tax deduction which may be available to it upon the exercise of the Option and in order to comply with all applicable federal or state tax laws or regulations, the Company may take such action as it deems appropriate to insure that, if necessary, all applicable federal, state or other taxes are withheld or collected from the Optionee.

2. Exercise of Option. The Optionee may exercise the Option with respect to (i) 25% of the Option Stock on or after the first anniversary of the Grant Date, (ii) 50% of the Option Stock on or after the second anniversary of the Grant Date, (iii) 75% of the Option Stock on or after the third anniversary of the Grant Date, and (iv) 100% of the Option Stock on or after the fourth anniversary of the Grant Date, provided in all cases that the Optionee has been an employee of the Company at all times from the Grant Date to the applicable anniversary (the period between the Grant Date and the anniversary applicable to particular Shares of Option Stock being referred to as the "Vesting Period" for such shares). Notwithstanding the above, the Option shall vest and become exercisable with respect to all the Option Stock upon the occurrence of a Change in Control or Potential Change in Control and shall be governed by the provisions of Section 13 of the Plan. In the event that the Optionee dies, is Disabled or elects Normal Retirement before the expiration of the Vesting Period, the Option shall vest as of the date of such death, disability or Normal Retirement, as the case may be, on a pro rata basis with respect to the amount of the Vesting Period that has elapsed, rounded to the nearest whole share. If Optionee elects Early Retirement prior to the expiration of the Vesting Period, this Option shall vest as though Optionee had elected Normal Retirement, provided that the Optionee's Early Retirement is with the consent of the Committee.

3. Manner of Exercise. The Option may be exercised in whole or in part at any time within the period permitted hereunder for the exercise of the Option, with respect to whole Shares only, by serving written notice of intent to exercise the Option delivered to the Company at its principal office (or to the Company's designated agent), stating the number of Shares to be purchased, the person or persons in whose name the Shares are to be registered and each such person's address and social security number. Such notice shall not be effective unless accompanied by payment in full of the Option Price for the number of Shares with respect to which the Option is then being exercised (the "Option Payment") and cash equal to the required withholding taxes is as set forth by Internal Revenue Service and applicable State tax guidelines for the employer's minimum statutory withholding. Subject to applicable securities laws, the Optionee may also exercise the Option by delivering a notice of exercise of the Option and by simultaneously selling the Shares of Option Stock thereby acquired pursuant to a brokerage or similar agreement approved in advance by proper officers of the Company, using the proceeds of such sale as payment of the Option Payment, together with any applicable withholding taxes. The Optionee shall notify the Company of any disposition of shares acquired under this Agreement if such disposition occurs within two years after the date of grant or one (1) year after the date of exercise of the Option.

4. Termination of Option. The Option will expire ten years from the date of grant of the Option (the "Term") with respect to any then unexercised portion thereof, unless terminated earlier as set forth below:

(a) Termination by Death. If the Optionee's employment by the Company terminates by reason of death, or if the Optionee dies within three (3) months after termination of

such employment for any reason other than Cause, this Option may thereafter be exercised, to the extent the Option was exercisable at the time of such termination, by the legal representative of the estate or by the legatee of the Optionee under the will of the Optionee, for a period of one (1) year from the date of death or until the expiration of the Term of the Option, whichever period is the shorter.

(b) Termination by Reason of Disability. If the Optionee's employment by the Company terminates by reason of Disability, this Option may thereafter be exercised, to the extent the Option was exercisable at the time of such termination, by the Optionee or personal representative or guardian of the Optionee, as applicable, for a period of one (1) year from the date of such termination of employment or until the expiration of the Term of the Option, whichever period is the shorter.

(c) Termination by Normal Retirement or Early Retirement. If Optionee's employment by the Company terminates by reason of Normal Retirement or Early Retirement, this Option may thereafter be exercised by the Optionee, to the extent the Option was exercisable at the time of such termination, for a period of three (3) months from the date of such termination of employment or until the expiration of the Term of the Option, whichever period is the shorter.

(d) Termination for Cause or Voluntary Termination. If the Optionee's employment by the Company is voluntarily terminated or terminated for Cause, this Option shall terminate immediately and become void and of no effect.

(e) Other Termination. If the Optionee's employment by the Company is involuntarily terminated for any reason other than for Cause, death, Disability or Normal Retirement or Early Retirement, this Option may be exercised, to the extent the Option was exercisable at the time of such termination, by the Optionee for a period of three (3) months from the date of such termination of employment or the expiration of the Term of the Option, whichever period is the shorter.

5. No Right to Continued Employment. The grant of the Option shall not be construed as giving Optionee the right to be retained in the employ of the Company, and the Company may at any time dismiss Optionee from employment, free from any liability or any claim under the Plan.

6. Adjustment to Option Stock. The Committee may make adjustments in the terms and conditions of, and the criteria included in, this Option in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.2 of the Plan) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

7. Amendments to Option. Subject to the restrictions contained in Sections 6.2 and 14 of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or

alter, suspend, discontinue, cancel or terminate, the Option, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would adversely affect the rights of the Optionee or any holder or beneficiary of the Option shall not to that extent be effective without the consent of the Optionee, holder or beneficiary affected.

8. Limited Transferability. During the Optionee's lifetime this Option can be exercised only by the Optionee. This Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Optionee other than by will or the laws of descent and distribution. Any attempt to otherwise transfer this Option shall be void. No transfer of this Option by the Optionee by will or by laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and an authenticated copy of the will and/or such other evidence as the Committee may deem necessary or appropriate to establish the validity of the transfer.

9. Reservation of Shares. At all times during the term of this Option, the Company shall use its best efforts to reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of this Agreement.

10. Plan Governs. The Optionee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

11. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

12. Notices. All notices required to be given under this Option shall be deemed to be received if delivered or mailed as provided for herein to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company: Genesco Inc.
1415 Murfreesboro Road
Nashville, Tennessee 37217-2895
Attn: General Counsel

To the Optionee: The address then maintained with respect to the Optionee in the Company's records.

13. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Tennessee without giving effect to conflicts of laws principles.

14. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Optionee and the Company for all purposes.

15. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Optionee's legal representative and assignees. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heirs, executors, administrators, successors and assignees.

16. Excessive Shares. In the event that the number of Shares subject to this Option exceeds any maximum established under the Code for Incentive Stock Options that may be granted to Optionee, or in the event that this Option becomes first exercisable in any calendar year to obtain Common Stock having a Fair Market Value (determined at the time of grant) in excess of One Hundred Thousand and No/100 Dollars ($100,000.00), this Option shall be treated as a Non-Qualified Stock Option to the extent of such excess. The proceeding sentence shall be interpreted consistently with the provisions of Section 422(d) of the Code.

IN WITNESS WHEREOF, the parties have caused this Incentive Stock Option Agreement to be duly executed effective as of the day and year first above written.

GENESCO INC.

By: __________________________________

Optionee:

____
Please Print

Optionee:

____
Signature

EXHIBIT (10)d.

GENESCO INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (this "Agreement") is made and entered into as of this _____ day of _______________, 2005 (the "Grant Date"), by and between Genesco Inc., a Tennessee corporation (together with its Subsidiaries and Affiliates, the "Company"), and __________________ (the "Optionee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Genesco Inc. 2005 Equity Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of stock options for the purchase of shares of the common stock, par value $1.00 per share, of the Company (the "Shares"); and

WHEREAS, the Company desires to afford the Optionee an opportunity to purchase Shares as hereinafter provided in accordance with the provisions of the Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Option.

(a) The Company grants as of the date of this Agreement the right and option (the "Option") to purchase __________ Shares, in whole or in part (the "Option Stock"), at an exercise price of ___________________________________ and No/100 Dollars ($_________) per Share, on the terms and conditions set forth in this Agreement and subject to all provisions of the Plan. The Optionee, holder or beneficiary of the Option shall not have any of the rights of a shareholder with respect to the Option Stock until such person has become a holder of such Shares by the due exercise of the Option and payment of the Option Payment (as defined in Section 3 below) in accordance with this Agreement.

(b) The Option shall be a non-qualified stock option. In order to provide the Company with the opportunity to claim the benefit of any income tax deduction which may be available to it upon the exercise of the Option, and in order to comply with all applicable federal or state tax laws or regulations, the Company may take such action as it deems appropriate to insure that, if necessary, all applicable federal, state or other taxes are withheld or collected from the Optionee.

2. Exercise of Option. The Optionee may exercise the Option with respect to (i) 25% of the Option Stock on or after the first anniversary of the Grant Date, (ii) 50% of the Option Stock on or after the second anniversary of the Grant Date, (iii) 75% of the Option Stock

on or after the third anniversary of the Grant Date, and (iv) 100% of the Option Stock on or after the fourth anniversary of the Grant Date, provided in all cases that the Optionee has been an employee of the Company at all times from the Grant Date to the applicable anniversary (the period between the Grant Date and the anniversary applicable to particular Shares of Option Stock being referred to as the "Vesting Period" for such shares). Notwithstanding the above, the Option shall vest and become exercisable with respect to all the Option Stock upon the occurrence of a Change in Control or Potential Change in Control and shall be governed by the provisions of Section 13 of the Plan. In the event that the Optionee dies, is Disabled or elects Normal Retirement before the expiration of the Vesting Period, the Option shall vest as of the date of such death, disability or Normal Retirement, as the case may be, on a pro rata basis with respect to the amount of the Vesting Period that has elapsed, rounded to the nearest whole share. If Optionee elects Early Retirement prior to the expiration of the Vesting Period, this Option shall vest as though Optionee had elected Normal Retirement, provided that the Optionee's Early Retirement is with the consent of the Committee.

3. Manner of Exercise. The Option may be exercised in whole or in part at any time within the period permitted hereunder for the exercise of the Option, with respect to whole Shares only, by serving written notice of intent to exercise the Option delivered to the Company at its principal office (or to the Company's designated agent), stating the number of Shares to be purchased, the person or persons in whose name the Shares are to be registered and each such person's address and social security number. Such notice shall not be effective unless accompanied by payment in full of the Option Price for the number of Shares with respect to which the Option is then being exercised (the "Option Payment") and cash equal to the required withholding taxes is as set forth by Internal Revenue Service and applicable State tax guidelines for the employer's minimum statutory withholding. Subject to applicable securities laws, the Optionee may also exercise the Option by delivering a notice of exercise of the Option and by simultaneously selling the Shares of Option Stock thereby acquired pursuant to a brokerage or similar agreement approved in advance by proper officers of the Company, using the proceeds of such sale as payment of the Option Payment, together with any applicable withholding taxes. The Optionee shall notify the Company of any disposition of shares acquired under this Agreement if such disposition occurs within two years after the date of grant or one (1) year after the date of exercise of the Option.

4. Termination of Option. The Option will expire ten (10) years from the date of grant of the Option (the "Term") with respect to any then unexercised portion thereof, unless terminated earlier as set forth below:

(a) Termination by Death. If the Optionee's employment by the Company terminates by reason of death, or if the Optionee dies within three (3) months after termination of such employment for any reason other than Cause, this Option may thereafter be exercised by the legal representative of the estate or by the legatee of the Optionee under the will of the Optionee, for a period of one (1) year from the date of death or until the expiration of the Term of the Option, whichever period is the shorter.

(b) Termination by Reason of Disability. If the Optionee's employment by the Company terminates by reason of Disability, this Option may thereafter be exercised, to the extent the Option was exercisable at the time of such termination, by the Optionee or personal representative or guardian of the Optionee, as applicable, for a period of one (1) year from the date of such termination of employment or until the expiration of the Term of the Option, whichever period is the shorter.

(c) Termination by Normal Retirement or Early Retirement. If Optionee's employment by the Company terminates by reason of Normal Retirement or Early Retirement, this Option may thereafter be exercised by the Optionee, to the extent the Option was exercisable at the time of such termination, for a period of three (3) months from the date of such termination of employment or until the expiration of the Term of the Option, whichever period is the shorter.

(d) Termination for Cause or Voluntary Termination. If the Optionee's employment by the Company is voluntarily terminated or terminated for Cause, this Option shall terminate immediately and become void and of no effect.

(e) Other Termination. If the Optionee's employment by the Company is involuntarily terminated for any reason other than for Cause, death, Disability or Normal Retirement or Early Retirement, this Option may be exercised, to the extent the Option was exercisable at the time of such termination, by the Optionee for a period of three (3) months from the date of such termination of employment or the expiration of the Term of the Option, whichever period is the shorter.

5. No Right to Continued Employment. The grant of the Option shall not be construed as giving Optionee the right to be retained in the employ of the Company, and the Company may at any time dismiss Optionee from employment, free from any liability or any claim under the Plan.

6. Adjustment to Option Stock. The Committee may make adjustments in the terms and conditions of, and the criteria included in, this Option in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.2 of the Plan) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

7. Amendments to Option. Subject to the restrictions contained in Sections 6.2 and 14 of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, the Option, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would adversely affect the rights of the Optionee or any holder or beneficiary of the Option shall not to that extent be effective without the consent of the Optionee, holder or beneficiary affected.

8. Limited Transferability. During the Optionee's lifetime this Option can be exercised only by the Optionee. This Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Optionee other than by will or the laws of descent and distribution. Any attempt to otherwise transfer this Option shall be void. No transfer of this Option by the Optionee by will or by laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and an authenticated copy of the will and/or such other evidence as the Committee may deem necessary or appropriate to establish the validity of the transfer.

9. Reservation of Shares. At all times during the term of this Option, the Company shall use its best efforts to reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of this Agreement.

10. Plan Governs. The Optionee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

11. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

12. Notices. All notices required to be given under this Option shall be deemed to be received if delivered or mailed as provided for herein to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company: Genesco Inc.
1415 Murfreesboro Road
Nashville, Tennessee 37217-2895
Attn: General Counsel

To the Optionee: The address then maintained with respect to the Optionee in the Company's records.

13. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Tennessee without giving effect to conflicts of laws principles.

14. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this

Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Optionee and the Company for all purposes.

15. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Optionee's legal representative and assignees. All obligations imposed upon the Optionee and all rights granted to the Company under this Agreement shall be binding upon the Optionee's heirs, executors, administrators, successors and assignees.

IN WITNESS WHEREOF, the parties have caused this Non-Qualified Stock Option Agreement to be duly executed effective as of the day and year first above written.

GENESCO INC.

By: ___________________________________

Optionee:

____
Please Print

Optionee:

____
Signature

EXHIBIT (10)e.

EXECUTIVE OFFICER (2005)

GENESCO INC.
RESTRICTED SHARE AWARD AGREEMENT

THIS RESTRICTED SHARE AWARD AGREEMENT (this "Agreement") is made and entered into as of the _____ day of _______________, 2005 (the "Grant Date"), between Genesco Inc., a Tennessee corporation (the "Company" and, together with its subsidiaries, "Genesco"), and ________________________________ (the "Grantee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Genesco Corporation 2005 Equity Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of restricted shares of the Company's common stock, par value $1.00 per share (the "Common Stock"); and

WHEREAS, pursuant to the Plan, the Committee responsible for administering the Plan has granted an award of restricted shares to the Grantee as provided herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Restricted Shares.

(a) The Company hereby grants to the Grantee an award (the "Award") of _______________ shares of Common Stock (the "Shares" or the "Restricted Shares") on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan.

(b) The Grantee's rights with respect to the Award shall remain forfeitable at all times prior to the dates on which the restrictions shall lapse in accordance with Sections 2 and 3 hereof.

2. Terms and Rights as a Stockholder.

(a) Except as provided herein and subject to such other exceptions as may be determined by the Committee in its discretion, the "Restricted Period" for the Restricted Shares granted herein shall expire on the third anniversary of the date hereof.

(b) The Grantee shall have all rights of a stockholder with respect to the Restricted Shares, including the right to receive dividends and the right to vote such Shares, subject to the following restrictions:

(i) the Grantee shall not be entitled to delivery of the stock certificate for any Shares until the expiration of the Restricted Period as to such Shares;

(ii) none of the Restricted Shares may be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of during the Restricted Period as to such Shares; and

(iii) except as otherwise determined by the Committee at or after the grant of the Award hereunder, any Restricted Shares as to which the applicable "Restricted Period" has not expired shall be forfeited, and all rights of the Grantee to such Shares shall terminate, without further obligation on the part of the Company, unless the Grantee remains in the continuous employment of Genesco for the entire Restricted Period.

Any Shares, any other securities of the Company and any other property (except for cash dividends) distributed with respect to the Restricted Shares shall be subject to the same restrictions, terms and conditions as such Restricted Shares.

(c) Notwithstanding the foregoing, the Restricted Period shall automatically terminate as to all Restricted Shares awarded hereunder (as to which such Restricted Period has not previously terminated) upon a Change in Control.

Notwithstanding the foregoing, the Restricted Period shall automatically terminate as to a portion (to be calculated by the Committee in its sole discretion in proportion to Grantee's length of employment during the Restricted Period) of the Restricted Shares awarded hereunder (as to which such Restricted Period has not previously terminated) upon the termination of the Grantee's employment from the Company, a Subsidiary or Affiliate without cause (to be determined in the sole discretion of the Committee) or upon Grantee's death or becoming Disabled.

3. Termination of Restrictions. At the end of the Restricted Period with respect to particular Restricted Shares, all restrictions set forth in this Agreement or in the Plan relating to such Restricted Shares shall lapse and a stock certificate for the appropriate number of Shares, free of the restrictions and restrictive stock legend, shall be delivered to the Grantee pursuant to the terms of this Agreement.

4. Delivery of Shares.

(a) As of the date hereof, certificates representing the Restricted Shares shall be registered in the name of the Grantee and held by the Company or transferred to a custodian appointed by the Company for the account of the Grantee subject to the terms and conditions of the Plan and shall remain in the custody of the Company or such custodian until their delivery to the Grantee as set forth in Section 4(b) hereof or their reversion to the Company as set forth in Section 2(b) hereof.

(b) Certificates representing Restricted Shares in respect of which the applicable Restricted Period has lapsed pursuant to this Agreement shall be delivered to the Grantee as soon as practicable following the date on which the restrictions on such Restricted Shares lapse.

(c) Each certificate representing Restricted Shares shall bear a legend in substantially the following form:

THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE GENESCO INC. 2005 EQUITY INCENTIVE PLAN (THE "PLAN") AND THE RESTRICTED SHARE AWARD AGREEMENT (THE "AGREEMENT") BETWEEN THE OWNER OF THE RESTRICTED SHARES REPRESENTED HEREBY AND GENESCO INC. (THE "COMPANY"). THE RELEASE OF SUCH SHARES FROM SUCH TERMS AND CONDITIONS SHALL BE MADE ONLY IN ACCORDANCE WITH THE PROVISIONS OF THE PLAN AND THE AGREEMENT AND ALL OTHER APPLICABLE POLICIES AND PROCEDURES OF THE COMPANY, COPIES OF WHICH ARE ON FILE AT THE COMPANY.

5. Effect of Lapse of Restrictions. To the extent that the Restricted Period applicable to any Restricted Shares shall have lapsed, the Grantee may receive, hold, sell or otherwise dispose of such Shares free and clear of the restrictions imposed under the Plan and this Agreement.

6. No Right to Continued Employment. This Agreement shall not be construed as giving Grantee the right to be retained in the employ of Genesco, and Genesco may at any time dismiss Grantee from employment, free from any liability or any claim under the Plan but subject to the terms of the Grantee's Employment Agreement.

7. Adjustments. The Committee may make adjustments in the terms and conditions of, and the criteria included in, this Award in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 6(g) of the Plan) affecting Genesco, or the financial statements of Genesco, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

8. Amendment to Award. Subject to the restrictions contained in Sections 4 and 5 of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate the Award, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would adversely affect the rights of the Grantee or any holder or beneficiary of the Award shall not to that extent be effective without the consent of the Grantee, holder or beneficiary affected.

9. Withholding of Taxes. If the Grantee makes an election under Section 83(b) of the Code with respect to the Award, the Award made pursuant to this Agreement shall be conditioned upon the prompt payment to the Company of any applicable withholding obligations or withholding taxes by the Grantee ("Withholding Taxes"). Failure by the Grantee to pay such Withholding Taxes will render this Agreement and the Award granted hereunder null and void ab initio and the Restricted Shares granted hereunder will be immediately cancelled. If the Grantee does not make an election under Section 83(b) of the Code with respect to the Award, upon the lapse of the Restricted Period with respect to any portion of Restricted Shares (or

property distributed with respect thereto), the Company shall satisfy the required Withholding Taxes as set forth by Internal Revenue Service guidelines for the employer's minimum statutory withholding with respect to Grantee and issue vested shares to the Grantee without Restriction. The Company shall satisfy the required Withholding Taxes by withholding from the Shares included in the Award that number of whole shares necessary to satisfy such taxes as of the date the restrictions lapse with respect to such Shares based on the Fair Market Value of the Shares.

10. Plan Governs. The Grantee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

11. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

12. Notices. All notices required to be given under this Grant shall be deemed to be received if delivered or mailed as provided for herein, to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company: Genesco Inc.
1415 Murfreesboro Road
Nashville, Tennessee 37217-2895
Attn: General Counsel

To the Grantee: The address then maintained with respect to the Grantee in the Company's records.

13. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Tennessee without giving effect to conflicts of laws principles.

14. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

15. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

IN WITNESS WHEREOF, the parties have caused this Restricted Share Award Agreement to be duly executed effective as of the day and year first above written.

GENESCO INC.

By: ____

GRANTEE:

____
Please Print

GRANTEE:

____
Signature

EXHIBIT (10)f.

OFFICER AND EMPLOYEE (ANNUAL)

GENESCO INC.
RESTRICTED SHARE AWARD AGREEMENT

THIS RESTRICTED SHARE AWARD AGREEMENT (this "Agreement") is made and entered into as of the _____ day of _______________, 2005 (the "Grant Date"), between Genesco Inc., a Tennessee corporation (the "Company" and, together with its subsidiaries, "Genesco"), and ________________________________ (the "Grantee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Genesco Corporation 2005 Equity Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of restricted shares of the Company's common stock, par value $1.00 per share (the "Common Stock"); and

WHEREAS, pursuant to the Plan, the Committee responsible for administering the Plan has granted an award of restricted shares to the Grantee as provided herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Restricted Shares.

(a) The Company hereby grants to the Grantee an award (the "Award") of _______________ shares of Common Stock (the "Shares" or the "Restricted Shares") on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan.

(b) The Grantee's rights with respect to the Award shall remain forfeitable at all times prior to the dates on which the restrictions shall lapse in accordance with Sections 2 and 3 hereof.

2. Terms and Rights as a Stockholder.

(a) Except as provided herein and subject to such other exceptions as may be determined by the Committee in its discretion, the "Restricted Period" for twenty-five percent (25%) of the Restricted Shares granted herein shall expire on the first anniversary of the date hereof, the "Restricted Period" for an additional twenty-five percent (25%) of the Restricted Shares granted herein shall expire on the second anniversary of the date hereof, the "Restricted Period" for an additional twenty-five percent (25%) of the Restricted Shares granted herein shall expire on the third anniversary of the date hereof, and the "Restricted Period" for the final twenty-five percent (25%) of the Restricted Shares granted herein shall expire on the fourth anniversary of the date hereof (as such numbers may be adjusted in accordance with Section 7 hereof).

(b) The Grantee shall have all rights of a stockholder with respect to the Restricted Shares, including the right to receive dividends and the right to vote such Shares, subject to the following restrictions:

(i) the Grantee shall not be entitled to delivery of the stock certificate for any Shares until the expiration of the Restricted Period as to such Shares;

(ii) none of the Restricted Shares may be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of during the Restricted Period as to such Shares; and

(iii) except as otherwise determined by the Committee at or after the grant of the Award hereunder, any Restricted Shares as to which the applicable "Restricted Period" has not expired shall be forfeited, and all rights of the Grantee to such Shares shall terminate, without further obligation on the part of the Company, unless the Grantee remains in the continuous employment of Genesco for the entire Restricted Period.

Any Shares, any other securities of the Company and any other property (except for cash dividends) distributed with respect to the Restricted Shares shall be subject to the same restrictions, terms and conditions as such Restricted Shares.

(c) Notwithstanding the foregoing, the Restricted Period shall automatically terminate as to all Restricted Shares awarded hereunder (as to which such Restricted Period has not previously terminated) upon a Change in Control.

Notwithstanding the foregoing, the Restricted Period shall automatically terminate as to a portion (to be calculated by the Committee in its sole discretion in proportion to Grantee's length of employment during the Restricted Period) of the Restricted Shares awarded hereunder (as to which such Restricted Period has not previously terminated) upon the termination of the Grantee's employment from the Company, a Subsidiary or Affiliate without cause (to be determined in the sole discretion of the Committee) or upon Grantee's death or becoming Disabled.

3. Termination of Restrictions. At the end of the Restricted Period with respect to particular Restricted Shares, all restrictions set forth in this Agreement or in the Plan relating to such Restricted Shares shall lapse and a stock certificate for the appropriate number of Shares, free of the restrictions and restrictive stock legend, shall be delivered to the Grantee pursuant to the terms of this Agreement.

4. Delivery of Shares.

(a) As of the date hereof, certificates representing the Restricted Shares shall be registered in the name of the Grantee and held by the Company or transferred to a custodian appointed by the Company for the account of the Grantee subject to the terms and conditions of the Plan and shall remain in the custody of the Company or such custodian until their delivery to the Grantee as set forth in Section 4(b) hereof or their reversion to the Company as set forth in Section 2(b) hereof.

(b) Certificates representing Restricted Shares in respect of which the applicable Restricted Period has lapsed pursuant to this Agreement shall be delivered to the Grantee as soon as practicable following the date on which the restrictions on such Restricted Shares lapse.

(c) Each certificate representing Restricted Shares shall bear a legend in substantially the following form:

> THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE GENESCO INC. 2005 EQUITY INCENTIVE PLAN (THE "PLAN") AND THE RESTRICTED SHARE AWARD AGREEMENT (THE "AGREEMENT") BETWEEN THE OWNER OF THE RESTRICTED SHARES REPRESENTED HEREBY AND GENESCO INC. (THE "COMPANY"). THE RELEASE OF SUCH SHARES FROM SUCH TERMS AND CONDITIONS SHALL BE MADE ONLY IN ACCORDANCE WITH THE PROVISIONS OF THE PLAN AND THE AGREEMENT AND ALL OTHER APPLICABLE POLICIES AND PROCEDURES OF THE COMPANY, COPIES OF WHICH ARE ON FILE AT THE COMPANY.

5. Effect of Lapse of Restrictions. To the extent that the Restricted Period applicable to any Restricted Shares shall have lapsed, the Grantee may receive, hold, sell or otherwise dispose of such Shares free and clear of the restrictions imposed under the Plan and this Agreement.

6. No Right to Continued Employment. This Agreement shall not be construed as giving Grantee the right to be retained in the employ of Genesco, and Genesco may at any time dismiss Grantee from employment, free from any liability or any claim under the Plan but subject to the terms of the Grantee's Employment Agreement.

7. Adjustments. The Committee may make adjustments in the terms and conditions of, and the criteria included in, this Award in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 6(g) of the Plan) affecting Genesco, or the financial statements of Genesco, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

8. Amendment to Award. Subject to the restrictions contained in Sections 4 and 5 of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate the Award, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would adversely affect the rights of the Grantee or any holder or beneficiary of the Award shall not to that extent be effective without the consent of the Grantee, holder or beneficiary affected.

9. Withholding of Taxes. If the Grantee makes an election under Section 83(b) of the Code with respect to the Award, the Award made pursuant to this Agreement shall be conditioned upon the prompt payment to the Company of any applicable withholding obligations or withholding taxes by the Grantee ("Withholding Taxes"). Failure by the Grantee to pay such Withholding Taxes will render this Agreement and the Award granted hereunder null and void ab initio and the Restricted Shares granted hereunder will be immediately cancelled. If the Grantee does not make an election under Section 83(b) of the Code with respect to the Award, upon the lapse of the Restricted Period with respect to any portion of Restricted Shares (or property distributed with respect thereto), the Company shall satisfy the required Withholding Taxes as set forth by Internal Revenue Service guidelines for the employer's minimum statutory withholding with respect to Grantee and issue vested shares to the Grantee without Restriction. The Company shall satisfy the required Withholding Taxes by withholding from the Shares included in the Award that number of whole shares necessary to satisfy such taxes as of the date the restrictions lapse with respect to such Shares based on the Fair Market Value of the Shares.

10. Plan Governs. The Grantee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

11. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

12. Notices. All notices required to be given under this Grant shall be deemed to be received if delivered or mailed as provided for herein, to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company:	Genesco Inc. 1415 Murfreesboro Road Nashville, Tennessee 37217-2895 Attn: General Counsel
To the Grantee:	The address then maintained with respect to the Grantee in the Company's records.

13. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Tennessee without giving effect to conflicts of laws principles.

14. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted

to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

15. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

IN WITNESS WHEREOF, the parties have caused this Restricted Share Award Agreement to be duly executed effective as of the day and year first above written.

GENESCO INC.

By: ______________________________________

GRANTEE:

____
Please Print

GRANTEE:

____
Signature

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Hal N. Pennington, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Genesco Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 8, 2005

/s/ Hal N. Pennington

Hal N. Pennington
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, James S. Gulmi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Genesco Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 8, 2005

/s/ James S. Gulmi

James S. Gulmi
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Genesco Inc. (the "Company") on Form 10-Q for the period ending October 29, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Hal N. Pennington, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Hal N. Pennington
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Hal N. Pennington
Chief Executive Officer
December 8, 2005

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Genesco Inc. (the "Company") on Form 10-Q for the period ending October 29, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James S. Gulmi, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James S. Gulmi
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James S. Gulmi
Chief Financial Officer
December 8, 2005