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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): September 1, 2010 (September 1, 2010)

GENESCO INC.

(Exact Name of Registrant as Specified in Charter)

Tennessee	**1-3083**	**62-0211340**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1415 Murfreesboro Road **Nashville, Tennessee**	**37217-2895**
(Address of Principal Executive Offices)	(Zip Code)

(615) 367-7000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On September 1, 2010, Genesco Inc. issued a press release announcing its fiscal second quarter earnings and other results of operations. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

On September 1, 2010, Genesco Inc. also posted on its website, www.genesco.com, commentary by its chief financial officer on the quarterly results. A copy of the commentary is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

In addition to disclosing financial results calculated in accordance with United States generally accepted accounting principles (GAAP), the press release and commentary furnished herewith contain non-GAAP financial measures, including adjusted selling, general and administrative expense, operating earnings, pretax earnings, net earnings from continuing operations and earnings per share from continuing operations, as discussed in the text of the release and commentary and as detailed on the reconciliation schedule attached to the press release and commentary. For consistency and ease of comparison with Fiscal 2011's previously announced earnings expectations and the adjusted results for the prior period announced last year, neither of which reflected the adjustments, the Company believes that disclosure of the non-GAAP expense and earnings measures will be useful to investors.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

The following exhibits are furnished herewith:

Exhibit Number	Description
99.1	Press Release, dated September 1, 2010, issued by Genesco Inc.
99.2	Genesco Inc. Second Fiscal Quarter Ended July 31, 2010 Chief Financial Officer's Commentary

SIGNATURES

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 hereunto duly authorized.

GENESCO INC.

Date: September 1, 2010

By: /s/ Roger G. Sisson
Name: Roger G. Sisson
Title: Senior Vice President, Secretary and General Counsel

EXHIBIT INDEX

No.	Exhibit
99.1	Press Release dated September 1, 2010
99.2	Genesco Inc. Second Fiscal Quarter Ended July 31, 2010 Chief Financial Officer's Commentary

Exhibit 99.1

Financial Contact: ***James S. Gulmi (615) 367-8325***
Media Contact: ***Claire S. McCall (615) 367-8283***

GENESCO REPORTS SECOND QUARTER FISCAL 2011 RESULTS

NASHVILLE, Tenn., Sept. 1, 2010 — Genesco Inc. (NYSE:GCO) today reported a loss from continuing operations for the second quarter ended July 31, 2010, of $2.4 million, or $0.10 per diluted share, compared to a loss from continuing operations of $2.7 million, or $0.12 per diluted share, for the second quarter ended August 1, 2009. Fiscal 2011 second quarter earnings reflected pretax charges of $3.2 million, or $0.08 per diluted share, primarily related to fixed asset impairments, purchase price accounting adjustments, a loss related to the Nashville flood and acquisition expenses. Fiscal 2010 second quarter earnings reflected pretax charges of $3.3 million, or $0.10 per diluted share, primarily related to fixed asset impairments.

Adjusted for the listed items in both periods, the loss from continuing operations was $0.5 million, or $0.02 per diluted share, for the second quarter of Fiscal 2011, compared to a loss of $0.4 million, or $0.02 per diluted share, for the second quarter of Fiscal 2010. For consistency with Fiscal 2011's previously announced earnings expectations and the adjusted results for the prior period announced last year, neither of which reflected the listed items, the Company believes that disclosure of earnings from continuing operations adjusted for those items will be useful to investors. A reconciliation of the adjusted financial measures to their corresponding measures as reported pursuant to U.S. Generally Accepted Accounting Principles is included in Schedule B to this press release.

Net sales for the second quarter of Fiscal 2011 increased 9% to $364 million from $335 million in the second quarter of Fiscal 2010. Comparable store sales in the second quarter of Fiscal 2011 increased by 3%. The Lids Sports Group's comparable store sales increased by 7% and the Journeys Group by 2%, while Johnston & Murphy Retail's comparable store sales were flat and the Underground Station Group declined 4%.

Robert J. Dennis, chairman, president and chief executive officer of Genesco, said, "Our second quarter results were in line with our expectations, with a same store sales increase for the Company, thanks to increases in the Lids Sports Group and Journeys Group. Increases in incentive compensation accruals related to improved performance masked declines in store occupancy cost and other key expense items as a percent of sales.

"The Back-to-School season has been strong for us so far, with comparable store sales up 8% for August. While we expect this trend to moderate as we proceed through the third quarter, this is an encouraging start to the second half of the year."

Dennis also reaffirmed the Company's outlook for Fiscal 2011. "We are reiterating our Fiscal 2011 outlook for full year earnings between $2.10 and $2.20. Consistent with previous years, this guidance does not include expected non-cash asset impairments and other charges, which are projected to be approximately $10 million to $12 million, or $0.26 to $0.31 per share, in Fiscal 2011. This guidance assumes comparable sales in the low single digits for the second half."

Dennis concluded, "We are pleased with the overall pace of our business as we pass the halfway mark of Fiscal 2011. Our Lids Sports segment continues to expand and diversify, creating new market opportunities and greater economies of scale. Meanwhile, we believe we have some distinct product advantages in Journeys that should drive comparable store sales gains and improved profitability over the next few quarters."

Conference Call and Management Commentary

Beginning with these quarterly results, the detailed, financial commentary formerly delivered by the chief financial officer will be posted in writing on the Company's website, www.genesco.com, in the investor relations section. The Company's live conference call on September 1, 2010, at 7:30 a.m. (Central time) may be accessed through the Company's internet website, www.genesco.com. To listen live, please go to the website at least 15 minutes early to register, download and install any necessary software.

Cautionary Note Concerning Forward-Looking Statements

This release contains forward-looking statements, including those regarding the performance outlook for the Company and its individual businesses, and all other statements not addressing solely historical facts or present conditions. Actual results could vary materially from the expectations reflected in these statements. A number of factors could cause differences. These include adjustments to estimates reflected in forward-looking statements, including the timing and amount of non-cash asset impairments, the Company's ability to continue to complete acquisitions, expand its business and diversify its product base, continuing weakness in the consumer economy, inability of customers to obtain credit; fashion trends that affect the sales or product margins of the Company's retail product offerings; changes in buying patterns by significant wholesale customers; bankruptcies or deterioration in financial condition of significant wholesale customers; disruptions in product supply or distribution, including continuation or worsening of recent manufacturing and shipping delays affecting Chinese product in particular; unfavorable trends in fuel costs, foreign exchange rates, foreign labor and materials costs, and other factors affecting the cost of products; competition in the Company's markets; and changes in the timing of holidays or in the onset of seasonal weather affecting period-to-period sales comparisons. Additional factors that could affect the Company's prospects and cause differences from expectations include the ability to build, open, staff and support additional retail stores and to renew leases in existing stores and to conduct required remodeling or refurbishment on schedule and at expected expense levels, deterioration in the performance of individual businesses or of the Company's market value relative to its book value, resulting in impairments of fixed assets or intangible assets or other adverse financial consequences, unexpected changes to the market for our shares, variations from expected pension-related charges caused by conditions in the financial markets, and the outcome of litigation, investigations and environmental matters involving the Company. Additional factors are cited in the “Risk Factors,” “Legal Proceedings” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of, and elsewhere in, our SEC filings, copies of which may be obtained from the SEC website, www.sec.gov, or by contacting the investor relations department of Genesco via our website, www.genesco.com. Many of the factors that will determine the outcome of the subject matter of this release are beyond Genesco’s ability to control or predict. Genesco undertakes no obligation to release publicly the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Forward-looking statements reflect the expectations of the Company at the time they are made. The Company disclaims any obligation to update such statements.

About Genesco Inc.

Genesco Inc., a Nashville-based specialty retailer, sells footwear, headwear, sports apparel and accessories in more than 2,260 retail stores in the United States and Canada, principally under the names Journeys, Journeys Kidz, Shi by Journeys, Johnston & Murphy, Underground Station, Hatworld, Lids, Hat Shack, Hat Zone, Head Quarters, Cap Connection and Sports Fan-Attic and on internet websites www.journeys.com, www.journeyskidz.com, www.shibyjourneys.com, www.undergroundstation.com, www.johnstonmurphy.com, www.dockersshoes.com, and www.lids.com. The Company also sells footwear at wholesale under its Johnston & Murphy brand and under the licensed Dockers brand. Additional information on Genesco and its operating divisions may be accessed at its website www.genesco.com.

GENESCO INC.

Consolidated Earnings Summary

In Thousands	Three Months Ended July 31, 2010	Three Months Ended August 1, 2009	Six Months Ended July 31, 2010	Six Months Ended August 1, 2009
Net sales	**$ 363,654**	$ 334,658	**$ 764,507**	$ 705,024
Cost of sales	**179,610**	164,713	**372,392**	345,857
Selling and administrative expenses*	**185,465**	169,509	**376,542**	351,800
Restructuring and other, net	**2,001**	3,320	**4,444**	8,293
(Loss) earnings from operations	**(3,422)**	(2,884)	**11,129**	(926)
Loss on early retirement of debt	**—**	—	**—**	5,119
Interest expense, net	**227**	951	**462**	3,112
(Loss) earnings from continuing operations before income taxes	**(3,649)**	(3,835)	**10,667**	(9,157)
Income tax (benefit) expense	**(1,253)**	(1,172)	**4,500**	(891)
(Loss) earnings from continuing operations	**(2,396)**	(2,663)	**6,167**	(8,266)
Provision for discontinued operations	**(787)**	(59)	**(734)**	(218)
Net (Loss) Earnings	**$ (3,183)**	$ (2,722)	**$ 5,433**	$ (8,484)

* For the three months and six months ended August 1, 2009, bank fees of $0.9 million and $1.8 million, respectively, were reclassified from interest expense to selling and administrative expenses to conform to the current year presentation.

Earnings Per Share Information

In Thousands (except per share amounts)	Three Months Ended July 31, 2010	Three Months Ended August 1, 2009	Six Months Ended July 31, 2010	Six Months Ended August 1, 2009
Preferred dividend requirements	**$ 49**	$ 49	**$ 98**	$ 99
Average common shares — Basic EPS	**23,480**	21,798	**23,471**	20,326
Basic earnings (loss) per share:				
Before discontinued operations	**($0.10)**	($0.12)	**$ 0.26**	($0.41)
Net (loss) earnings	**($0.14)**	($0.13)	**$ 0.23**	($0.42)
Average common and common equivalent shares — Diluted EPS	**23,480**	21,798	**23,902**	20,326
Diluted earnings (loss) per share:				
Before discontinued operations	**($0.10)**	($0.12)	**$ 0.25**	($0.41)
Net (loss) earnings	**($0.14)**	($0.13)	**$ 0.22**	($0.42)

GENESCO INC.

Consolidated Earnings Summary

In Thousands	Three Months Ended July 31, 2010	Three Months Ended August 1, 2009	Six Months Ended July 31, 2010	Six Months Ended August 1, 2009
Sales:				
Journeys Group	**$ 152,967**	$ 148,592	**$ 334,858**	$ 325,439
Underground Station Group	**17,144**	18,561	**43,217**	45,289
Lids Sports Group	**132,582**	108,830	**252,570**	207,634
Johnston & Murphy Group	**39,065**	39,054	**83,602**	78,384
Licensed Brands	**21,514**	19,402	**49,656**	47,953
Corporate and Other	**382**	219	**604**	325
Net Sales	**$ 363,654**	$ 334,658	**$ 764,507**	$ 705,024
Operating Income (Loss):				
Journeys Group	**$ (4,526)**	$ (3,159)	**$ 4,556**	$ 2,354
Underground Station Group	**(3,470)**	(3,789)	**(2,705)**	(4,239)
Lids Sports Group	**11,951**	10,526	**21,743**	17,050
Johnston & Murphy Group	**105**	(459)	**2,378**	(302)
Licensed Brands	**2,259**	1,987	**6,891**	5,604
Corporate and Other*	**(9,741)**	(7,990)	**(21,734)**	(21,393)
(Loss) earnings from operations	**(3,422)**	(2,884)	**11,129**	(926)
Loss on early retirement of debt	**—**	—	**—**	5,119
Interest, net	**227**	951	**462**	3,112
(Loss) earnings from continuing operations before income taxes	**(3,649)**	(3,835)	**10,667**	(9,157)
Income tax (benefit) expense	**(1,253)**	(1,172)	**4,500**	(891)
(Loss) earnings from continuing operations	**(2,396)**	(2,663)	**6,167**	(8,266)
Provision for discontinued operations	**(787)**	(59)	**(734)**	(218)
Net (Loss) Earnings	**$ (3,183)**	$ (2,722)	**$ 5,433**	$ (8,484)

* Includes a $2.0 million charge in the second quarter of Fiscal 2011 which includes $1.9 million for asset impairments and $0.1 million for other legal matters and includes $4.4 million of other charges in the first six months of Fiscal 2011 which includes $4.3 million for asset impairments and $0.1 million for other legal matters. Includes $3.3 million of other charges in the second quarter of Fiscal 2010 which includes $3.4 million in asset impairments offset by a $0.1 million gain from other legal matters and includes $8.3 million of other charges in the first six months of Fiscal 2010 which includes $7.9 million in asset impairments, $0.3 million in other legal matters and $0.1 million for lease terminations.

GENESCO INC.

Consolidated Balance Sheet

In Thousands	**July 31, 2010**	August 1, 2009
Assets		
Cash and cash equivalents	**$ 49,037**	$ 21,457
Accounts receivable	**31,005**	28,251
Inventories	**377,380**	332,917
Other current assets	**60,138**	59,986
Total current assets	**517,560**	442,611
Property and equipment	**200,767**	228,712
Other non-current assets	**211,207**	182,678
Total Assets	**$ 929,534**	$ 854,001
Liabilities and Shareholders' Equity		
Accounts payable	**$ 165,466**	$ 119,891
Other current liabilities	**78,635**	60,156
Total current liabilities	**244,101**	180,047
Long-term debt	**—**	53,042
Other long-term liabilities	**106,119**	111,981
Shareholders' equity	**579,314**	508,931
Total Liabilities and Shareholders' Equity	**$ 929,534**	$ 854,001

GENESCO INC.

Retail Units Operated — Six Months Ended July 31, 2010

	Balance 01/31/09	Acquisi-tions	Open	Close	Balance 01/30/10	Open	Close	Balance 07/31/10
Journeys Group	1,012	0	19	6	1,025	7	6	**1,026**
Journeys	816	0	9	6	819	5	5	**819**
Journeys Kidz	141	0	9	0	150	2	1	**151**
Shi by Journeys	55	0	1	0	56	0	0	**56**
Underground Station Group	180	0	0	10	170	0	8	**162**
Lids Sports Group	885	38	35	37	921	11	16	**916**
Johnston & Murphy Group	157	0	7	4	160	3	3	**160**
Shops	114	0	5	3	116	2	3	**115**
Factory Outlets	43	0	2	1	44	1	0	**45**
Total Retail Units	2,234	38	61	57	2,276	21	33	**2,264**

Retail Units Operated — Three Months Ended July 31, 2010

	Balance 05/01/10	Open	Close	Balance 07/31/10
Journeys Group	1,023	4	1	**1,026**
Journeys	817	3	1	**819**
Journeys Kidz	150	1	0	**151**
Shi by Journeys	56	0	0	**56**
Underground Station Group	163	0	1	**162**
Lids Sports Group	922	3	9	**916**
Johnston & Murphy Group	159	1	0	**160**
Shops	115	0	0	**115**
Factory Outlets	44	1	0	**45**
Total Retail Units	2,267	8	11	**2,264**

Constant Store Sales

	Three Months Ended		Six Months Ended	
	July 31, 2010	August 1, 2009	**July 31, 2010**	August 1, 2009
Journeys Group	**2%**	-9%	**2%**	-3%
Underground Station Group	**-4%**	-19%	**-2%**	-11%
Lids Sports Group	**7%**	-2%	**8%**	3%
Johnston & Murphy Group	**0%**	-16%	**5%**	-17%
Total Constant Store Sales	**3%**	-8%	**4%**	-3%

Schedule B

Genesco Inc.
Adjustments to Reported Loss from Continuing Operations
Three Months Ended July 31, 2010 and August 1, 2009

In Thousands (except per share amounts)	3 mos July 2010	Impact on EPS	3 mos July 2009	Impact on EPS
Loss from continuing operations, as reported	$(2,396)	$(0.10)	$(2,663)	$(0.12)
Adjustments: (1)				
Impairment & lease termination charges	1,143	0.05	2,114	0.09
Other legal matters	39	—	(32)	—
Flood loss	215	0.01	—	—
Purchase price accounting adjustment — margin	233	0.01	—	—
Purchase price accounting adjustment — expense	174	0.01	—	—
Expenses related to aborted acquisition	127	—	—	—
Convertible debt interest restatement (APB 14-1)	—	—	172	0.01
Higher (lower) effective tax rate	(69)	—	7	—
Adjusted loss from continuing operations (2)	$ (534)	$(0.02)	$ (402)	$(0.02)

(1) All adjustments are net of tax. The tax rate for the second quarter of Fiscal 2011 is 35.1% excluding a FIN 48 discrete item of $0.1 million. The tax rate for the second quarter of Fiscal 2010 is 37.29% excluding a FIN 48 discrete item of $0.3 million.

(2) Reflects 23.5 million share count for Fiscal 2011 and 21.8 million share count for Fiscal 2010 which does not include common stock equivalents in either year due to the loss.

The Company believes that disclosure of earnings and earnings per share from continuing operations on a pro forma basis adjusted for the items not reflected in the previously announced expectations will be meaningful to investors, especially in light of the impact of such items on the results.

Schedule B

Genesco Inc.
Adjustments to Reported Earnings (Loss) from Continuing Operations
Six Months Ended July 31, 2010 and August 1, 2009

In Thousands (except per share amounts)	6 mos July 2010	Impact on EPS	6 mos July 2009	Impact on EPS
Earnings (loss) from continuing operations, as reported	$6,167	$0.25	$(8,266)	$(0.41)
Adjustments: (1)				
Impairment & lease termination charges	2,582	0.11	4,883	0.24
Other legal matters	95	—	206	0.01
Loss on early retirement of debt	—	—	3,061	0.15
Flood loss	215	0.01	—	—
Purchase price accounting adjustment — margin	233	0.01	—	—
Purchase price accounting adjustment — expense	174	0.01	—	—
Expenses related to aborted acquisition	127	0.01	—	—
Convertible debt interest restatement (APB 14-1)	—	—	663	0.03
Higher (lower) effective tax rate	20	—	2,540	0.13
Adjusted earnings (loss) from continuing operations (2)	$9,613	$0.40	$ 3,087	$ 0.15

(1) All adjustments are net of tax. The tax rate for the six months of Fiscal 2011 is 39.7% excluding a FIN 48 discrete item of $0.2 million. The tax rate for the six months of Fiscal 2010 is 40.3% excluding a FIN 48 discrete item of $0.1 million.

(2) Reflects 23.9 million share count for Fiscal 2011 and 20.5 million share count for Fiscal 2010 which includes common stock equivalents in both years.

The Company believes that disclosure of earnings and earnings per share from continuing operations on a pro forma basis adjusted for the items not reflected in the previously announced expectations will be meaningful to investors, especially in light of the impact of such items on the results.

Schedule B

Genesco Inc.
Adjustments to Forecasted Earnings from Continuing Operations
Fiscal Year Ending January 29, 2011

In Thousands (except per share amounts)	High Guidance Fiscal 2011		Low Guidance Fiscal 2011	
Forecasted earnings from continuing operations	$45,569	$1.91	$43,220	$1.81
Adjustments: (1)				
Impairment, lease termination and other charges	6,931	0.29	6,931	0.29
Adjusted forecasted earnings from continuing operations (2)	$52,500	$2.20	$50,151	$2.10

(1) All adjustments are net of tax. The forecasted tax rate for Fiscal 2011 is 40.2%.

(2) Reflects 23.8 million share count for Fiscal 2011 which includes common stock equivalents.

This reconciliation reflects estimates and current expectations of future results. Actual results may vary materially from these expectations and estimates, for reasons including those included in the discussion of forward-looking statements elsewhere in this release. The Company disclaims any obligation to update such expectations and estimates.

Exhibit 99.2

GENESCO INC.
FY11 SECOND QUARTER ENDED JULY 31, 2010
CHIEF FINANCIAL OFFICER'S COMMENTARY

Consolidated Results

Sales

Second quarter net sales increased 9% to $364 million from $335 million in the second quarter last year. Same store sales increased 3%. Same store sales increased 8% in August.

Gross Margin

Second quarter gross margin was 50.6% compared with 50.8% last year. Retail gross margins were up, while wholesale sales, with a lower gross margin, increased as a percent of sales. This year's gross margin reflected purchase price accounting-related reductions of $380,000.

SG&A

SG&A increased to 51.0% of sales in the quarter compared to 50.7% last year.

The increase reflects approximately $860,000 of unusual items including the write-off of assets in the Nashville stores affected by the flooding in May discussed on the first quarter conference call and acquisition-related expenses. Excluding these items, expenses as a percent of sales were 50.8% compared to 50.7% last year. A reconciliation of non-GAAP financial measures to the most nearly comparable GAAP measure is provided in the schedule at the end of this document.

Additionally, as we discussed on the first quarter conference call, SG&A included approximately $0.12 per share of incremental bonus accruals in the second quarter this year, when improving performance required additional accruals of approximately $2.4 million, compared to the second quarter last year, when deteriorating performance led to reversals in approximately the same amount, for a cumulative year-to-year difference of $4.8 million.

Restructuring and Other

The "Restructuring and Other" line reflects $2.0 million primarily of retail store non-cash fixed asset impairments in the second quarter this year, compared to $3.3 million last year.

Operating Income

Genesco's operating loss was $3.4 million in the quarter compared with a loss of $2.9 million last year. The operating loss included, for this year, the restructuring expense of $2.0 million and the other expenses and purchase accounting-related gross margin reductions totaling $1.24 million, and, for last year, the $3.3 million of restructuring expense discussed above. Excluding these items from both periods, there was an operating loss of $179,000 this year compared with operating income of $436,000 last year. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measure is provided in the schedule at the end of this document.

Interest Expense

Net interest expense for the quarter was $227,000, compared with $951,000 last year. There was no long-term debt outstanding at the end of the second quarter this year, compared to $53.0 million at the same time last year.

Pretax Earnings — Total GCO

The pretax loss for the second quarter was $3.6 million, which includes the $3.2 million of net restructuring expense and other items discussed above. Last year, the pretax loss was $3.8 million, which included the $3.3 million restructuring expense discussed above.

Excluding these items from both years' results, the pretax loss for the quarter was $406,000 this year compared to $229,000 last year. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measure is provided in the schedule at the end of this document.

Earnings Per Share From Continuing Operations

The net loss before discontinued operations in the second quarter this year was $2.4 million, or $0.10 per diluted share, compared with a loss of $2.7 million, or $0.12 per diluted share, in the second quarter last year. Excluding the expense items discussed above, the loss was $0.02 per diluted share in both years. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measure is provided in the schedule at the end of this document.

Segment Results

Lids Sports Group

Lids Sports Group's sales increased 22% to $133 million compared to $109 million last year.

Same store sales increased 7% compared to a decrease of 2% last year. Direct sales increased 11% in the quarter and represented about 4% of total sales. August same store sales increased 13%.

The Group's gross margin was lower in the quarter. Operating income was $12.0 million, or 9.0% of sales, compared with $10.5 million, or 9.7% of sales last year, reflecting an improvement in the Lids stores' gross margins, offset by lower gross margins in Lids Locker Room and the Lids Team Sports wholesale business. The Group leveraged expenses in the quarter due to the lower operating expenses of the Lids Team Sports business and lower occupancy expense as a percent of sales in the retail businesses.

Journeys Group

Journeys Group's sales increased 3% to $153 million from $149 million last year. Direct sales increased 3% and represented 1% of sales. Same store sales increased 2%. August same store sales increased 7%.

The Group's operating loss for the quarter was $4.5 million compared to a loss last year of $3.2 million.

Average selling prices for footwear in the Journeys stores open throughout both periods were down 2.1% for the second quarter this year, reflecting lower average selling prices in athletic shoes, partially offset by increased women's casual product.

Gross margin was down about 80 basis points due primarily to heavier markdowns.

SG&A expense increased as a percent of sales, due primarily to the relative changes in bonus accruals discussed above. Excluding this "swing" in bonus accruals this year versus last year, Journeys would have leveraged SG&A in the quarter.

Underground Station

Underground Station's sales decreased 8% to $17 million, reflecting a 4% decline in same store sales and an 8% reduction in store count, to 162 stores. August same store sales increased 4%.

Gross margin increased by 220 basis points due to lower markdowns and a higher initial markon.

Expenses increased as a percent of sales, due to the negative same store sales and the variation in bonus accruals.

Underground Station's loss of $3.5 million in the quarter was down from last year's loss of $3.8 million.

Johnston & Murphy Group

Johnston & Murphy Group's second quarter sales were flat with last year at $39 million.

Johnston & Murphy's wholesale sales increased 10% in the quarter. Same store sales for the Johnston & Murphy retail stores were flat. August same store sales increased 5%.

Direct sales decreased in the quarter, due in part to less promotional activity than last year.

Gross margin increased by about 160 basis points in the quarter due to lower markdowns partly driven by lower closeout sales in the wholesale business and a higher initial markon. Expenses as a percent of sales were up 20 basis points.

Licensed Brands

Licensed Brands sales increased 11% to $22 million in the quarter.

Gross margin increased by approximately 60 basis points, reflecting lower closeout sales than last year.

SG&A expense increased due to added bonus accruals year over year.

Operating income was $2.3M or 10.5% of sales, compared with $2.0 million or 10.2% last year.

Balance Sheet

Cash

Cash at quarter-end was $49 million, up from $21 million last year. We ended the quarter with no debt, compared to $53 million last year, which included bank debt of $24.3 million and $28.7 million of convertible notes.

During the quarter, we purchased approximately 408,000 shares of GCO stock at a cost of $11 million. Also, over the past 12 months, we have made acquisitions with cash payments totaling $27.0 million.

Inventory

Inventories increased 13% in the quarter on a year over year basis. This included $10 million in added inventory from recent acquisitions. We feel good about our overall inventory levels, which we believe were low at the end of the first quarter. In addition, we planned accelerated receipts this year in order to be in a strong position for the beginning of Back to School in early August.

Shareholders' Equity

Shareholders' equity was $579 million at the end of the quarter, compared with $509 million last year.

Capital Expenditures

For the quarter, capital expenditures were $5.3 million and depreciation was $11.1 million.

We opened 8 stores and closed 11 stores during the quarter, ending the quarter with 2,264 stores, compared with 2,241 stores at the same time last year. This year's store count included:

- 879 Lids stores (including 62 stores in Canada)
- 37 Lids Locker Room stores
- 819 Journeys stores (including 3 in Canada)
- 151 Journeys Kidz stores
- 56 Shï by Journeys stores
- 162 Underground Station stores
- 160 Johnston & Murphy stores and Factory stores

Genesco Inc.
Adjustments to Reported Loss from Continuing Operations
Three Months Ended July 31, 2010 and August 1, 2009

In Thousands (except per share amounts)	3 mos July 2010	Impact on EPS	3 mos July 2009	Impact on EPS
Loss from continuing operations, as reported	$(2,396)	$(0.10)	$(2,663)	$(0.12)
Adjustments: (1)				
Impairment & lease termination charges	1,143	0.05	2,114	0.09
Other legal matters	39	—	(32)	—
Flood loss	215	0.01	—	—
Purchase price accounting adjustment — margin	233	0.01	—	—
Purchase price accounting adjustment — expense	174	0.01	—	—
Expenses related to aborted acquisition	127	—	—	—
Convertible debt interest restatement (APB 14-1)	—	—	172	0.01
Higher (lower) effective tax rate	(69)	—	7	—
Adjusted loss from continuing operations (2)	$ (534)	$(0.02)	$ (402)	$(0.02)

	3 Mos July 2010	% of sales	3 Mos July 2009	% of sales
SG&A expenses, as reported	$185,465	51.0%	$169,509	50.7%
Flood loss	(357)		—	
Purchase price accounting adjustment	(288)		—	
Expenses related to aborted acquisition	(211)		—	
Adjusted SG&A expenses	$184,609	50.8%	$169,509	50.7%

(1) All adjustments are net of tax. The tax rate for the second quarter of Fiscal 2011 is 35.1% excluding a FIN 48 discrete item of $0.1 million. The tax rate for the second quarter of Fiscal 2010 is 37.29% excluding a FIN 48 discrete item of $0.3 million.

(2) Reflects 23.5 million share count for Fiscal 2011 and 21.8 million share count for Fiscal 2010 which does not include common stock equivalents in either year due to the loss.

The Company believes that disclosure of earnings and earnings per share from continuing operations on a pro forma basis adjusted for the items not reflected in the previously announced expectations will be meaningful to investors, especially in light of the impact of such items on the results.

Genesco Inc.
Adjustments to Reported Earnings (Loss) from Continuing Operations
Six Months Ended July 31, 2010 and August 1, 2009

In Thousands (except per share amounts)	6 mos July 2010	Impact on EPS	6 mos July 2009	Impact on EPS
Earnings (loss) from continuing operations, as reported	$6,167	$0.25	$(8,266)	$(0.41)
Adjustments: (1)				
Impairment & lease termination charges	2,582	0.11	4,883	0.24
Other legal matters	95	—	206	0.01
Loss on early retirement of debt	—	—	3,061	0.15
Flood loss	215	0.01	—	—
Purchase price accounting adjustment — margin	233	0.01	—	—
Purchase price accounting adjustment — expense	174	0.01	—	—
Expenses related to aborted acquisition	127	0.01	—	—
Convertible debt interest restatement (APB 14-1)	—	—	663	0.03
Higher (lower) effective tax rate	20	—	2,540	0.13
Adjusted earnings (loss) from continuing operations (2)	$9,613	$0.40	$ 3,087	$ 0.15

(1) All adjustments are net of tax. The tax rate for the six months of Fiscal 2011 is 39.7% excluding a FIN 48 discrete item of $0.2 million. The tax rate for the six months of Fiscal 2010 is 40.3% excluding a FIN 48 discrete item of $0.1 million.

(2) Reflects 23.9 million share count for Fiscal 2011 and 20.5 million share count for Fiscal 2010 which includes common stock equivalents in both years.

The Company believes that disclosure of earnings and earnings per share from continuing operations on a pro forma basis adjusted for the items not reflected in the previously announced expectations will be meaningful to investors, especially in light of the impact of such items on the results.