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): May 25, 2017 (May 25, 2017)

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):

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

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

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

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

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On May 25, 2017, Genesco Inc. issued a press release announcing results of operations for the fiscal first quarter ended April 29, 2017. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

On May 25, 2017, 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, 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 2018's previously announced earnings expectations and the adjusted results for the prior period announced last year, the Company believes that disclosure of the non-GAAP 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 May 25, 2017, issued by Genesco Inc.
99.2	Genesco Inc. First Fiscal Quarter Ended April 29, 2017 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: May 25, 2017	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 May 25, 2017
99.2	Genesco Inc. First Fiscal Quarter Ended April 29, 2017 Chief Financial Officer’s Commentary

Exhibit 99.1

Financial Contact: ***Mimi E. Vaughn (615) 367-7386***
Media Contact: ***Claire S. McCall (615) 367-8283***

GENESCO REPORTS FIRST QUARTER FISCAL 2018 RESULTS

NASHVILLE, Tenn., May 25, 2017 -- Genesco Inc. (NYSE: GCO) today reported earnings from continuing operations for the first quarter ended April 29, 2017, of $1.0 million, or $0.05 per diluted share, compared to earnings from continuing operations of $10.6 million, or $0.50 per diluted share, for the first quarter ended April 30, 2016. Fiscal 2018 first quarter results reflect a pretax asset impairment charge of $0.1 million, or $0.01 per diluted share after tax. Fiscal 2017 first quarter results reflect pretax items of $3.6 million, or $0.12 per share after tax, including $3.4 million of asset impairment charges and $0.2 million in other legal matters.

Adjusted for the items described above in both periods, earnings from continuing operations were $1.1 million, or $0.06 per diluted share, for the first quarter of Fiscal 2018, compared to earnings from continuing operations of $13.0 million, or $0.62 per diluted share, for the first quarter of Fiscal 2017. For consistency with Fiscal 2018's previously announced earnings expectations and with previously reported adjusted results for the prior year period, the Company believes that the disclosure of the results from continuing operations adjusted for these items will be useful to investors. A reconciliation of earnings and earnings per share from continuing operations in accordance with U.S. Generally Accepted Accounting Principles with the adjusted earnings and earnings per share numbers presented in this paragraph is set forth on Schedule B to this press release.

Net sales for the first quarter of Fiscal 2018 decreased 0.8% to $643 million from $649 million in the first quarter of Fiscal 2017. Consolidated first quarter 2018 comparable sales, including same store sales and comparable e-commerce and catalog sales, decreased 1%, with a 5% decrease in the Journeys Group, a 1% increase in the Lids Sports Group, a 10% increase in the Schuh Group, and a 3% decrease in the Johnston & Murphy Group. Comparable sales for the Company included a 4% decrease in same store sales and a 28% increase in direct sales.

Robert J. Dennis, chairman, president and chief executive officer of Genesco, said, "Our first quarter performance reflects a number of challenges, many of which were expected, early in the new fiscal year. Consolidated comparable sales were pressured by weak store traffic in our U.S. businesses, which we believe was due in part to federal income tax refund delays, and by the impact from the significant fashion rotation at Journeys. This was partially offset by very strong growth in digital channel sales. The combination of a 1% comp decline, expense deleverage on lower sales, gross margin headwinds at Journeys and Lids, that were especially pronounced in the first quarter, and increased marketing and digital investment resulted in earnings substantially lower than last year and a little below our internal forecasts.

"While Journeys continues to make good progress adjusting its product offering to better reflect current consumer demand, we now believe Journeys' comp recovery will take longer to materialize than previously expected due to a more significant slowdown in the declining part of its merchandise assortment. In addition, we have adopted a more conservative outlook for store-based sales given the anemic level of mall traffic year-to-date and the more pronounced shift in consumer spending away from stores to online. Therefore, we now expect adjusted diluted earnings per share for the year in the range of $3.90 to $4.05, compared to our previously issued guidance range of $4.40 to $4.55." These expectations do not include expected non-cash asset impairments and other charges, estimated in the range of $5.3

million to $6.3 million pretax, or $0.18 to $0.21 per share after tax, for the full fiscal year. They also do not include certain tax effects related to equity grants pursuant to the newly effective ASU 2016-09, estimated at $0.09 per share after tax. This guidance assumes comparable sales are flat to up to 1% for the full year. A reconciliation of the adjusted financial measures cited in the guidance to their corresponding measures as reported pursuant to U.S. Generally Accepted Accounting Principles is included in Schedule B to this press release.

Dennis concluded, “While we are disappointed with our lower guidance, our second quarter comp trend through Saturday, May 20, is better than what we experienced in the first quarter, in particular for Journeys. Despite the slow start to the year, we believe that the strategies we are executing will result in improved sales and margin trends, particularly in the back half, as the year progresses and drive profitable growth and increased shareholder value over the long-term.”

Conference Call and Management Commentary

The Company has posted detailed financial commentary in writing on its website, www.genesco.com, in the investor relations section. The Company's live conference call on May 25, 2017 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 (including, without limitation, sales, expenses, margins, growth and earnings) 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 and projections reflected in forward-looking statements, including the level and timing of promotional activity necessary to maintain inventories at appropriate levels; the timing and amount of non-cash asset impairments related to retail store fixed assets and intangible assets of acquired businesses; the effectiveness of the Company's omnichannel initiatives; costs associated with changes in minimum wage and overtime requirements; the level of chargebacks from credit card users for fraudulent purchases or other reasons; weakness in the consumer economy and retail industry; competition in the Company's markets, including online; fashion trends that affect the sales or product margins of the Company's retail product offerings; weakness in shopping mall traffic and challenges to the viability of malls where the Company operates stores, related to planned closings of anchor and department stores or other factors; the imposition of tariffs on imported products or the disallowance of tax deductions on imported products; changes in buying patterns by significant wholesale customers; bankruptcies or deterioration in financial condition of significant wholesale customers or the inability of wholesale customers or consumers to obtain credit; disruptions in product supply or distribution; unfavorable trends in fuel costs, foreign exchange rates, foreign labor and material costs, and other factors affecting the cost of products; the effects of the British decision to exit the European Union, including potential effects on consumer demand, currency exchange rates, and the supply chain; the Company's ability to continue to complete and integrate acquisitions, expand its business and diversify its product base; changes in the timing of holidays or in the onset of seasonal weather affecting period-to-period sales comparisons; and the performance of athletic teams, the participants in major sporting events such as the Super Bowl and World Series, developments with respect to certain individual athletes, and other sports-related events or changes that may affect period-to-period comparisons in the Company's Lids Sports Group retail businesses. 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 control occupancy costs, 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 the Company's shares; variations from expected pension-related charges caused by conditions in the financial markets; disruptions in the Company’s information technology systems either by security breaches and incidents or by potential problems associated with the implementation of new or upgraded systems; and the cost and 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 2,750 retail stores and leased departments throughout the U.S., Canada, the United Kingdom, the Republic of Ireland and Germany, principally under the names Journeys, Journeys Kidz, Shi by Journeys, Schuh, Schuh Kids, Little Burgundy, Lids, Locker Room by Lids, Lids Clubhouse, Johnston & Murphy, and on internet websites www.journeys.com, www.journeyskidz.com, www.journeys.ca, www.shibyjourneys.com, www.schuh.co.uk, www.littleburgundyshoes.com, www.johnstonmurphy.com, www.lids.com, www.lids.ca, www.lidslockerroom.com, www.lidsclubhouse.com, www.neweracap.com, www.trask.com, and www.dockersshoes.com. The Company's Lids Sports Group division operates the Lids headwear stores, the Locker Room by Lids and other team sports fan shops and single team clubhouse stores. In addition, Genesco sells wholesale footwear under its Johnston & Murphy brand, the Trask brand, the licensed Dockers brand, G.H. Bass & Co., and other brands. For more information on Genesco and its operating divisions, please visit www.genesco.com.

Exhibit 99.1

GENESCO INC.

Consolidated Earnings Summary

In Thousands		Three Months Ended Apr. 29, 2017		Apr. 30, 2016
Net sales	**$**	**643,368**	$	648,793
Cost of sales		**324,455**		319,096
Selling and administrative expenses		**316,000**		308,243
Asset impairments and other, net		**119**		3,557
Earnings from operations		**2,794**		17,897
Interest expense, net		**1,177**		1,137
Earnings from continuing operations before income taxes		**1,617**		16,760
Income tax expense		**620**		6,196
Earnings from continuing operations		**997**		10,564
Provision for discontinued operations		**(112)**		(154)
Net Earnings	**$**	**885**	$	10,410

Earnings Per Share Information

In Thousands (except per share amounts)		Three Months Ended Apr. 29, 2017		Apr. 30, 2016
Average common shares - Basic EPS		**19,189**		20,815
Basic earnings per share:				
From continuing operations	**$**	**0.05**	$	0.51
Net earnings	**$**	**0.05**	$	0.50
Average common and common equivalent shares - Diluted EPS		**19,293**		20,990
Diluted earnings per share:				
From continuing operations	**$**	**0.05**	$	0.50
Net earnings	**$**	**0.05**	$	0.50

Exhibit 99.1

GENESCO INC.

Consolidated Earnings Summary

		Three Months Ended		
In Thousands		**Apr. 29, 2017**		Apr. 30, 2016
Sales:				
Journeys Group	**$**	**284,119**	$	294,221
Schuh Group		**76,456**		75,670
Lids Sports Group		**176,901**		179,376
Johnston & Murphy Group		**72,793**		69,975
Licensed Brands		**33,010**		29,466
Corporate and Other		**89**		85
Net Sales	**$**	**643,368**	$	648,793
Operating Income (Loss):				
Journeys Group	**$**	**7,472**	$	19,620
Schuh Group		**(687)**		(2,661)
Lids Sports Group		**(1,786)**		6,037
Johnston & Murphy Group		**3,820**		4,842
Licensed Brands		**2,275**		1,853
Corporate and Other (1)		**(8,300)**		(11,794)
Earnings from operations		**2,794**		17,897
Interest, net		**1,177**		1,137
Earnings from continuing operations before income taxes		**1,617**		16,760
Income tax expense		**620**		6,196
Earnings from continuing operations		**997**		10,564
Provision for discontinued operations		**(112)**		(154)
Net Earnings	**$**	**885**	$	10,410

(1) Includes a $0.1 million charge in the first quarter of Fiscal 2018 for asset impairments.

Includes a $3.6 million charge in the first quarter of Fiscal 2017 which includes $3.4 million for asset impairments and $0.2 million in other legal matters.

Exhibit 99.1

GENESCO INC.

Consolidated Balance Sheet

In Thousands		Apr. 29, 2017		Apr. 30, 2016
Assets				
Cash and cash equivalents	$	**43,371**	$	42,750
Accounts receivable		**54,314**		52,813
Inventories		**578,102**		551,282
Other current assets		**63,899**		59,966
Total current assets		**739,686**		706,811
Property and equipment		**342,610**		321,068
Goodwill and other intangibles		**359,432**		379,172
Other non-current assets		**37,648**		74,092
Total Assets	$	**1,479,376**	$	1,481,143
Liabilities and Equity				
Accounts payable	$	**175,588**	$	166,954
Current portion long-term debt		**1,617**		14,631
Other current liabilities		**115,495**		129,428
Total current liabilities		**292,700**		311,013
Long-term debt		**136,390**		101,273
Pension liability		**6,094**		9,660
Deferred rent and other long-term liabilities		**131,330**		153,511
Equity		**912,862**		905,686
Total Liabilities and Equity	$	**1,479,376**	$	1,481,143

Exhibit 99.1

Genesco Inc.

Retail Units Operated - Three Months Ended April 29, 2017

	Balance 1/30/2016	Open	Close	Balance 1/28/2017	Open	Close	Balance 4/29/2017
Journeys Group	1,222	51	24	1,249	13	12	**1,250**
Schuh Group	125	7	4	128	1	—	**129**
Lids Sports Group*	1,332	15	107	1,240	5	46	**1,199**
Johnston & Murphy Group	173	8	4	177	1	—	**178**
Total Retail Units	2,852	81	139	2,794	20	58	**2,756**

* Includes 124 Locker Room by Lids in Macy's stores as of April 29, 2017.

Comparable Sales (including same store and comparable direct sales)

	Three Months Ended	
	Apr. 29, 2017	Apr. 30, 2016
Journeys Group	**(5)%**	1 %
Schuh Group	**10 %**	(5)%
Lids Sports Group	**1 %**	2 %
Johnston & Murphy Group	**(3)%**	6 %
Total Comparable Sales	**(1)%**	1 %

Exhibit 99.1

Schedule B

Genesco Inc.
Adjustments to Reported Earnings from Continuing Operations
Three Months Ended April 29, 2017 and April 30, 2016

	Three Months Ended					
	April 29, 2017			April 30, 2016		
In Thousands (except per share amounts)	**Pretax**	**Net of Tax**	**Per Share Amounts**	Pretax	Net of Tax	Per Share Amounts
Earnings from continuing operations, as reported		**$ 997**	**$ 0.05**		$ 10,564	$ 0.50
Pretax adjustments:						
Impairment charges	**$ 119**	**78**	**0.01**	$ 3,436	2,205	0.11
Other legal matters	**—**	**—**	**—**	89	57	—
Network intrusion expenses	**—**	**—**	**—**	32	21	—
Total adjustments	**$ 119**	**78**	**0.01**	$ 3,557	2,283	0.11
Resolution of income tax matters and other items		**24**	**—**		106	0.01
Adjusted earnings from continuing operations (1) and (2)		**$ 1,099**	**$ 0.06**		$ 12,953	$ 0.62

(1) The adjusted tax rate for the first quarter of Fiscal 2018 is 34.2% excluding a FIN 48 discrete item of less than $0.1 million. The adjusted tax rate for the first quarter of Fiscal 2017 is 35.8% excluding a FIN 48 discrete item of less than $0.1 million.

(2) EPS reflects 19.3 and 21.0 million share count for Fiscal 2018 and 2017, respectively, which includes common stock equivalents in both years.

The Company believes that disclosure of earnings and earnings per share from continuing operations 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 Operating Income
Three Months Ended April 29, 2017 and April 30, 2016

	Three Months Ended April 29, 2017		
In Thousands	**Operating Income**	**Other Adj**	**Adj Operating Income**
Journeys Group	**$ 7,472**	**$ —**	**$ 7,472**
Schuh Group	**(687)**	**—**	**(687)**
Lids Sports Group	**(1,786)**	**—**	**(1,786)**
Johnston & Murphy Group	**3,820**	**—**	**3,820**
Licensed Brands	**2,275**	**—**	**2,275**
Corporate and Other	**(8,300)**	**119**	**(8,181)**
Total Operating Income	**$ 2,794**	**$ 119**	**$ 2,913**

Exhibit 99.1

Schedule B

In Thousands	Three Months Ended April 30, 2016 Operating Income	Other Adj	Adj Operating Income
Journeys Group	$ 19,620	$ —	$ 19,620
Schuh Group	(2,661)	—	(2,661)
Lids Sports Group	6,037	—	6,037
Johnston & Murphy Group	4,842	—	4,842
Licensed Brands	1,853	—	1,853
Corporate and Other	(11,794)	3,557	(8,237)
Total Operating Income	$ 17,897	$ 3,557	$ 21,454

Genesco Inc.

Adjustments to Forecasted Earnings from Continuing Operations

Fiscal Year Ending February 3, 2018

In Thousands (except per share amounts)	High Guidance Fiscal 2018		Low Guidance Fiscal 2018	
Forecasted earnings from continuing operations	$ 73,137	$ 3.78	$ 69,550	$ 3.60
Adjustments: (1)				
Asset impairment and other charges	3,412	0.18	4,060	0.21
Tax impact for share-based awards	1,818	0.09	1,818	0.09
Adjusted forecasted earnings from continuing operations (2)	$ 78,367	$ 4.05	$ 75,428	$ 3.90

(1) All adjustments are net of tax where applicable. The forecasted tax rate for Fiscal 2018 is approximately 35.2%.

(2) EPS reflects 19.4 million share count for Fiscal 2018 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.

GENESCO INC.
CHIEF FINANCIAL OFFICER'S COMMENTARY
FISCAL YEAR 2018
FIRST QUARTER ENDED APRIL 29, 2017

Consolidated Results

First Quarter

Sales

First quarter net sales decreased 0.8% to $643 million in Fiscal 2018 from $649 million in Fiscal 2017. Excluding last year's sales from SureGrip which the Company sold in December, total sales were flat for the quarter. Sales this year were also impacted by foreign exchange, with the Pound devaluing vs. the dollar. Without the devaluation, the Company would have had a 1% sales gain. Comparable sales for Genesco and each of its business segments, including both same store sales and comparable sales from the Company's direct (e-commerce and catalog) businesses for the quarter, were as follows:

Comparable Sales

Same Store and Comparable Direct Sales:	**1st Qtr** FY18	**1st Qtr** FY17
Journeys Group	(5)%	1%
Schuh Group	10%	(5)%
Lids Sports Group	1%	2%
Johnston & Murphy Group	(3)%	6%
Total Genesco	(1)%	1%

The Company's same store sales decreased 4% and comparable direct sales increased 28% for the first quarter of Fiscal 2018 compared to a 1% increase in same store sales and flat comparable direct sales in the same period last year.

Gross Margin

First quarter gross margin was 49.6% this year compared with 50.8% last year, primarily reflecting lower gross margin in all of the Company's business segments except Schuh Group.

SG&A

Selling and administrative expense for the first quarter this year was 49.1% compared to 47.5% of sales last year. The increase in expenses as a percentage of sales reflects increased expenses in Journeys Group, Lids Sports Group and Johnston & Murphy Group, partially offset by decreased expenses in Schuh Group and Licensed Brands, while Corporate expense remained flat.

Asset Impairment and Other Items

The asset impairment and other charge for the first quarter of Fiscal 2018 is $0.1 million in asset impairments. The previous year's first quarter asset impairment and other charge of $3.6 million included asset impairments of $3.4 million and other legal matters of $0.2 million. The asset impairment and other charge are referred to as "Excluded Items" in the discussion below.

Operating Income

Genesco's operating income for the first quarter was $2.8 million this year compared with $17.9 million last year. Adjusted for the Excluded Items in both periods, operating income for the first quarter was $2.9 million this year compared with $21.5 million last year. Adjusted operating margin was 0.5% of sales in the first quarter of Fiscal 2018 and 3.3% last year. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measure is posted on the company's website in conjunction with this document.

Interest Expense

Net interest expense for the quarter was $1.2 million, compared with $1.1 million for the same period last year.

Pretax Earnings

Pretax earnings for the quarter were $1.6 million in Fiscal 2018 and $16.8 million last year. Adjusted for the Excluded Items in both years, pretax earnings for the quarter were $1.7 million in Fiscal 2018 compared to $20.3 million last year. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measure is posted on the company's website in conjunction with this document.

Taxes

The effective tax rate for the quarter was 38.3% in Fiscal 2018 compared to 37.0% last year. The adjusted tax rate, reflecting the exclusion of the Excluded Items, was 36.7% in Fiscal 2018 compared to 36.2% last year. The higher adjusted tax rate for this year reflects discrete items that had a bigger impact due to lower pretax earnings.

Earnings From Continuing Operations After Taxes

Earnings from continuing operations were $1.0 million, or $0.05 per diluted share, in the first quarter of Fiscal 2018, compared to earnings of $10.6 million, or $0.50 per diluted share, in the first quarter last year. Adjusted for the Excluded Items in both periods, first quarter earnings from continuing operations were $1.1 million, or $0.06 per diluted share in Fiscal 2018, compared with $13.0 million, or $0.62 per diluted share, last year. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measure is posted on the company's website in conjunction with this document.

Segment Results

Lids Sports Group

Lids Sports Group's sales for the first quarter decreased 1.4% to $177 million from $179 million last year, reflecting a decrease in the Group's store count of over 100 stores in the last year. Comparable sales, including both same store and comparable direct sales, increased 1% this year compared to 2% last year.

The Group's gross margin as a percent of sales decreased 140 basis points primarily reflecting increased promotional activity relative to the year before and changes in sales mix. SG&A expense as a percent of sales increased 300 basis points, reflecting increased compensation, marketing, benefit and depreciation expenses, partially offset by decreased bonus expense.

The Group's first quarter operating loss for Fiscal 2018 was $(1.8) million, or (1.0)% of sales, down from operating earnings of $6.0 million, or 3.4% of sales, last year.

Journeys Group

Journeys Group's sales for the quarter decreased 3.4% to $284 million from $294 million last year.
Combined comparable sales decreased 5% for the first quarter of Fiscal 2018 compared with a 1% increase last year.

Gross margin for the Journeys Group decreased 110 basis points in the quarter due primarily to lower initial margins due to changes in product mix and higher shipping and warehouse expenses. Markdowns were flat for the quarter.

The Journeys Group's SG&A expense increased 300 basis points as a percent of sales for the first quarter, reflecting increased store related expenses, primarily increased rent expense, selling salaries and marketing expense.

The Journeys Group's operating income for the first quarter of Fiscal 2018 was $7.5 million, or 2.6% of sales, compared to $19.6 million, or 6.7% of sales, last year.

Schuh Group

Schuh Group's sales for the quarter increased 1.0% to $76 million, compared to $76 million last year. Even with the increase in sales, Schuh Group sales were impacted by declines in exchange rates which decreased sales $10.2 million in the first quarter this year compared to the same period last year. Total comparable sales increased 10% compared to a 5% decrease last year.

Schuh Group's gross margin was up 50 basis points in the quarter due primarily to improved margins from certain product categories partially offset by increased shipping and warehouse expense. Schuh Group's SG&A expense decreased 220 basis points due to decreased store related expenses, primarily decreases in rent expense, selling salaries and depreciation expense, partially offset by increased bonus expense.

Schuh Group's operating loss for the first quarter of Fiscal 2018 was ($0.7) million, or (0.9%) of sales compared with ($2.7) million, or (3.5%) of sales last year.

Johnston & Murphy Group

Johnston & Murphy Group's first quarter sales increased 4.0%, to $73 million, compared to $70 million in the first quarter last year.

Johnston & Murphy wholesale sales increased 10% for the quarter. Combined comparable sales decreased 3% for the first quarter of Fiscal 2018 compared to a 6% increase last year.

Johnston & Murphy's gross margin for the Group decreased 100 basis points in the quarter primarily due to growth of wholesale sales which carry a lower gross margin and increased shipping and warehouse expenses. SG&A expense as a percent of sales increased 60 basis points, due primarily to store related expenses reflecting the impact of negative leverage from the negative comparable sales across most of the store related categories.

The Group's operating income for the first quarter of Fiscal 2018 was $3.8 million or 5.2% of sales, compared to $4.8 million, or 6.9% of sales last year.

Licensed Brands

Licensed Brands' sales increased 12.0% to $33 million in the first quarter of Fiscal 2018, compared to $29 million in the first quarter last year reflecting in part customers delaying delivery of fourth quarter product to the first quarter this year. Gross margin was down 410 basis points due to lower initial margins, reflecting the sale of SureGrip Footwear in the fourth quarter of Fiscal 2017, which carried the group's highest gross margin.

SG&A expense as a percent of sales was down 470 basis points primarily due to the sale of SureGrip Footwear which had higher expenses as a percentage of sales than the remaining Licensed Brands Group. In addition, the remaining expenses leveraged in total due to the increased sales.

Operating income for the first quarter of Fiscal 2018 was $2.3 million or 6.9% of sales, compared with $1.9 million, or 6.3% of sales, last year.

Corporate

Corporate expenses were $8.3 million or 1.3% of sales for the first quarter of Fiscal 2018, compared with $11.8 million or 1.8% of sales, last year. Adjusted for the applicable Excluded Items, corporate expenses were flat at $8.2 million compared to last year, but reflect decreased bonus expense offset by increases in professional fees, foreign exchange loss and other corporate expenses. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures is posted on the Company's website in conjunction with this document.

Balance Sheet

Cash

Cash at the end of the first quarter was flat at $43 million compared with last year. We ended the quarter with $29 million in U.K. debt, compared with $53 million in U.K. debt last year. Domestic revolver borrowings were $109 million at the end of the first quarter this year compared to $63 million for the first quarter last year. The domestic revolver borrowings included $21 million related to Genesco (UK) Limited and $38 million related to GCO Canada, with $50 million in U.S. dollar borrowings at the end of the first quarter of Fiscal 2018.

We repurchased 275,300 shares in the first quarter of Fiscal 2018 for a cost of $16.2 million at an average price of $58.71. As of the end of the first quarter of Fiscal 2018, we had about $24 million remaining under the most recent buyback authorization. We repurchased 1.1 million shares in the first quarter of Fiscal 2017 for a cost of $73.4 million at an average price of $66.75.

Inventory

Inventories increased 5% in the first quarter of Fiscal 2018 on a year-over-year basis. Retail inventory per square foot increased 7%.

Capital Expenditures and Store Count

For the first quarter, capital expenditures were $30 million and depreciation and amortization was $20 million. During the quarter, we opened 20 new stores and closed 58 stores. Excluding Locker Room by Lids in Macy’s stores, we ended the quarter with 2,632 stores compared with 2,657 stores at the end of the first quarter last year, or a decrease of 1%. Square footage was up 1% on a year-over-year basis, excluding the Macy’s locations. The store count as of April 29, 2017 included:

Lids stores (including 111 stores in Canada)	873
Lids Locker Room Stores (including 33 stores in Canada)	177
Lids Clubhouse stores	25
Journeys stores (including 46 stores in Canada)	941
Little Burgundy	36
Journeys Kidz stores	236
Shï by Journeys stores	37
Schuh Stores	129
Johnston & Murphy Stores and Factory stores (including 7 stores in Canada)	178
Total Stores	**2,632**
Locker Room by Lids in Macy’s stores	124
Total Stores and Macy’s Locations	**2,756**

For Fiscal 2018, we are forecasting capital expenditures in the range of $135 to $145 million and depreciation and amortization of about $80 million. Projected square footage is expected to be down approximately 1% for Fiscal 2018. Our current store openings and closing plans by chain are as follows:

	Actual Jan 2017	Projected New	Projected Conv	Projected Closings	Projected Jan 2018
Journeys Group	**1,249**	**60**	**0**	**(50)**	**1,259**
Journeys stores (U.S.)	900	15	0	(25)	890
Journeys stores (Canada)	44	5	0	0	49
Little Burgundy	36	5	0	0	41
Journeys Kidz stores	230	35	0	(3)	262
Shï by Journeys	39	0	0	(22)	17
Johnston & Murphy Group	**177**	**8**	**—**	**(5)**	**180**
Schuh Group	**128**	**10**	**—**	**(3)**	**135**
Lids Sports Group	**1,240**	**24**	**0**	**(85)**	**1,179**
Lids hat stores (U.S.)	770	17	0	(26)	761
Lids hat stores (Canada)	112	6	1	(4)	115
Locker Room stores (U.S.)	146	1	2	(20)	129
Locker Room stores (Canada)	35	0	(1)	(6)	28
Clubhouse stores	26	0	(2)	(2)	22
Locker Room by Lids (Macy's)	151	0	0	(27)	124
Total Stores	**2,794**	**102**	**0**	**(143)**	**2,753**

Comparable Sales Assumptions in Fiscal 2018 Guidance
Our guidance for Fiscal 2018 assumes comparable sales (including both same store sales and comparable direct sales) for each retail segment by quarter as follows:

	Actual	Guidance	Guidance	Guidance	
	Q1	**Q2**	**Q3**	**Q4**	**FY18**
Journeys Group	(5)%	(1) - 0%	2 - 3%	3 - 4%	0 - 1%
Lids Sports Group	1%	0 - 1%	1 - 2%	(2) - (1)%	0 - 1%
Schuh Group	10%	2 - 3%	1 - 2%	1 - 2%	3 - 4%
Johnston & Murphy Group	(3)%	0 - 1%	1 - 2%	2 - 3%	0 - 1%
Total Genesco	**(1)%**	**0 - 1%**	**1 - 2%**	**1 - 2%**	**0 - 1%**

Cautionary Note Concerning Forward-Looking Statements

This presentation contains forward-looking statements, including those regarding the performance outlook for the Company and its individual businesses (including, without limitation, sales, expenses, margins, growth and earnings) 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 and projections reflected in forward-looking statements, including the level and timing of promotional activity necessary to maintain inventories at appropriate levels; the timing and amount of non-cash asset impairments related to retail store fixed assets and intangible assets of acquired businesses; the effectiveness of the Company's omnichannel initiatives; costs associated with changes in minimum wage and overtime requirements; the level of chargebacks from credit card users for fraudulent purchases or other reasons; weakness in the consumer economy and retail industry; competition in the Company's markets, including online; fashion trends that affect the sales or product margins of the Company's retail product offerings; weakness in shopping mall traffic and challenges to the viability of malls where the Company operates stores, related to planned closings of anchor and department stores or other factors; the imposition of tariffs on imported products or the disallowance of tax deductions on imported products; changes in buying patterns by significant wholesale customers; bankruptcies or deterioration in financial condition of significant wholesale customers or the inability of wholesale customers or consumers to obtain credit; disruptions in product supply or distribution; unfavorable trends in fuel costs, foreign exchange rates, foreign labor and material costs, and other factors affecting the cost of products; the effects of the British decision to exit the European Union, including potential effects on consumer demand, currency exchange rates, and the supply chain; the Company's ability to continue to complete and integrate acquisitions, expand its business and diversify its product base; changes in the timing of holidays or in the onset of seasonal weather affecting period-to-period sales comparisons; and the performance of athletic teams, the participants in major sporting events such as the Super Bowl and World Series, developments with respect to certain individual athletes, and other sports-related events or changes that may affect period-to-period comparisons in the Company's Lids Sports Group retail businesses. 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 control occupancy costs, 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 the Company's shares; variations from expected pension-related charges caused by conditions in the financial markets; disruptions in the Company’s information technology systems either by security breaches and incidents or by potential problems associated with the implementation of new or upgraded systems; and the cost and 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 presentation 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.