(GENESCO LOGO)

(Mark One)

FORM 10-K

[X] Annual Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Fiscal Year Ended January 30, 1999

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

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

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT

TITLE	EXCHANGES ON WHICH REGISTERED
Common Stock, $1.00 par value	New York and Chicago
Preferred Share Purchase Rights	New York and Chicago
10 3/8% Senior Notes due 2003	New York

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT
Subordinated Serial Preferred Stock, Series 1
Employees' Subordinated Convertible Preferred Stock

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

DOCUMENTS INCORPORATED BY REFERENCE
Portions of the proxy statement for the June 23, 1999 annual meeting of shareholders are incorporated into Part III by reference.

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 and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No

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Common Shares Outstanding April 16, 1999 - 23,060,107
Aggregate market value on April 16, 1999 of the voting stock held by nonaffiliates of the registrant was approximately $250,000,000.

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PART I

ITEM 1, BUSINESS
GENERAL

Genesco is a leading retailer and wholesaler of branded footwear with net sales for Fiscal 1999 of $549.7 million. During Fiscal 1999, the Company operated four segments: Specialty Retail Footwear, Branded Footwear, Leather and Western Boot which was divested in Fiscal 1999. At January 30, 1999, the Company operated 674 stores and leased footwear departments throughout the United States and Puerto Rico and expects to open approximately 80 new stores and leased departments in Fiscal 2000. At January 30, 1999, the Company's Specialty Retail Footwear segment operated under three names and formats including: Journeys (258 stores), Jarman (244 stores and leased departments), and General Shoe Warehouse (16 stores and leased departments). Under an agreement with Mercantile Stores Company, Inc. the Company operated the men's shoe departments in Mercantile department stores through the Company's Jarman Lease division. Because of the acquisition of Mercantile by Dillards Inc., the Company will end its operation of the leased departments. The Company had 78 Jarman leased departments at January 30, 1999. Of those 78 leased departments, 64 have been transferred to Dillards Inc. and the Company ended operations of the remaining 14 leased departments on April 3, 1999. In its Branded Footwear Segment, the Company designs, sources, markets and distributes footwear at wholesale under its own and licensed brands, including Johnston & Murphy, Nautica, and Dockers, to more than 2,700 retail accounts in the United States, including a number of leading department, discount, and specialty stores. The Branded Footwear Segment also includes two retail businesses: Johnston & Murphy (132 stores and leased departments), and Nautica Retail (24 leased departments). The Company's Leather segment includes a leather tanning and finishing business, Volunteer Leather, primarily for sale to military boot manufacturers and other customers. The Western Boot segment is the Company's divested boot operation. The sale of the Western Boot business was completed on July 14, 1998. (See below for more information regarding the sale of the Western Boot business.)

Reference to Fiscal 1999 refers to the Company's fiscal year ended January 30, 1999. References to Fiscal 1995, 1996 or 1998 are to the Company's fiscal year ended on January 31 of each such year. Reference to Fiscal 1997 refers to the Company's fiscal year ended February 1, 1997. For further information on the Company's business segments, see Note 18 to the Consolidated Financial Statements included in Item 8 and Management's Discussion and Analysis of Financial Condition and Results of Operations. Prior to its discontinuation pursuant to the 1995 Restructuring (defined below), the Company's business included operations in a men's apparel segment. All information contained in Management's Discussion and Analysis of Financial Condition and Results of Operations which is referred to in Item 1 of this report is incorporated by such reference in Item 1.

As a result of the continued weakness in the western boot market, the Company approved a plan (the "Boot Divestiture") in the fourth quarter of Fiscal 1998 to exit the western boot business. In connection with the Boot Divestiture, the Company recorded a charge to earnings of $17.3 million in the fourth quarter. On June 12, 1998, the Company and Texas Boot, Inc. entered into an agreement providing for the purchase by Texas Boot, Inc. of most of the assets related to the Company's western boot business, including the Company's 26 store Boot Factory retail chain, which the Company had not planned to include in the Boot Divestiture. The Company completed the sale of its western boot business to Texas Boot, Inc. on July 14, 1998.

Net earnings for the second quarter ended August 1, 1998 reflects a restructuring gain of $2.4 million primarily from the Boot Divestiture. The $2.4 million gain represents savings of expected employee-related costs and facility shutdown costs because the buyer continued to operate a manufacturing facility that the Company would have closed and retained certain employees whose position the Company would have eliminated. In addition to the charge related to the Boot Divestiture, the Company took a charge of $0.6 million during the fourth quarter of Fiscal 1998 to consolidate staff in one operating division as well as to account for the costs of eliminating a production process at its remaining footwear plant.

The Company approved a plan, ("the Manufacturing Restructuring"), in the third quarter of Fiscal 1997 to realign its manufacturing operations as part of an overall strategy to focus on marketing and global sourcing. The plan included closing the Company's Hohenwald, Tennessee western boot plant by July 1997.

During the second quarter of Fiscal 1998, the Company recorded a restructuring gain of $1.1 million and losses from an asset impairment and other charges of $0.8 million resulting in a net gain of $0.3 million reported in the income statement. The restructuring gain relates to both the Manufacturing Restructuring and a restructuring plan adopted in the third quarter of Fiscal 1995 (the "1995 Restructuring"). It arose primarily from the sale of one facility and cancellation of leases on two facilities (including one facility included in the 1995 Restructuring) more quickly and on more favorable terms than contemplated when the reserves were established.

In response to worsening trends in the Company's men's apparel business and in response to a strategic review of its footwear operations in Fiscal 1995, the Company's board of directors approved a plan (the "1995 Restructuring") designed to focus the Company on its core footwear businesses by selling or liquidating four businesses, two of which constituted its entire men's apparel segment.

The 1995 Restructuring provided for the following:

1995 Restructuring Charge relating to:

- - Liquidation of the University Brands children's shoe business,
- - Sale of the Mitre Sports soccer business, and
- - Facility consolidation costs and permanent work force reductions.

1995 Restructuring Provision relating to:

- - Liquidation of The Greif Companies men's tailored clothing business, and
- - Sale of the GCO Apparel Corporation tailored clothing manufacturing business.

The 1995 Restructuring was substantially complete as of January 31, 1996. The divestiture of the University Brands business was completed in February 1995. The liquidation of The Greif Companies was substantially completed in June 1995. The Company's GCO Apparel Corporation was sold in June 1995. The Company's Mitre Sports soccer business was sold in August 1995.

SEGMENTS

Specialty Retail Footwear

Pro forma for the Boot Divestiture, the Company's Specialty Retail Footwear segment accounted for approximately 56% of net sales in Fiscal 1999. Operating income attributable to the Specialty Retail Footwear segment, excluding restructuring and other nonrecurring charges, was $26.9 million in Fiscal 1999, with an operating margin of 9.0%. The Company believes its innovative store formats, mix of well-known brands, new product introductions, and experienced management team provide a significant competitive advantage.

At January 30, 1999 the Company operated 518 specialty retail stores and leased departments throughout the United States and Puerto Rico selling footwear for men and women. The following table sets forth certain information concerning the Company's Specialty Retail Footwear operations:

	RETAIL STORES			LEASED DEPARTMENTS		
	FEBRUARY 1, 1997	JANUARY 31, 1998	JANUARY 30, 1999	FEBRUARY 1, 1997	JANUARY 31, 1998	JANUARY 30, 1999
Jarman	143	158	166	85	84	78
Journeys	118	176	258	--	--	--
General Shoe Warehouse	7	7	7	3	5	9
Specialty Retail Footwear Total	268	341	431	88	89	87

The following table sets forth certain additional information concerning the Company's retail stores and leased departments operated in its Specialty Retail Footwear segment during the five most recent fiscal years:

	FISCAL 1995	FISCAL 1996	FISCAL 1997	FISCAL 1998	FISCAL 1999
Retail Stores and Leased Departments					
Beginning of year	373	328	319	356	430
Opened during year	14	14	48	82	127
Closed during year	(59)	(23)	(11)	(8)	(39)
End of year	328	319	356	430	518

The Company operates its retail stores and leased departments of its Specialty Retail Footwear segment primarily in the following formats:

Journeys. Journeys accounted for 53% of the Company's Specialty Retail sales in Fiscal 1999 and added 82 net new stores in Fiscal 1999 and achieved a comparable store sales increase of 1% from the prior fiscal year. Journeys stores, located primarily in the Southeast, Midwest, California, Texas, and Puerto Rico, target customers in the 13-22 year age group through the use of youth-oriented decor and popular music videos. Journeys stores carry predominately branded merchandise of other footwear companies across a spectrum of prices including leading brand names such as Dr. Martens, Nike, Airwalk, Skechers, and Timberland. From a base of 118 Journeys stores at the end of Fiscal 1997, the Company opened 58 net new Journeys stores in Fiscal 1998 and 82 net new stores in Fiscal 1999 and plans to open approximately 50 net new Journeys stores in Fiscal 2000.

Jarman. Jarman accounted for 44% of the Company's Specialty Retail Footwear sales in Fiscal 1999 with comparable store sales down 9% from the prior fiscal year. Jarman consists of both stand-alone stores and leased space in larger department stores. Jarman stores are located primarily in urban and suburban areas in the Southeast and Midwest, target male consumers in the 18-35 age group and sell footwear in the mid-price range ($50 to $100). The Jarman stores which operate under the name Underground Station are located primarily in urban areas. For Fiscal 1999, most of the footwear sold in Jarman stores was branded merchandise of national brands other than the Company's, with the remainder made up of Genesco and private label brands. The product mix at each Jarman store is tailored to match local customer preferences and competitive dynamics. The Company opened 2 net new Jarman stores and leased departments in Fiscal 1999, increasing the total number of stores and leased departments to 244. As discussed earlier, the remaining Jarman leased departments closed as of April 3, 1999. See "Significant Developments" in Management's Discussion and Analysis of Financial Condition and Results of Operations for more information regarding Jarman lease departments.

General Shoe Warehouse. General Shoe Warehouse stores, located primarily in the southeast, sell mainly factory damaged, overrun and close-out footwear products. Comparable store sales for Fiscal 1999 were a breakeven with the prior fiscal year. The Company opened 4 net new General Shoe Warehouse stores and leased departments, increasing the total number of stores and leased departments to 16.

Branded Footwear

Pro forma for the Boot Divestiture, the Company's Branded Footwear segment accounted for approximately 40% of net sales in Fiscal 1999. Pro forma for the Boot Divestiture, the Company's net sales attributable to the Branded Footwear segment were $214.8 million in Fiscal 1999, an increase of 17.1% from Fiscal 1998. Substantially all of the Company's wholesale Branded Footwear sales are of Genesco-owned brands for which Genesco has an exclusive footwear license and approximately 79% of the Company's retail Branded Footwear sales are of Genesco-owned brands.

At January 30, 1999 the Company operated 156 branded retail stores and leased departments throughout the United States selling footwear for men and women. The following table sets forth certain information concerning the Company's retail Branded Footwear operations:

	RETAIL STORES			LEASED DEPARTMENTS		
	FEBRUARY 1, 1997	JANUARY 31, 1998	JANUARY 30, 1999	FEBRUARY 1, 1997	JANUARY 31, 1998	JANUARY 30, 1999
Johnston & Murphy	110	120	126	9	7	6
Nautica Retail	--	--	--	-	4	24
Branded Footwear Total	110	120	126	9	11	30

The following table sets forth certain additional information concerning the Company's Branded Footwear retail stores and leased departments during the five most recent fiscal years:

	FISCAL 1995	FISCAL 1996	FISCAL 1997	FISCAL 1998	FISCAL 1999
Retail Stores and Leased Departments					
Beginning of year	110	116	115	119	131
Opened during year	13	7	7	20	35
Closed during year	(7)	(8)	(3)	(8)	(10)
End of year	116	115	119	131	156

The Company's Branded Footwear segment includes the following wholesale and retail businesses:

Johnston & Murphy Wholesale Operations. In its nearly 150-year history as a high-quality men's footwear label, Johnston & Murphy has come to symbolize superior craftsmanship, quality materials, and classic styling. The Company has taken these brand attributes to the growing casual lifestyle market by expanding the product line to include a wide selection of dress casual and casual styles. The Company has also introduced a line of contemporary, European-influenced dress and dress casual footwear. In addition to sales through Company-owned Johnston & Murphy retail shops and factory stores, Johnston & Murphy footwear is sold primarily through better department and independent specialty stores.

Johnston & Murphy Retail Operations. Johnston & Murphy retail shops are located primarily in better malls nationwide and sell a broad range of men's dress and casual footwear and accessories. Johnston & Murphy stores target business and professional consumers primarily between the ages of 25 and 54. Johnston & Murphy's branded footwear accounted for approximately 78% of Johnston & Murphy's retail sales for Fiscal 1999. Retail prices for Johnston & Murphy footwear generally range from $135 to $240. To capitalize upon the trend toward more casual business attire, Johnston & Murphy retail shops have increased their selection of casual and dress casual products, which accounted for 34% of total Johnston & Murphy retail sales in Fiscal 1999. The Company has been repositioning the brand to appeal to a broader market and estimates it has lowered the average age of the Johnston & Murphy customer by ten years since the initiative was launched. Johnston & Murphy comparable store sales were up 8% from the prior fiscal year. At the end of Fiscal 1999, the Company operated 132 Johnston & Murphy stores and leased departments.

Nautica. Genesco acquired the exclusive worldwide license to market Nautica footwear in 1991. In 1992, the Company introduced a new line of casual footwear under the Nautica label, targeted at young, active, upper-income consumers, and designed to complement Nautica sportswear. In Fiscal 1997, the Company introduced a line of Nautica footwear for boys and a line of athletic footwear under the Nautica Competition label. The Company will introduce new athletic lines for men and women, Nautica Sport Tech (NST), to replace the Nautica Competition label in the first quarter of Fiscal 2000. The NST footwear line will coordinate with the new NST Apparel which is also being introduced in the Spring of 1999 by Nautica Enterprises. Suggested retail prices of Nautica casual footwear generally range from $45 to $150, suggested retail prices of Nautica boys' footwear will generally range from $45 to $60, and suggested retail prices of NST athletic footwear will generally range from $50 to $90.

Nautica footwear is sold in department stores, specialty footwear stores and the Company's 24 Nautica leased departments.

Dockers. In 1991, Levi Strauss & Co. granted the Company the exclusive license to market men's footwear under the Dockers brand name in the United States. The Dockers brand name is one of the most recognized in the men's casual fashion industry The Company uses the Dockers brand name to market a line of comfortable, moderately-priced, casual lifestyle footwear. Dockers footwear is marketed through many of the same national retail chains that carry Dockers slacks and sportswear. Suggested retail prices for Dockers footwear generally range from $49 to $79.

Leather

During Fiscal 1999, the Company conducted leather tanning and finishing operations in two manufacturing facilities located in Michigan and Tennessee. The tanned leather products were sold in Fiscal 1999 to military boot manufacturers and other customers.

MANUFACTURING AND SOURCING

The Company relies primarily on independent third-party manufacturers for production of its footwear products. The Company sources footwear products from foreign manufacturers located in China, Italy, Mexico, Brazil, Indonesia, Taiwan and the United Kingdom. During Fiscal 1999, Genesco manufactured Johnston & Murphy footwear in one facility in Nashville, Tennessee. The Company believes that shoes manufactured in the Johnston & Murphy factory will not account for a significant portion of its unit sales.

MEN'S APPAREL

On November 3, 1994 the Company's board of directors approved a plan to exit the entire men's apparel segment.

COMPETITION

Competition is intense in the footwear industry. The Company's retail footwear competitors range from small, locally owned shoe stores to regional and national department stores, discount stores, and specialty chains. The Company competes with hundreds of footwear wholesale and manufacturing operations in the United States and throughout the world, most of which are relatively small, specialized operations, but some of which are large, more diversified companies. Some of the Company's competitors have certain resources that are not available to the Company. The Company's success depends upon its ability to remain competitive with respect to the key factors of style, price, quality, comfort, brand loyalty, and customer service. The location and atmosphere of the Company's retail stores is an additional competitive factor for the Company's retail operations. Any failure by the Company to remain competitive with respect to such key factors could have a material adverse effect on the Company's business, financial condition, or results of operations.

TRADEMARKS AND LICENSES

The Company owns its Johnston & Murphy footwear brand. The Nautica and Dockers brand footwear lines, introduced in Fiscal 1993, are sold under license agreements. The Nautica license agreement expires on January 31, 2002 with an option to renew through 2007 provided the Company meets minimum sales requirements and subject to other conditions. The Dockers license agreement expires on June 30, 2001. Sales of Nautica and Dockers products were approximately $72 million in Fiscal 1999 and approximately $62 million in Fiscal 1998. The Company licenses certain of its footwear brands, mostly in foreign markets. License royalty income was not material in Fiscal 1999.

RAW MATERIALS

Genesco is not dependent upon any single source of supply for any major raw material. In Fiscal 1999 the Company experienced no significant shortages of raw materials in its principal businesses. The Company considers its available raw material sources to be adequate.

BACKLOG

Most of the Company's orders are for delivery within 90 days. Therefore, the backlog at any one time is not necessarily indicative of future sales for an extended period of time. As of March 27, 1999, the Company's wholesale operations and leather operations had a backlog of orders, including unconfirmed customer purchase orders, amounting to approximately $23.7 million, compared to approximately $31.5 million on March 28, 1998. The backlog is somewhat seasonal, reaching a peak in spring. Footwear companies maintain in-stock programs for selected anticipated high volume sales.

EMPLOYEES

Genesco had approximately 3,650 employees at January 30, 1999, approximately 3,565 of whom were employed in footwear and 85 in corporate staff departments. Retail footwear stores employ a substantial number of part-time employees during peak selling seasons and approximately 1,400 of the Company's employees were part-time during such seasons. Approximately 75 of the Company's employees are covered by a collective bargaining agreement, which will expire on May 31, 2001.

PROPERTIES

At January 30, 1999 the Company operated 674 (including 78 Jarman Lease departments that ceased operations in the first quarter of Fiscal 2000) stores and leased departments throughout the United States and Puerto Rico. New shopping center store leases typically are for a term of approximately 10 years and new factory outlet leases typically are for a term of approximately five years. Both typically provide for rent based on a percentage of sales against a fixed minimum rent based on the square footage leased. The Company's leased departments are operated under agreements which are generally terminable by department stores upon short notice.

The Company operates three manufacturing facilities (two of which are owned, one of which is leased) and five warehousing facilities (two of which are owned and three of which are leased) aggregating approximately 1,300,000 square feet. Seven facilities are located in Tennessee and one in Michigan. The Company's executive offices and the offices of its footwear operations, which are leased, are in Nashville, Tennessee where Genesco occupies 63% of a 295,000 square foot building.

Leases on the Company's plants, offices, and warehouses expire from 2007 to 2018, not including renewal options. The Company believes that all leases (other than long-term leases) of properties that are material to its operations may be renewed on terms not materially less favorable to the Company than existing leases.

ENVIRONMENTAL MATTERS

The Company's manufacturing operations are subject to numerous federal, state, and local laws and regulations relating to human health and safety and the environment. These laws and regulations address and regulate, among other matters, wastewater discharge, air quality and the generation, handling, storage, treatment, disposal, and transportation of solid and hazardous wastes and releases of hazardous substances into the environment. In addition, third parties and governmental agencies in some cases have the power under such laws and regulations to require remediation of environmental conditions and, in the case of governmental agencies, to impose fines and penalties. The Company makes capital expenditures from time to time to stay in compliance with applicable laws and regulations. Several of the facilities owned or operated by the Company (currently or in the past) are located in industrial areas and have historically been used for extensive periods for industrial operations such as tanning, dyeing, and manufacturing. Some of these operations used materials and generated wastes that would be considered regulated substances under current environmental laws and regulations. The Company currently is involved in several administrative and judicial environmental proceedings relating to the Company's former and current facilities. See "Legal Proceedings."

ITEM 2, PROPERTIES

See Item 1.

ITEM 3, LEGAL PROCEEDINGS

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

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

Whitehall Environmental Sampling
The Michigan Department of Environmental Quality ("MDEQ") has performed sampling and analysis of soil, sediments, surface water, groundwater and waste management areas at the Company's Volunteer Leather Company facility in Whitehall, Michigan. In response to the testing data, the Company submitted and MDEQ approved a work plan, pursuant to which the Company performed a hydrogeological study and a series of studies regarding wastes on-site and groundwater. On the basis of these studies, the Company, with the approval of MDEQ, has installed horizontal wells to capture groundwater from a portion of the site, and will treat the groundwater either after its use in the manufacturing process or through an air sparge system and install monitoring wells. Associated operations and maintenance costs are expected to be in the range of $10,000 to $15,000 per year. Based on these estimates, the Company does not believe that soil and groundwater remediation at the site will have a material impact on its financial condition or results of operations. The proposed plan does not address lake sediments. Officials of MDEQ have been quoted in press reports as proposing a $3.5 million lake sediment cleanup with $2.5 million to be funded by responsible parties, which would presumably include but not be limited to the Company. Certain remedial alternatives could be more costly. The MDEQ has informally advised the Company that it intends to begin its own testing of lake sediments and may implement a remediation strategy which would involve dredging a portion of the lake. The Company is continuing to study the lake sediment issues, and at present is unable to predict whether and to what extent it may be required to participate in a remediation of sediments, or whether its participation, if any, will have a material effect on its financial condition or results of operations.

Other Legal Proceedings
On August 8, 1997, the trustee in bankruptcy of a Texas boot retailer filed an action in Texas state court against the Company and an unrelated boot wholesaler and retail chain alleging violations of a Texas antitrust statute and breach of contract by the Company. The trustee's allegations against the Company involve its decision not to consign additional boot inventories to the bankrupt retailer for its liquidation sale. The complaint seeks damages in an unspecified amount. The Company has filed an answer denying all material allegations in the complaint and does not presently expect the action to have a material effect on its financial condition or results of operations. The Company and the plaintiff have agreed, subject to bankruptcy court approval, to settle the action for a payment of $162,500 by the Company.

ITEM 4, SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS
There were no matters submitted to a vote of security holders during the fourth quarter of Fiscal 1999.

EXECUTIVE OFFICERS OF GENESCO

The officers of the Company are generally elected at the first meeting of the board of directors following the annual meeting of shareholders and hold office until their successors have been chosen and qualify. The name, age and office of each of the Company's executive officers and certain information relating to the business experience of each are set forth below:

DAVID M. CHAMBERLAIN, 55, Chairman. Mr. Chamberlain was elected chairman as of February 1, 1995. He served as president from October 1994 until October 1996 and as chief executive officer from October 1994 until January 1997. In March 1998, he became president and chief executive officer of L. Kee & Co., a California based textile importer. Mr. Chamberlain joined Shaklee Corporation, a manufacturer and marketer of consumer products, in 1983 as president and chief operating officer, and served as chief executive officer from 1985 until 1993. He was chairman of Shaklee Corporation from 1989 until May 1994, when he became a partner in Consumer Focus Partners, a California venture capital firm. He has been a director of Genesco since 1989. Mr. Chamberlain is also a director of Wild Oats Markets, Inc., Expressly Portraits Inc., Payless Cashways Inc. and L. Kee & Co.

BEN T. HARRIS, 55, President and Chief Executive Officer of Genesco. Mr. Harris joined the Company in 1967 and in 1980 was named manager of the leased department division of the Jarman Shoe Company. In 1991, he was named president of the Jarman Shoe Company. In 1995, he was named president of Retail Footwear, which included the Jarman Shoe Company, Journeys, Boot Factory and General Shoe Warehouse. He was named executive vice president - operations in January 1996. He was named president and chief operating officer and a director of the Company as of November 1, 1996. He was named chief executive officer as of February 1, 1997.

JAMES S. GULMI, 53, Senior Vice President - Finance and Chief Financial Officer. Mr. Gulmi was employed by Genesco in 1971 as a financial analyst, appointed assistant treasurer in 1974 and named treasurer in 1979. He was elected a vice president in 1983 and assumed the responsibilities of chief financial officer in 1986. He was again elected treasurer in February 1995. He was appointed senior vice president finance in January 1996.

JAMES W. BOSCAMP, 49, Senior Vice President. Mr. Boscamp joined the Company in 1991 as president of Nautica Footwear. He was appointed senior vice president of the Company in January 1996. He was appointed president of Genesco Retail, overseeing the Journeys, Jarman and General Shoe Warehouse retail chains in March 1999. Before joining the Company, Mr. Boscamp was executive vice president, marketing at Munsingwear.

HAL N. PENNINGTON, 61, Senior Vice President. Mr. Pennington has served in various roles during his 37 year tenure with Genesco. He was vice president-wholesale for Johnston & Murphy from 1990 until his appointment as president of Dockers Footwear in August 1995. He was named president of Johnston & Murphy in February 1997 and named senior vice president in June 1998.

JOHN W. CLINARD, 51, Vice President - Human Resources. Mr. Clinard has served in various human resources capacities during his 24 year tenure with Genesco. He was named vice president - human resources in June 1997.

ROGER G. SISSON, 35, Secretary and General Counsel. Mr. Sisson joined the Company in January 1994 as assistant general counsel and was elected secretary in February 1994. He was named general counsel in January 1996. Before joining the Company, Mr. Sisson was associated with the firm of Boult, Cummings, Conners & Berry for approximately six years.

MATTHEW N. JOHNSON, 34, Treasurer. Mr. Johnson joined the Company in April 1993 as manager, corporate finance and was elected assistant treasurer in December 1993. He was elected treasurer in June 1996. Prior to joining the Company, he was a vice president in the corporate and institutional banking division of The First National Bank of Chicago.

PAUL D. WILLIAMS, 44, Chief Accounting Officer. Mr. Williams joined the Company in 1977, was named director of corporate accounting and financial reporting in 1993 and chief accounting officer in April 1995.

PART II

ITEM 5, MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is listed on the New York Stock Exchange (Symbol: GCO) and the Chicago Stock Exchange. The following table sets forth for the periods indicated the high and low sales prices of the common stock as shown in the New York Stock Exchange Composite Transactions listed in the Wall Street Journal.

Fiscal Year ended January 31		High	Low
1998	1st Quarter	12 1/4	8 5/8
	2nd Quarter	15 5/16	11
	3rd Quarter	15 7/16	11 1/8
	4th Quarter	13 7/8	11 1/8
Fiscal Year ended January 30			
1999	1st Quarter	18 7/8	12 1/2
	2nd Quarter	18 1/16	10 7/16
	3rd Quarter	10 15/16	3 15/16
	4th Quarter	7 3/4	4 3/4

There were approximately 10,000 common shareholders of record on January 30, 1999.

See Notes 10 and 12 to the Consolidated Financial Statements included in Item 8 for information regarding restrictions on dividends and redemptions of capital stock.

ITEM 6, SELECTED FINANCIAL DATA

FINANCIAL SUMMARY

IN THOUSANDS EXCEPT PER COMMON SHARE DATA, FINANCIAL STATISTICS AND OTHER DATA	FISCAL YEAR END 1999	1998	1997	1996	1995
RESULTS OF OPERATIONS DATA					
Net sales	$ 549,748	$ 536,107	$ 461,348	$ 434,575	$ 462,901
Depreciation and amortization	9,691	8,893	7,747	7,354	9,254
Earnings (loss) before interest and taxes	37,696	17,722	18,873	5,889	(5,802)
Pretax earnings (loss)	31,085	8,860	10,132	(3,756)	(17,757)
Earnings (loss) before discontinued operations and extraordinary loss	54,923	8,820	10,554	(3,781)	(18,514)
Discontinued operations	450	-0-	(150)	13,852	(62,678)
Loss on early retirement of debt (net of tax)	2,245	169	-0-	-0-	-0-
Net earnings (loss)	$ 53,128	$ 8,651	$ 10,404	$ 10,071	$ (81,192)
PER COMMON SHARE DATA					
Earnings (loss) before discontinued operations and extraordinary loss					
Basic	$ 2.15	$ .33	$ .42	$ (.17)	$ (.77)
Diluted	1.89	.32	.40	(.17)	(.77)
Discontinued operations					
Basic	.02	.00	(.01)	.57	(2.58)
Diluted	.01	.00	(.01)	.57	(2.58)
Extraordinary loss					
Basic	(.10)	.00	.00	.00	.00
Diluted	(.07)	(.01)	.00	.00	.00
Net earnings (loss)					
Basic	2.07	.33	.41	.40	(3.35)
Diluted	1.83	.31	.39	.40	(3.35)
BALANCE SHEET DATA					
Total assets	$ 307,198	$ 246,817	$ 221,654	$ 197,806	$ 243,878
Long-term debt	103,500	75,000	75,000	75,000	75,000
Capital leases	36	279	1,485	2,697	12,400
Non-redeemable preferred stock	7,918	7,945	7,944	7,958	7,943
Common shareholders' equity	108,661	64,019	45,846	25,947	21,450
Additions to plant, equipment and capital leases	23,512	24,725	14,640	8,564	5,750
FINANCIAL STATISTICS					
Earnings (loss) before interest and taxes as a percent of net sales	6.9%	3.3%	4.1%	1.4%	(1.3)%
Book value per share	$ 4.56	$ 2.43	$ 1.82	$ 1.04	$ .87
Working capital	$ 155,778	$ 119,313	$ 108,795	$ 108,135	$ 100,731
Current ratio	3.1	2.6	2.6	3.2	2.2
Percent long-term debt to total capitalization	47.0%	51.1%	58.7%	69.6%	74.8%
OTHER DATA (END OF YEAR)					
Number of retail outlets	674*	587	504	463	498
Number of employees	3,650	4,300	4,050	3,750	5,400

*Includes 78 Jarman lease departments which were divested during the first quarter of Fiscal 2000.

Reflected in the earnings for Fiscal 1999 was a tax benefit of $23.8 million. See Note 13 to the Consolidated Financial Statements for additional information.

Reflected in the earnings for Fiscal 1999, 1998, 1997 and 1996 were restructuring and other charges of ($2.4) million, $17.7 million, $1.7 million and $15.1 million, respectively. See Note 2 to the Consolidated Financial Statements for additional information regarding these charges. Also reflected in the earnings for Fiscal 1997 was a $6.7 million litigation settlement.

Reflected in the loss for Fiscal 1995 was a restructuring charge of $22.1 million. See Note 2 to the Consolidated Financial Statements for additional information regarding these charges.

Long-term debt and capital leases include current payments. On April 9, 1998, the Company issued $103.5 million of 5 1/2% convertible subordinated notes due 2005. The Company used $80 million of the proceeds to repay all of its 10 3/8% senior notes including interest and expenses incurred in connection therewith.

The Company has not paid dividends on its Common Stock since 1973. See Note 12 to the Consolidated Financial Statements for a description of limitations on the Company's ability to pay dividends.

ITEM 7, MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and the notes to the Consolidated Financial Statements include certain forward-looking statements. Actual results could differ materially from those reflected by the forward-looking statements in the discussion and a number of factors may adversely affect future results, liquidity and capital resources. These factors include changes in consumer demand or tastes that affect sales in the Company's retail stores or sales by its Branded Footwear operations at wholesale, changes in business strategies or directions of the Company's competitors, the Company's ability to open, staff and support additional retail stores on schedule and at acceptable expense levels, the cost and availability of externally sourced products and the acceptance of planned new product offerings. Failure by the Company to successfully complete its plans for addressing the Year 2000 issue, discussed elsewhere in this report, or failures related to the issue by key suppliers of goods or services to the Company or by the customers of the Company could also result in a failure to meet expectations reflected in forward-looking statements. Other factors that could also lead to such a failure to meet expectations reflected in forward looking statements include international trade developments affecting foreign sourcing of products, the outcome of various litigation and environmental contingencies, including those discussed in Note 17 to the Consolidated Financial Statements, the solvency of the wholesale customers of the Company and the ability to deal with changes in markets for the Company's products. Although the Company believes it has an appropriate business strategy and the resources necessary for its operations, future revenue and margin trends cannot be reliably predicted and the Company may alter its business strategies to address changing conditions.

SIGNIFICANT DEVELOPMENTS

5 1/2% Convertible Subordinated Notes
On April 9, 1998, the Company issued $103.5 million of 5 1/2% convertible subordinated notes due April 15, 2005. During the second quarter of Fiscal 1999 the Company used: 1) $79.9 million of the proceeds to repay all of the Company's 10 3/8% senior notes including interest and expenses incurred in connection therewith, resulting in an extraordinary loss, net of tax, of $2.2 million; 2) $1.3 million of the proceeds to pay dividends in arrears because of certain convenants in the indenture relating to the senior notes, and 3) the remaining proceeds for general corporate purposes. See Note 10 to the Company's Consolidated Financial Statements.

Leased Department Transition
Under an agreement with Mercantile Stores Company, Inc. the Company operated the men's shoe departments in Mercantile department stores through the Company's Jarman Lease division. Because of the acquisition of Mercantile by Dillards Inc., the Company has ended its operation of the leased departments. The Company had 78 Jarman leased departments at January 30, 1999. Of those 78 leased departments, 64 have been transferred to Dillards Inc. and the Company ended operations of the remaining 14 leased departments on April 3, 1999. Net sales of the Company's Jarman leased departments' business were approximately $47.4 million, $52.3 million and $47.7 million for Fiscal 1999, 1998 and 1997, respectively. The operating earnings for the Company's Jarman leased departments' business were approximately $2.1 million, $4.1 million and $4.1 million for Fiscal 1999, 1998 and 1997, respectively. The Jarman leased departments had inventory of $9.1 million and total assets of $13.0 million at January 30, 1999.

Workforce Reduction
In connection with the divestiture of the western boot business and the substantial completion of the exiting of the Jarman leased department business, the Company reviewed the structure and level of staffing in all of its operations. Upon completion of the review, the Company recorded a $1.3 million charge to earnings included in selling and administrative expenses for a workforce reduction of 66 positions, of which 12 positions were eliminated by January 30, 1999. Twenty-six of the positions eliminated related to the Jarman Lease division, with the remainder being primarily employed at corporate headquarters.

Share Repurchase Program
During the third quarter ended October 31, 1998, the Company authorized the purchase, from time to time, of up to 2.6 million shares of the Company's common stock. During the fourth quarter ended January 30, 1999, the Company authorized an additional 2.2 million shares to be repurchased. The purchases may be made on the open market or in privately negotiated transactions. As of January 30, 1999, the Company had repurchased 2.3 million shares at a cost of $12.2 million.

Fiscal 1998 Restructuring, Asset Impairment and Other Charges
As a result of the continued weakness in the western boot market, the Company approved a plan (the "Boot Divestiture") in the fourth quarter of Fiscal 1998 to exit the western boot business. In connection with the Boot Divestiture, the Company recorded a charge to earnings of $17.3 million in the fourth quarter, including $11.3 million in asset writedowns. The carrying value of the assets held for sale was reduced to fair value based on estimated selling values less estimated costs to sell. The charges related to the Boot Divestiture also included $3.2 million in employee-related costs and $2.8 million of facility shutdown and other costs. Net sales of the Company's wholesale western boot business for Fiscal 1999, 1998 and 1997 were $11.9 million, $45.4 million and $56.1 million, respectively. The operating losses for the Company's wholesale western boot business for Fiscal 1999, 1998 and 1997 were $1.4 million, $3.7 million and $2.2 million, respectively.

On June 12, 1998, the Company and Texas Boot, Inc. entered into an agreement providing for the purchase by Texas Boot, Inc. of most of the assets related to the western boot business, including the Company's 26 store Boot Factory retail chain, which the Company had not planned to include in the Boot Divestiture. Net sales of the Company's Boot Factory retail chain for Fiscal 1999, 1998 and 1997 were $4.7 million, $13.9 million and $14.2 million, respectively. The operating losses for the Company's Boot Factory retail chain for Fiscal 1999 and 1997 were $0.5 million and $0.8 million, respectively. The operating income for the Company's Boot Factory retail chain for Fiscal 1998 was $0.2 million. The Company completed the sale of its western boot business to Texas Boot, Inc. on July 14, 1998.

Net earnings for the second quarter ended August 1, 1998 reflects a restructuring gain of $2.4 million primarily from the Boot Divestiture. The $2.4 million gain represents savings of expected employee-related costs and facility shutdown costs because the buyer continued to operate a manufacturing facility that the Company would have closed and retained certain employees whose position the Company would have eliminated.

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

In addition to the charge related to the Boot Divestiture, the Company took a charge of $0.6 million during the fourth quarter of Fiscal 1998 to consolidate staff in one operating division as well as to account for the costs of eliminating a production process at its remaining footwear plant.

During the second quarter of Fiscal 1998, the Company recorded a restructuring gain of $1.1 million and losses from an asset impairment and other charges of $0.8 million resulting in a net gain of $0.3 million reported in the income statement. The restructuring gain relates to both the Manufacturing Restructuring discussed below and a restructuring plan adopted in the third quarter of Fiscal 1995 (the "1995 Restructuring"). It arose primarily from the sale of one facility and cancellation of leases on two facilities (including one facility included in the 1995 Restructuring) more quickly and on more favorable terms than contemplated when the reserves were established. The asset impairment and other charges during the second quarter of Fiscal 1998 arose from the decrease in production in one of the Company's western boot plants in response to the continued weakness in the western boot market. The asset impairment and other charges related to excess equipment, including $0.1 million of equipment covered by operating leases.

Manufacturing Restructuring
The Company approved a plan ("the Manufacturing Restructuring") in the third quarter of Fiscal 1997 to realign its manufacturing operations as part of an overall strategy to focus on marketing and global sourcing. The Manufacturing Restructuring included closing the Company's Hohenwald, Tennessee western boot plant by July 1997 with the elimination of approximately 190 jobs. In connection with the adoption of the Manufacturing Restructuring, the Company recorded a charge to earnings of $1.7 million in Fiscal 1998, including $0.5 million in asset write-downs of the plant and excess equipment to estimated market value and $1.2 million of other costs. Included in other costs are employee severance, facility shutdown and lease costs.

RESULTS OF OPERATIONS - FISCAL 1999 COMPARED TO FISCAL 1998

The Company's net sales for Fiscal 1999 increased 2.5% to $549.7 million from $536.1 million in Fiscal 1998. Pro forma for the Boot Divestiture including the western boot retail stores, the Company's net sales increased 11.8% to $533.2 million in Fiscal 1999 from $476.8 million in Fiscal 1998. Gross margin for Fiscal 1999 increased 9.4% to $243.9 million in Fiscal 1999 from $222.9 million in Fiscal 1998 and increased as a percentage of net sales from 41.6% in Fiscal 1998 to 44.4% in Fiscal 1999. Selling and administrative expenses in Fiscal 1999 increased 11.3% from Fiscal 1998 and increased as a percentage of net sales from 34.8% in Fiscal 1998 to 37.8% in Fiscal 1999.

Earnings before income taxes, discontinued operations and extraordinary loss ("pretax earnings") for Fiscal 1999 were $31.1 million compared to $8.9 million for Fiscal 1998. Pretax earnings for Fiscal 1999 reflects a restructuring gain of $2.4 million primarily from the Boot Divestiture and $2.3 million of other non-recurring charges, primarily litigation and severance charges. Pretax earnings for Fiscal 1998 reflects an $18.0 million restructuring charge incurred primarily in connection with the Boot Divestiture, $0.9 million of other non-recurring charges, primarily severance and litigation charges, and a net gain of $0.3 million in the second quarter related to restructurings and asset impairments as discussed in detail above.

Net earnings in Fiscal 1999 were $53.1 million ($1.83 diluted earnings per share) compared to $8.7 million ($0.31 diluted earnings per share) for Fiscal 1998. In addition to the charges to earnings discussed above, Fiscal 1999 earnings included a tax benefit of $23.8 million, a gain from discontinued operations, net of tax, of $0.5 million ($0.01 diluted earnings per share) and an extraordinary charge, net of tax, of $2.2 million ($0.07 diluted earnings per share) for the early retirement of debt. Fiscal 1998 net earnings included an extraordinary charge of $0.2 million ($.01 diluted earnings per share) for the early retirement of debt.

The Fiscal 1999 tax benefit of $23.8 million relates to reversal of valuation reserves on deferred tax assets in the fourth quarter of Fiscal 1999. The reversal related to reassessment by the Company of the levels of valuation allowances. The Company concluded it is more likely than not that the increased levels of deferred tax assets will be realized due to increased levels of profitability, future income projections and the substantial removal of uncertainties surrounding the Company's divestitures.

Specialty Retail Footwear

	Fiscal Year Ended 1999	Fiscal Year Ended 1998	% Change
	(dollars in thousands)		
Net sales	$ 299,462	$ 264,125	13.4%
Operating income	$ 26,902	$ 29,790	(9.7)%
Operating margin	9.0%	11.3%	

Primarily due to a 24% increase in average Specialty Retail Footwear stores operated, net sales from Specialty Retail Footwear operations increased 13.4% for Fiscal 1999 compared to Fiscal 1998. The average price per pair of shoes decreased 3% in Fiscal 1999 while unit sales increased 18% during the same period.

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

	Comparable Sales Changes	Store Count Fiscal Year End 1999	Store Count Fiscal Year End 1998
Journeys	1%	258	176
Jarman Retail	-7%	166(1)	158
Jarman Lease	-13%	78	84
General Shoe Warehouse	-0-%	16	12
Total Specialty Retail Footwear	-4%	518	430

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(1) Includes seventeen Underground Station stores.

Specialty Retail Footwear operating income for Fiscal 1999 was down 9.7% to $26.9 million compared to $29.8 million in Fiscal 1998. The decline reflected increased expenses as a percentage of sales, primarily due to the 24% increase in average Specialty Retail Footwear stores operated and the decline in comparable store sales, which resulted in increased occupancy related expenses and selling salaries.

Branded Footwear

	Fiscal Year Ended 1999	1998	% Change
	(dollars in thousands)		
Net sales	$ 214,829	$ 183,458	17.1%
Operating income	$ 22,186	$ 19,311	14.9%
Operating margin	10.3%	10.5%	

Branded Footwear net sales increased 17.1% to $214.8 million in Fiscal 1999 from $183.5 million in Fiscal 1998, reflecting primarily an 8% increase in comparable store sales for Johnston & Murphy Retail, a 15% increase in average Branded Footwear retail stores operated and an increase in men's branded wholesale sales. The store count for Branded Footwear retail operations at the end of Fiscal 1999 included 132 Johnston & Murphy stores and factory stores and 24 Nautica Retail leased departments compared to 127 Johnston & Murphy stores and factory stores and four Nautica Retail leased departments at the end of Fiscal 1998. The average price per pair of shoes for Branded Footwear retail increased 2% in Fiscal 1999 and unit sales increased 14% during the same period. Unit sales for the Branded Footwear wholesale businesses increased 19% in Fiscal 1999 while the average price per pair of shoes decreased 4% for the same period.

Branded Footwear operating income for Fiscal 1999 increased 14.9% from $19.3 million in Fiscal 1998 to $22.2 million in Fiscal 1999, primarily due to increased sales and increased gross margin as a percentage of sales.

Leather

	Fiscal Year Ended 1999	1998	% Change
	(dollars in thousands)		
Net sales	$ 18,897	$ 29,218	(35.3)%
Operating income	$ 854	$ 1,511	(43.5)%
Operating margin	4.5%	5.2%	

Leather net sales decreased 35.3% to $18.9 million in Fiscal 1999 from $29.2 million in Fiscal 1998, primarily due to lower orders from military footwear suppliers, which were impacted by a decrease in demand for leather military footwear, which makes up the bulk of the Company's tanned leather business.

Leather operating income for Fiscal 1999 decreased from $1.5 million in Fiscal 1998 to $0.9 million in Fiscal 1999, primarily due to lower sales and increased expenses as a percentage of sales.

Corporate, Non-recurring and Interest Expenses

Corporate and other expenses for Fiscal 1999 were $10.9 million compared to $30.4 million for Fiscal 1998 (exclusive of a restructuring gain of $2.4 million and non-recurring charges of $2.3 million, primarily litigation and severance charges, in Fiscal 1999 and a restructuring charge of $17.7 million and non-recurring charges of $0.9 million, primarily litigation and severance charges, in Fiscal 1998), a decrease of 6.5%. The decrease in corporate expenses in Fiscal 1999 is attributable primarily to decreased compensation expense, including decreased bonus accruals.

Interest expense decreased 9.1% from $10.2 million in Fiscal 1998 to $9.3 million in Fiscal 1999, primarily due to the decrease in interest rates on the Company's long-term debt from 10 3/8% on $75 million borrowings to 5 1/2% on $103.5 million borrowings. Interest income increased 101% from $1.3 million in Fiscal 1998 to $2.6 million in Fiscal 1999, due to increases in average short-term investments as a result of the increased cash from the Boot Divestiture and the net proceeds from the issuance of $103.5 million of 5 1/2% convertible subordinated notes. There were no borrowings under the Company's revolving credit facility during either Fiscal 1999 or Fiscal 1998.

RESULTS OF OPERATIONS - FISCAL 1998 COMPARED TO FISCAL 1997

The Company's net sales for Fiscal 1998 increased 16.2% to $536.1 million from $461.3 million in Fiscal 1997. Pro forma for the Boot Divestiture including the western boot retail stores, the Company's net sales increased 21.9% to $476.8 million in Fiscal 1998 from $391.0 million in Fiscal 1997. Gross margin for Fiscal 1998 increased 19.2% to $222.9 million in Fiscal 1998 from $187.1 million in Fiscal 1997 and increased as a percentage of net sales from 40.5% in Fiscal 1997 to 41.6% in Fiscal 1998. Selling and administrative expenses in Fiscal 1998 increased 17.1% from Fiscal 1997 and increased slightly as a percentage of net sales from 34.6% in Fiscal 1997 to 34.8% in Fiscal 1998.

Earnings before income taxes, discontinued operations and extraordinary loss ("pretax earnings") for Fiscal 1998 were $8.9 million compared to $10.1 million for Fiscal 1997. Pretax earnings for Fiscal 1998 reflects an $18.0 million restructuring charge incurred primarily in connection with the Boot Divestiture, $0.9 million of other non-recurring charges, primarily severance and litigation charges, and a net gain of $0.3 million in the second quarter related to restructurings and asset impairments as discussed in detail above. Pretax earnings for Fiscal 1997 included a $1.7 million Manufacturing Restructuring charge, a $6.7 million litigation settlement charge and $0.1 million of other non-recurring charges, primarily severance.

Net earnings in Fiscal 1998 were $8.7 million ($0.31 diluted earnings per share) compared to $10.4 million ($0.39 diluted earnings per share) for Fiscal 1997. In addition to the charges to pretax earnings discussed above, Fiscal 1998 net earnings included an extraordinary charge of $0.2 million ($.01 diluted earnings per share) for the early retirement of debt. Fiscal 1997 net earnings included a loss from discontinued operations of $0.2 million ($.01 diluted earnings per share).

Specialty Retail Footwear

	Fiscal Year Ended 1998	Fiscal Year Ended 1997	% Change
	(dollars in thousands)		
Net sales	$ 264,125	$ 205,209	28.7%
Operating income	$ 29,790	$ 21,119	41.1%
Operating margin	11.3%	10.3%	

Primarily due to a 10% increase in comparable store sales and a 20% increase in average Specialty Retail Footwear stores operated, net sales from Specialty Retail Footwear operations increased 28.7% for Fiscal 1998 compared to Fiscal 1997. The average price per pair of shoes remained flat in Fiscal 1998 while unit sales increased 28% during the same period.

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

	Comparable Sales Changes	Store Count Fiscal Year End 1998	1997
Journeys	15%	176	118
Jarman Retail	6%	158	143
Jarman Lease	8%	84	85
General Shoe Warehouse	8%	12	10
Total Specialty Retail Footwear	10%	430	356

Specialty Retail Footwear operating income for Fiscal 1998 was up 41.1% to $29.8 million compared to $21.1 million in Fiscal 1997. The increase reflects increased sales both due to store openings and strong comparable store sales increases and the lower expenses as a percentage of sales.

Branded Footwear

	Fiscal Year Ended 1998	1997	% Change
	(dollars in thousands)		
Net sales	$ 183,458	$ 151,041	21.5%
Operating income	$ 19,311	$ 15,732	22.7%
Operating margin	10.5%	10.4%	

Branded Footwear net sales increased 21.5% to $183.5 million in Fiscal 1998 from $151.0 million in Fiscal 1997, reflecting primarily a 13% increase in comparable store sales for Johnston & Murphy Retail, a 9% increase in average Branded Footwear retail stores operated and an increase in men's branded wholesale sales. The store count for Branded Footwear retail operations at the end of Fiscal 1998 included 127 Johnston & Murphy stores and factory stores and four Nautica Retail lease departments compared to 119 Johnston & Murphy stores and factory stores at the end of Fiscal 1997. The average price per pair of shoes for Branded Footwear retail decreased 1% in Fiscal 1998 while unit sales increased 20% during the same period. Unit sales for the Branded Footwear wholesale businesses increased 28% in Fiscal 1998 while the average price per pair of shoes decreased 4% for the same period. The increase in Branded Footwear wholesale sales in Fiscal 1998 included sales of new products introduced by the Company's Nautica division.

Branded Footwear operating income for Fiscal 1998 increased 22.7% from $15.7 million in Fiscal 1997 to $19.3 million in Fiscal 1998, primarily due to increased sales and increased gross margin as a percentage of sales.

Leather

	Fiscal Year Ended 1998	1997	% Change
	(dollars in thousands)		
Net sales	$ 29,218	$ 34,783	(16.0)%
Operating income	$ 1,511	$ 2,841	(46.8)%
Operating margin	5.2%	8.2%	

Leather net sales decreased 16.0% to $29.2 million in Fiscal 1998 from $34.8 million in Fiscal 1997, primarily due to lower orders from military footwear suppliers, which were impacted by a decrease in demand for leather military footwear, which makes up the bulk of the Company's tanned leather business.

Leather operating income for Fiscal 1998 decreased from $2.8 million in Fiscal 1997 to $1.5 million in Fiscal 1998, primarily due to lower sales and lower gross margin as a percentage of sales.

Corporate, Non-recurring and Interest Expenses
Corporate and other expenses for Fiscal 1998 were $30.4 million compared to $17.9 million for Fiscal 1997 (exclusive of a restructuring charge of $17.7 million and non-recurring charges of $0.9 million, primarily litigation and severance charges, in Fiscal 1998 and a restructuring charge of $1.7 million, a litigation settlement of $6.7 million and non-recurring charges of $0.1 million, primarily severance, in Fiscal 1997), an increase of 26.0%. The increase in corporate expenses in Fiscal 1998 is attributable primarily to increased compensation expense, including performance-related stock based compensation and increased bonus accruals based on the Company's increased earnings before restructuring and other charges.

Interest expense decreased 1% from $10.3 million in Fiscal 1997 to $10.2 million in Fiscal 1998, and interest income decreased 15% from $1.5 million in Fiscal 1997 to $1.3 million in Fiscal 1998 due to decreases in average short-term investments. There were no borrowings under the Company's revolving credit facility during either Fiscal 1998 or Fiscal 1997.

LIQUIDITY AND CAPITAL RESOURCES

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

	Jan. 30, 1999	Jan. 31, 1998	Feb. 1, 1997
	(dollars in millions)		
Cash and short-term investments	$ 58.7	$ 49.3	$ 43.4
Working capital	$ 155.8	$ 119.3	$ 108.8
Long-term debt (includes current maturities)	$ 103.5	$ 75.0	$ 75.0
Current ratio	3.1x	2.6x	2.6x

On April 9, 1998, the Company issued $103.5 million in principal amount of 5 1/2% Convertible Subordinated Notes due 2005. On May 8, 1998, using a portion of the proceeds of the sale of the Convertible Subordinated Notes, the Company redeemed $75 million in principal amount of its 10 3/8% Senior Notes due 2003, at 102.96% of their face value.

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

Cash provided by operating activities was $7.5 million in Fiscal 1999 compared to $26.9 million in Fiscal 1998. The $19.4 million decrease in cash flow from operating activities reflects primarily $8.2 million in pension contributions and a $9.4 million reduction in accrued liabilities due to payments related to the Boot Divestiture, changes in timing of interest payments and decreased bonus accruals. Cash provided by operating activities was $26.9 million in Fiscal 1998 compared to $22.4 million in Fiscal 1997. The $4.5 million increase in cash flow from operating activities for Fiscal 1998 compared to Fiscal 1997 reflects a $3.2 million pension contribution that was deferred until February 1998 and improved earnings before restructuring charges.

The $12.3 million increase in inventories at January 30, 1999 from January 31, 1998 levels reflects planned increases in retail inventory to support the net increase of 87 stores in Fiscal 1999 and increases in men's branded wholesale inventory to support growth in certain of the wholesale businesses. The $22.5 million increase in inventories at January 31, 1998 reflects planned increases in retail inventory to support the net increase of 83 stores in Fiscal 1998 and increases in men's branded wholesale inventory to support growth in those businesses and lower than anticipated sales in certain product styles.

Accounts receivable at January 30, 1999 increased $2.8 million compared to January 31, 1998 primarily due to increased sales of men's branded footwear. Accounts receivable at January 31, 1998 decreased $3.9 million compared to February 1, 1997, primarily due to a $4.0 million litigation settlement included in the February 1, 1997 accounts receivable balance.

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

	Fiscal Year Ended		
	1999	1998	1997
		(in thousands)	
Accounts payable	$ (634)	$ 11,209	$ 10,625
Accrued liabilities	(3,107)	(2,456)	(1,665)
	$ (3,741)	$ 8,753	$ 8,960

The fluctuations in accounts payable for Fiscal 1999 from Fiscal 1998 and for Fiscal 1998 from Fiscal 1997 are due to changes in buying patterns, payment terms negotiated with individual vendors and changes in inventory levels.

The change in accrued liabilities in Fiscal 1999 was due primarily to payments related to the Boot Divestiture and changes in timing of interest payments. The change in accrued liabilities in Fiscal 1998 was due primarily to payment of a litigation settlement. The change in accrued liabilities in Fiscal 1997 was due primarily to payment of bonuses and to payment of severance costs and liabilities related to the restructurings.

There were no revolving credit borrowings during Fiscal 1999, 1998 and 1997, as cash generated from operations, the Boot Divestiture and cash on hand funded seasonal working capital requirements and capital expenditures. On September 24, 1997, the Company entered into a revolving credit agreement with three banks providing for loans or letters of credit of up to $65 million. The agreement, as amended, expires September 24, 2002.

Capital Expenditures

Capital expenditures were $23.5 million, $24.7 million and $14.6 million for Fiscal 1999, 1998 and 1997, respectively. The $1.2 million decrease in Fiscal 1999 capital expenditures as compared to Fiscal 1998 resulted primarily from a decrease in the number of major renovations in retail stores for Fiscal 1999 versus Fiscal 1998. The $10.1 million increase in Fiscal 1998 capital expenditures as compared to Fiscal 1997 resulted primarily from the net increase of 83 new retail stores in Fiscal 1998 as well as $4.2 million of capital expenditures connected with new system initiatives related to the year 2000.

Total capital expenditures in Fiscal 2000 are expected to be approximately $25.6 million. These include expected retail expenditures of $17.3 million to open approximately 50 Journeys stores, 21 Johnston & Murphy stores and factory stores, seven Jarman Retail stores and five Nautica Retail leased departments and to complete 32 major store renovations. Capital expenditures for wholesale and manufacturing operations and other purposes are expected to be approximately $8.3 million, including approximately $4.8 million for new systems to improve customer service and support the Company's growth.

Year 2000

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

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

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

The Company plans to complete its Year 2000 project no later than October 31, 1999. The Company has completed the remediation, including final testing, of approximately 77% of its identified 2.0 million lines of code in its legacy systems. As of the beginning of the first quarter of Fiscal 2000, the Company is using all modules of its new financial system. The Company has implemented a contingency plan that provides for remediation of the existing retail systems, adding an additional 0.5 million lines of code to be remediated. The Company will fully remediate the existing retail systems if certain hurdles in the installation of its new retail systems are not met by July 31, 1999. The Company's existing staffing plan would allow the completion of this contingency plan by the end of October 1999.

The total cost of upgrading most of the Company's major operating systems, including the Year 2000 project for Fiscal Years 1998 through 2000, is estimated at $20.0 million and is being funded through operating cash flows and cash on hand. Of the total project cost, approximately $12.5 million is attributable to the purchase of new software and hardware which has been or will be capitalized. The remaining $8.0 million has been or will be expensed, including projected costs of $2.3 million for Fiscal 2000. Cumulative to date expenditures through Fiscal 1999 are $5.3 million plus cumulative capital expenditures of $9.3 million.

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

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

Environmental and Other Contingencies
The Company is subject to certain loss contingencies related to environmental proceedings and other legal matters, including those disclosed in Note 17 to the Company's Consolidated Financial Statements. The Company has made provisions for certain of these contingencies, including provisions of $150,000 in discontinued operations in Fiscal 1997, $250,000 reflected in Fiscal 1998 and $402,000 reflected in Fiscal 1999. The Company monitors these proceedings on an ongoing basis and at least quarterly management reviews the Company's reserves and accruals in relation to each of them, adjusting provisions as management deems necessary in view of changes in available information. Changes in estimates of liability are reported in the periods when they occur. Consequently, management believes that its reserve in relation to each proceeding is a reasonable estimate of the probable loss connected to the proceeding, or in cases in which no reasonable estimate is possible, the minimum amount in the range of estimated losses, based upon its analysis of the facts as of the close of the most recent fiscal quarter. Because of uncertainties and risks inherent in litigation generally and in environmental proceedings in particular, however, there can be no assurance that future developments will not require additional reserves to be set aside, that some or all reserves may not be adequate or that the amounts of any such additional reserves or any such inadequacy will not have a material adverse effect upon the Company's financial condition or results of operations.

Future Capital Needs
The Company expects that cash on hand and cash provided by operations will be sufficient to fund all of its capital expenditures through Fiscal 2000, although the Company may borrow from time to time to support seasonal working capital requirements. The approximately $3.9 million of costs associated with the prior restructurings and the Boot Divestiture that are expected to be incurred during the next twelve months are also expected to be funded from cash on hand. The Company has also authorized the repurchase, from time to time, of up to 4.8 million shares of the Company's common stock. These purchases will be funded from available cash. During the third and fourth quarters of Fiscal 1999, the Company repurchased 2.3 million shares at a cost of $12.2 million.

There were $11.1 million of letters of credit outstanding under the revolving credit agreement at January 30, 1999, leaving availability under the revolving credit agreement of $53.9 million.

The Company's revolving credit agreement restricts the payment of dividends and other payments with respect to capital stock. At January 30, 1999, $48.0 million was available for such payments. The aggregate of annual dividend requirements on the Company's Subordinated Serial Preferred Stock, $2.30 Series 1, $4.75 Series 3 and $4.75 Series 4, and on its $1.50 Subordinated Cumulative Preferred Stock is $300,000.

MARKET RISK
The following discusses the Company's exposure to 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 $103.5 million 5 1/2% convertible subordinated notes due April 2005 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 fair value of the Company's long-term debt was $72.9 million at January 30, 1999 based on dealer quotes.

Cash and Short-Term Investments - The Company's cash and short-term investment 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 January 30, 1999. As a result, the interest rate market risk implicit in these investments at January 30, 1999, if any, is 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. Any gains or losses from such transactions offset gains and losses from the underlying hedged transactions. At January 30, 1999, the Company had $21.2 million of foreign exchange contracts for Italian lira. As of January 30, 1999, a 10% adverse change in foreign currency exchange rates from market rates would decrease the fair value of the contracts by approximately $1.9 million.

Summary - Based on the Company's overall market interest rate and foreign currency rate exposure at January 30,1999, the Company believes that the effect, if any, of reasonably possible near-term changes in interest rates or fluctuations in foreign currency exchange rates on the Company's consolidated financial position, result of operations or cash flows would not be material.

The Company does not purchase or hold any derivative financial instruments for trading purposes.

CHANGES IN ACCOUNTING PRINCIPLES

The Company implemented Statement of Financial Accounting Standards (SFAS) 128, "Earnings per Share" in the fourth quarter of Fiscal 1998. This statement simplifies the computation of earnings per share (EPS) and requires the disclosure of basic and diluted earnings per share. Under SFAS 128, primary EPS is replaced by "Basic" EPS, which 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" EPS, which is computed similarly to fully diluted EPS, reflects the potential dilution that could occur if securities to issue common stock were exercised or converted to common stock. The Company has restated all prior period EPS information. For additional information, see Note 15 to the Company's Consolidated Financial Statements.

The Company implemented Statement of Financial Accounting Standards (SFAS) 130, "Reporting Comprehensive Income" in the first quarter of Fiscal 1999. This statement establishes standards for reporting and display of comprehensive income. SFAS 130 requires the minimum pension liability adjustment to be included in other comprehensive income. The adoption of this statement had no impact on the Company's net income or shareholders' equity for Fiscal years 1999, 1998 or 1997.

The Company implemented Statement of Financial Accounting Standards (SFAS) 131, "Disclosures about Segments of an Enterprise and Related Information" in the fourth quarter of Fiscal 1999. The standard requires that companies disclose "operating segments" based on the way management disaggregates the company for making internal operating decisions. For additional information, see Note 18 to the Company's Consolidated Financial Statements.

The Company implemented Statement of Financial Accounting Standards (SFAS) 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits" in the fourth quarter of Fiscal 1999. This statement standardizes the disclosure requirements for pensions and other postretirement benefits to the extent practicable, requires additional information on changes in the benefit obligations and fair values of plan assets that will facilitate financial analysis, and eliminates certain disclosures that are no longer as useful. The Company has restated all prior period information. For additional information, see Note 14 to the Company's Consolidated Financial Statements.

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

INFLATION

The Company does not believe inflation has had a material impact on sales or operating results during periods covered in this discussion.

ITEM 7A, QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company incorporates by reference the information regarding market risk to appear under the heading "Market Risk" in Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

February 24, 1999

To the Board of Directors and
Shareholders of Genesco Inc.

Report of Independent Accountants

In our opinion, the consolidated financial statements listed in the index appearing under Item 14 on page 72, presents fairly, in all material respects, the financial position of Genesco Inc. and its subsidiaries (the "Company") at January 30, 1999 and January 31, 1998, and the results of their operations and their cash flows for each of the three years in the period ended January 30, 1999, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14 on page 72 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/PricewaterhouseCoopers LLP
Nashville, Tennessee

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Balance Sheet
In Thousands

	AS OF FISCAL YEAR END	
	1999	1998
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	$ 58,743	$ 49,276
Accounts receivable	26,258	20,339
Inventories	117,213	102,042
Deferred income taxes	19,327	-0-
Other current assets	6,719	5,802
Current assets of operations to be divested	-0-	17,105
Total current assets	228,260	194,564
Plant, equipment and capital leases	58,387	44,810
Deferred income taxes	10,370	935
Other noncurrent assets	10,181	5,688
Noncurrent assets of operations to be divested	-0-	820
TOTAL ASSETS	$ 307,198	$ 246,817
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 70,606	$ 72,234
Provision for discontinued operations	1,876	3,017
Total current liabilities	72,482	75,251
Long-term debt	103,500	75,000
Other long-term liabilities	6,446	14,258
Provision for discontinued operations	8,191	10,344
Total liabilities	190,619	174,853
Contingent liabilities (see Note 17)		
SHAREHOLDERS' EQUITY		
Non-redeemable preferred stock	7,918	7,945
Common shareholders' equity:		
Common stock, $1 par value:		
Authorized: 80,000,000 shares		
Issued: 1999 - 24,327,109; 1998 - 26,264,109	24,327	26,264
Additional paid-in capital	126,095	132,218
Accumulated deficit	(23,904)	(75,456)
Accumulated other comprehensive income	-0-	(1,150)
Treasury shares, at cost	(17,857)	(17,857)
Total shareholders' equity	116,579	71,964
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 307,198	$ 246,817

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

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Earnings
In Thousands, except per share amounts

	FISCAL YEAR		
	1999	1998	1997
Net sales	$ 549,748	$ 536,107	$ 461,348
Cost of sales	305,869	313,198	274,273
Selling and administrative expenses	207,840	186,819	159,518
Restructuring and other charges, net	(2,403)	17,706	1,693
Earnings from operations before other income and expenses	38,442	18,384	25,864
Other expenses (income):			
Interest expense	9,250	10,174	10,289
Interest income	(2,639)	(1,312)	(1,548)
Litigation settlement	-0-	-0-	6,700
Other expenses	746	662	291
Total other (income) expenses, net	7,357	9,524	15,732
Earnings before income taxes, discontinued operations and extraordinary loss	31,085	8,860	10,132
Income taxes (benefit)	(23,838)	40	(422)
Earnings before discontinued operations and extraordinary loss	54,923	8,820	10,554
Excess provision (provision for) discontinued operations, net	450	-0-	(150)
Earnings before extraordinary loss	55,373	8,820	10,404
Extraordinary loss from early retirement of debt, net	(2,245)	(169)	-0-
NET EARNINGS	$ 53,128	$ 8,651	$ 10,404
Basic earnings (loss) per common share:			
Before discontinued operations and extraordinary loss	$ 2.15	$ .33	$ .42
Discontinued operations	$ .02	$ .00	$ (.01)
Extraordinary loss	$ (.10)	$ .00	$ .00
Net earnings	$ 2.07	$ .33	$ .41
Diluted earnings (loss) per common share:			
Before discontinued operations and extraordinary loss	$ 1.89	$ .32	$ .40
Discontinued operations	$ .01	$ .00	$ (.01)
Extraordinary loss	$ (.07)	$ (.01)	$ .00
Net earnings	$ 1.83	$ .31	$ .39

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

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Cash Flows
In Thousands

	FISCAL YEAR 1999	1998	1997
OPERATIONS:			
Net earnings	$ 53,128	$ 8,651	$ 10,404
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	9,691	8,893	7,747
Deferred income taxes	(28,762)	(520)	(415)
Provision for losses on accounts receivable	447	969	2,060
Impairment of long-lived assets and other charges	-0-	831	-0-
Loss on retirement of debt	3,651	169	-0-
Restructuring charge (gain)	(2,403)	16,875	1,693
(Excess) provision for loss on discontinued operations	(731)	-0-	150
Litigation settlement	-0-	-0-	6,700
Other	2,344	1,328	699
Effect on cash of changes in working capital and other assets and liabilities:			
Accounts receivable	(2,814)	3,935	(314)
Inventories	(12,284)	(22,487)	(10,954)
Other current assets	(913)	(1,437)	(192)
Accounts payable and accrued liabilities	(3,741)	8,753	8,960
Other assets and liabilities	(10,082)	912	(4,136)
Net cash provided by operating activities	7,531	26,872	22,402
INVESTING ACTIVITIES:			
Capital expenditures	(23,512)	(24,725)	(14,631)
Proceeds from businesses divested and asset sales	14,115	193	76
Net cash used in investing activities	(9,397)	(24,532)	(14,555)
FINANCING ACTIVITIES:			
Payments of long-term debt	(77,220)	-0-	-0-
Payments on capital leases	(243)	(1,206)	(1,220)
Stock repurchases	(12,232)	-0-	-0-
Long-term borrowings	103,500	-0-	-0-
Dividends paid	(1,502)	-0-	-0-
Exercise of options and related income tax benefits	4,056	3,874	1,202
Deferred note expense	(3,970)	-0-	-0-
Other	(1,056)	893	(4)
Net cash provided by (used in) financing activities	11,333	3,561	(22)
NET CASH FLOW	9,467	5,901	7,825
Cash and short-term investments at beginning of year	49,276	43,375	35,550
CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR	$ 58,743	$ 49,276	$ 43,375
SUPPLEMENTAL CASH FLOW INFORMATION:			
Net cash paid (received) for:			
Interest	$ 11,112	$ 9,594	$ 9,887
Income taxes	23	375	(42)

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

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

	Total Non-Redeemable Preferred Stock	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated (Deficit)	Accumulated Other Comprehensive Income
BALANCE JANUARY 31, 1996	$ 7,958	$24,844	$121,715	$(17,857)	$(94,511)	$(8,244)
Net earnings	-0-	-0-	-0-	-0-	10,404	-0-
Exercise of options	-0-	187	455	-0-	-0-	-0-
Issue shares - Employee Stock Purchase Plan	-0-	161	399	-0-	-0-	-0-
Minimum pension liability adjustment	-0-	-0-	-0-	-0-	-0-	8,244
Other	(14)	3	46	-0-	-0-	-0-
Comprehensive Income						
BALANCE FEBRUARY 1, 1997	7,944	$25,195	$122,615	$(17,857)	$(84,107)	$ -0-
Net earnings	-0-	-0-	-0-	-0-	8,651	-0-
Exercise of options	-0-	458	2,809	-0-	-0-	-0-
Issue shares - Employee Stock Purchase Plan	-0-	70	496	-0-	-0-	-0-
Issue shares - litigation settlement	-0-	525	6,175	-0-	-0-	-0-
Tax effect of exercise of stock options	-0-	-0-	42	-0-	-0-	-0-
Minimum pension liability adjustment	-0-	-0-	-0-	-0-	-0-	(1,150)
Other	1	16	81	-0-	-0-	-0-
Comprehensive Income						
BALANCE JANUARY 31, 1998	$7,945	$26,264	$132,218	$(17,857)	$(75,456)	$(1,150)
Net earnings	-0-	-0-	-0-	-0-	53,128	-0-
Dividends paid	-0-	-0-	-0-	-0-	(1,576)	-0-
Exercise of options	-0-	230	845	-0-	-0-	-0-
Issue shares - restricted stock options	-0-	67	533	-0-	-0-	-0-
Issue shares - Employee Stock Purchase Plan	-0-	107	387	-0-	-0-	-0-
Tax effect of exercise of stock options	-0-	-0-	1,887	-0-	-0-	-0-
Stock repurchases	-0-	(2,343)	(9,889)	-0-	-0-	-0-
Minimum pension liability adjustment	-0-	-0-	-0-	-0-	-0-	1,150
Other	(27)	2	114	-0-	-0-	-0-
Comprehensive Income						
BALANCE JANUARY 30, 1999	$7,918	$24,327	$126,095	$(17,857)	$(23,904)	$ -0-

	Comprehensive Income	Total Share-holders' Equity
BALANCE JANUARY 31, 1996	$	$ 33,905
Net earnings	10,404	10,404
Exercise of options	-0-	642
Issue shares - Employee Stock Purchase Plan	-0-	560
Minimum pension liability adjustment	8,244	8,244
Other	-0-	35
Comprehensive Income	$18,648	
BALANCE FEBRUARY 1, 1997		$ 53,790
Net earnings	8,651	8,651
Exercise of options	-0-	3,267
Issue shares - Employee Stock Purchase Plan	-0-	566
Issue shares - litigation settlement	-0-	6,700
Tax effect of exercise of stock options	-0-	42
Minimum pension liability adjustment	(1,150)	(1,150)
Other	-0-	98
Comprehensive Income	$ 7,501	
BALANCE JANUARY 31, 1998		$ 71,964
Net earnings	53,128	53,128
Dividends paid	-0-	(1,576)
Exercise of options	-0-	1,075
Issue shares - restricted stock options	-0-	600
Issue shares - Employee Stock Purchase Plan	-0-	494
Tax effect of exercise of stock options	-0-	1,887
Stock repurchases	-0-	(12,232)

Minimum pension liability adjustment	1,150	1,150
Other	-0-	89
Comprehensive Income	$54,278	
BALANCE JANUARY 30, 1999		$ 116,579

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

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Company's businesses include the manufacture or sourcing, marketing and distribution of footwear principally under the Johnston & Murphy, Dockers and Nautica brands, the tanning and distribution of leather by the Volunteer Leather division and the operation at January 30, 1999 of 674 Jarman, Journeys, Johnston & Murphy, General Shoe Warehouse, Underground Station and Nautica retail footwear stores and leased departments. Because of the acquisition of Mercantile by Dillards Inc., the Company will end its operation of the Jarman leased departments. The Company had 78 Jarman leased departments at January 30, 1999. Of those 78 leased departments, 64 have been transferred to Dillards Inc. and the Company ended operations of the remaining 14 leased departments on April 3, 1999. The Jarman leased departments' business contributed sales of approximately $47.4 million, $52.3 million and $47.7 million and operating earnings of $2.1 million, $4.1 million and $4.1 million in Fiscal 1999, 1998 and 1997, respectively. The Jarman leased departments had inventory of $9.1 million and total assets of $13.0 million at January 30, 1999.

BASIS OF PRESENTATION

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

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

FISCAL YEAR

For the year ended February 1, 1997 ("Fiscal 1997"), the Company changed its fiscal year end to the Saturday closest to January 31. As a result, Fiscal 1999 and 1998 had 364 days, while Fiscal 1997 had 367 days. Fiscal Years 1999, 1998, and 1997 ended on January 30, 1999, January 31, 1998 and February 1, 1997, respectively.

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

CASH AND SHORT-TERM INVESTMENTS

Included in cash and short-term investments at January 30, 1999 and January 31, 1998, are short-term investments of $53.5 million and $45.6 million, respectively. Short-term investments are highly-liquid debt instruments having an original maturity of three months or less.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

INVENTORIES

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

PLANT, EQUIPMENT AND CAPITAL LEASES

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

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

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

IMPAIRMENT OF LONG-TERM ASSETS

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

HEDGING CONTRACTS

In order to reduce exposure to foreign currency exchange rate fluctuations in connection with inventory purchase commitments, the Company enters into foreign currency forward exchange contracts for Italian Lira. At January 30, 1999 and January 31, 1998, the Company had approximately $21.2 million and $15.0 million, respectively, of such contracts outstanding. Forward exchange contracts have an average term of approximately four months. Gains and losses arising from these contracts offset gains and losses from the underlying hedged transactions. The Company monitors the credit quality of the major national and regional financial institutions with whom it enters into such contracts.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Company's financial instruments at January 30, 1999 and January 31, 1998 are:

FAIR VALUES

IN THOUSANDS	1999		1998	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
LIABILITIES				
Long-term Debt	$103,500	$72,900	$75,000	$76,900

Carrying amounts reported on the balance sheet for cash, short-term investments, receivables and accounts payable approximate fair value due to the short-term maturity of these instruments.

The fair value of the Company's long-term debt was based on dealer prices on the respective balance sheet dates.

POSTRETIREMENT BENEFITS

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

The Company implemented Statement of Financial Accounting Standards (SFAS) 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits" in the fourth quarter of Fiscal 1999. This statement standardizes the disclosure requirements for pensions and other postretirement benefits to the extent practicable, requires additional information on changes in the benefit obligations and fair values of plan assets that will facilitate financial analysis, and eliminates certain disclosures that are no longer as useful. The Company has restated all prior period information (see Note 14).

REVENUE RECOGNITION

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

PREOPENING COSTS

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

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising costs were $19.4 million, $14.4 million and $13.1 million for Fiscal 1999, 1998 and 1997, respectively.

ENVIRONMENTAL COSTS

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

INCOME TAXES

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

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 15).

STOCK-BASED COMPENSATION PLANS

The Company applies APB Opinion 25 and related Interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized other than for its restricted stock options. (see Note 16).

COMPREHENSIVE INCOME

The Company implemented Statement of Financial Accounting Standards (SFAS) 130, "Reporting Comprehensive Income" in the first quarter of Fiscal 1999. This statement establishes standards for reporting and display of comprehensive income. SFAS 130 requires the minimum pension liability adjustment to be included in other comprehensive income. The adoption of this statement had no impact on the Company's net income or shareholders' equity for Fiscal years 1999, 1998 or 1997.

BUSINESS SEGMENTS

The Company implemented Statement of Financial Accounting Standards (SFAS) 131, "Disclosures about Segments of an Enterprise and Related Information" in the fourth quarter of Fiscal 1999. The standard requires that companies disclose "operating segments" based on the way management disaggregates the company for making internal operating decisions. (see Note 18).

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NOTE 2
RESTRUCTURINGS

Workforce Reduction

In connection with the divestiture of the western boot business and the substantial completion of the exiting of the Jarman leased department business, the Company reviewed the structure and level of staffing in all of its operations. Upon completion of the review, the Company recorded a $1.3 million charge to earnings included in selling and administrative expenses for a workforce reduction of 66 positions, of which 12 positions were eliminated by January 30, 1999. Twenty-six of the positions eliminated related to the Jarman Lease division, with the remainder being primarily employed at corporate headquarters.

Fiscal 1998 Restructuring

As a result of the continued weakness in the western boot market, the Company approved a plan (the "Boot Divestiture") in the fourth quarter of Fiscal 1998 to exit the western boot business. In connection with the Boot Divestiture, the Company recorded a charge to earnings of $17.3 million in the fourth quarter, including $11.3 million in asset writedowns. The carrying value of the assets held for sale was reduced to fair value based on estimated selling values less estimated costs to sell. The charges related to the Boot Divestiture also included $3.2 million in employee-related costs and $2.8 million of facility shutdown and other costs. Net sales of the Company's wholesale western boot business for Fiscal 1999, 1998 and 1997 were $11.9 million, $45.4 million and $56.1 million, respectively. The operating losses for the Company's wholesale western boot business for Fiscal 1999, 1998 and 1997 were $1.4 million, $3.7 million and $2.2 million, respectively.

On June 12, 1998, the Company and Texas Boot, Inc. entered into an agreement providing for the purchase by Texas Boot, Inc. of most of the assets related to the western boot business, including the Company's 26 store Boot Factory retail chain, which the Company had not planned to include in the Boot Divestiture. Net sales for the Company's Boot Factory retail chain for Fiscal 1999, 1998 and 1997 were $4.7 million, $13.9 million and $14.2 million, respectively. The operating losses for the Company's Boot Factory retail chain for Fiscal 1999 and 1997 were $0.5 million and $0.8 million, respectively. The Company's Boot Factory retail chain had operating income of $0.2 million for Fiscal 1998. The Company completed the sale of its western boot business to Texas Boot, Inc. on July 14, 1998.

Net earnings for the second quarter ended August 1, 1998 reflects a restructuring gain of $2.4 million primarily from the Boot Divestiture. The $2.4 million gain represents savings of expected employee-related costs and facility shutdown costs because the buyer continued to operate a manufacturing facility that the Company would have closed and retained certain employees whose position the Company would have eliminated.

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

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NOTE 2
RESTRUCTURINGS, CONTINUED

In addition to the charge related to the Boot Divestiture, the Company took a charge of $0.6 million during the fourth quarter of Fiscal 1998 to consolidate staff in one operating division as well as to account for the costs of eliminating a production process at its remaining footwear plant.

During the second quarter of Fiscal 1998, the Company recorded a restructuring gain of $1.1 million and losses from an asset impairment and other charges of $0.8 million resulting in a net gain of $0.3 million reported in the income statement. The restructuring gain relates to both a manufacturing restructuring and a restructuring plan adopted in the third quarter of Fiscal 1995 (the "1995 Restructuring"). It arose primarily from the sale of one facility and cancellation of leases on two facilities (including one facility included in the 1995 Restructuring) more quickly and on more favorable terms than contemplated when the reserves were established. The asset impairment and other charges during the second quarter of Fiscal 1998 arose from the decrease in production in one of the Company's western boot plants in response to the continued weakness in the western boot market.

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NOTE 3
ACCOUNTS RECEIVABLE

IN THOUSANDS	1999	1998
Trade accounts receivable	$ 23,106	$ 19,947
Miscellaneous receivables	5,430	3,142
Total receivables	28,536	23,089
Allowance for bad debts	(1,075)	(988)
Other allowances	(1,203)	(1,762)
NET ACCOUNTS RECEIVABLE	$ 26,258	$ 20,339

The Company's footwear wholesaling business sells primarily to independent retailers and department stores across the United States. Receivables arising from these sales are not collateralized. Credit risk is affected by conditions or occurrences within the economy and the retail industry. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information. Two customers each accounted for more than 10% of the Company's trade receivables balance as of January 30, 1999.

NOTE 4
INVENTORIES

IN THOUSANDS	1999	1998
Raw materials	$ 2,969	$ 4,452
Work in process	2,077	2,261
Finished goods	33,949	28,458
Retail merchandise	78,218	66,871
TOTAL INVENTORIES	$117,213	$102,042

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NOTE 5
PLANT, EQUIPMENT AND CAPITAL LEASES, NET

IN THOUSANDS	1999	1998
Plant and equipment:		
Land	$ 263	$ 263
Buildings and building equipment	2,729	2,515
Machinery, furniture and fixtures	39,587	34,338
Construction in progress	8,819	6,767
Improvements to leased property	56,790	51,136
Capital leases:		
Buildings	200	200
Machinery, furniture and fixtures	4,026	4,777
Plant, equipment and capital leases, at cost	112,414	99,996
Accumulated depreciation and amortization:		
Plant and equipment	(49,993)	(50,519)
Capital leases	(4,034)	(4,667)
NET PLANT, EQUIPMENT AND CAPITAL LEASES	$ 58,387	$ 44,810

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NOTE 6
ASSETS OF OPERATIONS TO BE DIVESTED

IN THOUSANDS	1998
Current assets:	
Accounts receivable, net of allowance of $3,325	$ 7,684
Inventory	9,421
TOTAL CURRENT ASSETS	$ 17,105
Noncurrent assets:	
Plant and equipment	820
TOTAL NONCURRENT ASSETS	$ 820

NOTE 7
OTHER NONCURRENT ASSETS

IN THOUSANDS	1999	1998
Other noncurrent assets:		
Prepaid pension cost	$ 4,728	$ 3,299
Investments and long-term receivables	1,841	733
Deferred note expense	3,612	1,656
TOTAL OTHER NONCURRENT ASSETS	$ 10,181	$ 5,688

NOTE 8
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

IN THOUSANDS	1999	1998
Trade accounts payable	$ 33,305	$ 33,939
Accrued liabilities:		
Employee compensation	12,218	14,179
Taxes other than income taxes	4,665	3,826
Rent	3,574	2,953
Income taxes	2,325	436
Insurance	2,121	2,039
Interest	1,778	4,200
Other	10,620	10,662
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	$ 70,606	$ 72,234

At January 30, 1999, outstanding checks drawn on certain domestic banks exceeded book cash balances by approximately $7.2 million. These amounts are included in trade accounts payable.

GENESCO INC.
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NOTE 9
PROVISION FOR DISCONTINUED OPERATIONS AND RESTRUCTURING RESERVES

PROVISION FOR DISCONTINUED OPERATIONS

IN THOUSANDS	EMPLOYEE RELATED COSTS*	OTHER	TOTAL
Balance January 31, 1998	$ 12,036	$ 1,325	$ 13,361
Charges and adjustments, net	(2,343)	(951)	(3,294)
Balance January 30, 1999	9,693	374	10,067
Current portion	1,502	374	1,876
TOTAL NONCURRENT PROVISION FOR DISCONTINUED OPERATIONS	$ 8,191	$ 0	$ 8,191

*Union pension withdrawal liability.

Charges and adjustments, net includes $731,000 ($450,000 net of tax) of excess provision for discontinued operations restored to income in the fourth quarter of Fiscal 1999 from the favorable resolution of an accounts receivable dispute.

RESTRUCTURING RESERVES

IN THOUSANDS	EMPLOYEE RELATED COSTS	FACILITY SHUTDOWN COSTS	OTHER	TOTAL
Balance January 31, 1998	$ 3,593	$ 1,983	$ 1,532	$ 7,108
Charges and adjustments, net	(3,325)	(1,028)	(547)	(4,900)
Balance January 30, 1999	268	955	985	2,208
Current portion (included in accounts payable and accrued liabilities)	268	787	985	2,040
TOTAL NONCURRENT RESTRUCTURING RESERVES (INCLUDED IN OTHER LONG-TERM LIABILITIES)	$ 0	$ 168	$ 0	$ 168

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NOTE 10
LONG-TERM DEBT

IN THOUSANDS	1999	1998
10 3/8% senior notes due February 2003	$ 0	$75,000
5 1/2% convertible subordinated notes due April 2005	103,500	0
Total long-term debt	103,500	75,000
Current portion	0	0
Total Noncurrent Portion of Long-Term Debt	$103,500	$75,000

REVOLVING CREDIT AGREEMENT:
On September 24, 1997, the Company entered into a revolving credit agreement with three banks providing for loans or letters of credit of up to $65 million which, as amended, expires September 24, 2002. This agreement replaced a $35 million revolving credit agreement providing for loans or letters of credit. The replacement of the $35 million revolving credit agreement resulted in an extraordinary loss of $169,000, recognized in the third quarter of Fiscal 1998. Outstanding letters of credit at January 30, 1999 were $11.1 million; no loans were outstanding at that date.

Under the revolving credit agreement, the Company may borrow at the prime rate or LIBOR plus 1.5% which may be changed if the Company's pricing ratio (as defined in the credit agreement) changes. Facility fees are 0.425% per annum on $65.0 million and also varies based on the pricing ratio. The revolving credit agreement requires the Company to meet certain financial ratios and covenants, including minimum tangible net worth, fixed charge coverage and debt to equity ratios. The Company is required by the credit agreement to reduce the outstanding principal balance of the revolving loans to zero for 30 consecutive days during each period beginning on December 15 of any fiscal year and ending on April 15 of the following fiscal year. The revolving credit agreement, as amended, contains other covenants which restrict the payment of dividends and other payments with respect to capital stock. In addition, annual capital expenditures are limited to $30.0 million for Fiscal 1998 and thereafter, subject to possible carryforwards from the previous year of up to $3.0 million if less is spent in the current year. The Company was in compliance with the financial covenants contained in the revolving credit agreement at January 30, 1999.

10 3/8% SENIOR NOTES DUE 2003:
On February 1, 1993, the Company issued $75 million of 10 3/8% senior notes due February 1, 2003. These notes were redeemed on May 8, 1998, resulting in a $3.7 million extraordinary loss ($2.2 million net of tax) for early retirement of debt recognized in the second quarter of Fiscal 1999.

GENESCO INC.
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NOTE 10
LONG-TERM DEBT, CONTINUED

5 1/2% CONVERTIBLE SUBORDINATED NOTES DUE 2005:
On April 9, 1998, the Company issued $103.5 million of 5 1/2% convertible subordinated notes due April 15, 2005. The notes are convertible into 47.5172 shares of common stock per $1,000 principal amount of Notes (equivalent to a conversion price of $21.045 per share of common stock), subject to adjustment. During the second quarter the Company used: 1) $79.9 million of the proceeds to repay all of the Company's 10 3/8% senior notes including interest and expenses incurred in connection therewith, resulting in an extraordinary loss, net of tax, of $2.2 million, 2) $1.3 million of the proceeds to pay preferred dividends in arrears because of certain covenants in the indenture relating to the senior notes, and 3) the remaining proceeds for general corporate purposes.

The indenture pursuant to which the convertible subordinated notes were issued does not restrict the incurrence of Senior Debt by the Company or other indebtedness or liabilities by the Company or any of its subsidiaries.

GENESCO INC.
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NOTE 11
COMMITMENTS UNDER LONG-TERM LEASES

OPERATING LEASES
Rental expense under operating leases of continuing operations was:

IN THOUSANDS	1999	1998	1997
Minimum rentals	$ 30,121	$ 23,398	$ 18,719
Contingent rentals	10,598	11,611	10,270
Sublease rentals	(993)	(1,039)	(1,035)
TOTAL RENTAL EXPENSE	$ 39,726	$ 33,970	$ 27,954

Minimum rental commitments payable in future years are:

FISCAL YEARS	IN THOUSANDS
2000	$ 32,043
2001	30,103
2002	25,921
2003	23,125
2004	21,698
Later years	87,173
TOTAL MINIMUM RENTAL COMMITMENTS	$ 220,063

Most leases provide for the Company to pay real estate taxes and other expenses and contingent rentals based on sales. Approximately 6% of the Company's leases contain renewal options.

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NOTE 12
SHAREHOLDERS' EQUITY

NON-REDEEMABLE PREFERRED STOCK

CLASS (IN ORDER OF PREFERENCE)	SHARES AUTHORIZED	NUMBER OF SHARES 1999	1998	1997	AMOUNTS IN THOUSANDS 1999	1998	1997	COMMON CONVERTIBLE RATIO	NO. OF VOTES
Subordinated Serial Preferred (Cumulative)									
$2.30 Series 1	64,368	37,128	37,128	37,123	$1,485	$1,485	$1,485	.83	1
$4.75 Series 3	40,449	19,369	19,369	19,469	1,937	1,937	1,947	2.11	2
$4.75 Series 4	53,764	16,412	16,412	16,412	1,641	1,641	1,641	1.52	1
Series 6	400,000	0	0	0	0	0	0		100
$1.50 Subordinated Cumulative Preferred	5,000,000	30,017	30,017	30,017	901	901	901		
		102,926	102,926	103,021	5,964	5,964	5,974		
Employees' Subordinated Convertible Preferred	5,000,000	73,696	80,313	80,313	2,211	2,409	2,409	1.00*	1
Stated Value of Issued Shares					8,175	8,373	8,383		
Employees' Preferred Stock Purchase Accounts					(257)	(428)	(439)		
TOTAL NON-REDEEMABLE PREFERRED STOCK					$7,918	$7,945	$7,944		

* Also convertible into one share of $1.50 Subordinated Cumulative Preferred Stock.

PREFERRED STOCK TRANSACTIONS

IN THOUSANDS	NON-REDEEMABLE PREFERRED STOCK	NON-REDEEMABLE EMPLOYEES' PREFERRED STOCK	EMPLOYEES' PREFERRED STOCK PURCHASE ACCOUNTS	TOTAL NON-REDEEMABLE PREFERRED STOCK
Balance January 31, 1996	$ 5,994	$ 2,410	$(446)	$ 7,958
Other	(20)	(1)	7	(14)
Balance February 1, 1997	5,974	2,409	(439)	7,944
Other	(10)	0	11	1
Balance January 31, 1998	5,964	2,409	(428)	7,945
Other	0	(198)	171	(27)
BALANCE JANUARY 30, 1999	$ 5,964	$ 2,211	$(257)	$ 7,918

SUBORDINATED SERIAL PREFERRED STOCK (CUMULATIVE):
Stated and redemption values for Series 1 are $40 per share and for Series 3 and 4 are each $100 per share; liquidation value for Series 1--$40 per share plus accumulated dividends and for Series 3 and 4--$100 per share plus accumulated dividends.

NOTE 12
SHAREHOLDERS' EQUITY, CONTINUED

The Company's shareholders' rights plan grants to common shareholders the right to purchase, at a specified exercise price, a fraction of a share of subordinated serial preferred stock, Series 6, in the event of an acquisition of, or an announced tender offer for, 10% or more of the Company's outstanding common stock. Upon any such event, each right also entitles the holder (other than the person making such acquisition or tender offer) to purchase, at the exercise price, shares of common stock having a market value of twice the exercise price. In the event the Company is acquired in a transaction in which the Company is not the surviving corporation, each right would entitle its holder to purchase, at the exercise price, shares of the acquiring company having a market value of twice the exercise price. The rights expire in September 2000, are redeemable under certain circumstances for $.01 per right and are subject to exchange for one share of common stock or an equivalent amount of preferred stock at any time after the event which makes the rights exercisable and before a majority of the Company's common stock is acquired.

$1.50 SUBORDINATED CUMULATIVE PREFERRED STOCK:
Stated and liquidation values and redemption price--$30 per share.

EMPLOYEES' SUBORDINATED CONVERTIBLE PREFERRED STOCK:
Stated and liquidation values--$30 per share.

COMMON STOCK:
Common stock-$1 par value. Authorized: 80,000,000 shares; issued: January 30, 1999--24,327,109 shares; January 31, 1998--26,264,109 shares. There were 488,464 shares held in treasury at January 30, 1999 and January 31, 1998 not considering the shares repurchased in Fiscal 1999. Each outstanding share is entitled to one vote. At January 30, 1999, common shares were reserved as follows: 170,277 shares for conversion of preferred stock; 847,039 shares for the 1987 Stock Option Plan; 2,131,625 shares for the 1996 Stock Option Plan; 133,333 shares for executive stock options; 79,935 shares for the Restricted Stock Plan for Directors; and 580,061 shares for the Genesco Employee Stock Purchase Plan.

For the year ended January 30, 1999, 403,343 shares of common stock were issued for the exercise of stock options and 2,457 shares were issued as part of the Directors Restricted Stock Plan. In addition, the Company repurchased 2,342,800 shares of common stock. An additional 2,457,200 shares may be repurchased under stock buy back programs announced in August 1998 and January 1999.

For the year ended January 31, 1998, 527,906 shares of common stock were issued for the exercise of stock options and 16,204 shares were issued as part of the Directors Restricted Stock Plan. In addition, 525,495 shares were issued in connection with a $6.7 million litigation settlement reflected in the Fiscal 1997 income statement.

RESTRICTIONS ON DIVIDENDS AND REDEMPTIONS OF CAPITAL STOCK:
The Company's charter provides that no dividends may be paid and no shares of capital stock acquired for value if there are dividend or redemption arrearages on any senior or equally ranked stock. Exchanges of subordinated serial preferred stock for common stock or other stock junior to such exchanged stock are permitted.

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NOTE 12
SHAREHOLDERS' EQUITY, CONTINUED

The Company's revolving credit agreement restricts the payment of dividends and other payments with respect to capital stock. At January 30, 1999, $48.0 million was available for such payments.

The April 9, 1998 indenture, under which the Company's 5 1/2% convertible subordinated notes due 2005 were issued, does not restrict the payment of dividends.

Dividends declared for Fiscal 1999 were as follows:

	PER SHARE	TOTAL (In Thousands)
Series 1	$ 12.075	$ 448
Series 3	$ 24.9375	483
Series 4	$ 24.9375	409
$1.50 Subordinated Cumulative Preferred	$ 7.875	236
Total		$ 1,576

Fiscal 1999 dividends declared include $1.3 million in cumulative dividend arrearages from the fourth quarter of Fiscal 1994 through the first quarter of Fiscal 1999.

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NOTE 12
SHAREHOLDERS' EQUITY, CONTINUED

CHANGES IN THE SHARES OF THE COMPANY'S CAPITAL STOCK

	COMMON STOCK	NON-REDEEMABLE PREFERRED STOCK	EMPLOYEES' PREFERRED STOCK
Issued at January 31, 1996	24,844,036	103,294	80,313
Exercise of options	186,712	0	0
Issue shares - Employee Stock Purchase Plan	161,329	0	0
Other	2,427	(273)	0
Issued at February 1, 1997	25,194,504	103,021	80,313
Exercise of options	457,848	0	0
Issue shares - Employee Stock Purchase Plan	70,058	0	0
Issue shares - Litigation Settlement	525,495	0	0
Other	16,204	(95)	0
Issued at January 31, 1998	26,264,109	102,926	80,313
Exercise of options	296,543	0	0
Issue shares - Employee Stock Purchase Plan	106,800	0	0
Stock Repurchase	(2,342,800)	0	0
Other	2,457	0	(6,617)
Issued at January 30, 1999	24,327,109	102,926	73,696
Less treasury shares	488,464	0	0
OUTSTANDING AT JANUARY 30, 1999	23,838,645	102,926	73,696

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NOTE 13
INCOME TAXES

Income tax expense (benefit) from continuing operations is comprised of the following:

IN THOUSANDS	1999	1998	1997
Current			
U.S. federal	$ 1,789	$ 505	$ (70)
Foreign	76	55	41
State	47	0	22
Deferred			
U.S. federal	(22,335)	(505)	(415)
Foreign	(237)	(15)	0
State	(3,178)	0	0
TOTAL INCOME TAX EXPENSE (BENEFIT)	$ (23,838)	$ 40	$ (422)

Deferred tax assets and liabilities are comprised of the following:

IN THOUSANDS	JANUARY 30, 1999	JANUARY 31, 1998
Pensions	$ (1,896)	$ (947)
Other	0	(164)
Gross deferred tax liabilities	(1,896)	(1,111)
Net operating loss carryforwards	7,715	8,967
Net capital loss carryforwards	7,826	7,900
Provisions for discontinued operations and restructurings	5,073	13,352
Inventory valuation	2,090	1,873
Expense accruals	5,116	5,497
Allowances for bad debts and notes	703	1,695
Uniform capitalization costs	2,131	2,463
Depreciation	4,355	4,641
Pensions	0	0
Leases	17	28
Other	2,089	1,160
Tax credit carryforwards	2,743	2,809
Gross deferred tax assets	39,858	50,385
Deferred tax asset valuation allowance	(8,265)	(48,339)
NET DEFERRED TAX ASSETS	$ 29,697	$ 935

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NOTE 13
INCOME TAXES, CONTINUED

The Company has net operating loss carryforwards available to offset future U.S. taxable income of approximately $21 million expiring in 2011. The Company also has capital loss carryforwards available to offset future U.S. capital gains of approximately $20 million expiring in 2001.

The Company establishes valuation allowances in accordance with the provisions of FASB Statement No. 109, "Accounting for Income Taxes." The Company continually reviews the adequacy of the valuation allowance and is recognizing these benefits only as the Company believes that it is more likely than not that the benefits will be realized.

The Company previously limited the recognition of deferred tax assets to an amount no greater than the amount of tax refunds the Company could claim as loss carrybacks. In the fourth quarter of Fiscal 1999, due to increased levels of profitability, future income projections and the substantial removal of uncertainties surrounding the Company's divestitures, the valuation allowance was reduced by a net $40.0 million. The Company's remaining valuation allowance relates primarily to the net capital loss carryforwards.

Reconciliation of the United States federal statutory rate to the Company's effective tax rate is as follows:

	1999	1998	1997
U. S. federal statutory rate of tax	34.00%	34.00%	34.00%
State taxes (net of federal tax benefit)	4.50	4.50	4.50
Release of deferred tax valuation allowance	(115.38)	(38.50)	(38.50)
Other	.19	0	(2.9)
EFFECTIVE TAX RATE	(76.69)%	0	(2.9)%

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NOTE 14
RETIREMENT AND OTHER BENEFIT PLANS

The Company sponsors a non-contributory, defined benefit pension plan. Effective January 1, 1996, the Company amended the plan to change the pension benefit formula to a cash balance formula from the existing benefit calculation based upon years of service and final average pay. The benefits accrued under the old formula were frozen as of December 31, 1995. Upon retirement, the participant will receive this accrued benefit payable as an annuity. In addition, the participant will receive as a lump sum (or annuity if desired) the amount credited to their cash balance account under the new formula.

Under the amended plan, beginning January 1, 1996, the Company credits each participants' account annually with an amount equal to 4% of the participant's compensation plus 4% of the participant's compensation in excess of the Social Security taxable wage base. Beginning December 31, 1996 and annually thereafter, the account balance of each active participant will be credited with 7% interest calculated on the sum of the balance as of the beginning of the plan year and 50% of the amounts credited to the account, other than interest, for the plan year. The account balance of each participant who is inactive will be credited with interest at the lesser of 7% or the 30 year Treasury interest rate.

The Company provides health care benefits for early retirees and life insurance benefits for certain retirees not covered by collective bargaining agreements. Under the health care plan, early retirees are eligible for limited benefits until age 65. Employees who meet certain requirements are eligible for life insurance benefits upon retirement. The Company accrues such benefits during the period in which the employee renders service.

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NOTE 14
RETIREMENT AND OTHER BENEFIT PLANS, CONTINUED

ASSETS AND OBLIGATIONS

The following table sets forth the change in benefit obligation for the respective fiscal year:

	PENSION BENEFITS		OTHER BENEFITS	
IN THOUSANDS	1999	1998	1999	1998
Benefit obligation at beginning of year	$ 97,530	$ 91,350	$ 2,653	$ 2,544
Service cost	1,575	1,476	84	78
Interest cost	6,460	6,644	180	180
Plan participants' contributions	0	0	116	129
Curtailment gain	0	(1,354)	0	0
Benefits paid	(8,088)	(7,031)	(304)	(332)
Actuarial loss	786	6,445	46	54
Benefit obligation at end of year	$ 98,263	$ 97,530	$ 2,775	$ 2,653

The following table sets forth the change in plan assets for the respective fiscal year:

	PENSION BENEFITS		OTHER BENEFITS	
IN THOUSANDS	1999	1998	1999	1998
Fair value of plan assets at beginning of year	$ 84,848	$ 81,077	$ 0	$ 0
Actual return on plan assets	7,209	10,802	0	0
Employer contributions	8,221	0	188	203
Plan participants' contributions	0	0	116	129
Benefits paid	(8,088)	(7,031)	(304)	(332)
Fair value of plan assets at end of year	$ 92,190	$ 84,848	$ 0	$ 0

At January 30, 1999 and January 31, 1998, there were no Company related assets in the plan. The pension plan assets are invested primarily in common stocks, mutual funds, domestic bond funds and cash equivalent securities.

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NOTE 14
RETIREMENT AND OTHER BENEFIT PLANS, CONTINUED

The following table sets forth the funded status of the plans for the respective fiscal year:

	PENSION BENEFITS		OTHER BENEFITS	
IN THOUSANDS	1999	1998	1999	1998
Accumulated benefit obligation	$(92,166)	$(90,748)	$(2,775)	$(2,654)
Future pay increases	(6,097)	(6,782)	0	0
Projected benefit obligation	(98,263)	(97,530)	(2,775)	(2,654)
Assets	92,190	84,848	0	0
Unfunded PBO	(6,073)	(12,682)	(2,775)	(2,654)
Transition obligation	2,474	3,299	0	0
Prior service cost	(1,195)	(1,318)	0	0
Cumulative net (gains)/losses	9,522	9,250	628	645
(Accrued Benefit Liability)/Prepaid Benefit Cost	$ 4,728	$ (1,451)	$(2,147)	$(2,009)

The amounts recognized in the balance sheet consist of:

	PENSION BENEFITS		OTHER BENEFITS	
IN THOUSANDS	1999	1998	1999	1998
Prepaid benefit cost	$ 4,728	$ 0	$ 0	$ 0
Accrued benefit liability	0	(5,900)	(2,147)	(2,009)
Intangible asset	0	3,299	0	0
Accumulated other comprehensive income	0	1,150	0	0
Net amount recognized on balance sheet	$ 4,728	$ (1,451)	$(2,147)	$(2,009)

ASSUMPTIONS

	PENSION BENEFITS		OTHER BENEFITS	
	1999	1998	1999	1998
Discount rate	6.75%	7.00%	6.75%	7.00%
Expected return on plan assets	9.50%	9.50%	--	--
Rate of compensation increase	5.00%	5.00%	--	--

The weighted average discount rate used to measure the benefit obligation for the pension plan decreased from 7.00% to 6.75% from Fiscal 1998 to Fiscal 1999. The decrease in the rate increased the accumulated benefit obligation by $2.5 million and increased the projected benefit obligation by $2.8 million. The weighted average discount rate used to measure the benefit obligation for the pension plan decreased from 7.50% to 7.00% from Fiscal 1997 to Fiscal 1998. The decrease in the rate increased the accumulated benefit obligation by $4.6 million and increased the projected benefit obligation by $5.4 million.

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NOTE 14
RETIREMENT AND OTHER BENEFIT PLANS, CONTINUED

For measurement purposes, an 8.50% increase in the health care cost trend rate was used for Fiscal 1999. The trend rate is assumed to decrease gradually to 5.0% by Fiscal 2013. The effect on disclosure information of one percentage point change in the assumed health care cost trend rate for each future year is shown below.

(IN THOUSANDS)	1% DECREASE IN RATES	1% INCREASE IN RATES
Aggregated service and interest cost	$ (25)	$ 29
Accumulated postretirement benefit obligation	$(201)	$232

PENSION EXPENSE

	PENSION BENEFITS			OTHER BENEFITS		
IN THOUSANDS	1999	1998	1997	1999	1998	1997
Service cost	$ 1,575	$ 1,476	$ 1,490	$ 84	$ 79	$ 83
Interest cost	6,460	6,644	6,437	180	180	175
Expected return on plan assets	(7,171)	(6,591)	(5,904)	0	0	0
Amortization:						
Transition obligation	825	983	983	0	0	0
Prior service cost	(123)	(146)	(146)	0	0	0
Losses	476	690	1,257	62	62	0
Net amortization	1,178	1,527	2,094	62	62	0
Curtailment Loss	0	379	0	0	0	0
Net Periodic Benefit Cost	$ 2,042	$ 3,435	$ 4,117	$326	$321	$258

SECTION 401(K) SAVINGS PLAN

The Company has a Section 401(k) Savings Plan available to employees who have completed one full year of service and are age 21 or older.

Concurrent with the January 1, 1996 amendment to the pension plan (discussed previously), the Company amended the 401(k) savings plan to make matching contributions equal to 50% of each employee's contribution of up to 5% of salary. Matching funds vest after five years of service with the Company. Years of service earned prior to the adoption of this change contribute toward the vesting requirement. The contribution expense to the Company for the matching program was approximately $1.0 million, $1.0 million and $1.1 million for Fiscal 1999, 1998 and 1997, respectively.

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NOTE 15
EARNINGS PER SHARE

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	FOR THE YEAR ENDED JAN. 30, 1999 INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT	FOR THE YEAR ENDED JAN. 31, 1998 INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT
Earnings before discontinued operations and extraordinary loss	$54,923			$8,820		
Less: Preferred stock dividends	(300)			(300)		
BASIC EPS						
Income available to common shareholders	54,623	25,461	$ 2.15	8,520	25,464	$.33
EFFECT OF DILUTIVE SECURITIES						
Options		1,042			1,393	
5 1/2% convertible subordinated notes	3,124	3,969		0	0	
Contingent Options(1)		67			67	
Employees' Preferred Stock(2)		78			80	
DILUTED EPS						
Income available to common shareholders plus assumed conversions	$57,747	30,617	$ 1.89	$8,520	27,004	$.32

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	FOR THE YEAR ENDED FEB. 1, 1997 INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT
Earnings before discontinued operations and extraordinary loss	$10,554		
Less: Preferred stock dividends	(301)		
BASIC EPS			
Income available to common shareholders	10,253	24,540	$.42
EFFECT OF DILUTIVE SECURITIES			
Options		1,098	
5 1/2% convertible subordinated notes	0	0	
Contingent Options(1)		0	
Employees' Preferred Stock(2)		80	
DILUTED EPS			
Income available to common shareholders plus assumed conversions	$10,253	25,718	$.40

(1) These options are contingent upon service to the Company and the Company's common stock trading at various prices. See Note 16 to the Consolidated Financial Statements under "Restricted Stock Options."

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

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

Options to purchase 284,000 shares of common stock at $11.00 per share, 157,250 shares of common stock at $12.75 per share and 250,000 shares of common stock at $6.06 per share were outstanding at the end of Fiscal 1999 but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares.

Options to purchase 194,500 shares of common stock at $12.75 per share and 51,954 shares of common stock at $12.38 per share were outstanding at the end of Fiscal 1998 but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares.

Options to purchase 100,000 shares of common stock at $9 per share and 344,500 shares of common stock at $11 per share were outstanding at the end of Fiscal 1997 but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares.

The weighted shares outstanding reflects the effect of the stock buy back program of up to 4.8 million shares announced by the Company in August 1998 and January 1999. The Company repurchased 2.3 million shares as of January 30, 1999.

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NOTE 16
STOCK OPTION PLANS

The Company's stock-based compensation plans, as of January 30, 1999, are described below. The Company applies APB Opinion 25 and related Interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized other than for its restricted stock options. The compensation cost that has been charged against income for its restricted plans was $1.1 million, $1.7 million and $1.0 million for Fiscal 1999, 1998 and 1997, respectively. The compensation cost that has been charged against shareholders' equity for its directors' restricted stock plan was $89,000, $100,000 and $35,000 for Fiscal 1999, 1998 and 1997, respectively. 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 FAS 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

(In thousands, except per share amounts)		FISCAL YEARS 1999	1998	1997
Net Income	As reported	$ 53,128	$ 8,651	$ 10,404
	Pro forma	$ 52,464	$ 7,954	$ 10,394
Diluted EPS	As reported	$ 1.83	$ 0.31	$ 0.39
	Pro forma	$ 1.81	$ 0.28	$ 0.39
Basic EPS	As reported	$ 2.07	$ 0.33	$ 0.41
	Pro forma	$ 2.05	$ 0.30	$ 0.41

FIXED STOCK OPTION PLANS
The Company has three fixed option plans. Under the 1987 Stock Option Plan, the Company may grant options to its management personnel for up to 2.2 million shares of common stock. Under the 1996 Stock Incentive Plan, the Company may grant options to its officers and other key employees of and consultants to the Company for up to 2.3 million shares of common stock, which excludes 100,000 shares reserved for issuance to outside directors. Under both plans, the exercise price of each option equals the market price of the Company's stock on the date of grant and an option's maximum term is 10 years. Options granted under both plans vest 25% at the end of each year with the exception of shares granted February 20, 1995 which vest 20% at the end of each year.

NOTE 16
STOCK OPTION PLANS, CONTINUED

With regard to the 100,000 shares reserved for issuance to outside directors, an automatic grant of restricted stock will be given to outside directors on the date of the annual meeting of shareholders at which an outside director is first elected and on the date of every third annual meeting of shareholders of the Company thereafter. The outside director restricted stock shall vest with respect to one-third of the shares each year. Once the shares have vested, the director is restricted from selling, transferring, pledging or assigning the shares for an additional two years. There were no shares issued in Fiscal 1999 and 9,522 shares and 1,993 shares of restricted stock were issued to directors for Fiscal 1998 and 1997, respectively. An outside director may elect irrevocably to receive all or a specified portion of his annual retainers for board membership and any committee chairmanship for the following fiscal year in a number of shares of restricted stock (the "Retainer Stock"). Shares of the Retainer Stock shall be granted as of the first business day of the fiscal year as to which the election is effective, subject to forfeiture to the extent not earned upon the Outside Director's ceasing to serve as a director or committee chairman during such fiscal year. Once the shares are earned, the director is restricted from selling, transferring, pledging or assigning the shares for an additional four years. There were 4,555 shares and 6,475 shares of Retainer Stock issued to directors for Fiscal 1999 and 1998, respectively.

Under the 1996 Stock Incentive Plan, shares of restricted stock may be issued either alone, in addition to or in tandem with other awards granted under the Plan and/or cash awards made outside the Plan. To encourage stock ownership by key management employees, the Company instituted a program allowing the chief executive officer, eight other executive officers and two high-level operating division employees to elect to receive part or all of their target awards under the Fiscal 1998 and Fiscal 1997 plans in the form of nonqualified stock options. The Fiscal 1998 options were granted February 25, 1997 and the Fiscal 1997 options were granted March 15, 1996. As of the grant date, the participants were permitted to elect to relinquish irrevocably all or a portion of the target award under the plan in exchange for a ten-year option to purchase shares of common stock at the closing price of the stock on the grant date. The option is to become exercisable one year from the date on which entitlement to the award under the plan for Fiscal 1998 and Fiscal 1997 is determined by the Company. Compensation cost charged against income for these options was $0.4 million for Fiscal 1998 and $0.9 million for Fiscal 1997.

The third fixed option plan is the executive stock option plan which granted 200,000 shares to the chief executive officer at the end of Fiscal 1996. The exercise price of these shares is equal to the market price of the Company's stock on the date of grant, the maximum term is 10 years and options for 100,000 shares vested after six months and an additional 100,000 shares vested after one year.

The weighted-average fair value of each option granted in the fixed stock option plans described above is estimated on the date of grant using the Black-Scholes option-pricing model -average assumptions used for grants in Fiscal 1999, 1998 and 1997, respectively: expected volatility of 62, 45 and 50 percent; risk-free interest rates of 5.0, 6.0 and 6.1 percent; and expected lives of seven, six and six years, respectively.

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NOTE 16
STOCK OPTION PLANS, CONTINUED

A summary of the status of the Company's fixed stock option plans as of January 30, 1999, January 31, 1998 and February 1, 1997 and changes during the years ended on those dates is presented below:

	1999		1998		1997	
FIXED OPTIONS	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
Outstanding at beginning of year	2,528,655	$ 5.88	2,616,171	$ 4.96	1,525,150	$ 3.35
Granted	268,000	6.06	377,370	11.40	1,346,883	6.48
Exercised	(229,876)	4.21	(457,848)	5.23	(186,712)	3.44
Forfeited	(295,390)	8.29	(7,038)	2.62	(69,150)	3.24
Outstanding at end of year	2,271,389	5.76	2,528,655	5.88	2,616,171	4.96
Options exercisable at year-end	1,279,034		944,176		970,571	
Weighted-average fair value of options granted during the year	$ 4.02		$ 6.48		$ 3.58	

The following table summarizes information about fixed stock options outstanding at January 30, 1999:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING AT 1/30/99	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT 1/30/99	WEIGHTED-AVERAGE EXERCISE PRICE
$1.875 - 2.75	567,026	5.8 years	$ 2.27	297,026	$ 2.33
3.375 - 5.00	899,008	7.0	4.55	760,133	4.49
5.50 - 7.75	253,000	9.5	6.06	1,500	6.13
9.00 - 12.75	552,355	8.1	11.22	220,375	11.30
$1.875 - 12.75	2,271,389	7.4	6.11	1,279,034	5.17

RESTRICTED STOCK OPTIONS
On January 10, 1997, 200,000 shares of restricted stock were granted to the chairman of the board under the 1996 Stock Incentive Plan. The stock price at the date of grant was $9 per share. The restrictions lapsed for one third of the shares (66,667 shares) on January 31, 1998 and the second one third of the shares on January 31, 1999. The restrictions would lapse for the last one third of the shares on January 31, 2000 if (1) the chairman remains on the board of the Company and serves as chairman or in such other capacity as the board may request through that date and (2) the Company's common stock trades at or above $15.00 per share for 20 consecutive trading days during Fiscal 2000. Compensation cost charged against income for these options was $0.8 million, $1.3 million and $0.1 million in Fiscal 1999, 1998 and 1997, respectively.

As of the beginning of the first quarter of Fiscal 1999, a three year long term incentive plan was approved for the president - CEO which covers Fiscal 1999 through Fiscal 2001. The incentive plan provides a maximum of 300,000 performance shares of stock to be awarded based on cumulative revenue growth, cumulative earnings before income taxes to sales ratio and cumulative assets to sales ratio. Compensation cost charged against income for these options was $0.4 million in Fiscal 1999.

GENESCO INC.
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NOTE 16
STOCK OPTION PLANS, CONTINUED

EMPLOYEE STOCK PURCHASE PLAN
Under the Employee Stock Purchase Plan, the Company is authorized to issue up to 1.0 million shares of common stock to those full-time employees whose total annual base salary is less than $100,000. Under the terms of the Plan, employees can choose each year to have up to 15 percent of their annual base earnings withheld to purchase the Company's common stock. The purchase price of the stock is 85 percent of the closing market price of the stock on either the exercise date or the grant date, whichever is less. Approximately 20 percent of eligible employees participate in the Plan. Under the Plan, the Company sold 106,800 shares, 70,058 shares and 161,329 shares to employees in Fiscal 1999, 1998 and 1997, respectively. Compensation cost is recognized for the fair value of the employees' purchase rights, which was estimated using the Black-Scholes model with the following assumptions for Fiscal 1999, 1998 and 1997, respectively: an expected life of 1 year for all years; expected volatility of 82, 34 and 52 percent; and risk-free interest rates of 4.6, 5.6 and 5.7 percent. The weighted-average fair value of those purchase rights granted in Fiscal 1999, 1998 and 1997 was $2.47, $3.78 and $3.26, respectively.

STOCK PURCHASE PLANS
Stock purchase accounts arising out of sales to employees prior to 1972 under certain employee stock purchase plans amounted to $264,000 and $436,000 at January 30, 1999 and January 31, 1998, respectively, and were secured at January 30, 1999, by 13,657 employees' preferred shares. Payments on stock purchase accounts under the stock purchase plans have been indefinitely deferred. No further sales under these plans are contemplated.

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NOTE 17
LEGAL PROCEEDINGS

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

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

GENESCO INC.
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NOTE 17
LEGAL PROCEEDINGS, CONTINUED

Whitehall Environmental Sampling
The Michigan Department of Environmental Quality ("MDEQ") has performed sampling and analysis of soil, sediments, surface water, groundwater and waste management areas at the Company's Volunteer Leather Company facility in Whitehall, Michigan. In response to the testing data, the Company submitted and MDEQ approved a work plan, pursuant to which the Company performed a hydrogeological study and a series of studies regarding wastes on-site and groundwater. On the basis of these studies, the Company, with the approval of MDEQ, has installed horizontal wells to capture groundwater from a portion of the site, and will treat the groundwater either after its use in the manufacturing process or through an air sparge system and install monitoring wells. Associated operations and maintenance costs are expected to be in the range of $10,000 to $15,000 per year. Based on these estimates, the Company does not believe that soil and groundwater remediation at the site will have a material impact on its financial condition or results of operations. The proposed plan does not address lake sediments. Officials of MDEQ have been quoted in press reports as proposing a $3.5 million lake sediment cleanup with $2.5 million to be funded by responsible parties, which would presumably include but not be limited to the Company. Certain remedial alternatives could be more costly. The MDEQ has informally advised the Company that it intends to begin its own testing of lake sediments and may implement a remediation strategy which would involve dredging a portion of the lake. The Company is continuing to study the lake sediment issues, and at present is unable to predict whether and to what extent it may be required to participate in a remediation of sediments, or whether its participation, if any, will have a material effect on its financial condition or results of operations.

Other Legal Proceedings
On August 8, 1997, the trustee in bankruptcy of a Texas boot retailer filed an action in Texas state court against the Company and an unrelated boot wholesaler and retail chain alleging violations of a Texas antitrust statute and breach of contract by the Company. The trustee's allegations against the Company involve its decision not to consign additional boot inventories to the bankrupt retailer for its liquidation sale. The complaint seeks damages in an unspecified amount. The Company has filed an answer denying all material allegations in the complaint and does not presently expect the action to have a material effect on its financial condition or results of operations. The Company and the plaintiff have agreed, subject to bankruptcy court approval, to settle the action for a payment of $162,500 by the Company.

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NOTE 18
BUSINESS SEGMENT INFORMATION

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

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

The Company's reportable segments are based on the way management organizes the segments in order to make operating decisions and assess performance along types of products sold. Specialty retail sells primarily branded products from other companies while branded footwear sells primarily the Company's owned and licensed brands.

Corporate assets include cash, deferred income taxes, prepaid pension cost and deferred note expense. The Company does not allocate certain costs to each segment in order to make decisions and assess performance. These costs include corporate overhead, restructuring gains, interest expense, interest income, and other non-recurring items. Other non-recurring items include severance, litigation and environmental charges.

FISCAL 1999	SPECIALTY RETAIL FOOTWEAR	BRANDED FOOTWEAR	LEATHER	WESTERN BOOT	CORPORATE	CONSOLIDATED
Sales to external customers	$299,462	$220,686	$ 21,433	$ 16,560	$ -0-	$558,141
Intercompany sales	-0-	(5,857)	(2,536)	-0-	-0-	(8,393)
Net sales	299,462	214,829	18,897	16,560	-0-	549,748
Operating Income (Loss)	26,902	22,186	854	(1,309)	(11,007)	37,626
Restructuring (gain)/charge	-0-	-0-	-0-	-0-	(2,403)	(2,403)
Interest expense	-0-	-0-	-0-	-0-	9,250	9,250
Interest income	-0-	-0-	-0-	-0-	2,639	2,639
Other non-recurring items	-0-	-0-	-0-	-0-	(2,333)	(2,333)
Earnings before income taxes, discontinued operations and extraordinary loss	26,902	22,186	854	(1,309)	(17,548)	31,085
Total assets	93,292	88,798	8,759	-0-	116,349	307,198
Depreciation	4,736	2,661	556	336	1,402	9,691
Capital expenditures	13,396	4,444	157	-0-	5,515	23,512

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NOTE 18
BUSINESS SEGMENT INFORMATION, CONTINUED

FISCAL 1998	SPECIALTY RETAIL FOOTWEAR	BRANDED FOOTWEAR	LEATHER	WESTERN BOOT	CORPORATE	CONSOLIDATED
Sales to external customers	$264,125	$189,192	$ 30,781	$ 59,371	$ -0-	$543,469
Intercompany sales	-0-	(5,734)	(1,563)	(65)	-0-	(7,362)
Net sales	264,125	183,458	29,218	59,306	-0-	536,107
Operating Income (Loss)	29,790	19,311	1,511	(2,521)	(11,768)	36,323
Restructuring (gain)/charge	-0-	-0-	-0-	-0-	17,706	17,706
Interest expense	-0-	-0-	-0-	-0-	10,174	10,174
Interest income	-0-	-0-	-0-	-0-	1,312	1,312
Other non-recurring items	-0-	-0-	-0-	-0-	(895)	(895)
Earnings before income taxes, discontinued operations and extraordinary loss	29,790	19,311	1,511	(2,521)	(39,231)	8,860
Total assets	75,839	74,814	10,997	17,925	67,242	246,817
Depreciation	3,575	2,469	461	1,097	1,291	8,893
Capital expenditures	12,942	4,487	1,044	398	5,854	24,725

FISCAL 1997	SPECIALTY RETAIL FOOTWEAR	BRANDED FOOTWEAR	LEATHER	WESTERN BOOT	CORPORATE	CONSOLIDATED
Sales to external customers	$205,209	$155,169	$ 36,014	$ 70,964	$ -0-	$467,356
Intercompany sales	-0-	(4,128)	(1,231)	(649)	-0-	(6,008)
Net sales	205,209	151,041	34,783	70,315	-0-	461,348
Operating Income (Loss)	21,119	15,732	2,841	(2,945)	(9,337)	27,410
Restructuring (gain)/charge	-0-	-0-	-0-	-0-	1,693	1,693
Interest expense	-0-	-0-	-0-	-0-	10,289	10,289
Interest income	-0-	-0-	-0-	-0-	1,548	1,548
Other non-recurring items	-0-	-0-	-0-	-0-	(6,844)	(6,844)
Earnings before income taxes, discontinued operations and extraordinary loss	21,119	15,732	2,841	(2,945)	(26,615)	10,132
Total assets	52,204	60,225	11,665	35,049	62,511	221,654
Depreciation	3,026	1,745	361	1,339	1,276	7,747
Capital expenditures	7,351	4,704	892	798	886	14,631

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NOTE 19
QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	1ST QUARTER 1999	1ST QUARTER 1998	2ND QUARTER 1999	2ND QUARTER 1998	3RD QUARTER 1999	3RD QUARTER 1998	4TH QUARTER 1999	4TH QUARTER 1998
Net sales	$133,808	$114,185	$132,049	$120,024	$129,764	$147,046	$154,127	$154,852
Gross margin	57,821	47,872	57,442	49,128	58,077	60,659	70,539	65,250
Pretax earnings (loss)	3,507	2,199	6,659(1)	4,177(3)	6,435	9,577	14,484	(7,093)(7)
Earnings (loss) before discontinued operations and extraordinary loss	3,788	2,182	6,625	4,133	6,273	9,522	38,237(5)	(7,017)
Net earnings (loss)	3,788	2,182	2,974(2)	4,133	6,273	9,353(4)	40,093(6)	(7,017)
Diluted earnings (loss) per common share:								
Before discontinued operations and extraordinary loss	.13	.08	.24	.15	.23	.35	1.30	(.28)
Net earnings (loss)	.13	.08	.11	.15	.23	.34	1.36	(.28)

NOTE 19
QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	FISCAL YEAR 1999	FISCAL YEAR 1998
Net sales	$549,748	$536,107
Gross margin	243,879	222,909
Pretax earnings (loss)	31,085	8,860
Earnings (loss) before discontinued operations and extraordinary loss	54,923	8,820
Net earnings (loss)	53,128	8,651
Diluted earnings (loss) per common share		
Before discontinued operations and extraordinary loss	1.89	.32
Net earnings (loss)	1.83	.31

(1) Includes a restructuring gain of $2.4 million (see Note 2).

(2) Includes a $3.7 million extraordinary loss for early retirement of debt (see Note 10).

(3) Includes a restructuring gain of $0.3 million (see Note 2).

(4) Includes a $169,000 extraordinary loss for early retirement of debt (see Note 10).

(5) Includes a tax benefit of $23.8 million (see Note 13).

(6) Includes a gain of $0.5 million, net of tax, from discontinued operations and a $1.4 million gain due to the tax effect of the extraordinary loss in the second quarter (see Notes 9 and 10).

(7) Includes a restructuring charge of $18.0 million (see Note 2).

ITEM 9, CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10, DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The Company incorporates by reference the (i) information regarding directors of the Company appearing under the heading "Information Concerning Nominees" to be included in the Company's proxy statement relating to the annual meeting of shareholders scheduled for June 23, 1999 (the "Proxy Statement") and (ii) information regarding compliance by persons subject to Section 16(a) of the Securities Exchange Act of 1934 appearing under the heading "Compliance with Beneficial Ownership Reporting Rules" to be included in the Proxy Statement. Information regarding the executive officers of the Company appears under the heading "Executive Officers of Genesco" in this report following Item 4 of Part I.

ITEM 11, EXECUTIVE COMPENSATION

The Company incorporates by reference the (i) information regarding the compensation of directors of the Company to appear under the heading "Director Compensation" in the Proxy Statement and (ii) information regarding the compensation of the Company's executive officers to appear under the heading "Executive Compensation" in the Proxy Statement.

ITEM 12, SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information regarding beneficial ownership of the Company's voting securities by (i) the Company's directors, (ii) certain executive officers and (iii) the officers and directors of the Company as a group is incorporated by reference to the Proxy Statement.

The following information regarding beneficial ownership on March 27, 1999 (except as indicated) of the Company's voting securities is furnished with respect to each person or group of persons acting together who, as of such date, was known by the Company to be the beneficial owner of more than five percent of any class of the Company's voting securities. Beneficial ownership of the shares consists of sole voting and investment power except as otherwise noted.

NAME AND ADDRESS	CLASS OF STOCK*	NO. OF SHARES	PERCENT OF CLASS
Entrust Capital Inc. 650 Madison Ave. New York, NY 10022	Common	2,370,591(1)	10.1
Eagle Asset Management, Inc. 880 Carillon Parkway St. Petersburg, FL 33776	Common	2,353,315(2)	10.0

NAME AND ADDRESS	CLASS OF STOCK*	NO. OF SHARES	PERCENT OF CLASS
Jeannie Bussetti 12 Carteret Drive Pomona, NY 10970	Series 1	3,000	8.1
Joseph Bussetti 52 South Lilburn Drive Garnerville, NY 10923	Series 1	2,000	5.4
Ronald R. Bussetti 12 Carteret Drive Pomona, NY 10970	Series 1	2,000	5.4
S. Robert Weltz, Jr. 415 Hot Springs Road Santa Barbara, CA 93108	Series 1	2,308	6.2
Empire & Co. P. O. Box 426 Exchange Place Station 69 Montgomery St. Jersey City, NJ 07803	Series 1	5,889	15.9
Empire & Co. P. O. Box 426 Exchange Place Station 69 Montgomery St. Jersey City, NJ 07803	Series 3	4,226	21.8
Estate of Hyman Fuhrman, Deceased c/o Sylvia Fuhrman 3801 South Ocean Drive Apt. PHG Hollywood, FL 33020	Series 3	1,081	5.6
Hazel Grossman 30 Argyle Ave., Apt. 209 Riverside, RI 02915	Series 3	1,074	5.5

NAME AND ADDRESS	CLASS OF STOCK*	NO. OF SHARES	PERCENT OF CLASS
Jack Rubens 5114 Windsor Parke Dr. Boca Raton, FL 33496	Series 3	1,514	7.8
Mathew Evins c/o Evins Communications Ltd. 635 Madison Ave. New York, NY 10022	Series 4	2,571	15.7
Melissa Evins 417 East 57th Street New York, NY 10022	Series 4	2,893	17.6
Reed Evins 417 East 57th Street Apt. 32B New York, NY 10022	Series 4	2,418	14.7
James H. Cheek, Jr. Apt. 407 11 Burton Hills Blvd. Nashville, TN 37215	Subordinated Cumulative Preferred	2,413	8.0

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* See Note 12 to the Consolidated Financial Statements included in Item 8 and under the heading "Voting Securities" included in the Company's Proxy Statement for a more complete description of each class of stock.

(1) This information is from an Amendment to Schedule 13G dated February 9, 1999.

(2) This information is from an Amendment to Schedule 13G dated January 29, 1999.

ITEM 13, CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company incorporates by reference information appearing under the heading "Certain Relationships and Related Transactions" included in the Company's Proxy Statement.

PART IV

ITEM 14, EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

FINANCIAL STATEMENTS
The following are included in Item 8.

Report of Independent Accountants
Consolidated Balance Sheet, January 30, 1999 and January 31, 1998
Consolidated Earnings, each of the three fiscal years ended 1999, 1998 and 1997
Consolidated Cash Flows, each of the three fiscal years ended 1999, 1998 and 1997
Consolidated Shareholders' Equity, each of the three fiscal years ended 1999, 1998 and 1997
Notes to Consolidated Financial Statements

FINANCIAL STATEMENT SCHEDULES
II -Reserves, each of the three fiscal years ended 1999, 1998 and 1997

All other schedules are omitted because the required information is either not applicable or is presented in the financial statements or related notes. These schedules begin on page 77.

EXHIBITS

(3) a. By-laws of Genesco Inc. Incorporated by reference to Exhibit (3)a to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1995.

b. Restated Charter of Genesco Inc. Incorporated by reference to Exhibit (3)b to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993. Amendment to Restated Charter of Genesco Inc. dated as of June 17, 1998. Incorporated by reference to Exhibit (3)b to the Company's Quarterly Report on Form 10-Q for the quarter ended August 1, 1998.

(4) Indenture dated as of April 9, 1998 between the Company and United States Trust Company of New York relating to 5 1/2% Convertible Subordinated Notes due 2005. Incorporated by reference to Registration Statement on Form S-3 filed November 9, 1998 (File No. 333-58541).

(10) a. Form of Split-Dollar Insurance Agreement with Executive Officers. Incorporated by reference to Exhibit (10)a to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 1997.

b. Key Executives Stock Option Plan and Form of Stock Option Agreement. Incorporated by reference to Exhibit (10)c to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.

c. Form of Officers and Key Executives Change-in-Control Employment Agreement. Incorporated by reference to Exhibit (10)d to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.

d. 1987 Stock Option Plan and Form of Stock Option Agreement. Incorporated by reference to Exhibit (10)e to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.
e. 1996 Stock Incentive Plan. Incorporated by reference to Registration Statement on Form S-8 filed July 19, 1996 (File No. 33-08463).
f. 1999 Management Incentive Compensation Plan. Incorporated by reference to Exhibit (10)g to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1998.
g. 2000 EVA Incentive Compensation Plan.
h. Form of Indemnification Agreement For Directors. Incorporated by reference to Exhibit (10)m to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.

i. Modified and Restated Loan Agreement dated as of September 24, 1997 among the Company and The First National Bank of Chicago, NationsBank, N.A. and Bank of America, FSB. Incorporated by reference to Exhibit (10)l to the Company's Quarterly Report on Form 10-Q for the quarter ended November 1, 1997. First Amendment to Modified and Restated Loan Agreement dated as of January 30, 1998 and Second Amendment to Modified and Restated Loan Agreement dated as of March 31, 1998. Incorporated by reference to Exhibit (10)i to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1998. Third Amendment to Modified and Restated Loan Agreement dated as of August 1, 1998. Fourth Amendment to Modified and Restated Loan Agreement dated as of December 11, 1998.

j. Supplemental Pension Agreement dated as of October 18, 1988 between the Company and William S. Wire II, as amended January 9, 1993. Incorporated by reference to Exhibit (10)p to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.
k. Deferred Compensation Trust Agreement dated as of February 27, 1991 between the Company and NationsBank of Tennessee for the benefit of William S. Wire, II, as amended January 9, 1993. Incorporated by reference to Exhibit (10)q to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.
l. Shareholder Rights Agreement dated as of August 8, 1990 between the Company and Chicago Trust Company of New York. First Amendment to the Rights Agreement dated as of August 8, 1990. Incorporated by reference to Registration Statement on Form 8-A filed August 15, 1990 (File No. 1-3083). Second Amendment to the Rights Agreement dated as of March 24, 1998. Incorporated by reference to Registration Statement on Form 8-A filed March 25, 1998 (File No. 1-3083). Third Amendment to the Rights Agreement dated as of November 9, 1998. Incorporated by reference to Registration Statement on Form 8-K filed November 19, 1998 (File No. 1-3083).
m. Form of Employment Protection Agreement between the Company and certain executive officers dated as of February 26, 1997. Incorporated by reference to Exhibit (10)p to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 1997.
n. Nonqualified Stock Option Agreement as amended and restated through December 21, 1994 between the Company and David M. Chamberlain. Incorporated by reference to Exhibit (10)x to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1995.

o. Nonqualified Stock Option Agreement dated as of December 21, 1994 between the Company and David M. Chamberlain. Incorporated by reference to Exhibit (10)y to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1995.

(21) Subsidiaries of the Company.

(23) Consent of Independent Accountants included on page 75.

(24) Power of Attorney

(27) Financial Data Schedule

(99) Financial Statements and Report of Independent Accountants with respect to the Genesco Employee Stock Purchase Plan being filed herein in lieu of filing Form 11-K pursuant to Rule 15d-21.

Exhibits (10)a through (10)h and (10)m through (10)o are Management Contracts or Compensatory Plans or Arrangements required to be filed as Exhibits to this Form 10-K.

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A copy of any of the above described exhibits will be furnished to the shareholders upon written request, addressed to Director, Corporate Relations, Genesco Inc., Genesco Park, Room 498, P.O. Box 731, Nashville, Tennessee 37202-0731, accompanied by a check in the amount of $15.00 payable to Genesco Inc.

REPORTS ON FORM 8-K

None.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statement on Form S-3 (No. 333-58541) and the Registration Statements on Form S-8 (Nos. 33-15835, 33-30828, 33-35329, 33-50248, 33-62653 and 33-08463) of Genesco Inc. of our report dated February 24, 1999 appearing on page 31 of this Form 10-K. We also consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-62653) of Genesco Inc. of our report dated April 8, 1999 appearing on page 1 of the January 30, 1999 Genesco Employee Stock Purchase Plan Financial Statements.

/s/ PRICEWATERHOUSECOOPERS LLP

Nashville, Tennessee
April 30, 1999

SIGNATURES

Pursuant to the requirements of Section 13 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.

By: /s/James S. Gulmi

James S. Gulmi
Senior Vice President - Finance

Date: April 30, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the thirtieth day of April, 1999.

/s/Ben T. Harris Ben T. Harris	President and Chief Executive Officer and a Director
/s/James S. Gulmi James S. Gulmi	Senior Vice President - Finance (Principal Financial Officer)
/s/Paul D. Williams Paul D. Williams	Chief Accounting Officer

Directors:

David M. Chamberlain*	William A. Williamson, Jr.*
W. Lipscomb Davis, Jr.*	William S. Wire, II*
Joel C. Gordon*	Gary M. Witkin*
Kathleen Mason*	

*By /s/Roger G. Sisson

Roger G. Sisson
Attorney-In-Fact

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES

Financial Statement Schedules
January 30, 1999

SCHEDULE 2

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Reserves

YEAR ENDED JANUARY 30, 1999

IN THOUSANDS	BEGINNING BALANCE	ADDITIONS CHARGED TO PROFIT AND LOSS	ADDITIONS CHARGED TO OTHER ACCOUNTS	INCREASES (DECREASES)	ENDING BALANCE
Reserves deducted from assets in the balance sheet:					
Allowance for bad debts	$ 988	1,028	15(1)	(956)(2)	$ 1,075
Allowance for cash discounts	2	-0-	-0-	(2)(3)	-0-
Allowance for sales returns	365	-0-	-0-	(73)(4)	292
Allowance for customer deductions	1,006	-0-	-0-	(495)(5)	511
Allowance for co-op advertising	389	-0-	-0-	11 (6)	400
TOTALS	$ 2,750	1,028	15	(1,515)	$ 2,278

YEAR ENDED JANUARY 31, 1998

IN THOUSANDS	BEGINNING BALANCE	ADDITIONS CHARGED TO PROFIT AND LOSS	ADDITIONS CHARGED TO OTHER ACCOUNTS	INCREASES (DECREASES)	ENDING BALANCE
Reserves deducted from assets in the balance sheet:					
Allowance for bad debts	$ 3,353	809	274(1)	(3,448)(2)	$ 988
Allowance for cash discounts	168	-0-	-0-	(166)(3)	2
Allowance for sales returns	483	-0-	-0-	(118)(4)	365
Allowance for customer deductions	621	-0-	-0-	385 (5)	1,006
Allowance for co-op advertising	667	-0-	-0-	(278)(6)	389
TOTALS	$ 5,292	809	274	(3,625)	$2,750

YEAR ENDED FEBRUARY 1, 1997

IN THOUSANDS	BEGINNING BALANCE	ADDITIONS CHARGED TO PROFIT AND LOSS	ADDITIONS CHARGED TO OTHER ACCOUNTS	INCREASES (DECREASES)	ENDING BALANCE
Reserves deducted from assets in the balance sheet:					
Allowance for bad debts	$ 2,065	2,847	151(1)	(1,710)(2)	$3,353
Allowance for cash discounts	119	-0-	-0-	49 (3)	168
Allowance for sales returns	483	-0-	-0-	-0- (4)	483
Allowance for customer deductions	984	-0-	-0-	(363)(5)	621
Allowance for co-op advertising	545	-0-	-0-	122 (6)	667
TOTALS	$ 4,196	2,847	151	(1,902)	$5,292

Note: Most subsidiaries and branches charge credit and collection expense directly to profit and loss. Adding such charges of $74,000 in 1999, $345,000 in 1998 and $292,000 in 1997 to the addition above, the total bad debt expense amounted to $1,102,000 in 1999, $1,154,000 in 1998 and $3,139,000 in 1997.

(1) Bad debt recoveries.
(2) Bad debt charged to reserve and transfers to operations to be divested.
(3) Adjustment of allowance for estimated discounts to be allowed subsequent to period end on receivables at same date and transfers to operations to be divested.
(4) Adjustment of allowance for sales returns to be allowed subsequent to period end on receivables at same date and transfers to operations to be divested.
(5) Adjustment of allowance for customer deductions to be allowed subsequent to period end on receivables at same date and transfers to operations to be divested.
(6) Adjustment of allowance for estimated co-op advertising to be allowed subsequent to period end on receivables at same date and transfers to operations to be divested.

See Note 3 to the Consolidated Financial Statements included in Item 8.

EXHIBIT (10)G.

GENESCO INC.

EVA INCENTIVE COMPENSATION PLAN

1. PURPOSE.

The purposes of the Genesco Inc. EVA Incentive Compensation Plan ("the Plan") are to motivate and reward excellence and teamwork in achieving maximum improvement in shareholder value; to provide attractive and competitive total cash compensation opportunities for exceptional corporate and business unit performance; to reinforce the communication and achievement of the mission, objectives and goals of the Company; to motivate managers to think strategically (long term) as well as tactically (short term); and to enhance the Company's ability to attract, retain and motivate the highest caliber management team. The purposes of the Plan shall be carried out by payment to eligible participants of annual incentive cash awards, subject to the terms and conditions of the Plan and the discretion of the Compensation Committee of the board of directors of the Company.

2. AUTHORIZATION.

On October 27, 1998, the Compensation Committee approved the Plan.

3. SELECTION OF PARTICIPANTS.

Participants shall be selected annually by the Chief Executive Officer from among full-time employees of the Company who serve in operational, administrative, professional or technical capacities. The participation and target bonus amounts of Company officers and employees whose annual base compensation is $125,000 or more shall be approved by the Compensation Committee with the advice of the Chief Executive Officer. The Chief Executive Officer shall not be eligible to participate in the Plan.

The Chief Executive Officer shall annually assign participants to a Business Unit. For participants whose Business Unit consists of more than one profit center, the Chief Executive Officer shall determine in advance the relative weight to be given to the performance of each profit center in the calculation of awards. If a participant is transferred to a different business unit during the Plan Year he or she shall be eligible to receive a bonus for each of the Business Units to which the participant was assigned during the Plan Year, prorated for the amount of time worked in each assignment, unless the Chief Executive Officer determines that a different proration is warranted in the circumstances.

In the event of another significant change in the responsibilities and duties of a participant during a Plan Year, the Chief Executive Officer shall have the authority, in his sole discretion, to terminate the participant's participation in the Plan, if such change results in diminished responsibilities, or to make such changes as he deems appropriate in (i) the target award the participant is eligible to earn, (ii) the participant's applicable goal(s) and (iii) the period during which the participant's applicable award applies.

4. PARTICIPANTS ADDED DURING PLAN YEAR.

A person selected for participation in the Plan after the beginning of a Plan Year will be eligible to earn a prorated portion of the award the participant might have otherwise earned for a full year's service under the Plan during that Plan Year, provided the participant is actively employed as a participant under the Plan for at least 120 days during the Plan Year. The amount of the award, if any, earned by such participant for such Plan Year shall be based on the number of full months of the Plan Year during which the employee participated in the Plan.

5. DISQUALIFICATION FOR UNSATISFACTORY PERFORMANCE.

Any participant whose performance is found to be unsatisfactory or who shall have violated in any material respect the Company's Policy on Legal Compliance and Ethical Business Practices shall not be eligible to receive an award under the Plan in the current Plan Year. The participant shall be eligible to be considered by the Chief Executive Officer for reinstatement to the Plan in subsequent Plan Years. Any determination of unsatisfactory performance or of violation of the Company's Policy on Legal Compliance and Ethical Business Practices shall be made by the Chief Executive Officer. Participants who are found ineligible for participation in a Plan Year due to unsatisfactory performance will be so notified in writing prior to October 31 of the Plan Year.

6. TERMINATION OF EMPLOYMENT.

A participant whose employment is terminated voluntarily or involuntarily, except by reason of death, medical disability or voluntary retirement, prior to the end of a Plan Year shall not be eligible to receive an award under the Plan. A participant who voluntarily retires, is on medical leave of absence or the estate of a participant who dies during the Plan Year will be eligible to receive a prorated portion of the award the participant would have otherwise received for a full year's service under the Plan, provided the participant is actively employed as a participant under the Plan for at least 120 days during the Plan Year. The amount of any award payable to such disabled or retired participant or the estate of such deceased participant shall be based on the number of full months of the Plan Year during which the disabled, retired or deceased employee was classified in the Company's payroll system as an active employee. A participant who has received or is receiving severance pay at the end of the Plan Year shall be considered a terminated employee and shall not be eligible to receive an award under the Plan.

7. ECONOMIC VALUE ADDED ("EVA") CALCULATION

EVA for a Business Unit or the entire Company, as applicable, shall be the result of a Business Unit's or the Company's net operating profit after taxes less a charge for capital employed by that Business Unit or the Company. The Company will track the change in EVA by Business Unit over each Plan Year for the purpose of determining bonus as further described below.

8. AMOUNT OF AWARDS.

Participants are eligible to earn cash awards based on (i) change in EVA for a Business Unit or for multiple Business Units; and (ii) achievement of individual Performance Plan Goals to be approved by the Chief Executive Officer prior to March 31 of each Plan Year. Prior to the beginning of each Plan Year, the Chief Executive Officer will establish for each Business Unit and for the Company as a whole target levels of expected changes in EVA for each Business Unit and for the Company for such Plan Year and a range of multiples to be applied to the participant's target bonus based on actual performance for the Plan Year. The multiple related to Business Unit performance is referred to as the "Business Unit Multiple." The multiple related to the performance of the Company as a whole is referred to as the "Corporate Multiple." The Corporate Multiple and Business Unit Multiples may be positive or negative and may consist of whole numbers or fractions. Not later than March 31 the Plan Year, the participant and the participant's supervisor shall agree on a set of strategic performance objectives for the participant for the Plan Year (the "Performance Plan Goals").

The "Declared Bonus" shall be determined as follows:

For participants who are Business Unit Presidents, the Declared Bonus shall equal the sum of (A) the Business Unit Multiple times one-half the participant's target bonus plus (B) the Corporate Multiple times one-quarter of the participant's target bonus plus (C) the percentage of the participant's achievement of his or her Performance Plan Goals determined by the participant's supervisor (the "Performance Plan Percentage") times one-quarter of the participant's target bonus times the Business Unit Multiple; provided, however that if the Business Unit Multiple is a negative number, the Performance Plan Percentage shall be 100%.

For other Business Unit participants, the Declared Bonus shall equal the sum of (A) the Business Unit Multiple times 75% of the participant's target bonus plus (B) the Business Unit Multiple times 25% of the participant's target bonus times the Performance Plan Percentage; provided, however that if the Business Unit Multiple is a negative number, the Performance Plan Percentage shall be 100%.

For the Corporate Staff participants, the Declared Bonus shall equal the sum of (A) the Corporate Multiple times 75% of the participant's target bonus plus (B) the Corporate Multiple times 25% of the participant's target bonus times the Performance Plan Percentage; provided that, if the Corporate Multiple is a negative number, the Performance Plan Percentage shall be 100%.

Each participant shall have a balance in a "Bonus Bank" consisting of the cumulative total since the first year of such participant's participation in the Plan of (i) all of the participant's negative Declared Bonuses and (ii) all of participant's positive Declared Bonuses not distributed because of payout limitations. The sum of the participant's Declared Bonus for the current Plan Year and the participant's Bonus Bank balance (positive or negative) will constitute the "Available Bonus." A participant's Bonus Payout at the end of the Plan Year shall be equal to the lesser of (A) the Available Bonus or (B) the sum of (i) the Declared Bonus, up to three times the participant's target bonus for the Plan Year plus (ii) one-third of the participant's Bonus Bank balance, if positive, after the addition to the Bonus Bank of any amount by which the Declared Bonus exceeds three times the target bonus.

Any positive balance in the Bonus Bank shall be payable without interest promptly upon the Company's termination of the participant's employment without "Cause," or upon the participant's death or retirement. "Cause" for termination for purposes of this Plan means any act of dishonesty involving the Company, any violation of the Policy on Legal Compliance and Ethical Business Practices as then in effect, any breach of fiduciary duty owed to the Company, persistent or flagrant failure to follow the lawful directives of the board of directors or of the executive to whom the participant reports or conviction of a felony.

Nothing in this Plan (including but not limited to the foregoing definition of Cause) shall in any manner alter the participant's status as an employee at will or limit the Company's right or ability to terminate the participant's employment for any reason or for no reason at all. Upon termination for Cause or voluntary termination at the participant's instance, any unpaid portion of the "Bonus Bank" will be forfeited by the participant.

9. PAYMENT OF AWARDS.

Any awards payable under the Plan (including awards with respect to participants who die, are placed on medical leave of absence or voluntarily retire during the Plan Year), other than the amount, if any, to be credited to the Bonus Bank, will be made in cash, net of applicable withholding taxes, as soon as reasonably practicable after the end of the Plan Year, but in no event prior to the date on which the Company's audited financial statements for the Plan Year are reviewed by the audit committee of the Company's board of directors. The positive Bonus Bank balance will be paid in cash, net of applicable withholding taxes, as soon as reasonably practicable after the date on which it becomes payable.

10. PLAN ADMINISTRATION.

The Chief Executive Officer shall have final authority to interpret the provisions of the Plan. Interpretations by the Chief Executive Officer which are not patently inconsistent with the express provisions of the Plan shall be conclusive and binding on all participants and their designated beneficiaries. It is the responsibility of the Vice President Human Resources (i) to cause each person selected to participate in the Plan to be furnished with a copy of the Plan and to be notified in writing of such selection, the applicable goals and the range of the awards for which the participant is eligible; (ii) to cause the awards to be calculated in accordance with the Plan; and (iii) except to the extent reserved to the Chief Executive Officer or the Compensation Committee hereunder, to administer the Plan consistent with its express provisions.

11. NON-ASSIGNABILITY.

A participant may not at any time encumber, transfer, pledge or otherwise dispose of or alienate any present or future right or expectancy that the participant may have at any time to receive any payment under the Plan. Any present or future right or expectancy to any such payment is non-assignable and shall not be subject to execution, attachment or similar process.

12. MISCELLANEOUS.

Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any participant's employment or to change any participant's duties and responsibilities, nor confer upon any participant the right to be selected to participate in any incentive compensation plans for future years. Neither the Chief Executive Officer, the Vice President Human Resources, nor the Compensation Committee shall have any liability for any action taken or determination made under the Plan in good faith.

13. BINDING ON SUCCESSORS.

The obligations of the Company under the Plan shall be binding upon any organization which shall succeed to all or substantially all of the assets of the Company, and the term Company, whenever used in the Plan, shall mean and include any such organization after the succession. If the subject matter of this Section 13 is covered by a change-in-control agreement or similar agreement which is more favorable to the participant than this Section 13, such other agreement shall govern to the extent applicable and to the extent inconsistent herewith.

14. DEFINITIONS.

"EVA" means the economic value added to the Company during the Plan Year as determined by the net operating profit in a particular Business Unit as reflected on the Company's books for internal reporting purposes, reduced by the cost of capital.

"BUSINESS UNIT" means any of the Company's business units or any combination of two or more of the profit centers, which comprise Genesco Inc.

The "CHIEF EXECUTIVE OFFICER" means the president and chief executive officer of the Company.

The "COMPANY" means Genesco Inc.

The "COMPENSATION COMMITTEE" means the compensation committee of the board of directors of the Company.

"THE "PLAN" means this EVA Incentive Compensation Plan for the Plan Year.

"PLAN YEAR" means the fiscal year of the Company ending January 31, 2000.

The "VICE PRESIDENT HUMAN RESOURCES" means the vice president Human Resources of Genesco Inc.

EXHIBIT (10)I.

THIRD AMENDMENT TO MODIFIED AND RESTATED LOAN AGREEMENT

THIS THIRD AMENDMENT TO MODIFIED AND RESTATED LOAN AGREEMENT (the "Third Amendment") dated as of August 1, 1998, is to that Modified and Restated Loan Agreement dated as of September 24, 1997, as amended January 30, 1998 and March 31, 1998 (hereinafter, such Loan Agreement as amended hereby, and as further amended or modified from time to time, the "Loan Agreement"; all terms used but not otherwise defined herein shall have the meanings provided in the Loan Agreement), by and among GENESCO INC. (the "Borrower"), the banks and financial institutions on the signature pages hereto (the "Banks"), FIRST NATIONAL BANK OF CHICAGO, as Co-Agent for the Banks (the "Co-Agent"), and NATIONSBANK, N.A., as Agent for the Banks (in such capacity, the "Agent").

W I T N E S S E T H:

WHEREAS, the Borrower has requested certain modifications to the Loan Agreement; and

WHEREAS, the Banks have agreed to the requested modifications on the terms and conditions herein set forth;

NOW, THEREFORE, IN CONSIDERATION of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

A. Effective as of August 1, 1998, the definition of "Consolidated Net Worth" in Section 1.1 of the Loan Agreement is amended by adding the following proviso at the end of such definition:

> provided, however, "Consolidated Net Worth" shall be adjusted upward by the amount of any capital stock of the Borrower repurchased on and after August 1, 1998 up to an aggregate purchase price of $20,000,000.

B. Effective as of August 1, 1998, the definition of "Restricted Payment" in Section 1.1 of the Loan Agreement is amended by adding the following proviso at the end of such definition:

> provided, however, "Restricted Payment" shall not include payments made in connection with the "Stock Buyback of 1998".

C. Effective as of August 1, 1998, Section 1.1 of the Loan Agreement is further amended by adding the following definition in the alphabetically appropriate place:

> "Stock Buyback of 1998" means the repurchase by the Borrower on or after August 1, 1998 of common stock of the Borrower up to an aggregate purchase price of $20,000,000.

D. Effective as of August 1, 1998, Section 7.4(a) of the Loan Agreement is amended in its entirety so that such Section now reads as follows:

(a) The Borrower may make Restricted Payments if the cumulative amount of all such Restricted Payments (including any Restricted Payment proposed to be made) after the Closing Date would not exceed the sum of (i) $5,000,000.00; plus (ii) 50%, if positive, or minus 100%, if negative, of cumulative Consolidated Net Income after August 1, 1998 to the end of the accounting month immediately preceding the date of the action by the board of directors of the Borrower declaring or authorizing the Restricted Payment, taken as a single period; plus (iii) 50% of the cumulative net cash proceeds of the issuance of new equity Securities by the Borrower, other than proceeds applied for the purposes described in clauses (i)(C) and (ii)(B) of the definition of Restricted Payment;

E. The Borrower hereby represents and warrants that:

(i) any and all representations and warranties made by the Borrower and contained in the Loan Agreement (other than those which expressly relate to a prior period) are true and correct in all material respects as of the date of this Third Amendment; and

(ii) No Default or Potential Default currently exists and is continuing under the Loan Agreement simultaneously with the execution of this Third Amendment.

F. The Borrower will execute such additional documents as are reasonably requested by the Agent to reflect the terms and conditions of this Third Amendment.

G. Except as modified hereby and except for necessary modifications to exhibits to bring such exhibits in conformity with the terms of this Third Amendment, all of the terms and provisions of the Loan Agreement (and Exhibits) remain in full force and effect.

H. The Borrower agrees to pay all reasonable costs and expenses in connection with the preparation, execution and delivery of this Third Amendment, including without limitation the reasonable fees and expenses of the Agent's legal counsel.

I. This Third Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and it shall not be necessary in making proof of this Third Amendment to produce or account for more than one such counterpart.

J. This Third Amendment and the Loan Agreement, as amended hereby, shall be deemed to be contracts made under, and for all purposes shall be construed in accordance with the laws of the State of Tennessee.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Third Amendment to be duly executed under seal and delivered as of the date and year first above written.

BORROWER:

GENESCO INC.
a Tennessee corporation

By: /s/ James S. Gulmi

Title: Senior Vice President - Finance

BANKS:

NATIONSBANK, N.A.
individually in its capacity as a
Bank and in its capacity as Agent

By: /s/ Timothy H. Spanos

Title: Senior Vice President

THE FIRST NATIONAL BANK OF CHICAGO,
individually in its capacity as a Bank and in its
capacity as a Co-Agent

By: /s/ Catherine A. Muszynski

Title: Vice President

BANK OF AMERICA, FSB

By: /s/ Howard D. Kim

Title: Vice President

FOURTH AMENDMENT TO MODIFIED AND RESTATED LOAN AGREEMENT

THIS FOURTH AMENDMENT TO MODIFIED AND RESTATED LOAN AGREEMENT (the "Fourth Amendment") dated as of December 11, 1998, is to that Modified and Restated Loan Agreement dated as of September 24, 1997, as amended January 30, 1998, March 31, 1998 and August 1, 1998 (hereinafter, such Loan Agreement as amended hereby, and as further amended or modified from time to time, the "Loan Agreement"; all terms used but not otherwise defined herein shall have the meanings provided in the Loan Agreement), by and among GENESCO INC. (the "Borrower"), the banks and financial institutions on the signature pages hereto (the "Banks"), FIRST NATIONAL BANK OF CHICAGO, as Co-Agent for the Banks (the "Co-Agent"), and NATIONSBANK, N.A., as Agent for the Banks (in such capacity, the "Agent").

W I T N E S S E T H:

WHEREAS, the Borrower has requested certain modifications to the Loan Agreement; and

WHEREAS, the Banks have agreed to the requested modifications on the terms and conditions herein set forth;

NOW, THEREFORE, IN CONSIDERATION of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

A. Effective as of October 31, 1998, the definition of "Consolidated EBITDA" in Section 1.1 of the Loan Agreement is amended by adding the following sentence at the end of such definition:

> "Notwithstanding the foregoing, cash payments relating to non-cash charges taken by the Borrower in connection with the divestiture of its western boot business shall not be subtracted from Consolidated Net Income in the calculation of Consolidated EBITDA."

B. Effective as of October 31, 1998, the definition of "Majority Banks" in Section 1.1 of the Loan Agreement is amended by replacing the references to "66 2/3%" with references to "70%".

C. Effective as of October 31, 1998, the Consolidated Fixed Charge Coverage Ratio in Section 7.5.2 of the Loan Agreement is amended as follows:

Quarter Ending	Ratio
October 31, 1998 and each quarter ending thereafter through October 31, 1999	1.55 to 1.0
January 31, 2000 and each quarter ending thereafter through October 31, 2000	1.60 to 1.0
January 31, 2001 and each quarter ending thereafter	1.65 to 1.0

D. Effective as of October 31, 1998, the second sentence of Section 2.7 (a) of the Loan Agreement is amended in its entirety as follows:

"No Letter of Credit shall have a term of more than one year with the exception of the Letter of Credit, LC #00352663, issued by The First National Bank of Chicago in the amount of $327,500.00."

E. Effective as of October 31, 1998, Section 6.1(a) of the Loan Agreement is deleted and Section 6.1(b) of the Loan Agreement is amended in its entirety so that such Section now reads as follows:

(b) as soon as practicable and in any event within 60 days after the end of each fiscal quarter in each of the Borrower's Fiscal Years, other than the fourth fiscal quarter, an unaudited consolidated balance sheet and income and cash flow statements of the Borrower and its Subsidiaries as at the end of such period and for the year-to-date period then ended, but in any event setting forth, in comparative form, the consolidated figures for the corresponding periods of the previous Fiscal Year and the consolidated figures included in the operating plan delivered to the Banks pursuant to Section 6.1(1), all in reasonable detail;

F. The Banks hereby waive any violation of the Loan Agreement under Section 6.1(a) occurring prior to October 31, 1998.

G. The Borrower hereby represents and warrants that:

(i) any and all representations and warranties made by the Borrower and contained in the Loan Agreement (other than those which expressly relate to a prior period) are true and correct in all material respects as of the date of this Fourth Amendment; and

(ii) No Default or Potential Default currently exists and is continuing under the Loan Agreement simultaneously with the execution of this Fourth Amendment.

H. The Borrower will execute such additional documents as are reasonably requested by the Agent to reflect the terms and conditions of this Fourth Amendment.

I. Except as modified hereby and except for necessary modifications to exhibits to bring such exhibits in conformity with the terms of this Fourth Amendment, all of the terms and provisions of the Loan Agreement (and Exhibits) remain in full force and effect.

J. The Borrower agrees to pay all reasonable costs and expenses in connection with the preparation, execution and delivery of this Fourth Amendment, including without limitation the reasonable fees and expenses of the Agent's legal counsel.

K. This Fourth Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and it shall not be necessary in making proof of this Fourth Amendment to produce or account for more than one such counterpart.

L. This Fourth Amendment and the Loan Agreement, as amended hereby, shall be deemed to be contracts made under, and for all purposes shall be construed in accordance with the laws of the State of Tennessee.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Fourth Amendment to be duly executed under seal and delivered as of the date and year first above written.

BORROWER:

GENESCO INC.
a Tennessee corporation

By: /s/ James S. Gulmi

Title: Senior Vice President - Finance

BANKS:

NATIONSBANK, N.A.
individually in its capacity as a
Bank and in its capacity as Agent

By: /s/ Timothy H. Spanos

Title: Senior Vice President

THE FIRST NATIONAL BANK OF CHICAGO,
individually in its capacity as a Bank and in its
capacity as a Co-Agent

By: /s/ Catherine A. Muszynski

Title: Vice President

BANK OF AMERICA, FSB

By: /s/ Timothy H. Spanos

Title: Senior Vice President

EXHIBIT (21)

SUBSIDIARIES OF THE REGISTRANT

SUBSIDIARIES OF THE COMPANY:

NAMES OF SUBSIDIARY	PLACE OF INCORPORATION	PERCENT OF VOTING SECURITIES OWNED BY REGISTRANT
Beagen Street Corporation	Delaware	100
Flagg Bros. of Puerto Rico, Inc.	Delaware	100
GCO Properties, Inc.	Tennessee	100
Genesco Global, Inc.	Delaware	100
Genesco Merger Company Inc.	Tennessee	100
Genesco Netherlands BV	Netherlands	100
Genesco Virgin Islands	Virgin Islands	100
Genesco World Apparel, Ltd.	Delaware	100

EXHIBIT (24)

POWER OF ATTORNEY

The undersigned, certain of the officers and directors of Genesco Inc., a Tennessee corporation ("Genesco"), do hereby constitute and appoint Roger G. Sisson and James S. Gulmi, and any one of them, to act severally as attorneys-in-fact for and in their respective names, places and steads, with full power of substitution, to execute, sign and file with the Securities and Exchange Commission the Annual Report on Form 10-K of Genesco for the fiscal year ended January 30, 1999, and any and all amendments thereto; granting to said attorneys-in-fact, and each of them, full power and authority to do and perform every act and thing whatsoever requisite or necessary to be done in and about the premises as fully to all intents and purposes as the undersigned or any of them might or could do if personally present, and the undersigned do hereby ratify and confirm all that said attorney-in-fact or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

EXECUTED as of this 24th day of February, 1999.

/s/ David M. Chamberlain
David M. Chamberlain, Chairman and a Director

/s/ James S. Gulmi
James S. Gulmi, Senior Vice President-Finance (Principal Financial Officer)

/s/ Ben T. Harris
Ben T. Harris, President and Chief Executive Officer and a Director

/s/ W. Lipscomb Davis, Jr.
W. Lipscomb Davis, Jr., Director

/s/ William A. Williamson, Jr.
William A. Williamson, Jr., Director

/s/ Joel C. Gordon
Joel C. Gordon, Director

/s/ William S. Wire II
William S. Wire II, Director

/s/ Kathleen Mason
Kathleen Mason, Director

/s/ Gary M. Witkin
Gary M. Witkin, Director

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JANUARY 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR
JAN-30-1999
FEB-01-1998
JAN-30-1999
5,256
53,487
21,903
1,075
117,213
228,260
112,414
54,027
307,198
72,482
103,500
0
7,918
24,327
84,334
307,198
549,748
549,748
305,869
305,869
0
1,028
9,250
31,085
(23,838)
54,923
450
(2,245)
0
53,128
2.07
1.83

EXHIBIT (99)

GENESCO EMPLOYEE STOCK PURCHASE PLAN

Financial Statements

January 30, 1999 and January 31, 1998

April 8, 1999

To the Participants and Administrator
of the Genesco Employee Stock Purchase Plan

Report of Independent Accountants

In our opinion, the accompanying statement of financial condition and the related statement of changes in plan equity present fairly, in all material respects, the financial condition of the Genesco Employee Stock Purchase Plan (the "Plan") at January 30, 1999 and January 31, 1998, and the changes in plan equity for each of the three years in the period ended January 30, 1999, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

GENESCO EMPLOYEE STOCK PURCHASE PLAN
Statement of Financial Condition

ASSETS	JANUARY 30, 1999	JANUARY 31, 1998
Due from Genesco Inc.	$212,836	$233,587
TOTAL ASSETS	$212,836	$233,587
LIABILITIES AND PLAN EQUITY		
Payable to withdrawn participants	$ 9,281	$ 5,059
Plan equity	203,555	228,528
TOTAL LIABILITIES AND PLAN EQUITY	$212,836	$233,587

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

GENESCO EMPLOYEE STOCK PURCHASE PLAN
Statement of Changes in Plan Equity

	FOR THE YEAR ENDED		
	JANUARY 30, 1999	JANUARY 31, 1998	FEBRUARY 1, 1997
Employee contributions	$ 586,814	$ 629,482	$ 543,528
Options exercised	(493,630)	(565,719)	(479,763)
Distributions to withdrawn participants	(118,157)	(51,880)	(15,948)
Net increase (decrease) in plan equity	(24,973)	11,883	47,817
Plan equity at beginning of period	228,528	216,645	168,828
PLAN EQUITY AT END OF PERIOD	$ 203,555	$ 228,528	$ 216,645

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

GENESCO EMPLOYEE STOCK PURCHASE PLAN
Notes to Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The records of the Genesco Employee Stock Purchase Plan (the "Plan") are maintained on the accrual basis of accounting.

All expenses incurred in administration of the Plan are paid by Genesco Inc. (the "Company") and are excluded from these financial statements.

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

NOTE 2
THE PLAN

BACKGROUND AND SUMMARY

The following description of the Plan provides only general information. Participants should refer to the Plan prospectus for a more complete description of the Plan's provisions.

The Plan became effective October 1, 1995 to advance the interests of the Company and its shareholders by attracting and retaining qualified employees and by encouraging them to identify with shareholder interests through the acquisition of shares of the Company's common stock.

ELIGIBILITY
Each employee whose total annual base salary is less than $100,000 and whose customary employment is greater that 20 hours per week and greater than five months per year is eligible to participate in the Plan if the employee has been employed by the Company for at least six months prior to the grant date. The Plan excludes statutory insiders and five percent shareholders.

CONTRIBUTIONS
Contributions to the Plan are solely from participating employees of the Company who, through after-tax payroll deductions, may use their contributions to purchase common stock of the Company at the end of a one-year option period. The maximum number of shares available to any participant is the lesser of 2,000 a year or that number of shares equal to $10,000 divided by the closing market price of the common stock on the grant date or the exercise date. The maximum contribution is the lesser of $10,000 a year or 15% of the participant's base pay as of October 1. The minimum contribution is $250 per participant per year. Shares will be purchased September 30 of the year following the October 1 grant date with the initial grant date being October 1, 1995.

GENESCO EMPLOYEE STOCK PURCHASE PLAN
Notes to Financial Statements

NOTE 2
THE PLAN, CONTINUED

An option enables the participant to purchase shares of the Company's common stock at the lesser of 85% of the market value on the grant date or the exercise date. Options are to be granted each year through and including October 1, 2004, unless the board of directors, at its discretion, determines in advance that no options are to be granted. The cumulative number of shares which may be purchased under the Plan is 1,000,000. The options granted and rights thereto may not be sold, assigned, pledged or otherwise transferred and may be exercised during the lifetime of the participant only by the participant.

PARTICIPANT ACCOUNTS
A separate account is maintained for each participant's contributions. The Company provides each participant with an annual statement reflecting the value of their account. Participant contributions are held by Genesco Inc., which has an unfunded and unsecured obligation to the Plan.

At the exercise date, the Company issues stock that is transferred to a brokerage firm and allocated among the participants according to the number of options exercised by each participant.

VESTING
Participants are 100% vested in the value of their account and may withdraw from the Plan at any time except during the period September 15 through September 30 which is the time that preparations are made for the issuance of the stock each year.

If a participant is terminated for any reason other than retirement or death, the participant's involvement in the Plan and any unexercised options automatically terminate, and the participant will receive the account balance in cash.

TERMINATION OF THE PLAN
The Company reserves the right to terminate the Plan at any time. In the event of Plan termination, the balance of each participant's account shall be paid in cash as soon as is reasonably practical.

PLAN ADMINISTRATOR
The Plan is to be administered by the compensation committee of the board of directors or another designee of the board of directors.

REGULATORY MATTERS
The Plan is intended to qualify as an Employee Stock Purchase Plan within the meaning of Section 423 of the Internal Revenue Code of 1986, as amended. Accordingly, no income will result for federal income tax purposes when an option is granted or exercised; however, income may result upon disposition of the stock.

The Plan is not subject to any provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

GENESCO EMPLOYEE STOCK PURCHASE PLAN
Notes to Financial Statements

NOTE 3

OPTIONS TO PURCHASE COMPANY STOCK	TOTAL	PLAN 1998	PLAN 1997	PLAN 1996
Estimated options granted - October 1, 1996	89,097	-0-	-0-	89,097
Options exercised	-0-	-0-	-0-	-0-
Options withdrawn	(1,854)	-0-	-0-	(1,854)
Options outstanding, February 1, 1997	87,243	-0-	-0-	87,243
Estimated options granted - October 1, 1997	53,747	-0-	53,747	-0-
Options exercised	(70,058)	-0-	-0-	(70,058)
Options withdrawn	(18,978)	-0-	(1,793)	(17,185)
Options outstanding, January 31, 1998	51,954	-0-	51,954	-0-
Estimated options granted - October 1, 1998	143,852	143,852	-0-	-0-
Additional options granted at exercise date (Note 2)	71,369	-0-	71,369	-0-
Options exercised	(106,800)	-0-	(106,800)	-0-
Options withdrawn	(27,199)	(10,676)	(16,523)	-0-
Options outstanding, January 30, 1999	133,176	133,176	-0-	-0-
85% of fair market value of stock at date of grant		$ 4.41	$ 12.38	$ 8.08
Date of grant		10/1/98	10/1/97	10/1/96
85% of fair market value of stock at date of exercise		N/A	$ 4.62	$ 12.43
Exercise date		9/30/99	9/30/98	9/30/97

GENESCO EMPLOYEE STOCK PURCHASE PLAN
Notes to Financial Statements

NOTE 3, CONTINUED

NUMBER OF PARTICIPANTS	TOTAL	PLAN 1998	PLAN 1997	PLAN 1996
Enrollment - October 1, 1996	435	-0-	-0-	435
Exercised options	-0-	-0-	-0-	-0-
Withdrawn	(12)	-0-	-0-	(12)
Active, February 1, 1997	423	-0-	-0-	423
Enrollment - October 1, 1997	377	-0-	377	-0-
Exercised options	(331)	-0-	-0-	(331)
Withdrawn	(107)	-0-	(15)	(92)
Active, January 31, 1998	362	-0-	362	-0-
Enrollment - October 1, 1998	350	350	-0-	-0-
Exercised options	(268)	-0-	(268)	-0-
Withdrawn	(119)	(25)	(94)	-0-
Active, January 30, 1999	325	325	-0-	-0-

The cumulative options exercised as of January 30, 1999 are 305,896.