
 (Mark One) FORM 10-K/A
 Annual Report Pursuant To
 Section 13 or 15(d) of the
 Securities Exchange Act of 1934
 For the Fiscal Year Ended
 February 1, 1997

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

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

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

 SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT
 EXCHANGES ON WHICH TITLE
 REGISTERED

TITLE	
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.

 DOCUMENTS INCORPORATED BY REFERENCE
 Portions of the proxy statement for the June
 26, 1996 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 No
 --- ---

 Common Shares Outstanding April
 18, 1997 - 25,014,551 Aggregate
 market value on April 18, 1997
 of the voting stock held by
 nonaffiliates of the registrant
 was approximately \$270,000,000.

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*These items have not been amended and are included herein for convenience of reference only.

**These items have been amended and restated in their entirety.

***Only Exhibits 11 and 27 have been amended and restated in their entirety.

PART I

ITEM 1, BUSINESS
GENERAL

Genesco Inc. ("Genesco" or the "Company") manufactures, markets and distributes branded men's and women's shoes and boots. The Company's owned and licensed footwear brands sold through both wholesale and retail channels of distribution include Johnston & Murphy, Dockers and Nautica shoes and Laredo, Code West and Larry Mahan boots.

Products of Genesco are sold at wholesale to more than 4,000 retailers, including a number of leading department, discount and specialty stores, and at retail through the Company's own network of 504 retail shoe stores and leased shoe departments. Genesco products are supplied from the Company's own manufacturing facilities as well as a variety of overseas and domestic sources.

Genesco operates in one business segment, footwear. References to Fiscal 1993, 1994, 1995 or 1996 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 segment, see Note 17 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.

In response to the continued weakening of the western boot market, 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 includes closing the Company's Hohenwald, Tennessee western boot plant by July 1997.

In response to worsening trends in the Company's men's apparel business and in response to a strategic review of its footwear operations, 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

- 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

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

The transactions provided for in the 1995 Restructuring were substantially complete as of January 31, 1996. The divestiture of the University Brands business was completed in February

1995. The operations of The Greif Companies have ceased, its inventories and equipment have been liquidated and its last major remaining long-term lease liability was resolved 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.

See Note 2 to the Consolidated Financial Statements and "Significant Developments" in Management's Discussion and Analysis of Financial Condition and Results of Operations for information regarding the restructurings and the financial effects thereof.

FOOTWEAR

Wholesale

The Company distributes its footwear products at wholesale to more than 4,000 retailers, including independent shoe merchants, department stores, mail order houses and other retailers. Substantially all of the Company's wholesale footwear sales are Genesco-owned or -licensed brands.

Johnston & Murphy. High-quality men's shoes have been sold under the Johnston & Murphy brand for more than 100 years. The Company believes Johnston & Murphy traditionally-styled dress shoes and contemporary dress casual shoes enjoy a reputation for quality craftsmanship, durability and comfort. Representative suggested retail prices for traditional Johnston & Murphy shoes are \$135 to \$240. In keeping with the overall trend toward casual lifestyle dressing, the Company has continued to expand the product line to include more casual and dress casual men's shoes with representative suggested retail prices ranging from \$98 to \$135. The Company has also expanded its contemporary dress casual offerings of European-styled men's dress shoes with representative suggested retail prices of \$175 to \$240. Johnston & Murphy shoes are sold through fine department stores, men's specialty stores, and company owned Johnston & Murphy retail shops.

Laredo, Code West and Larry Mahan. Since 1976 the Company has manufactured traditional western-style boots for men, women and children. Laredo boots are targeted to people who wear boots for both work and recreation and are sold primarily through independent retail outlets, which are predominantly western boot shops. Representative suggested retail prices for Laredo boots are \$65 to \$150. In 1988 the Company created the Code West brand to enter the fashion segment of the boot market. Code West styles are western-influenced fashion and contemporary boots for men and women and are offered with distinctive detailing and non-traditional colors. Code West boots, sold primarily through department stores, boutiques and western boot shops, have representative suggested retail prices of \$110 to \$150. In 1997 the Company introduced a new boot under the Larry Mahan label. This line features western-styling handcrafted 3/4 welt construction and is targeted towards the premium boot category. Larry Mahan boots are sold internationally as well as through better western retailers across the United States. Representative suggested retail prices for Larry Mahan boots are \$150 to \$375.

Dockers Footwear. In 1991 Levi Strauss & Co. granted the Company the exclusive license to market footwear under the Dockers brand name in the United States. Dockers shoes are marketed through many of the same stores that carry Dockers slacks and sportswear. Representative suggested retail prices for Dockers footwear are \$49 to \$79.

Nautica Footwear. 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. The Company introduced a boys' line of Nautica footwear and an athletic line of Nautica footwear, Nautica Competition, in the Fall of Fiscal 1997. Representative suggested retail prices of Nautica footwear are \$39 to \$170.

Retail

At February 1, 1997 the Company operated 504 stores and leased departments throughout the United States and Puerto Rico selling footwear for men, women or both. The following table sets forth certain information concerning the Company's footwear retailing operations:

	RETAIL STORES		LEASED DEPARTMENTS	
	JAN. 31, 1996	FEB. 1, 1997	JAN. 31, 1996	FEB. 1, 1997
Johnston & Murphy.....	108	110	7	9
Jarman.....	135	143	82	85
Journeys.....	92	117	-	-
Hardy.....	1	1	-	-
Boot Factory.....	29	29	-	-
General Shoe Warehouse.....	7	7	2	3
	---	---	---	---
Total.....	372	407	91	97
	===	===	===	===

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

	FISCAL 1993	FISCAL 1994	FISCAL 1995	FISCAL 1996	FISCAL 1997
Retail Stores and Leased Departments					
Beginning of year	575	540	518	498	463
Opened during year	24	26	52	21	55
Closed during year	(59)	(48)	(72)	(56)	(14)
	---	---	---	---	---
End of year	540	518	498	463	504
	===	===	===	===	===
Gross Retail Area at end of year (square feet in thousands)	721	698	682	625	699

During Fiscal 1997 Genesco opened 48 stores and 7 leased departments and closed 13 stores and 1 leased department. The Company is planning to open 92 stores and leased departments and to close 25 stores and leased departments in Fiscal 1998. Actual store closings and store openings will depend upon store operating results, the availability of suitable locations, lease negotiations, staffing and other factors.

Johnston & Murphy. Johnston & Murphy's retail outlets sell a broad range of men's dress and casual footwear and accessories to affluent business and professional consumers. Johnston & Murphy stores carry predominantly Johnston & Murphy brand shoes. Of the 110 Johnston & Murphy stores at February 1, 1997, 20 were factory outlet stores.

Jarman. The Company's Jarman stores and the Jarman leased departments target male consumers ages 25 to 45 and sell footwear in the middle price ranges. Most shoes sold in Jarman stores are branded merchandise of other shoe companies. Jarman leased departments, all of which are located in department stores of a major, unaffiliated retail company, carry primarily branded merchandise of other shoe companies and do not operate under the Jarman trade name.

Journeys. Journeys stores target shoe buyers in the 13-22 year age group with fashion merchandise, using popular music videos and youth-oriented decor to attract their customer base. Journeys stores carry predominantly branded merchandise of other shoe companies.

Boot Factory; General Shoe Warehouse. The Company's 29 Boot Factory outlet stores, located primarily in the southeastern United States, sells a full work and outdoor assortment of branded boots of other companies and the Company's Laredo and Code West lines of boots. General Shoe Warehouse stores, located primarily in the southeastern United States, sell mainly factory damaged, overrun and close-out footwear products.

Manufacturing and Sourcing

The Company sources its footwear product from its own domestic manufacturing facilities and from a variety of overseas and domestic sources. The Company imports shoes, component parts and raw materials from the Far East, Latin America and Europe. During Fiscal 1997 Genesco manufactured footwear in four facilities in the southeastern United States. In April 1997 the Company's Hohenwald boot manufacturing facility ceased operations. During Fiscal 1997 approximately 66% of the footwear products manufactured by the Company were men's, 26% were women's and 8% were children's. Approximately 82% of the Company-manufactured footwear products were sold at wholesale, and 18% at retail through stores and leased departments operated by the Company. The estimated productive capacity of the U.S. footwear plants was approximately 87% utilized in Fiscal 1997. The Company believes that its ability to manufacture footwear in its own plants can provide better quality assurance with respect to certain products and, in some cases, reduce inventory risks and long lead times associated with imported footwear. The Company balances these considerations against the cost advantage of importing footwear products.

The Company also conducts leather tanning and finishing operations in two manufacturing facilities located in Michigan and Tennessee. Approximately 3% of tanned leather products sold in Fiscal 1997 were for internal use, and the balance was sold to military boot manufacturers and other unaffiliated customers.

MEN'S APPAREL

On November 3, 1994 the Company's board of directors approved a plan to exit the entire men's apparel segment. See Note 2 to the Consolidated Financial Statements and "Significant Developments" in Management's Discussion and Analysis of Financial Condition and Results of Operations for information regarding the plan and the financial effects thereof.

COMPETITION

The Company operates in a highly competitive market in footwear. Retail footwear competitors range from small, locally-owned shoe stores to regional and national department and 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 smaller, specialized operations but some of which are larger, more diversified companies. Manufacturers in foreign countries with lower labor costs have a significant price advantage.

LICENSES

The Company owns its Johnston & Murphy, Laredo and Code West footwear brands. The Nautica and Dockers brand footwear lines, introduced in Fiscal 1993, are sold under license agreements which expire January 31, 2002 and June 30, 2001, respectively, with a renewal option that extends Nautica until 2007. The Larry Mahan boots, which were introduced in Fiscal 1997, are sold under a license agreement whose initial term expires January 31, 2000 with renewal options that extend through 2025. Licensed products are generally designed by the Company and submitted to the licensor for approval.

The Company's renewal options under its license agreements for footwear brands are generally conditioned upon the Company's meeting certain minimum sales requirements.

Sales of licensed products were approximately \$52 million in Fiscal 1997 and approximately \$37 million in the previous year.

The Company licenses certain of its footwear brands, mostly in foreign markets. License royalty income was not material in Fiscal 1997.

RAW MATERIALS

Genesco is not dependent upon any single source of supply for any major raw material. In Fiscal 1997 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

On March 31, 1997, the Company's footwear wholesale operations (including leather tanning operations), which accounted for 39% of sales in Fiscal 1997, had a backlog of orders, including unconfirmed customer purchase orders, amounting to approximately \$29.4 million, compared to approximately \$33.1 million on March 31, 1996. The decrease in the backlog of orders is due to (i) decrease in orders for tanned leather from manufacturers of military boots due to delays in awarding long-term footwear contracts by the Department of Defense and (ii) a decrease in orders in the boot business due to the continued weakness in the western boot market. Most 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. The backlog is somewhat seasonal, reaching a peak in the spring. Footwear companies maintain in-stock programs for selected anticipated high volume styles.

EMPLOYEES

Genesco had approximately 4,050 employees at February 1, 1997 including approximately 1,045 part-time employees. Retail shoe stores employ a substantial number of part-time employees during peak selling seasons. Approximately 95 employees of the Company's tanning operations are covered by a collective bargaining agreement, which will expire May 31, 1998. Of the Company's 4,050 employees, approximately 3,950 were employed in footwear and 100 in corporate staff departments.

PROPERTIES

The Company operates five manufacturing and five warehousing facilities, most all of which are leased, aggregating approximately 1,500,000 square feet. The ten facilities are located in three states in the United States.

The Company's executive offices and the offices of its footwear operations are in a 295,000 square foot leased building in Nashville, Tennessee.

See the discussion of the footwear segment for information regarding the Company's retail stores. New shopping center store leases typically are for a term of seven to 10 years and new factory outlet leases typically are for a term of five years and 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.

Leases on the Company's plants, offices and warehouses expire from 1997 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. See Note 10 to the Consolidated Financial Statements included in Item 8 for information about commitments under capital and operating leases.

ENVIRONMENTAL MATTERS

The Company is subject to federal, state, local and foreign laws, regulations and ordinances that (i) govern activities which may have adverse environmental effects, such as discharges to air or water as well as the handling and disposal of solid and hazardous wastes, or (ii) impose liability for the costs of cleaning up, and damages resulting from, past spillage, disposal or other releases of hazardous substances (together, "Environmental Laws"). The Company uses and generates, and in the past has used and generated, certain substances and wastes that are regulated or may be deemed hazardous under applicable Environmental Laws. The Company is and has been involved in several proceedings regarding sites of former operations alleged to be contaminated and sites with respect to which it is alleged that the Company sent certain waste material in the past. See Item 3, "Legal Proceedings," for a discussion of certain of such pending matters.

ITEM 2, PROPERTIES

See Item 1.

ITEM 3, LEGAL PROCEEDINGS

New York State Environmental Proceedings

The Company is a defendant in two separate civil actions filed by the State of New York; one against the City of Gloversville, New York, and 33 other private defendants and the other against the City of Johnstown, New York, and 14 other private defendants. In addition, third party complaints and cross claims have been filed against numerous other entities, including the Company, in both actions. These actions arise out of the alleged disposal of certain hazardous material directly or indirectly in municipal landfills. The complaints allege that the defendants, together with other contributors to the municipal landfills, are liable under a federal environmental statute and certain common law theories for the costs of investigating and performing remedial actions required to be taken with respect to the landfills and damages to the natural resources.

In March 1997, the Company accepted an offer to settle the Johnstown action for a payment of \$31,000 and is now awaiting entry of an acceptable consent order and dismissal of that action. The Company remains a defendant in the Gloversville action. The environmental authorities have issued decisions selecting plans of remediation with respect to the Gloversville site with a total estimated cost of approximately \$10.0 million.

The Company has filed answers to the complaint in the Gloversville case denying liability and asserting numerous defenses. Because of uncertainties related to the ability or willingness of the other defendants, including the municipalities involved, to pay a portion of future remediation costs, the availability of State funding to pay a portion of future remediation costs, the 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 presently unable to predict the outcome or to estimate the extent of liability the Company may incur with respect to the Gloversville action.

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. The Department and the Company have discussed a consent order whereby the Company would assume 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. The Company believes that it has adequately reserved for the costs of conducting the RIFS and implementing the interim remedial measure contemplated by the proposed consent order, but there is no assurance that it will be able to enter into an acceptable consent order along the lines proposed, or that such a consent order would ultimately resolve the matter. The owner of the site has advised the Company that it intends to hold the Company responsible for any required remediation or other damages incident to the contamination. 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, 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. MDEQ advised the Company that it would review the results of the analysis for possible referral to the EPA for action under the Comprehensive Environmental Response Compensation and Liability Act. However, the Company is cooperating with MDEQ and has been advised by MDEQ that no EPA referral is presently contemplated. Neither MDEQ nor the EPA has threatened or commenced any enforcement action. In response to the testing data, the Company submitted and MDEQ approved a work plan, pursuant to which a hydrogeological study was completed and submitted to MDEQ in March 1996. Additional studies regarding wastes on-site, groundwater and adjoining lake sediments have been performed and will serve as a basis for the Company's remedial action plan for the site. The Company is presently unable to determine whether the implementation of the plan will have a material effect on its financial condition or results of operations.

Preferred Shareholder Action

On January 7, 1993, 23 former holders of the Company's series 2, 3 and 4 subordinated serial preferred stock filed a civil action against the Company and certain officers in the United States District Court for the Southern District of New York. The plaintiffs allege that the defendants misrepresented and failed to disclose material facts to representatives of the plaintiffs in connection with exchange offers which were made by the Company to the plaintiffs and other holders of the Company's series 1, 2, 3 and 4 subordinated serial preferred stock from June 23, 1988 to August 1, 1988. The plaintiffs contend that had they been aware of the misrepresentations and omissions, they would not have agreed to exchange their shares pursuant to the exchange offers. The plaintiffs allege breach of fiduciary duty and fraudulent and negligent misrepresentations and seek damages in excess of \$10 million, costs, attorneys' fees, interest and punitive damages in an unspecified amount.

By order dated December 2, 1993, the U.S. District Court denied a motion for judgment on the pleadings filed on behalf of all defendants. On July 6, 1994, the court denied a motion for partial summary judgment filed on behalf of the plaintiffs. On September 6, 1996, the court granted the defendants' motion for summary judgment regarding certain alleged misrepresentations by one of the Company's officers and the plaintiffs' motion regarding the existence and breach of fiduciary duties owed by the Company to the plaintiffs. The court's order stated that the plaintiffs must show that the breach caused damages to be entitled to a recovery on that count. It denied the defendants' and plaintiffs' motions for summary judgment in other respects.

In April 1997, the parties to the litigation entered into a settlement agreement providing for the issuance of shares of the Company's common stock to the plaintiffs in exchange for dismissal of the lawsuit and the execution of mutual general releases by the parties. In addition to a cash payment which the Company's directors and officers liability insurance carrier has agreed to contribute to the settlement, the Company expects to issue shares of stock sufficient to yield net proceeds of \$6.7 million to the plaintiffs in a block trade to occur immediately upon the issuance. The \$6.7 million settlement was reflected in earnings in the fourth quarter of Fiscal 1997 and a liability at February 1, 1997. In addition, the portion of the settlement to be paid by the Company's directors and officers liability insurance carrier was reflected as a liability and a receivable at February 1, 1997.

Texas Interference Action

On October 6, 1995, a prior holder of a license to manufacture and market western boots and other products under a trademark now licensed to the Company filed an action in the District Court of Dallas County, Texas against the Company and a contract manufacturer alleging tortious interference with a business relationship, breach of contract, tortious interference with a contract, breach of a confidential relationship and civil conspiracy based on the Company's entry into the license. The Company filed an answer denying all the material allegations of the plaintiff's complaint. The Company is unable to predict whether the outcome of the litigation will have a material effect on its financial condition or results of operations.

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 1997.

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, 53, 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. Mr. Chamberlain joined Shaklee Corporation, a manufacturer and marketer of consumer products, in 1983 as president and chief operating officer, was elected a director in 1983 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. Prior to 1983 he was senior vice president and group executive of Nabisco Brands Ltd., Canada. He has been a director of Genesco since 1989.

BEN T. HARRIS, 53, 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.

T. NEALE ATTENBOROUGH, 37, Executive Vice President - Operations; President - Wholesale Operations. Mr. Attenborough joined the Company in 1994 as president of Laredo Boot company. During the Company's restructuring program, Mr. Attenborough oversaw the management of Genesco's now divested Mitre Sports International business. He was named executive vice-president - operations in January 1996. He was named president of Genesco's wholesale operations as of November 1, 1996 and will oversee the Company's Johnston & Murphy, Dockers Footwear, Nautica Footwear, Volunteer Leather and Laredo, Code West and Larry Mahan divisions. Before joining the Company, Mr. Attenborough was a vice president of the recreational products division at Boston Whaler Inc.

JAMES S. GULMI, 51, 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. BOS CAMP, 47, 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. Before joining the Company, Mr. Boscamp was executive vice president, marketing at Munsingwear.

FOWLER H. LOW, 65, Senior Vice President. Mr. Low has 41 years of experience in the footwear industry, including 34 years with Genesco. He rejoined Genesco in 1984 after serving as vice president of sales and marketing for G. H. Bass, a division of Chesebrough-Pond's Inc. He was appointed president of the footwear manufacturing and wholesale group in 1988 and was appointed chairman of Johnston & Murphy in February 1991. He was appointed senior vice president of the Company in January 1996.

STEVEN E. LITTLE, 55, Vice President - Administration. Mr. Little has served in various human resources and operations management roles during his 32 year tenure with Genesco. Mr. Little was named vice president - human resources in 1994 and assumed his present responsibilities in December 1994.

ROGER G. SISSON, 33, 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 Boulton, Cummings, Connors & Berry for approximately six years.

MATTHEW N. JOHNSON, 32, 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, 42, 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

1996	1st Quarter	4	2
	2nd Quarter	4 1/2	3
	3rd Quarter	4 7/8	3 3/4
	4th Quarter	4 1/4	2 7/8

Fiscal Year ended February 1

1997	1st Quarter	6 3/4	3 3/4
	2nd Quarter	8 1/8	5 5/8
	3rd Quarter	10	6 5/8
	4th Quarter	11 1/8	8 3/8

There were approximately 11,000 common shareholders of record on February 1, 1997.

See Notes 9 and 11 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				
	1997	1996	1995	1994	1993
RESULTS OF OPERATIONS DATA					
Net sales	\$461,348	\$434,575	\$462,901	\$467,891	\$430,127
Depreciation and amortization	7,747	7,354	9,254	10,723	9,719
Operating income (loss)*	34,627	16,127	3,479	(2,968)	27,415
Pretax earnings (loss)	10,132	(3,756)	(17,757)	(29,788)	7,638
Earnings (loss) before discontinued operations, extraordinary loss and cumulative effect of change in accounting principle	10,554	(3,781)	(18,514)	(27,888)	2,640
Discontinued operations	(150)	13,852	(62,678)	(23,891)	7,053
Loss on early retirement of debt (net of tax)	-0-	-0-	-0-	240	583
Cumulative effect of change in accounting for postretirement benefits	-0-	-0-	-0-	2,273	-0-
Net earnings (loss)	\$ 10,404	\$ 10,071	\$ (81,192)	\$(54,292)	\$ 9,110
PER COMMON SHARE DATA					
Earnings (loss) before discontinued operations, extraordinary loss and postretirement benefits					
Primary	\$.40	\$ (.17)	\$ (.77)	\$ (1.17)	\$.10
Fully diluted	.40	(.16)	(.77)	(1.17)	.10
Discontinued operations					
Primary	(.01)	.57	(2.58)	(.99)	.30
Fully diluted	(.01)	.55	(2.58)	(.99)	.30
Extraordinary loss					
Primary	.00	.00	.00	(.01)	(.02)
Fully diluted	.00	.00	.00	(.01)	(.02)
Postretirement benefits					
Primary	.00	.00	.00	(.09)	.00
Fully diluted	.00	.00	.00	(.09)	.00
Net earnings (loss)					
Primary	.39	.40	(3.35)	(2.26)	.38
Fully diluted	.39	.39	(3.35)	(2.26)	.38
BALANCE SHEET DATA					
Total assets	\$221,654	\$197,806	\$243,878	\$309,386	\$317,868
Long-term debt	75,000	75,000	75,000	90,000	54,000
Capital leases	1,485	2,697	12,400	15,253	14,901
Non-redeemable preferred stock	7,944	7,958	7,943	8,064	8,305
Common shareholders' equity	45,846	25,947	21,450	90,659	146,746
Additions to plant, equipment and capital leases	14,640	8,564	5,750	8,356	10,132
FINANCIAL STATISTICS					
Operating income (loss) as a percent of net sales	7.5%	3.7%	0.8%	(0.6%)	6.4%
Book value per share	\$ 1.82	\$ 1.04	\$.87	\$ 3.73	\$ 6.33
Working capital	\$108,795	\$108,135	\$100,731	\$160,094	\$168,875
Current ratio	2.6	3.2	2.2	3.3	3.5
Percent long-term debt to total capital	58.7%	69.6%	74.8%	51.6%	30.8%
OTHER DATA (END OF YEAR)					
Number of retail outlets	504	463	498	518	540
Number of employees	4,050	3,750	5,400	6,950	6,550

*Represents operating income of the footwear business segment.

Reflected in the earnings for Fiscal 1997 and 1996 were restructuring and other charges of \$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 and Fiscal 1994 was a restructuring charge of \$22.1 million and \$12.3 million, respectively. See Note 2 to the Consolidated Financial Statements for additional information regarding these charges.

Long-term debt and capital leases include current payments. On February 1, 1993, the Company issued \$75 million of 10 3/8% senior notes due 2003. The Company used \$54 million of the proceeds to repay all of its outstanding long-term debt.

The Company has not paid dividends on its Common Stock since 1973. See Note 11 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

The following discussion includes 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 softness in the general retail environment, the timing and acceptance of products being introduced to the market, international trade developments affecting Chinese and other foreign sourcing of products, as discussed in greater detail below, the outcome of various litigation and environmental contingencies, including those discussed in Note 16 to the Consolidated Financial Statements, the solvency of the retail customers of the Company, the level of margins achievable in the marketplace and the ability to minimize operating expenses. They also include possible continued weakening of the western boot market, which has experienced a somewhat prolonged down cycle, resulting in declining sales and some erosion of the boot division's retail customer base. Continued weakness could require further adjustments to manufacturing capacity and other measures. Although the Company believes it has the business strategy and resources needed for improved operations, future revenue and margin trends cannot be reliably predicted and the Company may alter its business strategies during Fiscal 1998.

SIGNIFICANT DEVELOPMENTS

LITIGATION SETTLEMENT

As discussed in Note 16 to the Consolidated Financial Statements, on April 28, 1997, the Company entered into an agreement settling a lawsuit by certain preferred shareholders who had challenged the value they received for shares of preferred stock acquired for common stock issued by the Company to the plaintiffs in a 1988 exchange transaction. The agreement provided for issuance of shares of common stock as additional consideration to the plaintiffs for the shares acquired in 1988. The Company initially accounted for the issuance of the shares, which had a market value of \$6.7 million when the settlement was ultimately consummated in June 1997, as a capital transaction in the second quarter of Fiscal 1998, in the same manner that it accounted for the shares originally issued to the plaintiffs in the 1988 exchange. After discussions with the staff of the Securities and Exchange Commission, the Company has revised its Consolidated Financial Statements at and for the fiscal year ended February 1, 1997, to reflect a net expense in the fourth quarter of Fiscal 1997 and a liability at February 1, 1997 equal to the \$6.7 million market value of the shares issued in the settlement. In addition, the portion of the settlement to be paid by the Company's directors and officers liability insurance carrier was reflected as a liability and a receivable at February 1, 1997. The liability was satisfied by the issuance of 525,495 shares of stock and the payment of cash by the Company's directors and officers liability insurance carrier in June 1997.

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 1997 had 367 days, while Fiscal 1996 and 1995 had 365 days. Fiscal Years 1997, 1996 and 1995 ended on February 1, 1997, January 31, 1996 and January 31, 1995, respectively.

MANUFACTURING RESTRUCTURING

In response to the continued weakening of the western boot market, 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 includes closing the Company's Hohenwald, Tennessee, western boot plant by July 1997, which the Company closed in April 1997, with the elimination of approximately 190 jobs. In connection with the adoption

of the plan, the Company recorded a charge to earnings of \$1.7 million 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 is employee severance, facility shutdown and lease costs.

FISCAL 1995 RESTRUCTURING

In response to worsening trends in the Company's men's apparel business and in response to a strategic review of its footwear operations, 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

- 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

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

The transactions provided for in the 1995 Restructuring were substantially complete as of January 31, 1996 and the Company does not expect any material future adjustments arising from the completion of the 1995 Restructuring. The 1995 Restructuring Charge, as adjusted, provided for the elimination of 464 jobs in footwear operations to be divested or consolidated and in staff positions to be eliminated, of which 457 jobs had been eliminated as of January 31, 1996. The divestiture of the University Brands business was completed in February 1995. The operations of The Greif Companies have ceased, its inventories and equipment have been liquidated and its last major remaining long-term lease liability was resolved 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.

International Trade Developments

Manufacturers in China have become major suppliers to Genesco and other footwear companies in the United States. In Fiscal 1998 the Company expects to import approximately 28% of inventory purchases from China. In addition to the products the Company imports directly, a significant amount of the products purchased by the Company from other suppliers have been imported from China. China's most favored nation trading status was renewed for an additional year in June 1996, and a congressional effort to reverse the renewal failed in July. Additionally, the US did not impose threatened trade sanctions against China in connection with a dispute over inadequate protection of intellectual property in China. Thus, while disruptions of supply from China related to trade disputes do not appear to constitute a substantial threat to the Company's business and prospects in the immediate future, China's trading status remains controversial and there can be no assurance that a subsequent failure by the U.S. to grant the annual extension of most favored nation status to China or other disruptions in the Company's ability to import shoes from China will not occur, or that any such disruption would not have a material adverse effect on the Company's operations.

RESULTS OF OPERATIONS - FISCAL 1997 COMPARED TO FISCAL 1996

The Company's net sales from ongoing operations for the fiscal year ended February 1, 1997 increased 14.2% from the previous year. The Company's total net sales (including both ongoing operations and, for the fiscal year ended January 31, 1996, \$30.8 million of sales from the operations divested as part of the 1995 Restructuring) increased 6.2%. Total gross margin for the year increased 8.2% and increased as a percentage of net sales from 39.8% to 40.5%. Selling and administrative expenses

increased 3.2% from the previous year but decreased as a percentage of net sales from 35.6% to 34.6%. Pretax earnings for the fiscal year ended February 1, 1997 were \$10.1 million, compared to a pretax loss of \$3.8 million for the fiscal year ended January 31, 1996. Pretax earnings for Fiscal 1997 included the \$1.7 million Manufacturing Restructuring charge and a \$6.7 million litigation settlement charge. The pretax loss for Fiscal 1996 included a \$14.1 million net increase in the 1995 Restructuring Charge, a \$978,000 charge for impaired assets due to the implementation of SFAS No. 121 and recognition of a \$1.8 million gain from the favorable resolution of a claim relating to import duties. The Company reported net earnings of \$10.4 million (\$0.39 per share) for Fiscal 1997 compared to net earnings of \$10.1 million (\$0.40 per share) for Fiscal 1996. Fiscal 1996 net earnings included, in addition to the 1995 Restructuring Charge adjustment and the charge for impaired assets, a positive adjustment of \$13.9 million to the 1995 Restructuring Provision.

Footwear Retail

	Fiscal Year Ended		% Change
	1997	1996	
	----- (In Thousands)		-----
Net Sales.....	\$ 283,546	\$ 243,303	16.5%
Operating Income.....	\$ 26,519	\$ 17,881*	48.3%
Operating Margin.....	9.4%	7.3%	

*Includes \$978,000 charge for impaired assets.

Primarily due to an increase in comparable store sales of approximately 12%, net sales from footwear retail operations increased 16.5% for Fiscal 1997 compared to Fiscal 1996. The average price per pair increased 5% and unit sales increased 14% for Fiscal 1997.

The Company's comparable store sales and store count at the end of the period were as follows:

	Comp Sales	Store Count	
		Fiscal Year End	
	-----	1997	1996
Jarman Retail	+8%	143	135
Jarman Lease	+10%	85	82
Journeys	+26%	118	93
Johnston & Murphy (including factory stores)	+11%	119	115
Other Outlet Stores	-3%	39	38
Total Retail	+12%	504	463

The Jarman Lease comparable store increase was aided by a 5% increase in the average square footage due to remodeling while the other outlet store decline was due to the weakness in demand for western boot products.

Gross margin as a percentage of net sales decreased from 49.2% to 48.9%, primarily from increased markdowns to stimulate sales in the Company's boot outlets and changes in product mix to more branded products. Operating expenses increased 10.7%, primarily due to increased selling salaries, advertising and rent expense and increased divisional management expenses to support new store growth, but decreased as a percentage of net sales from 41.5% to 39.4%.

Operating income for Fiscal 1997 was up 40.6% compared to Fiscal 1996, excluding the \$978,000 charge for impaired assets, due to increased sales and the lower expenses as a percentage of sales.

Footwear Wholesale & Manufacturing

	Fiscal Year Ended		%
	1997	1996	

	(In Thousands)		
Net Sales.....	\$177,802	\$ 191,272	(7.0)%
Net Sales - Ongoing.....	\$177,802	\$ 160,609	10.7%
Operating Income (Loss)*.....	\$ 8,108	\$ (1,754)	NA
Operating Margin.....	4.6%	(0.9)%	

*Includes restructuring charges of \$1.7 million in Fiscal 1997 and \$14.1 million in Fiscal 1996.

Net sales from footwear wholesale and manufacturing operations were \$13.5 million (7.0%) lower in Fiscal 1997 than in Fiscal 1996, reflecting primarily the absence of sales in Fiscal 1997 from the operations divested as part of the 1995 Restructuring. Sales from ongoing operations were up 10.7%, reflecting primarily increased men's branded footwear sales, which more than offset the continuing trend of decreased sales of western boots, primarily attributable to lower unit sales. The increase in branded sales was aided by an increase in product assortment by key retailers.

Gross margin for Fiscal 1997 decreased 8.9%, primarily from the absence of the gross margins of the divested operations, and decreased as a percentage of net sales from 27.8% to 27.2%. Gross margin for ongoing operations increased 10.0% due to increased sales but decreased as a percentage of sales from 27.4% to 27.2%. The decline in margin as a percentage of sales is due to underabsorbed overhead resulting from a reduced level of production in the Company's western boot plants. In response to the continued weakness in the western boot market and the resulting underabsorbed overhead, the Company announced in the third quarter of Fiscal 1997 a decision to close its Hohenwald, Tennessee plant. See "Significant Developments - Manufacturing Restructuring Charge" above. The plant ceased operations in April 1997.

Operating expenses decreased 10.9% and decreased as a percentage of net sales from 22.7% to 21.7%, reflecting primarily the absence of the expenses attributable to the operations divested in the 1995 Restructuring. Ongoing operations expenses increased 16.5% and increased as a percentage of sales from 20.7% to 21.7%, primarily due to (i) higher advertising expenses including advertising associated with the introduction of the Larry Mahan boot brand and (ii) higher divisional administrative expenses to support the growth in the branded businesses as well as the Larry Mahan boot brand and (iii) higher royalty expenses from higher royalty rates.

Included in operating income for Fiscal 1997 is a \$1.7 million restructuring charge and included in operating income for Fiscal 1996 is a one-time gain of \$1.8 million from the favorable resolution of a claim relating to import duties and a \$14.1 million restructuring charge. Operating income before restructuring and other charges and the import duty claim decreased 11.8%, primarily due to lower earnings in the Company's western boot business reflecting the continued weakness of the western boot market and costs associated with the introduction of the Larry Mahan brand.

Corporate and Interest Expenses

Corporate and other expenses for Fiscal 1997 were \$15.8 million compared to \$10.2 million for Fiscal 1996, an increase of 54%. Included in corporate and other expenses for Fiscal 1997 is a litigation settlement of \$6.7 million. The decrease in corporate expenses of 12%, excluding the litigation settlement, is attributable primarily to decreased bonus accruals due to changes in the structure of the Company's bonus plan.

Interest expense decreased \$114,000, or 1%, from last year, while interest income increased \$790,000 from last year due to increased short-term investments related to the cash generated from the 1995 Restructuring. There were no borrowings under the Company's revolving credit facility during Fiscal 1997, while borrowings averaged \$181,000 during Fiscal 1996.

Other Income

Operating results of businesses divested pursuant to the 1995 Restructuring are included in the Company's sales, gross margin and selling and administrative expenses for Fiscal 1996. The net operating losses incurred by these operations subsequent to the decision to divest were charged against the restructuring reserves established to provide for such losses. The elimination of these losses from the Company's results of operations for Fiscal 1996 is presented as other income in the Consolidated Earnings Statement. Such operating losses totalled \$1.3 million for Fiscal 1996. Also included in other income for Fiscal 1996 is a \$1.8 million gain from the favorable resolution of a claim relating to import duties and a \$0.5 million provision for environmental litigation.

RESULTS OF OPERATIONS - FISCAL 1996 COMPARED TO FISCAL 1995

The Company's total net sales (including both ongoing operations and the operations divested as part of the 1995 Restructuring) for the fiscal year ended January 31, 1996 decreased 6.1% from Fiscal 1995, reflecting lower sales from the divested operations. Net sales from ongoing operations increased 4.4% from Fiscal 1995. Total gross margin for Fiscal 1996 decreased 0.1% but increased as a percentage of net sales from 37.4% to 39.8%. Selling and administrative expenses decreased 7.0% and decreased as a percentage of net sales from 35.9% to 35.6%. The pretax loss for Fiscal 1996 was \$3.8 million, compared to a pretax loss of \$17.8 million for Fiscal 1995. The pretax loss for Fiscal 1996 included a \$14.1 million net increase in the 1995 Restructuring Charge, and a \$978,000 charge for impaired assets due to the implementation of SFAS No. 121 (see "Changes in Accounting Principles" and Note 1 to the Consolidated Financial Statements) and recognition of a \$1.8 million gain from the favorable resolution of a claim relating to import duties. Fiscal 1995 pretax loss included the \$22.1 million 1995 Restructuring Charge and recognition of \$4.9 million of additional gain on the sale in 1987 of the Company's Canadian operations following the settlement of certain claims arising out of that transaction. The Company reported net earnings of \$10.1 million (\$0.40 per share) for Fiscal 1996 compared to a net loss of \$81.2 (\$3.35 per share) for Fiscal 1995. Fiscal 1996 net earnings included, in addition to the 1995 Restructuring Charge adjustment and the charge for impaired assets, a positive adjustment of \$13.9 million to the 1995 Restructuring Provision. Fiscal 1995 net loss included, in addition to the 1995 Restructuring Charge, \$58.1 million for the adjusted 1995 Restructuring Provision. See Note 2 to the Consolidated Financial Statements and "Significant Developments - Fiscal 1995 Restructuring."

Footwear Retail

	Fiscal Year Ended		% Change
	1996	1995	
	(In Thousands)		
Net Sales.....	\$ 243,303	\$ 234,448	3.8%
Operating Income*	\$ 17,881	\$ 16,925	5.6%
Operating Margin.....	7.3%	7.2%	

*Includes a \$978,000 charge for impaired assets in Fiscal 1996 and a \$236,000 restructuring charge in Fiscal 1995.

Primarily due to an increase in comparable store sales of approximately 6%, net sales from footwear retail operations increased 3.8% for Fiscal 1996 compared to Fiscal 1995, despite the operation of 6% fewer stores in Fiscal 1996. The average price per pair for Fiscal 1996 increased 8% as compared to Fiscal 1995, while unit sales were down 4%, because of heavy discounting during Fiscal 1995 in connection with the closing of 39 retail stores as part of a restructuring plan adopted in the fourth quarter of Fiscal 1994 (the "1994 Restructuring").

Gross margin as a percentage of net sales decreased from 50.5% to 49.2%, primarily from price pressures on branded products and changes in product mix to more branded products as well as increased markdowns to stimulate sales in the Company's boot outlets. Operating expenses decreased approximately 1%, primarily due to the operation of fewer stores as a result of the 1994 Restructuring and decreased as a percentage of net sales from 43.7% to 41.5%. In addition to the operation of fewer stores, expenses were down due to job eliminations as part of the 1995 Restructuring and lower selling salaries.

During the third quarter of Fiscal 1996, the Company implemented SFAS No. 121 resulting in a \$978,000 charge to retail earnings. See "Changes in Accounting Principles."

Footwear Wholesale & Manufacturing

	Fiscal Year Ended		% Change
	1996	1995	
	(In Thousands)		
Net Sales.....	\$ 191,272	\$ 228,453	(16.3)%
Operating Loss*	\$ (1,754)	\$ (13,446)	(87.0)%
Operating Margin.....	(0.9)%	(5.9)%	

*Includes a \$14.1 million restructuring charge in Fiscal 1996 and a \$20.6 million restructuring charge in Fiscal 1995.

Net sales from footwear wholesale and manufacturing operations were \$37.2 million (16.3%) lower in Fiscal 1996 than in Fiscal 1995, reflecting primarily lower sales from the operations divested as part of the 1995 Restructuring. Sales from ongoing operations were up 4.5%, reflecting primarily increased men's branded footwear and tanned leather sales, which more than offset the continuing trend of decreased sales of western boots, primarily attributable to lower selling prices.

Gross margin as a percentage of net sales increased from 23.9% to 27.8%, primarily from improved manufacturing utilization including efficiencies resulting from the closing of a footwear plant in February 1995 as part of the 1995 Restructuring.

Operating expenses decreased 14.6%, primarily from the divestiture of University Brands in January 1995 and Mitre Sports in August 1995, but increased as a percentage of net sales from 22.2% to 22.7%, primarily because of the lower sales in operations to be divested and increased bad debt and royalty expenses.

For Fiscal 1995, the University Brands and Mitre Sports businesses that were disposed of in the 1995 Restructuring had net sales of \$74.8 million and operating loss before Restructuring Provision of \$0.2 million. The operating loss is for the nine months ended October 31, 1994 since the operating results subsequent to October 31, 1994 were charged against the Restructuring Provision.

Included in operating income for Fiscal 1996 is a one-time gain of \$1.8 million from the favorable resolution of a claim relating to import duties and a \$14.1 million restructuring charge. Included in operating income for Fiscal 1995 is \$20.6 million restructuring charge and a \$1.3 million provision for environmental litigation. The increase in operating income before restructuring and other charges and the import duty claim, excluding \$0.2 million of divested operations' operating loss for Fiscal 1995, is due primarily to increased sales of men's branded products and tanned leather and to improvements in gross margin and expense reductions due to the 1995 Restructuring.

Discontinued Operations

On November 3, 1994, in response to worsening trends in the Company's men's apparel business, the Company's board of directors approved a plan to exit the men's apparel business. See "Significant Developments-Fiscal 1995 Restructuring" and Note 2 to the Consolidated Financial Statements for information regarding the discontinuation of this business segment. Net sales and operating loss of the men's apparel segment in Fiscal 1995 prior to the decision to discontinue were \$81.8 million and \$4.5 million, respectively.

Corporate and Interest Expenses

Corporate and other expenses in Fiscal 1996 were \$10.2 million, compared to \$14.2 million in Fiscal 1995, a decrease of approximately 28%. Included in Fiscal 1995's corporate and other expenses is \$2.3 million of severance costs, \$1.3 million of which related to the 1995 Restructuring. The decrease in corporate expenses, excluding the severance costs, is attributable primarily to lower professional fees.

Interest expense decreased \$1.6 million, or 14%, from Fiscal 1995 because of a decrease in borrowings, while interest income increased \$682,000 from Fiscal 1995 due to increased short-term investments. Borrowings under the Company's revolving credit facility during Fiscal 1996 averaged \$181,000 compared to average borrowings of \$28.4 million during Fiscal 1995.

Other Income

Operating results of footwear businesses to be divested pursuant to the 1995 Restructuring are included in the Company's net sales, cost of sales and selling and administrative expenses. The net operating losses or gains incurred by these operations subsequent to the decision to divest are charged against the restructuring reserves established to provide for such losses or gains. The elimination of these losses from the Company's results of operations for Fiscal 1996 is presented as other income in the Consolidated Earnings Statement. Such operating losses totaled \$1.3 million in Fiscal 1996. Such operating losses totaled \$5.5 million for Fiscal 1995 which included operating results of stores identified for closure pursuant to the 1994 Restructuring. Also included in other income for Fiscal 1996 is a \$1.8 million gain from the favorable resolution of a claim relating to import duties and a \$0.5 million provision for environmental litigation.

LIQUIDITY AND CAPITAL RESOURCES

The following table sets forth certain financial data at the dates indicated. All dollar amounts are in millions.

	Feb. 1,	January 31,	
	1997	1996	1995
	-----	-----	-----
Cash and short-term investments.....	\$ 43.4	\$ 35.6	\$ 10.2
Working capital.....	\$ 108.8	\$ 108.1	\$ 100.7
Long-term debt (includes current maturities).....	\$ 75.0	\$ 75.0	\$ 75.0
Current ratio.....	2.6x	3.2x	2.2x

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 ordinarily generated principally in the fourth quarter of each fiscal year.

Cash provided by operating activities was \$22.4 million in Fiscal 1997, compared to \$22.7 million in Fiscal 1996 and \$22.5 million in Fiscal 1995. The \$0.3 million reduction in cash flow from operating activities for Fiscal 1997 compared to Fiscal 1996 reflects primarily the absence of cash flows from the liquidation of assets included in the 1995 Restructuring and the additional working capital needed to support new store growth. The Company has added a net of 41 stores in Fiscal 1997 while there was a net reduction of 35 stores in Fiscal 1996. The \$0.2 million improvement in cash flow from operating activities for Fiscal 1996 compared to Fiscal 1995 reflects primarily cash inflows from the liquidation of assets included in the 1995 Restructuring and lower seasonal requirements from the disposition of businesses included in the 1995 Restructuring.

An \$11.0 million increase in inventories from January 31, 1996 levels reflected in the Consolidated Cash Flows Statement reflects planned increases in retail inventory to support the net increase of 41 stores from January 31, 1996 and increases in men's branded wholesale inventory to support growth in those businesses. A \$6.3 million decrease in inventories from January 31, 1995 levels reflected in the Consolidated Cash Flows Statement was primarily due to liquidation of inventories in connection with the 1995 Restructuring, while the \$2.0 million increase in ongoing inventories compared with January 31, 1995 reflects the growth of certain existing lines of footwear in anticipation of higher sales.

As reflected in the Consolidated Cash Flows Statement, accounts receivable at February 1, 1997 increased \$0.3 million compared to January 31, 1996 primarily due to increased sales of men's branded footwear and the introduction of the Larry Mahan boot brand. Accounts receivable at February 1, 1997 were \$1.7 million less than at January 31, 1996 primarily due to increased provisions for bad debts relating to western boot customers. Accounts receivable at January 31, 1996 were \$15.5 million less than at January 31, 1995 primarily from collection of receivables in the operations being divested in the 1995 Restructuring. Ongoing accounts receivable at January 31, 1996 were \$55,000 more than January 31, 1995.

Cash provided (or used) due to changes in accounts payable and accrued liabilities in the Consolidated Cash Flows Statement at February 1, 1997 and January 31, 1996 and 1995 are as follows:

(In Thousands)	Fiscal Year Ended		
	1997	1996	1995
Accounts payable.....	\$10,625	\$ (3,655)	\$ (2,204)
Accrued liabilities.....	(1,665)	(9,369)	(4,754)
	<u>\$ 8,960</u>	<u>\$(13,024)</u>	<u>\$ (6,958)</u>

The fluctuations in accounts payable for Fiscal 1997 from Fiscal 1996 are due to changes in buying patterns, payment terms negotiated with individual vendors and changes in inventory levels, while the decrease in accounts payable for Fiscal 1996 from Fiscal 1995 relates primarily to the divestitures associated with the 1995 Restructuring.

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. The change in accrued liabilities in Fiscal 1996 was due to payment of severance costs and liabilities related to the Restructurings. The change in accrued liabilities in Fiscal 1995 was due primarily to payments of severance costs, liabilities and leases related to the Restructurings.

There were no revolving credit borrowings during Fiscal 1997, as cash generated from operations and cash on hand funded seasonal working capital requirements and capital expenditures. There were only minimal revolving credit borrowings during Fiscal 1996 as cash generated from the 1995 Restructuring more than offset seasonal working capital increases in the remaining operations. On January 5, 1996, the Company entered into a revolving credit agreement with two banks providing for loans or letters of credit of up to \$35 million. The agreement, as amended October 31, 1996, expires January 5, 1999. The revolving credit agreement was amended to increase the annual capital expenditure limit to \$16.0 million for Fiscal 1997 and \$25.0 million thereafter, subject to possible carryforwards from the previous year of up to \$2.0 million if less is spent in the current year.

Capital Expenditures

Capital expenditures were \$14.6 million in Fiscal 1997, \$8.6 million in Fiscal 1996 and \$5.8 million in Fiscal 1995. The \$6.0 million increase in Fiscal 1997 capital expenditures as compared to Fiscal 1996 resulted primarily from the net increase of 41 new retail stores in Fiscal 1997. The \$2.8 million increase in Fiscal 1996 capital expenditures as compared to Fiscal 1995 resulted from leasehold improvements to the corporate office building for new tenants due to the downsizing of the Company, an increase in retail store renovations and an increase in purchases of production equipment.

Total capital expenditures in Fiscal 1998 are expected to be approximately \$26.4 million. These include expected retail expenditures of \$16.4 million to open approximately 92 new retail stores and to complete 44 major store renovations. Capital expenditures for wholesale and manufacturing operations and other purposes are expected to be approximately \$10.0 million, including approximately \$6.0 million for new systems to improve customer service and support the Company's growth.

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 16 to the Consolidated Financial Statements. The Company has made provisions for certain of these contingencies, including provisions of \$150,000 and \$500,000 in discontinued operations in fiscal 1997 and fiscal 1996, respectively, and \$500,000 and \$1,300,000 reflected in fiscal 1996 and 1995, respectively. 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 inadequate 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 1998, although the Company may borrow from time to time to support seasonal working capital requirements. The approximately \$5.4 million of costs associated with the 1994 Restructuring, 1995 Restructuring and the Manufacturing Restructuring that are expected to be incurred during the next twelve months are also expected to be funded from cash on hand and from cash generated from operations.

There were \$8 million of letters of credit outstanding under the revolving credit agreement at February 1, 1997, leaving availability under the revolving credit agreement of \$27 million.

The restricted payments covenant contained in the indenture under which the Company's 10 3/8% senior notes were issued prohibits the Company from declaring dividends on the Company's capital stock, except from a pool of available net earnings and the proceeds of stock sales. At February 1, 1997, that pool was in a \$98.0 million deficit position. 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 \$301,000. The Company currently has dividend arrearages in the amount of \$978,000 and is unable to predict when dividends may be reinstated.

On November 7, 1994, Standard & Poor's announced that it had lowered the rating of the 10 3/8% Notes to B from B+ based on its concern that Genesco's ongoing business operations will not provide the earnings and cash flow generation reflective of a B+ senior credit rating. On January 30, 1996, Moody's confirmed their B2 senior debt rating of Genesco's 10 3/8% Notes which ended a review of Genesco's rating initiated by Moody's on November 10, 1995. According to Standard & Poor's, a

debt instrument rated B has a greater vulnerability to default than debt rated BB, but currently has the capacity to meet interest and principal payments. According to Moody's, the assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small with respect to a debt instrument rated B. Ratings are not a recommendation to purchase, hold or sell long-term debt of the Company, inasmuch as ratings do not comment as to market price or suitability for particular investors and may be subject to revision or withdrawal at any time by the assigning rating agency.

FOREIGN CURRENCY

The Company does not believe that its foreign currency risk is material to its operations. Most purchases by the Company from foreign sources are denominated in US 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.

CHANGES IN ACCOUNTING PRINCIPLES

The Company implemented Statement of Financial Accounting Standards (SFAS) 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" in the third quarter of Fiscal 1996. This statement establishes accounting standards for determining impairment of long-lived 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. During the third quarter, the Company identified certain retail stores that were impaired because of a history of and current period cash flow losses in these specific stores. An impairment loss of \$978,000 was recognized for these retail stores and is included in the "Restructuring and other charges" line on the income statement for the twelve months ended January 31, 1996.

Changes in the economic environment have historically affected the Company's results of operations, therefore the Company limits the amount of deferred tax assets it recognizes to an amount no greater than the amount of tax refunds the Company could claim as loss carrybacks. For additional information, see Note 12 to the Consolidated Financial Statements.

INFLATION

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

ITEM 8, FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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February 25, 1997, except as to Note 19 which is as of October 31, 1997

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 as financial statements and financial statement schedules on page 67, after the restatement described in Note 19, present fairly, in all material respects, the financial position of Genesco Inc. and its subsidiaries at February 1, 1997 and January 31, 1996, and the results of their operations and their cash flows for each of the three years in the period ended February 1, 1997, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company'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/Price Waterhouse LLP
Nashville, Tennessee

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Balance Sheet
In Thousands

AS OF FISCAL YEAR END

	1997	1996
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	\$ 43,375	\$ 35,550
Accounts receivable	34,389	32,135
Inventories	95,884	84,930
Other current assets	4,509	4,317
Total current assets	178,157	156,932
Plant, equipment and capital leases, net	34,471	28,552
Other noncurrent assets	9,026	12,322
TOTAL ASSETS	\$ 221,654	\$ 197,806
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 65,331	\$ 43,686
Provision for discontinued operations	3,263	3,899
Current payments on capital leases	768	1,212
Total current liabilities	69,362	48,797
Long-term debt	75,000	75,000
Capital leases	717	1,485
Other long-term liabilities	11,172	25,265
Provision for discontinued operations	11,613	13,354
Total liabilities	167,864	163,901
Contingent liabilities (see Note 16)	-	-
SHAREHOLDERS' EQUITY		
Non-redeemable preferred stock	7,944	7,958
Common shareholders' equity:		
Par value of issued shares	25,195	24,844
Additional paid-in capital	122,615	121,715
Accumulated deficit	(84,107)	(94,511)
Minimum pension liability adjustment	-0-	(8,244)
Treasury shares, at cost	(17,857)	(17,857)
Total shareholders' equity	53,790	33,905
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 221,654	\$ 197,806

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

1997 1996 1995

31

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Cash Flows
In Thousands

FISCAL YEAR

1997 1996 1995

	1997	1996	1995
OPERATIONS:			
Net earnings (loss)	\$ 10,404	\$ 10,071	\$(81,192)
Noncash charges (credits) to earnings:			
(Excess) provision for loss on discontinued operations	150	(13,852)	58,138
Restructuring charge	1,693	14,147	22,114
Depreciation and amortization	7,747	7,354	9,254
Impairment of long-lived assets	-0-	978	-0-
Provision for environmental liabilities	-0-	500	700
Provision for deferred income taxes	(415)	-0-	1,404
Litigation settlement	6,700	-0-	-0-
Gain on divestiture	-0-	-0-	(4,900)
Provision for losses on accounts receivable	2,060	1,799	813
Other	699	548	376
Effect on cash of changes in working capital and other assets and liabilities:			
Accounts receivable	(314)	15,466	44
Inventories	(10,954)	6,280	25,458
Other current assets	(192)	165	100
Accounts payable and accrued liabilities	8,960	(13,024)	(6,958)
Other assets and liabilities	(4,136)	(7,780)	(2,881)
Net cash provided by operations	22,402	22,652	22,470
INVESTING ACTIVITIES:			
Capital expenditures	(14,631)	(8,564)	(5,750)
Proceeds from businesses divested and asset sales	76	18,763	8,032
Net cash provided by (used in) investing activities	(14,555)	10,199	2,282
FINANCING ACTIVITIES:			
Net borrowings (repayments) under revolving credit agreement	-0-	-0-	(15,000)
Net change in short-term borrowings	-0-	2,522	(69)
Payments on capital leases	(1,220)	(9,703)	(2,852)
Exercise of options and warrants and employee stock purchases	1,202	23	6
Other	(4)	(378)	(227)
Net cash used in financing activities	(22)	(7,536)	(18,142)
NET CASH FLOW	7,825	25,315	6,610
Cash and short-term investments at beginning of year	35,550	10,235	3,625
CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR	\$ 43,375	\$ 35,550	\$ 10,235
SUPPLEMENTAL CASH FLOW INFORMATION:			
Net cash paid (received) for:			
Interest	\$ 9,887	\$ 9,146	\$ 11,227
Income taxes	(42)	(802)	(2,457)

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	ACCUMULATED (DEFICIT)	TREASURY STOCK	FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	MINIMUM PENSION LIABILITY ADJUSTMENT	TOTAL SHARE- HOLDERS' EQUITY
BALANCE JANUARY 31, 1994	\$ 8,064	\$ 24,793	\$ 121,634	\$ (23,241)	\$ (17,857)	\$ (4,706)	\$ (9,964)	\$ 98,723
Exercise of options	-0-	2	4	-0-	-0-	-0-	-0-	6
Translation adjustments:								
Year-to-date adjustments	-0-	-0-	-0-	-0-	-0-	2,136	-0-	2,136
Realized in FY 1995 restructuring	-0-	-0-	-0-	-0-	-0-	2,570	-0-	2,570
Net loss	-0-	-0-	-0-	(81,192)	-0-	-0-	-0-	(81,192)
Minimum pension liability adjustment	-0-	-0-	-0-	-0-	-0-	-0-	7,351	7,351
Other	(121)	37	32	(149)	-0-	-0-	-0-	(201)
BALANCE JANUARY 31, 1995	\$ 7,943	\$ 24,832	\$ 121,670	\$ (104,582)	\$ (17,857)	\$ -0-	\$ (2,613)	\$ 29,393
Exercise of options	-0-	8	15	-0-	-0-	-0-	-0-	23
Net earnings	-0-	-0-	-0-	10,071	-0-	-0-	-0-	10,071
Minimum pension liability adjustment	-0-	-0-	-0-	-0-	-0-	-0-	(5,631)	(5,631)
Other	15	4	30	-0-	-0-	-0-	-0-	49
BALANCE JANUARY 31, 1996	\$ 7,958	\$ 24,844	\$ 121,715	\$ (94,511)	\$ (17,857)	\$ -0-	\$ (8,244)	\$ 33,905
Exercise of options	-0-	187	455	-0-	-0-	-0-	-0-	642
Issue shares - Employee Stock Purchase Plan	-0-	161	399	-0-	-0-	-0-	-0-	560
Net earnings	-0-	-0-	-0-	10,404	-0-	-0-	-0-	10,404
Minimum pension liability adjustment	-0-	-0-	-0-	-0-	-0-	-0-	8,244	8,244
Other	(14)	3	46	-0-	-0-	-0-	-0-	35
BALANCE FEBRUARY 1, 1997	\$ 7,944	\$ 25,195	\$ 122,615	\$ (84,107)	\$ (17,857)	\$ -0-	\$ -0-	\$ 53,790

See Note 11 for additional information regarding each series of preferred stock.

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 under the Johnston & Murphy, Laredo, Code West, Larry Mahan, Dockers and Nautica brands, the tanning and distribution of leather by the Volunteer Leather division and the operation of Jarman, Journeys, Johnston & Murphy, Boot Factory and General Shoe Warehouse retail footwear stores.

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 1997 had 367 days, while Fiscal 1996 and 1995 had 365 days. Fiscal Years 1997, 1996 and 1995 ended on February 1, 1997, January 31, 1996 and January 31, 1995, respectively.

FINANCIAL STATEMENT RECLASSIFICATIONS

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of cash, cash equivalents, trade receivables and trade payables approximate fair value because of the short maturity of these financial instruments. The fair value of the Company's \$75.0 million 10 3/8% senior notes is estimated based on the quoted market price as of February 1, 1997 which is \$76.1 million (see Note 9).

CASH AND SHORT-TERM INVESTMENTS

Included in cash and short-term investments at February 1, 1997 and January 31, 1996, are short-term investments of \$38.1 million and \$32.0 million, respectively. Short-term investments are highly-liquid debt instruments having an original maturity of three months or less.

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.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

The Company implemented Statement of Financial Accounting Standards (SFAS) 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" in the third quarter of Fiscal 1996. This statement establishes accounting standards for determining impairment of long-lived 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. During the third quarter of Fiscal 1996, the Company identified certain retail stores that were impaired because of a history of and current period cash flow losses in these specific stores. An impairment loss of \$978,000 was recognized for these retail stores and is included in the "Restructuring and other charges" line on the income statement for the year ended January 31, 1996.

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 February 1, 1997 and January 31, 1996, the Company had approximately \$18.8 million and \$4.9 million, respectively, of such contracts outstanding. Forward exchange contracts have an average term of approximately five 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.

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.

In accordance with SFAS 106, postretirement benefits such as life insurance and health care are accrued over the period the employee provides services to the Company.

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.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 of taxes recoverable from taxes paid in the current or prior years.

EARNINGS PER COMMON SHARE

Earnings per common share are computed by dividing earnings, adjusted for preferred dividend requirements (1997 - \$301,000; 1996 - \$302,000; 1995 - \$302,000), by average common and common stock equivalents outstanding during the period.

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 15).

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 2
RESTRUCTURINGS

MANUFACTURING RESTRUCTURING

In response to the continued weakening of the western boot market, 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 includes 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 plan, the Company recorded a charge to earnings of \$1.7 million 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 is employee severance, facility shutdown and lease costs.

FISCAL 1995 RESTRUCTURING

In response to worsening trends in the Company's men's apparel business and in response to a strategic review of its footwear operations, 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

- 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

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

In connection with the 1995 Restructuring, the Company took a combined charge of \$90.7 million in the third quarter of Fiscal 1995, of which \$22.1 million (the "1995 Restructuring Charge") related to University Brands and Mitre and facility consolidation costs and permanent work force reductions and \$68.6 million (the "1995 Restructuring Provision") related to Greif and GCO Apparel, which constituted the entire men's apparel segment of the Company's business, and is, therefore, treated for financial reporting purposes as a provision for discontinued operations.

In the fourth quarter of Fiscal 1995, the 1995 Restructuring Provision was positively adjusted by \$10.5 million reducing the \$68.6 million provision for future losses of discontinued operations to \$58.1 million. The adjustment reflected the favorable consequences of a transfer, not anticipated at the time the provision was recorded, of a licensing agreement for men's apparel to another manufacturer. The transfer resulted in realization of inventory and accounts receivable balances on more favorable terms than anticipated, assumption of piece goods commitments by other manufacturers and cancellation of minimum royalty requirements under the transferred license.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 2
RESTRUCTURINGS, CONTINUED

In the first quarter of Fiscal 1996, the Company took an additional restructuring charge of \$14.1 million relating to the 1995 Restructuring. The additional restructuring charge reflected the lowering of anticipated proceeds from the sale of the Mitre Sports soccer business. In addition, the 1995 Restructuring Provision was adjusted by an additional reversal of \$12.7 million. The reversal reflected primarily (1) an agreement during the quarter providing for the resolution of a long-term lease liability on terms more favorable than were anticipated when the 1995 Restructuring Provision was established, (2) better than anticipated realization of inventories and accounts receivable as the remaining Greif inventory was liquidated in the first quarter of Fiscal 1996 and (3) lower than anticipated union pension liability, which the pension fund determined and announced to the Company during the quarter.

Throughout the remainder of Fiscal 1996, the Company recognized additional reductions to the 1995 Restructuring Charge and Provision of \$1.7 million as actual events differed from the original estimates.

The transactions provided for in the 1995 Restructuring were substantially complete as of January 31, 1996 and the Company does not expect any material future adjustments arising from the completion of the 1995 Restructuring. The 1995 Restructuring Charge, as adjusted, provided for the elimination of 464 jobs in footwear operations to be divested or consolidated and in staff positions to be eliminated, of which 457 jobs had been eliminated as of January 31, 1996. The divestiture of the University Brands business was completed in February 1995. The operations of The Greif Companies have ceased, its inventories and equipment have been liquidated and its last major remaining long-term lease liability was resolved 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 with cash proceeds to the Company of approximately \$19.1 million, including repayment of intercompany balances.

The operating results of the men's apparel segment prior to the decision to discontinue, classified as discontinued operations in the consolidated earnings statement, are shown below:

	YEAR ENDED JANUARY 31, ----- 1995
IN THOUSANDS	

Net sales	\$ 81,777
Cost of sales and expenses	86,317

Pretax loss	(4,540)
Income tax expense (benefit)	-0-

Net Loss	\$ (4,540)
=====	

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 2
RESTRUCTURINGS, CONTINUED

Discontinued operations' sales subsequent to the decision to discontinue were \$20.0 million for Fiscal 1996.

Net sales for Mitre and University Brands for Fiscal 1996 and 1995 were \$30.8 million and \$76.0 million, respectively. Operating loss for Mitre and University Brands before the restructuring provisions for Fiscal 1995 was \$304,000.

Operating results of footwear businesses divested pursuant to the 1995 Restructuring are included in the Company's sales, cost of sales and selling and administrative expenses. The net operating losses incurred by these operations subsequent to the decision to divest are charged against the restructuring reserves established to provide for such losses. The elimination of these losses from the Company's results of operations for Fiscal 1996 is presented as other income in the Consolidated Earnings Statement. Such operating losses totalled \$1.3 million for Fiscal 1996. Such operating losses totalled \$5.5 million for Fiscal 1995 which included operating results of stores identified for closure pursuant to the 1994 Restructuring.

NOTE 3
ACCOUNTS RECEIVABLE

IN THOUSANDS	1997	1996
Trade accounts receivable	\$ 32,721	\$ 33,068
Miscellaneous receivables	6,960	3,263
Total receivables	39,681	36,331
Allowance for bad debts	(3,353)	(2,065)
Other allowances	(1,939)	(2,131)
NET ACCOUNTS RECEIVABLE	\$ 34,389	\$ 32,135

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. No single customer accounted for more than 8% of the Company's trade receivables balance as of February 1, 1997.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 4
INVENTORIES

IN THOUSANDS	1997	1996
Raw materials	\$ 8,870	\$ 9,229
Work in process	3,333	3,792
Finished goods	29,270	22,935
Retail merchandise	54,411	48,974
TOTAL INVENTORIES	\$ 95,884	\$ 84,930

NOTE 5
PLANT, EQUIPMENT AND CAPITAL LEASES, NET

IN THOUSANDS	1997	1996
Plant and equipment:		
Land	\$ 241	\$ 75
Buildings and building equipment	2,552	2,799
Machinery, furniture and fixtures	37,522	32,927
Construction in progress	3,130	1,114
Improvements to leased property	42,734	39,195
Capital leases:		
Land	60	60
Buildings	1,904	2,195
Machinery, furniture and fixtures	7,285	7,392
Plant, equipment and capital leases, at cost	95,428	85,757
Accumulated depreciation and amortization:		
Plant and equipment	(53,241)	(50,355)
Capital leases	(7,716)	(6,850)
NET PLANT, EQUIPMENT AND CAPITAL LEASES	\$ 34,471	\$ 28,552

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 6

OTHER NONCURRENT ASSETS

IN THOUSANDS	1997	1996
Other noncurrent assets:		
Pension plan asset	\$ 4,750	\$ 8,051
Investments and long-term receivables	1,792	1,772
Deferred tax asset	415	-0-
Deferred note expense	2,069	2,499
TOTAL OTHER NONCURRENT ASSETS	\$ 9,026	\$ 12,322

NOTE 7

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

IN THOUSANDS	1997	1996
Trade accounts payable	\$ 22,730	\$ 12,105
Accrued liabilities:		
Employee compensation	9,471	10,733
Litigation	10,700	-0-
Interest	4,017	3,992
Taxes other than income taxes	3,118	3,361
Insurance	3,089	4,381
Other	12,206	9,114
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 65,331	\$ 43,686

At February 1, 1997, outstanding checks drawn on certain domestic banks exceeded book cash balances by approximately \$4.5 million. These amounts are included in trade accounts payable.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 8
PROVISION FOR DISCONTINUED OPERATIONS AND RESTRUCTURING RESERVES

PROVISION FOR DISCONTINUED OPERATIONS

IN THOUSANDS	EMPLOYEE RELATED COSTS	FACILITY SHUTDOWN COSTS	OTHER	TOTAL
Balance January 31, 1996	\$15,222	\$ 10	\$ 2,021	\$17,253
Charges and adjustments, net	(1,866)	(10)	(501)	(2,377)
Balance February 1, 1997	13,356	-0-	1,520	14,876
Current portion	1,743	-0-	1,520	3,263
TOTAL NONCURRENT PROVISION FOR DISCONTINUED OPERATIONS	\$11,613	\$ -0-	\$ -0-	\$11,613

RESTRUCTURING RESERVES

IN THOUSANDS	EMPLOYEE RELATED COSTS	FACILITY SHUTDOWN COSTS	OTHER	TOTAL
Balance January 31, 1996	\$ 956	\$ 1,666	\$ 382	\$ 3,004
Manufacturing restructuring Charges and adjustments, net	748 (1,032)	451 (480)	-0- (13)	1,199 (1,525)
Balance February 1, 1997	672	1,637	369	2,678
Current portion (included in accounts payable and accrued liabilities)	672	1,106	369	2,147
TOTAL NONCURRENT RESTRUCTURING RESERVES (INCLUDED IN OTHER LONG-TERM LIABILITIES)	\$ -0-	\$ 531	\$ -0-	\$ 531

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 9
LONG-TERM DEBT

IN THOUSANDS	1997	1996
10 3/8% senior notes due February 2003	\$75,000	\$75,000

REVOLVING CREDIT AGREEMENTS:

On January 5, 1996, the Company entered into a revolving credit agreement with two banks providing for loans or letters of credit of up to \$35 million. The agreement, as amended October 31, 1996, expires January 5, 1999. This agreement replaced a \$50 million revolving credit agreement providing for loans or letters of credit. Outstanding letters of credit at February 1, 1997 were \$8 million.

Under the revolving credit agreement, the Company may borrow at the prime rate or LIBOR plus 2.0% which may be changed if the Company's debt rating is improved. Facility fees are 0.5% per annum on each bank's committed amount or \$35.0 million. The new credit agreement requires the Company to meet certain financial ratios and covenants, including minimum tangible net worth, fixed charge coverage, debt to equity and interest coverage ratios. The Company is required by the credit agreement to reduce the outstanding principal balance of the revolving loans to zero for 45 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 \$25.0 million for Fiscal 1998 and thereafter subject to possible carryforwards from the previous year of up to \$2.0 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 February 1, 1997.

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.

The fair value of the Company's 10 3/8% senior notes, based on the quoted market price on February 1, 1997, is \$76.1 million.

The indenture under which the notes were issued limits the incurrence of indebtedness, the making of restricted payments, the restricting of subsidiary dividends, transactions with affiliates, liens, sales of assets and transactions involving mergers, sales or consolidations.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 10
COMMITMENTS UNDER LONG-TERM LEASES

CAPITAL LEASES

Future minimum lease payments under capital leases at February 1, 1997, together with the present value of the minimum lease payments, are:

FISCAL YEARS	IN THOUSANDS
1998	\$ 865
1999	400
2000	139
2001	139
2002	109
Later years	79
Total minimum payments	1,731
Interest discount amount	246
Total present value of minimum payments	1,485
Current portion	768
TOTAL NONCURRENT PORTION	\$ 717

OPERATING LEASES

Rental expense under operating leases of continuing operations was:

IN THOUSANDS	1997	1996	1995
Minimum rentals	\$18,719	\$17,942	\$18,678
Contingent rentals	10,270	8,776	8,234
Sublease rentals	(1,035)	(754)	(478)
TOTAL RENTAL EXPENSE	\$27,954	\$25,964	\$26,434

Minimum rental commitments payable in future years are:

FISCAL YEARS	IN THOUSANDS
1998	\$19,404
1999	17,325
2000	14,542
2001	10,419
2002	7,215
Later years	19,733
TOTAL MINIMUM RENTAL COMMITMENTS	\$88,638

Most leases provide for the Company to pay real estate taxes and other expenses and contingent rentals based on sales. Approximately 12% of the Company's leases contain renewal options.

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Note 11
SHAREHOLDERS' EQUITY

NON-REDEEMABLE PREFERRED STOCK

Class	Shares Authorized	Number of Shares			Amounts in Thousands			Common Convertible Ratio	No. of Votes	
		1997	1996	1995	1997	1996	1995			
Subordinated Serial Preferred (Cumulative)										
\$2.30 Series 1	64,368	37,123	37,233	37,233	\$1,485	\$1,489	\$1,489	.83	1	
\$4.75 Series 3	40,449	19,469	19,632	19,632	1,947	1,963	1,963	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-		1	
\$1.50 Subordinated Cumulative Preferred	5,000,000	30,017	30,017	30,017	901	901	901			
		103,021	103,294	103,294	5,974	5,994	5,994			
Employees' Subordinated Convertible Preferred	5,000,000	80,313	80,313	80,313	2,409	2,410	2,410	1.00*	1	
Stated Value of Issued Shares					8,383	8,404	8,404			
Employees' Preferred Stock Purchase Accounts					(439)	(446)	(461)			
Total Non-Redeemable Preferred Stock					\$7,944	\$7,958	\$7,943			

* 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, 1994	\$5,993	\$2,544	\$(473)	\$8,064
Conversion of employees' preferred into \$1.50 preferred	3	(3)	-0-	-0-
Conversion of employees' preferred into common	-0-	(122)	-0-	(122)
Other	(2)	(9)	12	1
Balance January 31, 1995	5,994	2,410	(461)	7,943
Other	-0-	-0-	15	15
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

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.

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NOTE 11
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 August 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: 40,000,000 shares; issued: February 1, 1997--25,194,504 shares; January 31, 1996--24,844,036 shares. There were 488,464 shares held in treasury at February 1, 1997 and January 31, 1996. Each outstanding share is entitled to one vote. At February 1, 1997, common shares were reserved as follows: 177,101 shares for conversion of preferred stock; 1,366,388 shares for the 1987 Stock Option Plan; 1,100,000 shares for the 1996 Stock Option Plan; 200,000 shares for executive stock options; 120,434 shares for the Restricted Stock Plan for Directors; and 756,919 shares for the Genesco Employee Stock Purchase Plan.

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.

GENESCO INC.
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NOTE 11
SHAREHOLDERS' EQUITY, CONTINUED

The February 1, 1993 indenture, under which the Company's 10 3/8% senior notes due 2003 were issued, limits the payment of dividends and redemptions of capital stock to the sum of \$10 million plus (i) 50% of Consolidated Net Income (as defined) after April 30, 1993 and (ii) the aggregate Net Proceeds (as defined) received from the issuance or sale of capital stock after February 1, 1993. At February 1, 1997, the Company was in a deficit position of \$98.0 million in its ability to pay dividends.

Due to the above restrictions, the Company suspended dividends in the fourth quarter of Fiscal 1994 and now has cumulative dividend arrearages in the amount of \$277,494 for Series 1, \$300,553 for Series 3, \$253,360 for Series 4, and \$146,333 for \$1.50 Subordinated Cumulative Preferred Stock.

CHANGES IN THE SHARES OF THE COMPANY'S CAPITAL STOCK

	COMMON STOCK	NON- REDEEMABLE PREFERRED STOCK	EMPLOYEES' PREFERRED STOCK
Issued at January 31, 1994	24,792,641	103,244	84,791
Other	39,486	50	(4,478)
Issued at January 31, 1995	24,832,127	103,294	80,313
Exercise of options	7,625	-0-	-0-
Other	4,284	-0-	-0-
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
Less treasury shares	488,464	-0-	-0-
OUTSTANDING AT FEBRUARY 1, 1997	24,706,040	103,021	80,313

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NOTE 12
INCOME TAXES

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

IN THOUSANDS	1997	1996	1995
Current			
U.S. federal	\$ (70)	\$ -0-	\$(1,693)
Foreign	41	25	741
State	22	-0-	10
Deferred			
U.S. federal	(415)	-0-	1,699
Foreign	-0-	-0-	-0-
State	-0-	-0-	-0-
TOTAL INCOME TAX EXPENSE (BENEFIT)	\$ (422)	\$ 25	\$ 757

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NOTE 12
INCOME TAXES, CONTINUED

Deferred tax assets and liabilities are comprised of the following:

IN THOUSANDS	FEBRUARY 1, 1997	JANUARY 31, 1996
Pensions	\$ (1,049)	\$ (885)
Other	(219)	(346)
Gross deferred tax liabilities	(1,268)	(1,231)
Net operating loss carryforwards	18,433	25,399
Net capital loss carryforwards	8,013	11,180
Provisions for discontinued operations and restructurings	7,685	8,437
Inventory valuation	1,685	1,743
Expense accruals	7,836	6,581
Allowances for bad debts and notes	1,802	1,711
Uniform capitalization costs	2,206	1,937
Depreciation	2,106	2,105
Pensions	201	692
Leases	126	176
Other	763	2,047
Tax credit carryforwards	2,649	1,200
Gross deferred tax assets	53,505	63,208
Deferred tax asset valuation allowance	(51,822)	(61,977)
NET DEFERRED TAX ASSETS	\$ 415	\$ -0-

The Company has net operating loss carryforwards available to offset future U.S. taxable income of approximately \$47.9 million expiring in 2010 and 2011. The Company also has capital loss carryforwards available to offset future U.S. capital gains of approximately \$20.8 million expiring in 2001.

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

	1997	1996	1995
U. S. federal statutory rate of tax	34.00 %	34.00 %	(34.00)%
State taxes (net of federal tax benefit)	4.50	4.50	-0-
Deferred tax valuation allowance	(38.50)	(38.50)	-0-
Operating losses with no current tax benefit	-0-	-0-	34.00
Other	(2.9)	.01	-0-
EFFECTIVE TAX RATE	(2.9)%	.01 %	.00 %

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NOTE 13
EMPLOYEE RETIREMENT BENEFITS

RETIREMENT PLAN

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.

EMPLOYEE RETIREMENT BENEFITS

PENSION EXPENSE

IN THOUSANDS	1997	1996	1995
Service cost of benefits earned during the year	\$ 1,490	\$ 1,914	\$ 2,309
Interest on projected benefit obligation	6,437	6,621	6,430
Actual return on plan assets	(12,505)	(12,522)	(933)
Deferral of current period asset gains (losses)	6,601	7,089	(4,256)
Amortization of prior service cost	(146)	388	388
Amortization of net loss	1,257	171	1,385
Amortization of transition obligation	983	983	983
TOTAL PENSION EXPENSE	\$ 4,117	\$ 4,644	\$ 6,306

ACTUARIAL ASSUMPTIONS

	1997	1996
Weighted average discount rate	7.50%	7.00%
Salary progression rate	5.00%	5.00%
Expected long-term rate of return on plan assets	9.50%	9.50%

GENESCO INC.
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NOTE 13
EMPLOYEE RETIREMENT BENEFITS, CONTINUED

The weighted average discount rate used to measure the benefit obligation increased from 7.00% to 7.50% from Fiscal 1996 to Fiscal 1997. The increase in the rate decreased the accumulated benefit obligation by \$4.4 million and decreased the projected benefit obligation by \$5.4 million. The weighted average discount rate used to measure the benefit obligation decreased from 8.50% to 7.00% from Fiscal 1995 to Fiscal 1996. The decrease in the rate increased the accumulated benefit obligation by \$12.1 million and increased the projected benefit obligation by \$15.7 million.

The following table sets forth the funded status of the plan as of the measurement date (December 31) for the respective fiscal year:

FUNDED STATUS

IN THOUSANDS	1997	1996
Actuarial present value of benefit obligations:		
Vested benefit obligation	\$82,534	\$83,833
Non-vested benefit obligation	1,309	1,242
Accumulated benefit obligation	\$83,843	\$85,075
Projected benefit obligation		
for services rendered to date	\$91,350	\$99,058
Plan assets at fair value, primarily		
cash equivalents, common stock, notes and		
real estate	81,077	68,550
PROJECTED BENEFIT OBLIGATION IN EXCESS OF		
PLAN ASSETS	\$10,273	\$30,508

At February 1, 1997 and January 31, 1996, 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.

BALANCE SHEET EFFECT

SFAS No. 87 requires the Company to recognize a pension liability (\$2.8 million for 1997 and \$16.5 million for 1996) equal to the amount by which the actuarial present value of the accumulated benefit obligation (\$83.8 million for 1997 and \$85.1 million for 1996) exceeds the fair value of the retirement plan's assets (\$81.1 million for 1997 and \$68.6 million for 1996). A corresponding amount is recognized as an intangible asset to the extent of the unamortized prior service cost and unamortized transition obligation. Any excess of the pension liability above the intangible pension asset is recorded as a separate component and reduction of shareholders' equity. In 1997, this resulted in the recording of an intangible asset of \$4.8 million and a minimum pension liability of zero in shareholders' equity. In the prior year, an intangible asset of \$8.1 million and a reduction to shareholders' equity of \$8.2 million was recorded in the Company's balance sheet. The decrease in the charge to shareholders' equity from \$8.2 million in Fiscal 1996 to \$-0- in Fiscal 1997 results from a higher than expected return on plan assets and the increase in the weighted average discount rate.

GENESCO, INC.
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Notes to Consolidated Financial Statements

NOTE 13
EMPLOYEE RETIREMENT BENEFITS, CONTINUED

A reconciliation of the plan's funded status to amounts recognized in the Company's balance sheet follows:

IN THOUSANDS	1997	1996
Projected benefit obligation in excess of plan assets	\$(10,273)	\$(30,508)
Unamortized transition obligation	4,914	5,897
Unrecognized net actuarial losses	9,060	22,227
Unrecognized prior service cost	(1,717)	2,154
Prepaid (Accrued) pension cost	1,984	(230)
Amount reflected as an intangible asset*	(4,750)	(8,051)
Amount reflected as minimum pension liability adjustment**	-0-	(8,244)
AMOUNT REFLECTED AS PENSION LIABILITY***	\$ (2,766)	\$(16,525)

* Included in other non-current assets in the balance sheet.

** Included as a component of shareholders' equity in the balance sheet.

*** Included in other long-term liabilities in the balance sheet.

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. For Fiscal 1997, the contribution expense to the Company for the matching program was approximately \$1.1 million.

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NOTE 14
OTHER BENEFIT PLANS

Prior to Fiscal 1996, the Company contributed to a multiemployer pension plan applicable to all hourly-paid employees of its tailored clothing division covered by collective bargaining agreements. As a result of the Company's decision to liquidate The Greif Companies men's tailored clothing business, the Company provided for its estimated union pension withdrawal liability (see Note 2). Pension costs and amounts contributed to the plan during Fiscal 1995 were \$1.8 million.

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.

Postretirement benefit expense was \$258,000, \$256,000 and \$217,000 for Fiscal 1997, 1996 and 1995, respectively. The components of postretirement benefit expense follow:

IN THOUSANDS	1997	1996	1995
Service cost of benefits earned during the year	\$ 83	\$ 64	\$ 70
Interest cost on accumulated postretirement benefits	175	192	147
NET PERIODIC POSTRETIREMENT BENEFIT COST	\$258	\$256	\$217

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NOTE 14
OTHER BENEFIT PLANS, CONTINUED

The funded status of the plan and amounts recognized in the financial statements at February 1, 1997 and January 31, 1996 were as follows:

IN THOUSANDS	1997	1996
Postretirement benefit liability at beginning of year	\$ 2,693	\$ 1,929
Net periodic postretirement benefit cost	258	256
Cash expenditures for benefits	(771)	(162)
Loss due to actual experience	475	376
Increase (decrease) in liability due to change in discount rate	(111)	294
Postretirement benefit liability	2,544	2,693
Unrecognized net loss	(653)	(289)
POSTRETIREMENT BENEFIT LIABILITY RECOGNIZED IN FINANCIAL STATEMENTS	\$ 1,891	\$ 2,404

The weighted average discount rate used to determine the APBO at January 31, 1996 was 7% and 7.5% at February 1, 1997. The increase in the rate resulted in an unrecognized gain of \$111,000. The weighted average discount rate decreased from 8.5% to 7.0% resulting in an unrecognized loss of \$294,000 in Fiscal 1996. The APBO was determined using an assumed annual increase in the health care cost trend rate of 9.75% for Fiscal 1997. The trend rate is assumed to decrease gradually to 5.0% by Fiscal 2013. A one percentage point increase in the assumed health care cost trend rate would increase the APBO by approximately \$200,000 and increase the aggregate of the service and interest cost components of net periodic postretirement benefit expense for the fiscal year by approximately \$27,000.

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NOTE 15
STOCK OPTION PLANS

The Company's stock-based compensation plans, as of February 1, 1997, 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 \$980,000 for 1997. The compensation cost that has been charged against shareholders' equity for its directors' restricted stock plan was \$35,000 and \$30,000 for 1997 and 1996, 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:

		1997 -----	1996 -----
Net Income	As reported	\$10,404	\$10,071
	Pro forma	10,394	9,981
Primary EPS	As reported	\$ 0.39	\$ 0.40
	Pro forma	\$ 0.39	\$ 0.39

FIXED STOCK OPTIONS

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 1.2 million shares of common stock, which includes 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 and the 100,000 shares granted to the chief executive officer under the 1987 Plan which vested after one year.

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 1,993 shares of restricted stock issued to directors for Fiscal 1997.

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NOTE 15
STOCK OPTION PLANS, CONTINUED

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 has 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 1997 plan in the form of nonqualified stock options. The 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 1997 is determined by the Company. Compensation cost charged against income for these options was \$873,000 for Fiscal 1997.

The third fixed option plan is the executive stock option plan which granted 100,000 shares to the chief executive officer. 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 the options vested after six months.

The fair value of each option granted in the fixed with the following weighted option plans described above is estimated on the date of grant using the Black-Scholes option-pricing model - average assumptions used for grants in 1996 and 1997, respectively: expected volatility of 48 and 50 percent; risk-free interest rates of 5.9 and 6.1 percent; and expected lives of six years for all plans.

A summary of the status of the Company's fixed stock option plans as of February 1, 1997 and January 31, 1996 and 1995 and changes during the years ending on those dates is presented below:

	1997		1996		1995	
	SHARES (000)	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES (000)	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES (000)	WEIGHTED-AVERAGE EXERCISE PRICE
FIXED OPTIONS						
Outstanding at beginning of year	1,525,150	\$3.35	1,431,475	\$3.31	1,284,075	\$6.35
Granted	1,346,883	6.48	245,000	3.47	1,191,875	2.36
Exercised	(186,712)	3.44	(7,625)	2.91	(1,875)	3.38
Forfeited	(69,150)	3.24	(143,700)	3.14	(1,042,600)	5.96
Outstanding at end of year	2,616,171	4.96	1,525,150	3.35	1,431,475	3.31
Options exercisable at year-end	970,571		784,772		425,225	
Weighted-average fair value of options granted during the year	\$ 3.58		\$ 1.89		--	

The following table summarizes information about fixed stock options outstanding at February 1, 1997:

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
	NUMBER OUTSTANDING AT 2/1/97	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT 2/1/97	WEIGHTED-AVERAGE EXERCISE PRICE
\$1.875 - 2.75	825,038	7.9 years	\$ 2.25	540,196	\$2.32
3.375 - 5.00	1,218,133	8.6	4.54	260,000	3.80
5.50 - 7.75	128,500	6.2	7.07	70,375	6.87
9.00 - 11.00	444,500	8.9	10.55	100,000	9.00
\$1.875 - 11.00	2,616,171	6.7	4.96	970,571	3.73

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NOTE 15
STOCK OPTION PLANS, CONTINUED

RESTRICTED STOCK OPTIONS

On January 10, 1997, 200,000 shares of restricted stock with a zero exercise price were granted to the chairman under the 1996 Stock Incentive Plan. The stock price at the date of grant was \$9 per share. The restrictions would lapse for one third of the shares on January 31, 1998 if the chairman is employed by the Company on that date. The restrictions would lapse for another one third of the shares on January 31, 1999 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 \$12.50 per share for 20 consecutive trading days during Fiscal 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 \$107,000 in Fiscal 1997.

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 15 percent of eligible employees have participated in the Plan in the last 2 years. Under the Plan, the Company sold 4,284 shares and 161,329 shares to employees in 1996 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 1996 and 1997, respectively: an expected life of 1 year for both years; expected volatility of 68 and 52 percent; and risk-free interest rates of 5.7 percent for both years. The weighted-average fair value of those purchase rights granted in 1996 and 1997 was \$1.73 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 \$448,000 and \$454,000 at February 1, 1997 and January 31, 1996, respectively, and were secured at February 1, 1997, by 21,112 employees' preferred shares and 325 common 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 16
LEGAL PROCEEDINGS

New York State Environmental Proceedings

The Company is a defendant in two separate civil actions filed by the State of New York; one against the City of Gloversville, New York, and 33 other private defendants and the other against the City of Johnstown, New York, and 14 other private defendants. In addition, third party complaints and cross claims have been filed against numerous other entities, including the Company, in both actions. These actions arise out of the alleged disposal of certain hazardous material directly or indirectly in municipal landfills. The complaints allege that the defendants, together with other contributors to the municipal landfills, are liable under a federal environmental statute and certain common law theories for the costs of investigating and performing remedial actions required to be taken with respect to the landfills and damages to the natural resources.

In March 1997, the Company accepted an offer to settle the Johnstown action for a payment of \$31,000 and is now awaiting entry of an acceptable consent order and dismissal of that action. The Company remains a defendant in the Gloversville action. The environmental authorities have issued decisions selecting plans of remediation with respect to the Gloversville site with a total estimated cost of approximately \$10.0 million.

The Company has filed answers to the complaint in the Gloversville case denying liability and asserting numerous defenses. Because of uncertainties related to the ability or willingness of the other defendants, including the municipalities involved, to pay a portion of future remediation costs, the availability of State funding to pay a portion of future remediation costs, the 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 presently unable to predict the outcome or to estimate the extent of liability the Company may incur with respect to the Gloversville action.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 16
LEGAL PROCEEDINGS, CONTINUED

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. The Department and the Company have discussed a consent order whereby the Company would assume 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. The Company believes that it has adequately reserved for the costs of conducting the RIFS and implementing the interim remedial measure contemplated by the proposed consent order, but there is no assurance that it will be able to enter into an acceptable consent order along the lines proposed, or that such a consent order would ultimately resolve the matter. The owner of the site has advised the Company that it intends to hold the Company responsible for any required remediation or other damages incident to the contamination. 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, 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. MDEQ advised the Company that it would review the results of the analysis for possible referral to the EPA for action under the Comprehensive Environmental Response Compensation and Liability Act. However, the Company is cooperating with MDEQ and has been advised by MDEQ that no EPA referral is presently contemplated. Neither MDEQ nor the EPA has threatened or commenced any enforcement action. In response to the testing data, the Company submitted and MDEQ approved a work plan, pursuant to which a hydrogeological study was completed and submitted to MDEQ in March 1996. Additional studies regarding wastes on-site, groundwater and adjoining lake sediments have been performed and will serve as a basis for the Company's remedial action plan for the site. The Company is presently unable to determine whether the implementation of the plan will have a material effect on its financial condition or results of operations.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 16
LEGAL PROCEEDINGS, CONTINUED

Preferred Shareholder Action

On January 7, 1993, 23 former holders of the Company's series 2, 3 and 4 subordinated serial preferred stock filed a civil action against the Company and certain officers in the United States District Court for the Southern District of New York. The plaintiffs allege that the defendants misrepresented and failed to disclose material facts to representatives of the plaintiffs in connection with exchange offers which were made by the Company to the plaintiffs and other holders of the Company's series 1, 2, 3 and 4 subordinated serial preferred stock from June 23, 1988 to August 1, 1988. The plaintiffs contend that had they been aware of the misrepresentations and omissions, they would not have agreed to exchange their shares pursuant to the exchange offers. The plaintiffs allege breach of fiduciary duty and fraudulent and negligent misrepresentations and seek damages in excess of \$10 million, costs, attorneys' fees, interest and punitive damages in an unspecified amount.

By order dated December 2, 1993, the U.S. District Court denied a motion for judgment on the pleadings filed on behalf of all defendants. On July 6, 1994, the court denied a motion for partial summary judgment filed on behalf of the plaintiffs. On September 6, 1996, the court granted the defendants' motion for summary judgment regarding certain alleged misrepresentations by one of the Company's officers and the plaintiffs' motion regarding the existence and breach of fiduciary duties owed by the Company to the plaintiffs. The court's order stated that the plaintiffs must show that the breach caused damages to be entitled to a recovery on that count. It denied the defendants' and plaintiffs' motions for summary judgment in other respects.

In April 1997, the parties to the litigation entered into a settlement agreement providing for the issuance of shares of the Company's common stock to the plaintiffs in exchange for dismissal of the lawsuit and the execution of mutual general releases by the parties. In addition to a cash payment which the Company's directors and officers liability insurance carrier has agreed to contribute to the settlement, the Company expects to issue shares of stock sufficient to yield net proceeds of \$6.7 million to the plaintiffs in a block trade to occur immediately upon the issuance. The \$6.7 million settlement was reflected in earnings in the fourth quarter of Fiscal 1997 and a liability at February 1, 1997. In addition, the portion of the settlement to be paid by the Company's directors and officers liability insurance carrier was reflected as a liability and a receivable at February 1, 1997.

Texas Interference Action

On October 6, 1995, a prior holder of a license to manufacture and market western boots and other products under a trademark now licensed to the Company filed an action in the District Court of Dallas County, Texas against the Company and a contract manufacturer alleging tortious interference with a business relationship, breach of contract, tortious interference with a contract, breach of a confidential relationship and civil conspiracy based on the Company's entry into the license. The Company filed an answer denying all the material allegations of the plaintiff's complaint. The Company is unable to predict whether the outcome of the litigation will have a material effect on its financial condition or results of operations.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 17
BUSINESS SEGMENT INFORMATION

IN THOUSANDS	1997	1996	1995
SALES TO UNAFFILIATED CUSTOMERS:			
Footwear (shoes and accessories):			
Retail	\$ 283,546	\$ 243,303	\$ 234,448
Wholesale and manufacturing	177,802	191,272	228,453
=====			
TOTAL SALES	\$ 461,348	\$ 434,575	\$ 462,901
=====			
PRETAX EARNINGS (LOSS):			
Footwear (shoes and accessories):			
Retail	\$ 26,519	\$ 17,881(2)	\$ 16,925(4)
% of applicable sales	9.4%	7.3%	7.2%
Wholesale and manufacturing	8,108(1)	(1,754)(3)	(13,446)(4)
% of applicable sales	4.6%	(0.9)%	(5.9)%

Operating income	34,627	16,127	3,479
% of total sales	7.5%	3.7%	0.8%
Corporate expenses:			
Interest expense	(8,741)	(9,645)	(11,955)
Litigation settlement	(6,700)	-0-	-0-
Other corporate expenses	(9,054)	(10,238)	(14,181)(4)
Gain on divestiture	-0-	-0-	4,900

TOTAL PRETAX EARNINGS (LOSS)	\$ 10,132	\$ (3,756)	\$ (17,757)
% OF TOTAL SALES	2.2%	(0.9)%	(3.8)%
=====			

- (1) Includes a restructuring charge in Fiscal 1997 of \$1.7 million.
- (2) Includes an asset impairment loss of \$978,000.
- (3) Includes a restructuring charge in Fiscal 1996 of \$14.1 million.
- (4) Includes a restructuring charge in Fiscal 1995 as follows: Footwear Retail \$236,000, Footwear Wholesale and Manufacturing \$20.6 million and Corporate \$1.3 million.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 17
BUSINESS SEGMENT INFORMATION, CONTINUED

IN THOUSANDS	1997	1996	1995
ASSETS:			
Footwear:			
Retail	\$ 78,721	\$ 67,482	\$ 69,287
Wholesale and manufacturing	79,424	74,290	115,601
Total footwear	158,145	141,772	184,888
Men's apparel	-0-	-0-	28,984
Corporate assets	63,509	56,034	30,006
TOTAL ASSETS	\$221,654	\$197,806	\$243,878
DEPRECIATION AND AMORTIZATION:			
Footwear:			
Retail	\$ 4,811	\$ 4,755	\$ 4,735
Wholesale and manufacturing	1,866	1,691	2,759
Total footwear	6,677	6,446	7,494
Men's apparel	-0-	-0-	1,305
Corporate	1,070	908	455
TOTAL DEPRECIATION AND AMORTIZATION	\$ 7,747	\$ 7,354	\$ 9,254
ADDITIONS TO PLANT, EQUIPMENT AND CAPITAL LEASES:			
Footwear:			
Retail	\$ 11,151	\$ 4,364	\$ 3,181
Wholesale and manufacturing	2,948	2,514	2,129
Total footwear	14,099	6,878	5,310
Men's apparel	-0-	9	198
Corporate	541	1,677	242
TOTAL ADDITIONS TO PLANT, EQUIPMENT AND CAPITAL LEASES	\$ 14,640	\$ 8,564	\$ 5,750

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 18
QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

IN THOUSANDS	1ST QUARTER		2ND QUARTER		3RD QUARTER	
	1997	1996	1997	1996	1997	1996
Net sales	\$ 100,219	\$ 93,225	\$ 102,955	\$ 109,600	\$ 124,109	\$111,994
Gross margin	40,588	35,537	40,813	42,499	51,188	45,292
Pretax earnings (loss)	501	(13,322)(1)	2,101	(1,179)(3)	5,993 (5)	4,238(6)
Earnings (loss) before discontinued operations	966	(13,331)	2,073	(1,185)	5,903	4,231
Net earnings (loss)	966	(678)(2)	2,073	514 (4)	5,903	4,231
Earnings (loss) per common share:						
Before discontinued operations	.04	(.55)	.08	(.05)	.23	.17
Net earnings (loss)	.04	(.03)	.08	.02	.23	.17

IN THOUSANDS	4TH QUARTER		FISCAL YEAR	
	1997	1996	1997	1996
Net sales	\$ 134,065	\$ 119,756	\$ 461,348	\$ 434,575
Gross margin	54,486	49,504	187,075	172,832
Pretax earnings (loss)	1,387(7)	6,507(8)	10,132	(3,756)
Earnings (loss) before discontinued operations	1,462	6,504	10,554	(3,781)
Net earnings (loss)	1,462	6,004	10,404	10,071
Earnings (loss) per common share:				
Before discontinued operations	.05	.26	.40	(.17)
Net earnings (loss)	.05	.24	.39	.40

- (1) Includes a restructuring charge of \$14.1 million (see Note 2).
- (2) Includes excess provision for discontinued operations of \$12.7 million (see Note 2).
- (3) Includes a restructuring charge of \$2.2 million (see Note 2).
- (4) Includes excess provision for discontinued operations of \$1.7 million (see Note 2).
- (5) Includes a restructuring charge of \$1.7 million (see Note 2).
- (6) Includes a restructuring credit of \$1.2 million and a \$978,000 charge for impaired assets (see Note 2).
- (7) Includes a litigation settlement charge of \$6.7 million (see Note 16).
- (8) Includes a restructuring credit of \$1.0 million (see Note 2).

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 19
FINANCIAL RESTATEMENT

The financial statements for Fiscal 1997 have been restated to reflect a \$6.7 million litigation settlement more fully described under Preferred Shareholder Action in Note 16. The impact of the restatement is to reduce earnings before income taxes and discontinued operations from \$16.7 million to \$10.1 million and net earnings from \$17.1 million to \$10.4 million.

The impact of the restatement reduces primary earnings per share on earnings before income taxes and discontinued operations from \$0.66 to \$0.40 and net earnings per share from \$0.66 to \$0.39. The impact of the restatement reduces fully-diluted earnings per share on earnings before income taxes and discontinued operations from \$0.65 to \$0.40 and net earnings per share from \$0.65 to \$0.39.

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 25, 1997 (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 31, 1997 (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
- - - - -	- - - - -	- - - - -	- - - - -
Pioneering Management Corporation 60 State Street Boston, MA 02109	Common	1,654,000(1)	6.6

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
Estate of Hyman Fuhrman, Deceased c/o Sylvia Fuhrman 3801 South Ocean Drive Hollywood, FL 33020	Series 3	1,081	5.6
Clinton Grossman 3200 Park Avenue Apt. 7A-1 Bridgeport, CT 06604	Series 3	1,965(2)	10.1
Hazel Grossman 30 Argyle Ave., Apt. 209 Riverside, RI 02915	Series 3	1,074	5.5
Roselyn Grossman 3200 Park Avenue Apt. 7A-1 Bridgeport, CT 06604	Series 3	1,965(2)	10.1

NAME AND ADDRESS -----	CLASS OF STOCK*	NO. OF SHARES -----	PERCENT OF CLASS -----
Stanley Grossman 3200 Park Avenue Apt. 7A-1 Bridgeport, CT 06604	Series 3	1,965(2)	10.1
Michael Miller, Trustee Under Will of David Evins c/o Bloom Hochberg & Co., Inc. 450 7th Avenue New York, NY 10123	Series 4	5,605	34.2
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. 221 Evelyn Avenue Nashville, TN 37205	Subordinated Cumulative Preferred	2,413	8.0

* See Note 11 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 January 22, 1997.
- (2) Owned by a trust of which Roselyn Grossman, Stanley Grossman and Clinton Grossman are trustees.

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.

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, February 1, 1997 and January 31, 1996

Consolidated Earnings, each of the three fiscal years ended 1997, 1996 and 1995

Consolidated Cash Flows, each of the three fiscal years ended 1997, 1996 and 1995

Consolidated Shareholders' Equity, each of the three fiscal years ended 1997, 1996 and 1995

Notes to Consolidated Financial Statements

FINANCIAL STATEMENT SCHEDULES

II -Reserves, each of the three fiscal years ended 1997, 1996 and 1995

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 72.

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.
- (4) Indenture dated as of February 1, 1993 between the Company and United States Trust Company of New York relating to 10 3/8% Senior Notes due 2003. Incorporated by reference to Exhibit (4) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.
- (10)
 - a. Form of Split-Dollar Insurance Agreement with Executive Officers.
 - 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. Description of Adjustable Life Insurance Plan for Key Executive Officers. Incorporated by reference to pages 23-24 under the heading "Executive Compensation Life and Medical Insurance Plans" in the Company's proxy statement dated May 6, 1992.
- g. 1997 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, 1996.
- h. 1998 Management Incentive Compensation Plan.
- i. Other Executive Officer Personal Benefits. Incorporated by reference to pages 10-17 under the heading "Executive Compensation" in the Company's proxy statement dated May 6, 1992.
- j. Restricted Stock Plan For Directors. Incorporated by reference to Exhibit (10)k to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1992.
- k. 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.
- l. Loan Agreement dated as of January 5, 1996 among the Company and NationsBank of North Carolina, N.A. and First National Bank of Chicago. Incorporated by reference to Exhibit (10)k to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1996. First Amendment to Loan Agreement dated as of October 31, 1996. Incorporated by reference to Exhibit (10) k to the Company's Quarterly Report of Form 10-Q for the quarter ended October 31, 1996.
- m. 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 of Form 10-K for the fiscal year ended January 31, 1993.
- n. 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 of Form 10-K for the fiscal year ended January 31, 1993.
- o. 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).
- p. Form of Employment Protection Agreement between the Company and certain executive officers dated as of February 26, 1997.
- q. 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.
- r. 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.

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- (11) Computation of earnings per share.
 - (21) Subsidiaries of the Company.
 - (23) Consent of Independent Accountants included on page 70.
 - (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)k and (10)p through (10)r are Management Contracts or Compensatory Plans or Arrangements required to be filed as Exhibits to this Form 10-K.

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 Statements on Form S-3 (Nos. 2-86509 and 33-52858) and the Registration Statements on Form S-8 (Nos. 2-61487, 2-70824, 33-15835, 33-30828, 33-35329, 33-50248, 33-62653 and 33-08463) of Genesco Inc. of our report dated February 25, 1997, except as to Note 19 which is as of October 31, 1997, appearing on page 28 of this Form 10-K/A. 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 10, 1997 appearing on page 1 of the January 31, 1997 Genesco Employee Stock Purchase Plan Financial Statements.

/s/ PRICE WATERHOUSE LLP

Nashville, Tennessee
November 6, 1997

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: November 6, 1997

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 sixth day of November, 1997.

/s/ Ben T. Harris President and Chief Executive Officer

Ben T. Harris and a Director

/s/ James S. Gulmi Senior Vice President - Finance

James S. Gulmi (Principal Financial Officer)

/s/ Paul D. Williams Chief Accounting Officer

Paul D. Williams

Directors:

David M. Chamberlain*

Kathleen Mason*

W. Lipscomb Davis, Jr.*

William A. Williamson, Jr.*

John Diebold*

William S. Wire, II*

Harry D. Garber*

Gary M. Witkin*

Joel C. Gordon*

*By /s/ Roger G. Sisson

Roger G. Sisson
Attorney-In-Fact

GENESCO INC.

MANAGEMENT INCENTIVE COMPENSATION PLAN

FISCAL YEAR ENDING JANUARY 31, 1998

1. PURPOSE.

The purposes of the Genesco Inc. Management Incentive Compensation Plan ("the Plan") are to motivate and reward a greater degree of excellence and teamwork among the senior executives of the Company by providing incentive compensation award opportunities; 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; and to enhance the Company's ability to attract, retain and motivate the highest caliber senior executives. 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 February 25, 1997, the Compensation Committee approved the Plan, which is effective only with respect to the Plan Year.

3. SELECTION OF PARTICIPANTS.

Participants shall be selected by the Compensation Committee, with the advice of the Chief Executive Officer, from among the full-time management employees of the Company who serve in senior operational, administrative, professional or technical capacities. The Chief Executive Officer shall not be eligible to participate in the Plan.

4. PARTICIPANTS ADDED DURING PLAN YEAR.

A person selected for participation in the Plan after the beginning of the 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, 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 shall be conclusively determined by the Compensation Committee, with the advice of the Chief Executive Officer, based on the

number of full months of the Plan Year during which the employee participated in the Plan and on such other criteria as the Compensation Committee deems relevant.

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 Ethical Business Conduct shall not be eligible to receive an award under the Plan. Any determination of unsatisfactory performance or of violation of the Company's Policy on Ethical Business Conduct shall be made by the Chief Executive Officer. Participants who are found ineligible due to unsatisfactory performance will be so notified in writing prior to October 31, 1997.

6. TERMINATION OF EMPLOYMENT.

A participant whose employment is terminated voluntarily or involuntarily, except by reason of death or voluntary retirement, prior to the end of the Plan Year shall not be eligible to receive an award under the Plan. A participant who voluntarily retires 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 retired participant or the estate of such deceased participant shall be conclusively determined by the Compensation Committee, with the advice of the Chief Executive Officer, based on the number of full months of the Plan Year during which the retired or deceased employee participated in the Plan and such other criteria as the Compensation Committee may deem relevant. 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. AMOUNT OF AWARDS.

Participants are eligible to earn cash awards as specified by the Compensation Committee, will approve each participant's target award amount.

The amount of the award, if any, earned by each participant shall be based on achievement of EBIT and ASSET goals of a Business Unit or Corporate Staff EBIT and Corporate ASSET goals or Corporate EBIT and Total Asset goals or defined strategic business goals to be approved by the Chief Executive Officer prior to March 30, 1997 and, under certain circumstances specified in this Section 7, overall Corporate EBIT and Total ASSET goals. If the applicable minimum earnings before interest and taxes and asset goals are achieved, then the amount of the award earned by a participant shall be at least 30% of the target award. The maximum award earned shall be three times the target award for all

participants below the Executive Vice President grade and three and one-half times for participants who are Executive Vice Presidents.

Subject to the limitations set forth in this Section 7, determination of awards payable to participants (i) who are Business Unit Presidents will be based 50% on Business Unit EBIT and ASSET goals ("Unit Goals"), 25% on Corporate EBIT and Total ASSET goals ("Corporate Goals") and 25% on defined personal performance plan strategic business goals ("Performance Plan Goals") agreed upon between the Chief Executive Officer not later than March 31 of the Plan Year; (ii) who are Business Unit participants will be based 75% on Unit Goals and 25% on Performance Plan Goals; and (iii) who are Corporate staff participants will be based 75% on Corporate Goals or 75% on Corporate Staff EBIT and Corporate Asset goals ("Corporate Staff Goals") and 25% on Performance Plan Goals agreed upon between the participant and the Chief Executive Officer not later than March 31 of the Plan Year.

The applicable Unit Goals, Corporate Goals, and Corporate Staff Goals shall be specified as a range which will serve as the basis for determining the minimum and maximum portion of a participant's award earned based on achievement of such goals.

None of that portion of a participant's award based on achievement of Performance Plan Goals shall be paid, unless some award on the applicable Unit Goals or for corporate staff participants, Corporate Goals or Corporate Staff Goals are payable to the participant; except that, upon recommendation of the Chief Executive Officer, the Compensation Committee may approve payment of all or a part of any portion of the award to the participant based on outstanding individual performance or achievement of significant Performance Plan Goals, notwithstanding the failure to achieve the Unit Goals, Corporate Goals, or Corporate Staff Goals. Participants may earn a multiple of the Performance Plan Goals at the same ratio earned for achievement of Unit Goals or Corporate Goals.

Unless otherwise directed by the Compensation Committee, the annual business plan presented to the Company's board of directors for purposes of the Plan shall be the principal factor considered by the Chief Executive Officer in specifying the applicable financial goals. In order to fairly and equitably reward outstanding performance, the Compensation Committee may adjust the operating results of any Business Unit or of the Company for purposes of the Plan to reflect unusual or nonrecurring charges or credits to income, changes in accounting principles and other factors not taken into consideration in establishing the applicable goals.

In the event of a significant change in the responsibilities and duties of a participant during the 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 target award applies.

8. PAYMENT OF AWARDS.

Any awards payable under the Plan (including awards with respect to participants who die or voluntarily retire during the Plan Year) 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.

9. 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.

10. 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.

11. 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.

12. 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 12 is covered by a change-in-control agreement or similar agreement which is more favorable to the participant than this Section 12, such other agreement shall govern to the extent applicable and to the extent inconsistent herewith.

13. DEFINITIONS.

"ASSET" means the average of all the assets employed in a particular Business Unit during the Plan Year as reflected on the Company's books for internal reporting purposes (including capitalized leased rights but excluding cash, land and buildings), reduced by the amount of merchandise accounts payable for purchases of inventory.

"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 chairman, 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.

"CORPORATE ASSET" means the average of all the assets employed in Company's continuing operations plus corporate staff departments during the Plan Year as reflected on the Company's books for internal reporting purposes (including capitalized leased rights but excluding cash, land and buildings), reduced by the amount of merchandise accounts payable for purchases of inventory.

"CORPORATE EBIT" means net earnings plus interest and taxes of the Company for the Plan Year determined in accordance with generally accepted accounting principles as reported in the audited financial statements of the Company for the Plan Year contained in the Company's report to shareholders for such Plan Year as adjusted for any adjustments to strategic investments/expenditures for the Business Units.

"CORPORATE STAFF EBIT" means pretax earnings of the continuing operations plus interest of the Company for the Plan Year determined in accordance with generally accepted

accounting principles as adjusted for any adjustments to strategic investments/expenditures for the Business Units.

"EBIT" of a Business Unit means pretax earnings before interest of such Business Unit as determined for corporate internal reporting purposes decreasing EBIT for strategic investments/expenditures that are below plan and increasing EBIT for strategic investments/expenditures that are approved and that are above plan.

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

"PLAN YEAR" means the fiscal year of the Company ending January 31, 1998.

"TOTAL ASSET" means the average of all assets less cash and accounts payable of the Company during the Plan Year as reflected on the Company's books for internal reporting purposes.

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

EMPLOYMENT PROTECTION AGREEMENT

THIS AGREEMENT between Genesco Inc., a Tennessee corporation (the "Corporation"), and _____ (the "Executive"), dated as of this 26th day of February, 1997.

W I T N E S S E T H:

WHEREAS, the Corporation and the Executive have agreed to enter into an agreement providing the Corporation and the Executive with certain rights upon the occurrence of a Change of Control (as defined below) to assure the Corporation of continuity of management in the event of any Change of Control;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is hereby agreed by and between the Corporation and the Executive as follows:

1. OPERATION OF AGREEMENT. The effective date of this Agreement shall be the date on which a Change of Control occurs (the "Effective Date"), provided that if the Executive is not employed by the Corporation on the Effective Date this Agreement shall be void and without effect. This Agreement shall terminate on January 31, 2001, provided that the term of this Agreement shall be extended for one additional year on February 1, 1998 and each subsequent February 1, unless the Executive shall have received written notice from the Corporation prior to the November 1 immediately preceding such February 1 that the Board of Directors of the Corporation (the "Board") has determined that the termination date of this Agreement shall not be so extended. Notwithstanding the foregoing, this Agreement shall not terminate on the date determined in accordance with the preceding sentence if a Change of Control shall have occurred prior to such date.

2. DEFINITIONS.

(a) CHANGE OF CONTROL. For purposes of this Agreement, a "Change of Control" shall be deemed to have occurred if: (i) any person (as defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act"), and as used in Sections 13(d) and 14(d) thereof), excluding the Corporation, any majority owned subsidiary of the Corporation (a "Subsidiary") and any employee benefit plan sponsored or maintained by the Corporation or any Subsidiary (including any trustee of such plan acting as trustee), but including a "group" as defined in Section 13(d)(3) of the Exchange Act (a "Person"), becomes the beneficial owner of shares of the Corporation having at least 20% of the total number of votes that may be cast for the election of directors of the Corporation (the "Voting Shares"); provided, however, that such an event shall not constitute a Change of Control if the acquiring Person has entered into an agreement with the Corporation approved by the Board which materially restricts the right of such Person to direct or influence the management or policies of the Corporation; (ii) the shareholders of the Corporation shall approve any merger or other business combination of the Corporation, sale of the Corporation's assets or combination of the foregoing transactions (a "Transaction") other than a Transaction involving only the Corporation and one or more of its Subsidiaries, or a Transaction immediately following which the shareholders of the Corporation immediately prior to the Transaction (excluding for this purpose any shareholder of the Corporation who also owns directly or

indirectly more than 10% of the shares of the other company involved in the Transaction) continue to have a majority of the voting power in the resulting entity; or (iii) within any 24-month period beginning on or after the date hereof, the persons who were directors of the Corporation immediately before the beginning of such period (the "Incumbent Directors") shall cease (for any reason other than death) to constitute at least a majority of the Board or of the board of directors of any successor to the Corporation, provided that any director who was not a director as of the date hereof shall be deemed to be an Incumbent Director if such director was elected to the Board by, or on the recommendation of or with the approval of, at least two-thirds of the directors who then qualified as Incumbent Directors either actually or by prior operation of this Section 2(a)(iii).

(b) PARTICIPATION BY EXECUTIVE. Notwithstanding the foregoing, no Change of Control shall be deemed to have occurred for purposes of this Agreement by reason of any actions or events in which the Executive participates in a capacity other than in his capacity as the Executive (or as a director of the Corporation or a Subsidiary, where applicable).

3. EMPLOYMENT PERIOD. If the Executive is employed on the Effective Date, the Corporation agrees to continue the Executive in its employ, and the Executive agrees to remain in the employ of the Corporation, for the period (the "Employment Period") commencing on the Effective Date and ending on the earliest to occur of (i) the third anniversary of the Effective Date, (ii) the Executive's normal retirement date under the Corporation's retirement plans as in effect from time to time and (iii) the date of any termination of the Executive's employment in accordance with Section 6 of this Agreement.

4. POSITION AND DUTIES.

(a) NO REDUCTION IN POSITION. During the Employment Period, the Executive's position (including titles), authority and responsibilities shall be at least commensurate with the highest of those held, exercised and assigned at any time during the 90-day period immediately preceding the Effective Date.

(b) BUSINESS TIME. From and after the Effective Date, the Executive agrees to devote his full business time during normal business hours to the business and affairs of the Corporation and to use his best efforts to perform faithfully and efficiently the responsibilities assigned to him hereunder, to the extent necessary to discharge such responsibilities, except for

(i) reasonable time spent in serving on corporate, civic or charitable boards or committees approved by the Board, in each case only if and to the extent not substantially interfering with the performance of such responsibilities, and

(ii) periods of vacation and sick leave to which he is entitled.

It is expressly understood and agreed that the Executive's continuing to serve on any boards and committees on which he is serving or with which he is otherwise associated with the consent or approval of the Corporation immediately preceding the Effective Date shall not be deemed to interfere with the performance of the Executive's services to the Corporation.

5. COMPENSATION.

(a) **BASE SALARY.** During the Employment Period, the Executive shall receive a base salary ("Base Salary") at a monthly rate at least equal to the monthly salary paid to the Executive by the Corporation and any of its affiliated companies immediately prior to the Effective Date. The Base Salary shall be reviewed at least once each year after the Effective Date, and may be increased (but not decreased) at any time and from time to time by action of the Board or any committee thereof or any individual having authority to take such action in accordance with the Corporation's regular practices. Neither payment of the Base Salary nor payment of any increased Base Salary after the Effective Date shall serve to limit or reduce any other obligation of the Corporation hereunder. For purposes of the remaining provisions of this Agreement, the term "Base Salary" shall mean Base Salary as defined in this Section 5(a) or, if increased after the Effective Date, the Base Salary as so increased.

(b) **ANNUAL BONUS.** The Executive shall be eligible to participate during each fiscal year of the Employment Period in a bonus or incentive compensation plan with terms consistent with and at least as favorable to the Executive as the plan in effect immediately prior to the Effective Date and with target and maximum award potential at least equal to such plan.

(c) **INCENTIVE AND SAVINGS PLANS AND RETIREMENT PROGRAMS.** In addition to the Base Salary and annual bonus payable as hereinabove provided, during the Employment Period, the Executive shall be entitled to participate in all incentive and savings plans and programs, including stock option plans and other equity based compensation plans, and in all retirement plans, on a basis providing him with the opportunity to receive compensation (without duplication of the amount payable as an annual bonus) and benefits equal to those provided by the Corporation to the Executive on an annualized basis under such plans and programs as in effect at any time during the 90-day period immediately preceding the Effective Date.

(d) **BENEFIT PLANS.** During the Employment Period, the Executive and his family shall be entitled to participate in or be covered under all welfare benefit plans and programs of the Corporation and its affiliated companies, including all medical, dental, disability, group life, accidental death and travel accident insurance plans and programs, as in effect at any time during the 90-day period immediately preceding the Effective Date.

(e) **EXPENSES.** During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the policies and procedures of the Corporation as in effect at any time during the 90-day period immediately preceding the Effective Date.

(f) **VACATION AND FRINGE BENEFITS.** During the Employment Period, the Executive shall be entitled to paid vacation and fringe benefits in accordance with the policies of the Corporation as in effect at any time during the 90-day period immediately preceding the Effective Date.

(g) **OFFICE AND SUPPORT STAFF.** During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to

secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive at any time during the 90-day period immediately preceding the Effective Date.

6. TERMINATION.

(a) DEATH. Subject to the provisions of Section 1 hereof, this Agreement shall terminate automatically upon the Executive's death.

(b) VOLUNTARY TERMINATION. Notwithstanding anything in this Agreement to the contrary, the Executive may, upon not less than 30 days' written notice to the Corporation, voluntarily terminate employment during the Employment Period for any reason (including early retirement under the terms of the Corporation's retirement plan as in effect from time to time), provided that any termination by the Executive pursuant to Section 6(d) of this Agreement on account of Good Reason (as defined therein) shall not be treated as a voluntary termination under this Section 6(b).

(c) CAUSE. The Corporation may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" means (i) an act or acts of dishonesty or gross misconduct on the Executive's part which result or are intended to result in material damage to the Corporation's business or reputation or (ii) repeated material violations by the Executive of his obligations under Section 4 of this Agreement which violations are demonstrably willful and deliberate on the Executive's part.

(d) GOOD REASON. The Executive may terminate his employment during the Employment Period for Good Reason. For purposes of this Agreement, "Good Reason" means

- (i) a good faith determination by the Executive that, without his prior written consent, the Corporation or any of its officers has taken or failed to take any action (including, without limitation, (A) exclusion of the Executive from consideration of material matters within his area of responsibility, (B) statements or actions which undermine the Executive's authority with respect to persons under his supervision or reduce his standing with his peers, (C) a pattern of discrimination against or harassment of the Executive or persons under his supervision or (D) the subjection of the Executive to procedures not generally applicable to other similarly situated executives) which changes the Executive's position (including titles), authority or responsibilities under Section 4 of this Agreement or reduces the Executive's ability to carry out his duties and responsibilities under Section 4 of his Agreement;
- (ii) any failure by the Corporation to comply with any of the provisions of Section 5 of this Agreement, other than an insubstantial or inadvertent failure remedied by the Corporation promptly after receipt of notice thereof from the Executive;
- (iii) the Corporation's requiring the Executive to be employed at any location more than 50 miles further from his principal residence than the location at

which the Executive was employed immediately preceding the Effective Date; or

- (iv) any failure by the Corporation to obtain the assumption of and agreement to perform this Agreement by a successor as contemplated by Section 14(b) of this Agreement, provided that the successor has had actual written notice of the existence of this Agreement and its terms and an opportunity to assume the Corporation's responsibilities under this Agreement during a period of 10 business days after receipt of such notice.

(e) NOTICE OF TERMINATION. Any termination by the Corporation for Cause or by the Executive for Good Reason during the Employment Period shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 15(c) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice given, in the case of a termination for Cause, within 10 business days of the Corporation's having actual knowledge of all of the events giving rise to such termination, and in the case of a termination for Good Reason, within 180 days of the Executive's having actual knowledge of the events giving rise to such termination, and which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) if the termination date is other than the date of receipt of such notice, specifies the termination date of this Agreement (which date shall be not more than 15 days after the giving of such notice). The failure by the Executive to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason shall not waive any right of the Executive hereunder or preclude the Executive from asserting such fact or circumstance in enforcing his rights hereunder.

(f) DATE OF TERMINATION. For purposes of this Agreement, the term "Date of Termination" means (i) in the case of a termination for which a Notice of Termination is required, the date of receipt of such Notice of Termination or, if later, the date specified therein and (ii) in all other cases, the actual date on which the Executive's employment terminates during the Employment Period.

7. OBLIGATIONS OF THE CORPORATION UPON TERMINATION.

(a) DEATH. If the Executive's employment is terminated during the Employment Period by reason of the Executive's death, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement other than those obligations accrued hereunder at the date of his death, including, for this purpose (i) the Executive's full Base Salary through the Date of Termination, (ii) the product of (x) the average of the two most recent annual bonuses paid to the Executive omitting from the average any year in which no bonus was paid (the "Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year of the Corporation through the Date of Termination, and the denominator of which is 365 (such product, the "Pro-rated Bonus Obligation"), (iii) any compensation previously deferred by the Executive (together with any accrued earnings thereon) and not yet paid by the Corporation and (iv) any other amounts or benefits owing to the Executive under the then applicable employee benefit plans or policies of the Corporation (such amounts specified in clauses (i), (ii), (iii) and (iv) are hereinafter referred to as "Accrued Obligations"). Unless otherwise directed by the Executive (or, in

the case of any employee benefit plan qualified (a "Qualified Plan") under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as may be required by such plan), all such Accrued Obligations shall be paid to the Executive's legal representatives in a lump sum in cash within 30 days of the Date of Termination. Anything in this Agreement to the contrary notwithstanding, the Executive's family shall be entitled to receive benefits at least equal to the most favorable level of benefits available to surviving families of executives of the Corporation and its affiliates under such plans, programs and policies relating to family death benefits, if any, of the Corporation and its affiliates in effect at any time during the 90-day period immediately preceding the Effective Date.

(b) CAUSE AND VOLUNTARY TERMINATION. If, during the Employment Period, the Executive's employment shall be terminated for Cause or voluntarily terminated by the Executive (other than on account of Good Reason), the Corporation shall pay the Executive the Accrued Obligations other than the Pro-rated Bonus Obligation. Unless otherwise directed by the Executive (or, in the case of any Qualified Plan, as may be required by such plan), the Executive shall be paid all such Accrued Obligations in a lump sum in cash within 30 days of the Date of Termination and the Corporation shall have no further obligations to the Executive under this Agreement.

(c) TERMINATION BY CORPORATION OTHER THAN FOR CAUSE OR DISABILITY AND TERMINATION BY EXECUTIVE FOR GOOD REASON.

(i) Lump Sum Payment. If, during the Employment Period, the Corporation terminates the Executive's employment other than for Cause or Disability, or the Executive terminates his employment for Good Reason, the Corporation shall pay to the Executive in a lump sum in cash within 15 days after the Date of Termination the aggregate of the following amounts:

- (A) If not theretofore paid, the Executive's Base Salary through the Date of Termination at the rate specified in Section 5(a) of this Agreement;
- (B) a cash amount equal to three times the sum of
 - (1) the Executive's annual Base Salary at the rate specified in Section 5(a) of this Agreement;
 - (2) the Annual Bonus; and
 - (3) the present value, calculated using the annual federal short-term rate as determined under Section 1274(d) of the Code, of (without duplication) (x) the annual cost to the Corporation (based on the premium rates or other costs to it) of obtaining coverage equivalent to the coverage under the plans and programs described in Section 5(d) of this Agreement, and (y) the annualized value of the fringe benefits described under Section 5(f) of this Agreement;

provided, however, that with respect to the life and medical insurance coverage referred to in Section 5(d) of this Agreement, at the Executive's

election made within 15 days after the Date of Termination, in lieu of paying the lump sum amount attributable to such life or medical insurance coverage, the Corporation shall provide the benefits described in clause (ii) below; and

- (C) a cash amount equal to any amounts (other than amounts payable to the Executive under any Qualified Plans) described in Sections 7(a)(iii) and (iv) of this Agreement.

(ii) Continuation of Certain Welfare Plan Benefits. At the election of the Executive, in lieu of the lump sum amount attributable to life insurance and medical coverage described in Section 7(d)(i)(B)(3) of this Agreement, the Corporation shall maintain at its expense for the continued benefit of the Executive and his dependents all life insurance and medical plans described in paragraph 5(d) of this Agreement, or if continued participation is not possible under the terms of such plans, the Corporation shall provide the Executive and his dependents with benefits equivalent to those they were receiving under such life insurance and medical plans prior to the Effective Date, such benefits to be provided at the Corporation's expense by means of individual insurance policies, or if such policies cannot be obtained, from the Corporation's assets, all such benefits to be provided, whether from the Corporation's welfare benefit plans, individual insurance policies or the Corporation's general assets, from the Date of Termination until the earlier of (i) the third anniversary of the Date of Termination or (ii) the Executive's normal retirement date under the Corporation's retirement plans as in effect from time to time.

The medical benefits required to be provided pursuant to this Section 7(d)(ii) are not intended to be a substitute for any extended coverage benefits ("COBRA Rights") described in Section 4980B of the Code, and such COBRA Rights shall not commence until the period of coverage specified in the immediately preceding sentence comes to an end.

8. NON-EXCLUSIVITY OF RIGHTS. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Corporation or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise prejudice such rights as the Executive may have under any stock option or other plans or agreements with the Corporation or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan or program of the Corporation or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan or program.

9. CERTAIN ADDITIONAL PAYMENTS BY THE CORPORATION.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Corporation to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision) or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are

hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled not later than 30 days following such determination to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes with respect to the Gross-Up Payment (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Price Waterhouse LLP or other firm then auditing the accounts of the Corporation (the "Accounting Firm") which shall provide detailed supporting calculations both to the Corporation and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Corporation. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, or is unwilling or unable to perform its obligations pursuant to this Section 9, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. In computing the Executive's taxes for purposes of the Gross-Up Payment, the Accounting Firm shall use the highest marginal federal, state and local income tax rates applicable to the Executive for the year in which the Gross-Up Payment is to be paid (or if those tax rates are unknown, for the year in which the calculation is made) and shall assume the full deductibility of state and local income taxes for purposes of computing federal income tax liability. The first such determination shall be made by the Accounting Firm during the first taxable year in which a Payment is made. Any Gross-Up Payment, determined pursuant to this Section 9, shall be paid by the Corporation to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Corporation and the Executive. As a result of the potential uncertainty in the application of Section 4999 of the Code (or any successor provision) at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Corporation should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Corporation exhausts its remedies pursuant to Section 9(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive.

(c) The Executive shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, when combined with previous payments of Excise Tax and income tax by the Executive, would require the payment by the Corporation of a Gross-Up Payment in excess of Gross-Up Payments previously paid by the Corporation. Such notification shall be given as soon as practicable but no later than 10 business days after the Executive is informed in writing of such claim and shall apprise the Corporation of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which he gives such notice to the Corporation (or such shorter period ending on the date that any payment of taxes with respect to such claim is

due). If the Corporation notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

- (i) give the Corporation any information reasonably requested by the Corporation relating to such claim,
- (ii) take such action in connection with contesting such claim as the Corporation shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Corporation,
- (iii) cooperate with the Corporation in good faith in order effectively to contest such claim, and
- (iv) permit the Corporation to participate in any proceedings relating to such claim;

provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax-basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses, less the excess (if any) of amounts previously paid by the Corporation as a Gross-Up Payment over the Excise Tax and income tax paid by the Executive. Without limiting the foregoing provisions of this Section 9(c), the Corporation shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; provided, however, that if the Corporation directs the Executive to pay such claim and sue for a refund, the Corporation shall advance the amount of such payment to the Executive, on an interest-free basis, and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Corporation pursuant to Section 9(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Corporation's complying with the requirements of Section 9(c)) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Corporation pursuant to Section 9(c), a determination is

made that the Executive shall not be entitled to any refund with respect to such claim and the Corporation does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. FULL SETTLEMENT. The Corporation's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Corporation may have against the Executive or others whether by reason of the subsequent employment of the Executive or otherwise. In no event shall the Executive be obligated to seek other employment by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and no amount payable under this Agreement shall be reduced on account of any compensation received by the Executive from other employment. In the event that the Executive shall in good faith give a Notice of Termination for Good Reason and it shall thereafter be determined by mutual consent of the Executive and the Corporation or by a tribunal having jurisdiction over the matter that Good Reason did not exist, the employment of the Executive shall, unless the Corporation and the Executive shall otherwise mutually agree, be deemed to have terminated, at the date of giving such purported Notice of Termination, by mutual consent of the Corporation and the Executive and, except as provided in the last preceding sentence, the Executive shall be entitled to receive only those payments and benefits which he would have been entitled to receive at such date otherwise than under this Agreement.

11. LEGAL FEES AND EXPENSES. In the event that a claim for payment of benefits under this Agreement is disputed, the Corporation shall pay all reasonable legal fees and expenses incurred by the Executive in pursuing such claim, regardless of whether the Executive is successful, unless the proceeding is brought by the Executive and is found by the court to be frivolous.

12. CONFIDENTIAL INFORMATION. The Executive shall hold in a fiduciary capacity for the benefit of the Corporation all secret or confidential information, knowledge or data relating to the Corporation or any of its affiliated companies, and their respective businesses, (i) obtained by the Executive during his employment by the Corporation or any of its affiliated companies and (ii) not otherwise public knowledge (other than by reason of an unauthorized act by this Executive). After termination of the Executive's employment with the Corporation, the Executive shall not, without the prior written consent of the Corporation, unless compelled pursuant to an order of a court or other body having jurisdiction over such matter, communicate or divulge any such information, knowledge or data to anyone other than the Corporation and those designated by it. In no event shall an asserted violation of the provisions of this Section 12 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

13. EMPLOYMENT CONTRACT OR SEVERANCE BENEFITS. Notwithstanding anything else in this Agreement to the contrary, any amount payable to the Executive hereunder on account of his termination of employment shall be reduced on a dollar for dollar basis by each dollar actually paid to the Executive with respect to such termination under the terms of any other employment contract between the Executive and the Corporation or under any other severance program or policy applicable to the Executive. Nothing in this Agreement shall be construed to require duplication of

any compensation, benefits or other entitlements provided to the Executive by the Corporation under the terms of any employment contract which may address similar matters.

14. SUCCESSORS.

(a) This Agreement is personal to the Executive and, without the prior written consent of the Corporation, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Corporation and its successors. The Corporation shall require any successor to all or substantially all of the business and/or assets of the Corporation, whether direct or indirect, by purchase, merger, consolidation, acquisition of stock, or otherwise, by an agreement in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent as the Corporation would be required to perform if no such succession had taken place.

15. MISCELLANEOUS.

(a) APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, applied without reference to principles of conflict of laws.

(b) AMENDMENTS. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(c) NOTICES. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Corporation:

Genesco Inc.
1415 Murfreesboro Road
Nashville, Tennessee 37217

Attention: Secretary

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when actually received by the addressee.

(d) TAX WITHHOLDING. The Corporation may withhold from any amounts payable under this Agreement such Federal, State or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(f) CAPTIONS. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Corporation has caused this Agreement to be executed in its name on its behalf, and its corporate seal to be hereunto affixed and attested by its Secretary, all as of the day and year first above written.

GENESCO INC.

ATTEST:

(Seal)

By _____
David M. Chamberlain, Chairman

EXECUTIVE:

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Earnings Per Common and
Common Share Equivalent
Fiscal Year Ended

EXHIBIT (11)

IN THOUSANDS	1997		1996		1995	
	EARNINGS	SHARES	EARNINGS	SHARES	EARNINGS	SHARES
PRIMARY EARNINGS (LOSS) PER SHARE						
Earnings (loss) before discontinued operations	\$ 10,554		\$ (3,781)		\$(18,514)	
Preferred dividend requirements	\$ 301		\$ 302		\$ 302	
Earnings (loss) before discontinued operations applicable to common stock and average common shares outstanding	\$ 10,253	24,540	\$ (4,083)	24,347	\$(18,816)	24,326
Employees preferred and stock options deemed to be a common stock equivalent		1,098		379		-0-
Totals before discontinued operations	\$ 10,253	25,638	\$ (4,083)	24,726	\$(18,816)	24,326
PER SHARE	\$.40		\$ (.17)		\$ (.77)	
Net earnings (loss)	\$ 10,404		\$ 10,071		\$(81,192)	
Preferred dividend requirements	\$ 301		\$ 302		\$ 302	
Net earnings (loss) applicable to common stock and average common shares outstanding	\$ 10,103	24,540	\$ 9,769	24,347	\$(81,494)	24,326
Employees preferred and stock options deemed to be a common stock equivalent		1,098		379		-0-
Total net earnings (loss)	\$ 10,103	25,638	\$ 9,769	24,726	\$(81,494)	24,326
PER SHARE	\$.39		\$.40		\$ (3.35)	
FULLY DILUTED EARNINGS (LOSS) PER SHARE						
Earnings (loss) before discontinued operations applicable to common stock and average common shares outstanding	\$ 10,253	25,638	\$ (4,083)	24,726	\$(18,816)	24,326
Senior securities the conversion of which would dilute earnings per share		132		117		-0-
Totals before discontinued operations	\$ 10,253	25,770	\$ (4,083)	24,843	\$(18,816)	24,326
PER SHARE	\$.40		\$ (.16)		\$ (.77)	
Net earnings (loss) applicable to common stock and average common shares outstanding	\$ 10,103	25,638	\$ 9,769	24,726	\$(81,494)	24,326
Senior securities the conversion of which would dilute earnings per share		132		117		-0-
TOTAL NET EARNINGS (LOSS)	\$ 10,103	25,770	\$ 9,769	24,843	\$(81,494)	24,326
PER SHARE	\$.39		\$.39		\$ (3.35)	

All figures in thousands except amount per share.

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 World Apparel, Ltd.	Delaware	100

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 31, 1997, 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 at Nashville, Tennessee, as of this 26th day of February, 1997.

/s/ David M. Chamberlain

David M. Chamberlain, Chairman

/s/ James S. Gulmi

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

/s/ Ben T. Harris

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

/s/ Roger G. Sisson

Roger G. Sisson, Secretary and General Counsel

/s/ W. Lipscomb Davis, Jr.

W. Lipscomb Davis, Jr., Director

/s/ Kathleen Mason

Kathleen Mason, Director

/s/ John Diebold

John Diebold, Director

/s/ William A. Williamson, Jr.

William A. Williamson, Jr., Director

/s/ Harry D. Garber

Harry D. Garber, Director

/s/ William S. Wire II

William S. Wire II, Director

/s/ Joel C. Gordon

Joel C. Gordon, Director

/s/ Gary M. Witkin

Gary M. Witkin, Director

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM GENESCO INC.'S ANNUAL REPORT ON FORM 10-K/A FOR THE FISCAL YEAR ENDED FEBRUARY 1, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR		
	FEB-01-1997	
	FEB-01-1996	
	FEB-01-1997	5,271
		38,104
		30,782
		3,353
		95,884
	178,157	95,428
		60,957
		221,654
69,362		75,717
	0	7,944
		25,195
		20,651
221,654		461,348
	461,348	274,273
		274,273
		0
		2,847
	10,289	
	10,132	
		(422)
10,554		150
		0
		0
		10,404
		\$0.39
		\$0.39

GENESCO EMPLOYEE STOCK PURCHASE PLAN

Financial Statements

January 31, 1997 and 1996

Report of Independent Accountants

April 10, 1997

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

In our opinion, the accompanying statement of financial condition and the related statement of income and changes in plan equity present fairly, in all material respects, the financial condition of the Genesco Employee Stock Purchase Plan at January 31, 1997 and 1996 and the income and changes in plan equity for the year ended January 31, 1997 and the four months ended January 31, 1996 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/ Price Waterhouse LLP

GENESCO EMPLOYEE STOCK PURCHASE PLAN
Statement of Financial Condition
January 31

ASSETS	1997	1996

Due from Genesco Inc.	\$218,723	\$171,137

TOTAL ASSETS	\$218,723	\$171,137
=====		
LIABILITIES AND PLAN EQUITY		

Payable to withdrawn participants	\$ 2,078	\$ 2,309
Plan equity	216,645	168,828

TOTAL LIABILITIES AND PLAN EQUITY	\$218,723	\$171,137
=====		

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

GENESCO EMPLOYEE STOCK PURCHASE PLAN
Statement of Income and Changes in Plan Equity
For the Year Ended January 31, 1997
and Four Months Ended January 31, 1996

	1997	1996
Employee contributions	\$ 543,528	\$ 172,095
Options exercised	(479,763)	-
Distributions to withdrawn participants	(15,948)	(3,267)
Net increase in plan equity	47,817	168,828
Plan equity at beginning of period	168,828	-
PLAN EQUITY AT END OF PERIOD	\$ 216,645	\$ 168,828

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.

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 was created in June 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, excluding statutory insiders, whose total annual base salary is less than \$100,000 and whose customary employment is greater than 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.

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 lower 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. The maximum contribution is \$10,000 a year or 15% of the participant's base pay. Shares will be purchased September 30 of the year following the October 1 grant date with the initial grant date being October 1, 1995.

An option enables the participant to purchase shares of the Company's common stock at the lower of 85% of the market value on the grant date or 85% of the market value on the exercise date. Options are to be granted each year through August 1, 2005, unless the board of directors, at its discretion, determines in advance that no options are to be granted. 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.

GENESCO EMPLOYEE STOCK PURCHASE PLAN
Notes to Financial Statements

NOTE 2
THE PLAN, CONTINUED

PARTICIPANT ACCOUNTS

A separate account is maintained for 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
SUPPLEMENTAL DATA

OPTIONS TO PURCHASE COMPANY STOCK	TOTAL	PLAN 1996	PLAN 1995
Granted - October 1, 1995	134,752	-0-	134,752
Exercised	-0-	-0-	-0-
Withdrawn	(4,187)	-0-	(4,187)
Outstanding, January 31, 1996	130,565	-0-	130,565
Granted - October 1, 1996	89,097	89,097	-0-
Exercised	(129,038)	-0-	(129,038)
Withdrawn	(3,381)	(1,854)	(1,527)
Outstanding, January 31, 1997	87,243	87,243	-0-
85% of fair market value of stock at date of grant		\$8.08	\$3.72
Date of grant		10/1/96	10/1/95
85% of fair market value of stock at date of exercise		N/A	\$7.97
Exercise date		9/30/97	9/30/96

NUMBER OF PARTICIPANTS	TOTAL	PLAN 1996	PLAN 1995
Initial enrollment - October 1, 1995	220	-0-	220
Exercised options	-0-	-0-	-0-
Withdrawn	(10)	-0-	(10)
As of January 31, 1996	210	-0-	210
Enrollment - October 1, 1996	435	435	-0-
Exercised options	(195)	-0-	(195)
Withdrawn	(27)	(12)	(15)
Outstanding, January 31, 1997	423	423	-0-