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PART I - FINANCIAL INFORMATION

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Balance Sheet
In Thousands

	MAY 3, 1997	FEBRUARY 1, 1997	MAY 4, 1996
ASSETS			
CURRENT ASSETS			
Cash and short-term investments	\$ 26,421	\$ 43,375	\$ 34,003
Accounts receivable	30,811	30,389	32,720
Inventories	108,191	95,884	86,619
Other current assets	4,326	4,509	3,788
Total current assets	169,749	174,157	157,130
Plant, equipment and capital leases, net	37,870	34,471	28,704
Other noncurrent assets	8,912	9,026	12,215
TOTAL ASSETS	\$216,531	\$217,654	\$198,049
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 49,142	\$ 54,631	\$ 42,848
Current payments on capital leases	558	768	1,091
Provision for discontinued operations	3,210	3,263	3,699
Total current liabilities	52,910	58,662	47,638
Long-term debt	75,000	75,000	75,000
Capital leases	167	717	1,251
Other long-term liabilities	11,885	11,172	26,161
Provision for discontinued operations	11,161	11,613	12,932
Total liabilities	151,123	157,164	162,982
Contingent liabilities (see Note 6)	-	-	-
SHAREHOLDERS' EQUITY			
Non-redeemable preferred stock	7,945	7,944	7,958
Common shareholders' equity:			
Par value of issued shares	25,503	25,195	24,912
Additional paid-in capital	125,042	122,615	121,843
Accumulated deficit	(75,225)	(77,407)	(93,545)
Minimum pension liability adjustment	-0-	-0-	(8,244)
Treasury shares, at cost	(17,857)	(17,857)	(17,857)
Total shareholders' equity	65,408	60,490	35,067
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$216,531	\$217,654	\$198,049

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

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Earnings
Three Months Ended
In Thousands

	MAY 3, 1997	MAY 4, 1996
Net sales	\$114,185	\$100,219
Cost of sales	66,313	59,631
Selling and administrative expenses	43,431	37,806
Earnings from operations before other income and expenses	4,441	2,782
Other expenses (income):		
Interest expense	2,545	2,632
Interest income	(416)	(430)
Other expense	113	79
Total other (income) expenses, net	2,242	2,281
Pretax earnings	2,199	501
Income taxes (benefit)	17	(465)
NET EARNINGS	\$ 2,182	\$ 966
Net earnings per common share	\$.08	\$.04

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

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Three Months Ended
Consolidated Cash Flows
In Thousands

	MAY 3, 1997	MAY 4, 1996
OPERATIONS:		
Net earnings	\$ 2,182	\$ 966
Noncash charges to earnings:		
Depreciation and amortization	2,151	1,848
Provision for losses on accounts receivable	1,005	994
Other	222	269
Net cash provided by operations before working capital and other changes	5,560	4,077
Effect on cash of changes in working capital and other assets and liabilities:		
Accounts receivable	(1,427)	(1,579)
Inventories	(12,307)	(1,689)
Other current assets	183	529
Accounts payable and accrued liabilities	(5,542)	(1,038)
Other assets and liabilities	231	475
Net cash provided by (used in) operations	(13,302)	775
INVESTING ACTIVITIES:		
Capital expenditures	(5,684)	(2,184)
Proceeds from asset sales	78	32
Net cash used in investing activities	(5,606)	(2,152)
FINANCING ACTIVITIES:		
Payments on capital leases	(760)	(355)
Exercise of options	2,714	189
Other	-0-	(4)
Net cash provided by (used in) financing activities	1,954	(170)
NET CASH FLOW	(16,954)	(1,547)
Cash and short-term investments at beginning of period	43,375	35,550
CASH AND SHORT-TERM INVESTMENTS AT END OF PERIOD	\$ 26,421	\$34,003
SUPPLEMENTAL CASH FLOW INFORMATION:		
Net cash paid (received) for:		
Interest	\$ 4,437	\$ 4,206
Income taxes	8	(479)

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	PAID-IN CAPITAL	ACCUMULATED DEFICIT	TREASURY STOCK	MINIMUM PENSION LIABILITY ADJUSTMENT	TOTAL SHARE- HOLDERS' EQUITY
Balance January 31, 1996	\$ 7,958	\$ 24,844	\$ 121,715	\$ (94,511)	\$ (17,857)	\$ (8,244)	\$ 33,905
Exercise of options	-0-	187	455	-0-	-0-	-0-	642
Issue shares - Employee Stock Purchase Plan	-0-	161	399	-0-	-0-	-0-	560
Net earnings	-0-	-0-	-0-	17,104	-0-	-0-	17,104
Minimum pension liability adjustment	-0-	-0-	-0-	-0-	-0-	8,244	8,244
Other	(14)	3	46	-0-	-0-	-0-	35
Balance February 1, 1997	\$ 7,944	\$ 25,195	\$ 122,615	\$ (77,407)	\$ (17,857)	\$ -0-	\$ 60,490
Net earnings	-0-	-0-	-0-	2,182	-0-	-0-	2,182
Exercise of options	-0-	302	2,412	-0-	-0-	-0-	2,714
Other	1	6	15	-0-	-0-	-0-	22
BALANCE MAY 3, 1997	\$ 7,945	\$ 25,503	\$ 125,042	\$ (75,225)	\$ (17,857)	\$ -0-	\$ 65,408

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

INTERIM STATEMENTS

The consolidated financial statements contained in this report are unaudited but reflect all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the results for the interim periods of the fiscal year ending January 31, 1998 ("Fiscal 1998") and of the fiscal year ended February 1, 1997 ("Fiscal 1997"). The results of operations for any interim period are not necessarily indicative of results for the full year. The financial statements should be read in conjunction with the financial statements and notes thereto included in the annual report on Form 10-K.

NATURE OF OPERATIONS

The Company's businesses include the 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.

CASH AND SHORT-TERM INVESTMENTS

Included in cash and short-term investments at February 1, 1997 and May 3, 1997, are short-term investments of \$38.1 million and \$21.7 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.

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.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

HEDGING CONTRACTS

In order to reduce exposure to foreign currency exchange rate fluctuations in connection with inventory purchase commitments, the Company enters into foreign currency forward exchange contracts for Italian Lira. At February 1, 1997 and May 3, 1997, the Company had approximately \$18.8 million and \$18.7 million, respectively, of such contracts outstanding. Forward exchange contracts have an average term of approximately four months. Gains and losses arising from these contracts offset gains and losses from the underlying hedged transactions. The Company monitors the credit quality of the major national and regional financial institutions with whom it enters into such contracts.

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.

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.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 2
ACCOUNTS RECEIVABLE

IN THOUSANDS	MAY 3, 1997	FEBRUARY 1, 1997
Trade accounts receivable	\$ 33,810	\$ 32,721
Miscellaneous receivables	3,985	2,960
Total receivables	37,795	35,681
Allowance for bad debts	(4,245)	(3,353)
Other allowances	(2,739)	(1,939)
NET ACCOUNTS RECEIVABLE	\$ 30,811	\$ 30,389

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 5% of the Company's trade receivables balance as of May 3, 1997.

NOTE 3
INVENTORIES

IN THOUSANDS	MAY 3, 1997	FEBRUARY 1, 1997
Raw materials	\$ 9,162	\$ 8,870
Work in process	3,822	3,333
Finished goods	29,463	29,270
Retail merchandise	65,744	54,411
TOTAL INVENTORIES	\$108,191	\$95,884

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 4
PLANT, EQUIPMENT AND CAPITAL LEASES, NET

IN THOUSANDS	MAY 3, 1997	FEBRUARY 1, 1997

Plant and equipment:		
Land	\$ 272	\$ 241
Buildings and building equipment	2,605	2,552
Machinery, furniture and fixtures	39,618	37,522
Construction in progress	4,841	3,130
Improvements to leased property	44,067	42,734
Capital leases:		
Land	60	60
Buildings	2,195	1,904
Machinery, furniture and fixtures	7,311	7,285

Plant, equipment and capital leases, at cost	100,969	95,428
Accumulated depreciation and amortization:		
Plant and equipment	(55,072)	(53,241)
Capital leases	(8,027)	(7,716)

NET PLANT, EQUIPMENT AND CAPITAL LEASES	\$ 37,870	\$ 34,471
=====		

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 5
PROVISION FOR DISCONTINUED OPERATIONS AND RESTRUCTURING RESERVES

PROVISION FOR DISCONTINUED OPERATIONS

IN THOUSANDS	EMPLOYEE RELATED COSTS	FACILITY SHUTDOWN COSTS	OTHER	TOTAL
Balance February 1, 1997	\$13,356	\$ -0-	\$1,520	\$14,876
Charges and adjustments, net	(438)	-0-	(67)	(505)
Balance May 3, 1997	12,918	-0-	1,453	14,371
Current portion	1,757	-0-	1,453	3,210
TOTAL NONCURRENT PROVISION FOR DISCONTINUED OPERATIONS	\$11,161	\$ -0-	\$ -0-	\$11,161

RESTRUCTURING RESERVES

IN THOUSANDS	EMPLOYEE RELATED COSTS	FACILITY SHUTDOWN COSTS	OTHER	TOTAL
Balance February 1, 1997	\$ 672	\$1,637	\$369	\$2,678
Charges and adjustments, net	(157)	(133)	(18)	(308)
Balance May 3, 1997	515	1,504	351	2,370
Current portion (included in accounts payable and accrued liabilities)	515	1,071	351	1,937
TOTAL NONCURRENT RESTRUCTURING RESERVES (INCLUDED IN OTHER LONG-TERM LIABILITIES)	\$ -0-	\$ 433	\$-0-	\$ 433

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 6
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.
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Notes to Consolidated Financial Statements

NOTE 6
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 are negotiating with regard to 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 6
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 alleged breach of fiduciary duty and fraudulent and negligent misrepresentations and sought damages in excess of \$10 million, costs, attorneys' fees, interest and punitive damages in an unspecified amount.

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. The settlement was consummated on June 13, 1997, pursuant to which the Company issued 525,495 shares of stock to the plaintiffs' nominee.

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 presently 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
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 6 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 the continuing weakening of the western boot market, which has resulted in declining sales and erosion of the boot division's retail customer base. This weakness has resulted in the Manufacturing Restructuring discussed below and, unless reversed, may require further adjustments to manufacturing capacity and other steps designed to reduce costs to a level consistent with lower expected sales. Although the Company believes it has an appropriate business strategy and the resources necessary for its operations, future revenue and margin trends cannot be reliably predicted and the Company may alter its business strategies during Fiscal 1998.

SIGNIFICANT DEVELOPMENTS

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 included closing the Company's Hohenwald, Tennessee, western boot plant by July 1997, with the elimination of approximately 190 jobs. The plant was closed in April 1997. In connection with the adoption of the plan, the Company recorded a charge to earnings in the third quarter of Fiscal 1997 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 of which the Company has spent \$0.5 million through May 3, 1997.

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 has not yet been renewed in 1997. China's trading status remains controversial and there can be no assurance that a 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

GENESCO INC.
 AND CONSOLIDATED SUBSIDIARIES
 Management's Discussion and Analysis
 of Financial Condition and Results of Operations

occur, or that any such disruption would not have a material adverse effect on the Company's operations.

RESULTS OF OPERATIONS - FIRST QUARTER FISCAL 1998 COMPARED TO FISCAL 1997

The Company's net sales in the first quarter ended May 3, 1997, which had three less days than the comparable quarter a year ago, increased 13.9% from the previous year. Total gross margin for the quarter increased 17.9% and increased as a percentage of net sales from 40.5% to 41.9%. Selling and administrative expenses increased 14.9% and increased as a percentage of net sales from 37.7% to 38.0%. Pretax earnings in the first quarter ended May 3, 1997 were \$2.2 million, compared to pretax earnings of \$501,000 for the quarter ended May 4, 1996. The Company reported net earnings of \$2.2 million (\$0.08 per share) for the first quarter ended May 3, 1997 compared to net earnings of \$966,000 (\$0.04 per share) in the first quarter ended May 4, 1996, which included a tax credit of \$465,000.

Footwear Retail

	Three Months Ended		
	May 3, 1997	May 4, 1996	%
			Change
	(In Thousands)		
Net Sales.....	\$ 70,024	\$ 59,035	18.6%
Operating Income.....	\$ 5,758	\$ 3,184	80.8%
Operating Margin.....	8.2%	5.4%	

Primarily due to increases in comparable store sales of approximately 10% and an 11% increase in average retail stores operated, net sales from footwear retail operations increased 18.6% in the quarter ended May 3, 1997 compared to the previous year. The average price per pair increased 1% and unit sales increased 15% for the first quarter of Fiscal 1998.

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

	Comp Sales	Store Count	
		May 3, 1997	May 4, 1996
Jarman Retail	+3%	144	136
Jarman Lease	+5%	85	81
Journeys	+21%	136	95
Johnston & Murphy (including factory stores)	+11%	122	112
Other Outlet Stores	+6%	43	40
Total Retail	+10%	530	464
		===	===

The Jarman Lease comparable store increase was aided by a 4% increase in the average square footage due to remodeling.

Gross margin as a percentage of net sales increased from 49.7% to 50.4%, primarily from changes in product mix. The change in product mix to more branded non-western boots in the Company's boot outlets created less markdowns compared to last year. Operating expenses increased 12.9%, primarily due to the 11% increase in average stores operated, which caused increased rent expense, selling salaries and shipping and warehouse expense. In addition, divisional management expenses increased to support new store growth. Overall operating expenses decreased as a percentage of net sales from 44.1% to 41.9%.

Operating income for the first quarter ended May 3, 1997 was up 80.8% compared to the same period last year due to increased sales, increased margins and the lower expenses as a percentage of sales.

Footwear Wholesale & Manufacturing

	Three Months Ended		% Change
	May 3, 1997	May 4, 1996	
	(In Thousands)		
Net Sales.....	\$44,161	\$41,184	7.2%
Operating Income.....	\$ 1,153	\$ 1,492	(22.7)%
Operating Margin.....	2.6%	3.6%	

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Net sales from footwear wholesale and manufacturing operations were \$3.0 million (7.2%) higher, in the first quarter ended May 3, 1997 than in the same period last year, reflecting primarily increased men's branded footwear sales, which more than offset lower tanned leather sales and the continuing trend of decreased sales of western boots, primarily attributable to lower unit sales. Tanned leather sales were down due to Department of Defense delays in awarding military footwear contracts. Military footwear suppliers, which have been impacted by the continuing decrease in demand for military footwear, make up the bulk of the Company's tanned leather business. The increase in branded sales included sales of new products introduced by the Company's Nautica division.

Gross margin in the first quarter ended May 3, 1997 increased 11.9%, and increased as a percentage of net sales from 27.4% to 28.6%, primarily from changes in sales mix.

Operating expenses increased 17.0% and increased as a percentage of net sales from 23.8% to 26.0%, primarily due to higher divisional administrative expenses to support the growth in the branded businesses and increased royalty expenses, from higher royalty rates.

Operating income decreased 22.7%, primarily due to lower earnings in the Company's tanned leather business due to Department of Defense delays in awarding military boot contracts, resulting in delays in orders from the division's customers, and the increase in operating expenses.

Corporate and Interest Expenses

Corporate and other expenses in the first quarter ended May 3, 1997 were \$2.6 million compared to \$2.0 million for the same period last year, an increase of 31%. The increase in corporate expenses is attributable primarily to increased compensation expense, including performance-related stock based compensation and increased bonus accruals based on the Company's increased earnings.

Interest expense decreased \$87,000, or 3%, from last year, and interest income decreased \$14,000 from last year due to decreased short-term investments. There were no borrowings under the Company's revolving credit facility during the three months ended May 3, 1997 or May 4, 1996.

LIQUIDITY AND CAPITAL RESOURCES

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

	May 3, 1997	May 4, 1996
	----	----
Cash and short-term investments.....	\$ 26.4	\$ 34.0
Working capital.....	\$ 116.8	\$ 109.5
Long-term debt.....	\$ 75.0	\$ 75.0
Current ratio.....	3.2x	3.3x

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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 used by operating activities was \$13.3 million in the first three months of Fiscal 1998 compared to \$775,000 provided by operating activities last year. The \$14.1 million reduction in cash flow from operating activities between the first quarter of Fiscal 1998 and the first quarter of Fiscal 1997 reflects primarily the additional working capital needed to support new store growth. The Company has added a net of 26 stores in the first quarter ended May 3, 1997 compared to a net of 1 store for the same period last year.

A \$12.3 million increase in inventories from February 1, 1997 levels reflected in the Consolidated Cash Flows Statement and the \$21.6 million increase in inventories compared with May 4, 1996 reflects planned seasonal increases and increases in retail inventory to support the net increase of 26 stores from February 1, 1997 and the net increase of 66 stores from May 4, 1996. In addition, there were increases in men's branded wholesale inventory to support growth in those businesses.

As reflected in the Consolidated Cash Flows Statement, accounts receivable at May 3, 1997 increased \$1.4 million compared to February 1, 1997 primarily due to increased sales of men's branded footwear. Accounts receivable at May 3, 1997 were \$1.9 million less than at May 4, 1996, primarily reflecting improved accounts receivable turn.

Cash provided (or used) due to changes in accounts payable and accrued liabilities in the Consolidated Cash Flows Statement at May 3, 1997 and May 4, 1996 is as follows:

(In Thousands)	Three Months Ended	
	May 3, 1997	May 4, 1996
Accounts payable	\$ 1,209	\$ 5,371
Accrued liabilities	(6,751)	(6,409)
	<u>\$ (5,542)</u>	<u>\$ (1,038)</u>

The fluctuations in accounts payable are due to changes in buying patterns, payment terms negotiated with individual vendors and changes in inventory levels. The change in accrued liabilities was due primarily to payment of bonuses and interest payments on the Company's long-term debt.

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There were no revolving credit borrowings during the three months ended May 3, 1997 and May 4, 1996, as cash on hand funded seasonal working capital requirements and capital expenditures.

Capital Expenditures

Total capital expenditures in Fiscal 1998 are expected to be approximately \$26.3 million. These include expected retail expenditures of \$16.2 million to open approximately 94 new retail stores and to complete 53 major store renovations. Capital expenditures for wholesale and manufacturing operations and other purposes are expected to be approximately \$10.1 million including approximately \$6.0 million for new systems to improve customer service and support the Company's growth. During the three months ended May 3, 1997 the Company had \$5.7 million in capital expenditures which included opening 28 new stores and completing 15 major renovations.

Litigation Settlement

On June 13, 1997, the Company completed the settlement of the case of Miller, et al. v. Genesco Inc., et al. pending in the Southern District of New York since 1993, pursuant to a settlement agreement entered into on April 25, 1997. The Company issued 525,495 shares of its common stock to the plaintiffs, and who also received a cash payment from the Company's insurance carrier. The settlement did not result in a charge to earnings. See Note 6 to the Consolidated Financial Statements.

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 \$5.1 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 \$10.2 million of letters of credit outstanding under the revolving credit agreement at May 3, 1997.

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 May 3, 1997, that pool was in a \$86.5 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 \$1.1 million and is unable to predict when dividends may be reinstated.

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Changes in Accounting Principles

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 128, "Earnings Per Share" ("SFAS No. 128") which is effective for financial statements issued for periods ending after December 15, 1997. SFAS No. 128 requires the disclosure of basic and diluted earnings per share. For the quarter ended May 3, 1997, the amount reported as net income per common and common equivalent share is not materially different from that which would have been reported for basic and diluted earnings per share in accordance with SFAS No. 128. For the year ended February 1, 1997, primary earnings per share were \$.66 and fully diluted earnings per share were \$.65. Had SFAS No. 128 been in effect for the year ended February 1, 1997, basic earnings per share would have been \$.68 and diluted earnings per share would have been \$.66.

PART II - OTHER INFORMATION

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

At May 3, 1997 Genesco was in arrears with respect to dividends payable on the following classes of preferred stock:

CLASS OF STOCK	DATE DIVIDENDS PAID TO	ARREARAGE		
		BEGINNING OF QUARTER	THIS QUARTER	END OF QUARTER
\$2.30 Series 1	October 31, 1993	\$277,494	\$ 21,386	\$ 298,880
\$4.75 Series 3	October 31, 1993	300,553	23,119	323,672
\$4.75 Series 4	October 31, 1993	253,360	19,490	272,850
\$1.50 Subordinated Cumulative Preferred	October 31, 1993	146,333	11,256	157,589
TOTALS		\$977,740	\$ 75,251	\$1,052,991

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS

- (11) Computation of earnings per common and common share equivalent.
- (27) Financial Data Schedule (for SEC use only)

REPORTS ON FORM 8-K
None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Genesco Inc.

/s/ James S. Gulmi

James S. Gulmi
Chief Financial Officer
June 17, 1997

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Earnings Per Common and
Common Share Equivalent
Three Months Ended

EXHIBIT 11

IN THOUSANDS	MAY 3, 1997		MAY 4, 1996	
	EARNINGS	SHARES	EARNINGS	SHARES
PRIMARY EARNINGS PER SHARE				
Net earnings	\$2,182		\$966	
Preferred dividend requirements	\$ 75		\$ 75	
FULLY DILUTED EARNINGS PER SHARE				
Net earnings applicable to common stock and average common shares outstanding	\$2,107	24,915	\$891	24,410
Employees preferred and stock options deemed to be a common stock equivalent		1,517		642
Total net earnings	\$2,107	26,432	\$891	25,052
PER SHARE	\$.08		\$.04	
FULLY DILUTED EARNINGS PER SHARE				
Net earnings applicable to common stock and average common shares outstanding	\$2,107	26,432	\$891	25,052
Senior securities the conversion of which would dilute earnings per share		120		141
TOTAL NET EARNINGS	\$2,107	26,552	\$891	25,193
PER SHARE	\$.08		\$.04	

All figures in thousands except amount per share.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF GENESCO, INC. FOR THE THREE MONTHS ENDED MAY 3, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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3-MOS		
	JAN-31-1998	
	FEB-02-1997	
	MAY-03-1997	4,683
		21,738
		31,071
		4,245
		108,191
	169,749	100,969
		63,099
		216,531
52,910		75,167
0		7,945
		25,503
		31,960
216,531		114,185
	114,185	66,313
		66,313
	0	
	1,515	
	2,545	
	2,199	
		17
2,182		0
	0	
		0
	2,182	
		.08
		.08