GENESCO

[GENESCO LOGO]

(Mark One) FORM 10-Q

[X] Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934 For Quarter Ended July 29, 2000

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

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

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

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 (or such shorter period that the registrant was required to file such reports with the commission) and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No

Common Shares Outstanding September 1, 2000 - 21,457,903

INDEX

PART I - FINANCIAL INFORMATION

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Balance Sheet
In Thousands

	JULY 29, 2000	JANUARY 29, 2000	JULY 31, 1999
ASSETS			
CURRENT ASSETS			
Cash and short-term investments	$ 38,275	$ 57,860	$ 49,079
Accounts receivable	23,957	23,617	22,132
Inventories	140,562	109,815	119,219
Deferred income taxes	14,826	14,826	14,541
Other current assets	9,154	8,881	5,868
Current assets of discontinued operations	6,232	-0-	-0-
Total current assets	233,006	214,999	210,839
Plant, equipment and capital leases, net	79,609	68,661	62,544
Deferred income taxes	4,184	4,184	10,370
Other noncurrent assets	12,709	13,321	8,826
Plant and equipment of discontinued operations, net	669	-0-	-0-
TOTAL ASSETS	$ 330,177	$ 301,165	$ 292,579
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	$ 93,696	$ 74,874	$ 73,778
Provision for discontinued operations	5,293	2,118	2,264
Total current liabilities	98,989	76,992	76,042
Long-term debt	103,500	103,500	103,500
Other long-term liabilities	6,108	6,368	6,463
Provision for discontinued operations	5,447	6,063	7,148
Total liabilities	214,044	192,923	193,153
Contingent liabilities (see Note 9)			
SHAREHOLDERS' EQUITY			
Non-redeemable preferred stock	7,843	7,882	7,890
Common shareholders' equity:			
Common stock, $1 par value:			
Authorized: 80,000,000 shares			
Issued: July 29, 2000 - 21,942,727;			
January 29, 2000 - 21,714,678;			
July 31, 1999 - 22,257,743	21,943	21,715	22,258
Additional paid-in capital	94,112	94,784	102,947
Retained earnings (accumulated deficit)	10,092	1,718	(15,812)
Accumulated other comprehensive income	-0-	-0-	-0-
Treasury shares, at cost	(17,857)	(17,857)	(17,857)
Total shareholders' equity	116,133	108,242	99,426
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 330,177	$ 301,165	$ 292,579

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

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Earnings
In Thousands

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JULY 29, 2000	JULY 31, 1999	JULY 29, 2000	JULY 31, 1999
Net sales	$ 142,743	$ 121,004	$ 288,757	$ 244,368
Cost of sales	74,278	64,786	152,616	131,086
Selling and administrative expenses	57,592	47,789	113,396	96,907
Earnings from operations before interest	10,873	8,429	22,745	16,375
Interest expense	2,093	2,041	4,194	4,037
Interest income	(261)	(580)	(680)	(1,241)
Total interest expense, net	1,832	1,461	3,514	2,796
Earnings before income taxes and discontinued operations	9,041	6,968	19,231	13,579
Income taxes	3,510	2,745	7,507	5,411
Earnings before discontinued operations	5,531	4,223	11,724	8,168
Discontinued operations (net of tax):				
Operating income (loss)	6	(47)	(226)	75
Provision for discontinued operations	(2,975)	-0-	(2,975)	-0-
NET EARNINGS	$ 2,562	$ 4,176	$ 8,523	$ 8,243
Basic earnings per common share:				
Before discontinued operations	$ .25	$ .18	$ .54	$ .35
Discontinued operations	$ (.13)	$ .00	$ (.15)	$ .00
Net earnings	$ .12	$ .18	$ .39	$ .35
Diluted earnings per common share:				
Before discontinued operations	$ .24	$ .18	$ .50	$ .33
Discontinued operations	$ (.11)	$ (.01)	$ (.12)	$ .00
Net earnings	$ .13	$ .17	$ .38	$ .33

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

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Consolidated Cash Flows
In Thousands

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JULY 29, 2000	JULY 31, 1999	JULY 29, 2000	JULY 31, 1999
OPERATIONS:				
Net earnings	$ 2,562	$ 4,176	$ 8,523	$ 8,243
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	3,138	2,438	6,177	4,878
Deferred income taxes	-0-	2,446	-0-	4,786
Provision for losses on accounts receivable	109	96	231	168
Provision for discontinued operations	4,854	-0-	4,854	-0-
Other	155	438	496	627
Effect on cash of changes in working capital and other assets and liabilities:				
Accounts receivable	(779)	2,105	(5,928)	2,422
Inventories	(28,635)	(14,607)	(31,973)	(9,686)
Other current assets	(177)	(377)	(274)	850
Accounts payable and accrued liabilities	23,002	17,005	18,686	3,411
Other assets and liabilities	(119)	80	286	503
Net cash provided by operating activities	4,110	13,800	1,078	16,202
INVESTING ACTIVITIES:				
Capital expenditures	(10,279)	(5,471)	(19,229)	(10,216)
Proceeds from businesses divested and asset sales	293	91	388	10,055
Net cash used in investing activities	(9,986)	(5,380)	(18,841)	(161)
FINANCING ACTIVITIES:				
Stock repurchase	(1,631)	(15,525)	(5,359)	(28,264)
Payments on capital leases	-0-	(1)	(1)	(1)
Dividends paid	(74)	(75)	(149)	(150)
Exercise of options and related income tax benefits	638	549	3,687	2,710
Net cash used in financing activities	(1,067)	(15,052)	(1,822)	(25,705)
NET CASH FLOW	(6,943)	(6,632)	(19,585)	(9,664)
Cash and short-term investments at beginning of period	45,218	55,711	57,860	58,743
CASH AND SHORT-TERM INVESTMENTS AT END OF PERIOD	$ 38,275	$ 49,079	$ 38,275	$ 49,079
SUPPLEMENTAL CASH FLOW INFORMATION:				
Net cash paid for:				
Interest	$ 496	$ 438	$ 3,878	$ 3,598
Income taxes	6,726	1,577	7,411	1,652

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

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

	TOTAL NON-REDEEMABLE PREFERRED STOCK	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	TREASURY STOCK	RETAINED EARNINGS (ACCUMULATED DEFICIT)	ACCUMULATED OTHER COMPREHENSIVE INCOME	COMPREHENSIVE INCOME	TOTAL SHARE-HOLDERS' EQUITY
Balance January 30, 1999	$7,918	$24,327	$126,095	$ (17,857)	$ (23,904)	$ -0-		$116,579
Net earnings	-0-	-0-	-0-	-0-	25,922	-0-	25,922	25,922
Dividends paid	-0-	-0-	-0-	-0-	(300)	-0-	-0-	(300)
Exercise of options	-0-	693	2,796	-0-	-0-	-0-	-0-	3,489
Issue shares - Employee Stock Purchase Plan	-0-	122	417	-0-	-0-	-0-	-0-	539
Tax effect of exercise of stock options	-0-	-0-	1,427	-0-	-0-	-0-	-0-	1,427
Stock repurchases	-0-	(3,439)	(36,080)	-0-	-0-	-0-	-0-	(39,519)
Other	(36)	12	129	-0-	-0-	-0-	-0-	105
Comprehensive Income							$ 25,922	
BALANCE JANUARY 29, 2000	$7,882	$21,715	$ 94,784	$ (17,857)	$ 1,718	$ -0-		$108,242
Net earnings	-0-	-0-	-0-	-0-	8,523	-0-	8,523	8,523
Dividends paid	-0-	-0-	-0-	-0-	(149)	-0-	-0-	(149)
Exercise of options	-0-	660	3,027	-0-	-0-	-0-	-0-	3,687
Tax effect of exercise of stock options	-0-	-0-	1,128	-0-	-0-	-0-	-0-	1,128
Stock repurchases	-0-	(443)	(4,916)	-0-	-0-	-0-	-0-	(5,359)
Other	(39)	11	89	-0-	-0-	-0-	-0-	61
Comprehensive Income							$ 8,523	
BALANCE JULY 29, 2000	$7,843	$21,943	$ 94,112	$ (17,857)	$ 10,092	$ -0-		$116,133

The accompanying Notes are an integral part of these Consolidated 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 February 3, 2001 ("Fiscal 2001") and of the fiscal year ended January 29, 2000 ("Fiscal 2000"). 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 principally under the Johnston & Murphy, Dockers and Nautica brands and the operation at July 29, 2000 of 765 Jarman, Journeys, Johnston & Murphy, Underground Station, Stone & Co. and Nautica retail footwear stores and leased departments. The Company sold certain assets of its Volunteer Leather business on June 19, 2000 and has discontinued all Leather segment operations. (see Note 2).

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.

FINANCIAL STATEMENT RECLASSIFICATIONS

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

CASH AND SHORT-TERM INVESTMENTS

Included in cash and short-term investments at January 29, 2000 and July 29, 2000, are short-term investments of $47.1 million and $25.1 million, respectively. Short-term investments are highly-liquid debt instruments having an original maturity of three months or less.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

INVENTORIES

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

PLANT, EQUIPMENT AND CAPITAL LEASES

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

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

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

IMPAIRMENT OF LONG-TERM ASSETS

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

HEDGING CONTRACTS

In order to reduce exposure to foreign currency exchange rate fluctuations in connection with inventory purchase commitments, the Company enters into foreign currency forward exchange contracts for Italian Lira and Euro. Gains and losses from these transactions are included in the cost of the underlying purchases. At January 29, 2000 and July 29, 2000, the Company had approximately $30.1 million and $26.6 million, respectively, of such contracts outstanding. Forward exchange contracts have an average term of approximately three and a half months. The loss from spot rates at January 29, 2000 and July 29, 2000 under these contracts was $2.5 million and $1.7 million, respectively. 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.

REVENUE RECOGNITION

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

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

PREOPENING COSTS

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

ADVERTISING COSTS

Advertising costs are predominantly expensed as incurred. Advertising costs were $10.6 million and $9.4 million for the first six months of Fiscal 2001 and 2000, respectively.

ENVIRONMENTAL COSTS

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

INCOME TAXES

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

EARNINGS PER COMMON SHARE

Basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities to issue common stock were exercised or converted to common stock. (see Note 8).

COMPREHENSIVE INCOME

The Statement of Financial Accounting Standards (SFAS) 130, "Reporting Comprehensive Income" requires, among other things, the Company's minimum pension liability adjustment to be included in other comprehensive income.

BUSINESS SEGMENTS

The Statement of Financial Accounting Standards (SFAS) 131, "Disclosures about Segments of an Enterprise and Related Information" requires that companies disclose "operating segments" based on the way management disaggregates the company for making internal operating decisions. (see Notes 2 and 10).

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 2

VOLUNTEER LEATHER DIVESTITURE

On May 22, 2000, the Company's board of directors approved a plan to sell its Volunteer Leather finishing business and liquidate its tanning business, to allow the Company to be more focused on the retailing and marketing of branded footwear.

Certain assets of the Volunteer Leather business were sold June 19, 2000. The plan resulted in a pretax charge to second quarter earnings of $4.9 million ($3.0 million net of tax). Because Volunteer Leather constitutes the entire Leather segment of the Company's business, the charge to earnings is treated for financial reporting purposes as a provision for discontinued operations.

The provision for discontinued operations includes $1.3 million in asset write-downs and $3.6 million of other costs, of which $3.2 million are expected to be incurred in the next twelve months. Other costs include primarily employee severance and facility shutdown costs. Other costs expected to be incurred beyond twelve months are classified as long-term liabilities in the consolidated balance sheet. The Volunteer Leather business employed approximately 160 people.

The operating results of the leather segment are shown below:

	THREE MONTHS ENDED		SIX MONTHS ENDED	
IN THOUSANDS	JULY 29, 2000*	JULY 31, 1999	JULY 29, 2000**	JULY 31, 1999
Net sales	$1,550	$ 4,899	$ 6,545	$10,191
Cost of sales and expenses	1,542	4,976	6,917	10,068
Pretax earnings (loss)	8	(77)	(372)	123
Income tax expense (benefit)	2	(30)	(146)	48
NET EARNINGS (LOSS)	$ 6	$ (47)	$ (226)	$ 75

* Results for the month of May.
** Results for the four months ended May 2000.

Discontinued operations' sales subsequent to the decision to discontinue were $0.8 million for Fiscal 2001.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 3

ACCOUNTS RECEIVABLE

IN THOUSANDS	JULY 29, 2000	JANUARY 29, 2000
Trade accounts receivable	$ 25,991	$ 25,125
Miscellaneous receivables	1,418	1,679
Total receivables	27,409	26,804
Allowance for bad debts	(1,059)	(926)
Other allowances	(2,393)	(2,261)
NET ACCOUNTS RECEIVABLE	$ 23,957	$ 23,617

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. One customer accounted for more than 13% of the Company's trade receivables balance as of July 29, 2000 and no other customer accounted for more than 10% of the Company's trade receivables balance as of July 29, 2000.

NOTE 4

INVENTORIES

IN THOUSANDS	JULY 29, 2000	JANUARY 29, 2000
Raw materials	$ 1,295	$ 3,098
Work in process	643	2,146
Finished goods	26,897	31,513
Retail merchandise	111,727	73,058
TOTAL INVENTORIES	$ 140,562	$ 109,815

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 5

CURRENT ASSETS OF DISCONTINUED OPERATIONS

IN THOUSANDS	JULY 29, 2000
Accounts Receivable, net of allowance of $59	$5,358
Inventory	874
TOTAL CURRENT ASSETS OF DISCONTINUED OPERATIONS	$6,232

NOTE 6

PLANT, EQUIPMENT AND CAPITAL LEASES, NET

IN THOUSANDS	JULY 29, 2000	JANUARY 29, 2000
Plant and equipment:		
Land	$ 301	$ 302
Buildings and building equipment	1,128	2,726
Machinery, furniture and fixtures	49,399	50,345
Construction in progress	10,942	7,116
Improvements to leased property	65,504	58,962
Capital leases:		
Buildings	276	305
Plant, equipment and capital leases, at cost	127,550	119,756
Accumulated depreciation and amortization:		
Plant and equipment	(47,665)	(50,794)
Capital leases	(276)	(301)
NET PLANT, EQUIPMENT AND CAPITAL LEASES	$ 79,609	$ 68,661

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 7

PROVISION FOR DISCONTINUED OPERATIONS AND RESTRUCTURING RESERVES

PROVISION FOR DISCONTINUED OPERATIONS

IN THOUSANDS	EMPLOYEE RELATED COSTS*	FACILITY SHUTDOWN COSTS	OTHER	TOTAL
Balance January 29, 2000	$ 8,181	$ -0-	$-0-	$ 8,181
Volunteer Leather provision	1,063	2,082	426	3,571
Charges and adjustments, net	(1,145)	(57)	190	(1,012)
Balance July 29, 2000	8,099	2,025	616	10,740
Current portion	3,041	1,636	616	5,293
TOTAL NONCURRENT PROVISION FOR DISCONTINUED OPERATIONS	$ 5,058	$ 389	$-0-	$ 5,447

* Includes $7.1 million of apparel union pension withdrawal liability.

RESTRUCTURING RESERVES

IN THOUSANDS	EMPLOYEE RELATED COSTS	FACILITY SHUTDOWN COSTS	OTHER	TOTAL
Balance January 29, 2000	$ 64	$ 436	$ 527	$ 1,027
Charges and adjustments, net	(40)	(63)	(54)	(157)
Balance July 29, 2000	24	373	473	870
Current portion (included in accounts payable and accrued liabilities)	24	284	473	781
TOTAL NONCURRENT RESTRUCTURING RESERVES (INCLUDED IN OTHER LONG-TERM LIABILITIES)	$-0-	$ 89	$-0-	$ 89

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 8

EARNINGS PER SHARE

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	FOR THE THREE MONTHS ENDED JULY 29, 2000 INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT	FOR THE THREE MONTHS ENDED JULY 31, 1999 INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT
Earnings before discontinued operations	$ 5,531			$ 4,223		
Less: Preferred stock dividends	(75)			(75)		
BASIC EPS						
Income available to common shareholders	5,456	21,496	$ .25	4,148	22,428	$ .18
EFFECT OF DILUTIVE SECURITIES						
Options		529			1,200	
5 1/2% convertible subordinated notes	947	4,918		-0-	-0-	
Employees' preferred stock(1)		71			73	
DILUTED EPS						
Income available to common shareholders plus assumed conversions	$ 6,403	27,014	$ .24	$ 4,148	23,701	$ .18

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

The amount of the dividend on the convertible preferred stock per common share obtainable on conversion of the convertible preferred stock is higher than basic earnings per share for the period. Therefore, conversion of the convertible preferred stock is not reflected in diluted earnings per share, because it would have been antidilutive. The shares convertible to common stock for Series 1, 3 and 4 preferred stock would have been 30,779, 40,605 and 24,946, respectively.

The weighted shares outstanding reflects the effect of the stock buy back program of up to 6.8 million shares announced by the Company in Fiscal 1999, 2000 and 2001. The Company has repurchased 6.2 million shares as of July 29, 2000.

GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 8

EARNINGS PER SHARE, CONTINUED

	FOR THE SIX MONTHS ENDED JULY 29, 2000			FOR THE SIX MONTHS ENDED JULY 31, 1999		
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT
Earnings before discontinued operations	$ 11,724			$ 8,168		
Less: Preferred stock dividends	(150)			(150)		
BASIC EPS						
Income available to common shareholders	11,574	21,542	$ .54	8,018	23,011	$ .35
EFFECT OF DILUTIVE SECURITIES						
Options		472			1,081	
5 1/2% convertible subordinated notes	1,894	4,918		-0-	-0-	
Employees' preferred stock(1)		72			73	
DILUTED EPS						
Income available to common shareholders plus assumed conversions	$ 13,468	27,004	$ .50	$ 8,018	24,165	$ .33

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

The amount of the dividend on the convertible preferred stock per common share obtainable on conversion of the convertible preferred stock is higher than basic earnings per share for the period. Therefore, conversion of the convertible preferred stock is not reflected in diluted earnings per share, because it would have been antidilutive. The shares convertible to common stock for Series 1, 3 and 4 preferred stock would have been 30,779, 40,605 and 24,946, respectively.

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GENESCO INC.
AND CONSOLIDATED SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 9

LEGAL PROCEEDINGS

New York State Environmental Proceedings

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

The Company has received notice from the New York State Department of Environmental Conservation (the "Department") that it deems remedial action to be necessary with respect to certain contaminants in the vicinity of a knitting mill operated by a former subsidiary of the Company from 1965 to 1969, and that it considers the Company a potentially responsible party. In August 1997, the Department and the Company entered into a consent order whereby the Company assumed responsibility for conducting a remedial investigation and feasibility study ("RIFS") and implementing an interim remediation measure with regard to the site, without admitting liability or accepting responsibility for any future remediation of the site. In conjunction with the consent order, the Company entered into an agreement with the owner of the site providing for a release from liability for property damage and for necessary access to the site, for payments totaling $400,000. The Company estimates that the cost of conducting the RIFS and implementing the interim remedial measure will be in the range of $2.2 million to $2.6 million. The Company believes that it has adequately reserved for the costs of conducting the RIFS and implementing the interim remedial measure contemplated by the consent order, but there is no assurance that the consent order will ultimately resolve the matter. The Company has not ascertained what responsibility, if any, it has for any contamination in connection with the facility or what other parties may be liable in that connection and is unable to predict whether its liability, if any, beyond that voluntarily assumed by the consent order will have a material effect on its financial condition or results of operations.

GENESCO INC.
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NOTE 9

LEGAL PROCEEDINGS, CONTINUED

Whitehall Environmental Sampling

Pursuant to a work plan approved by the Michigan Department of Environmental Quality ("MDEQ") the Company 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. On June 29, 1999, the Company submitted a remedial action plan (the "Plan") for the site to MDEQ. The Plan proposed no direct remedial action with respect to soils at the site, which are in compliance with applicable regulatory standards, or lake sediments, which the Company believes do not pose a threat to human health or the environment and do not violate any applicable regulatory standard. The Plan included the filing of certain restrictive covenants encumbering the tannery property to prevent activities disturbing the lake sediments and uses of the property inconsistent with the applicable regulatory standards. The Company, with the approval of MDEQ, previously installed horizontal wells to capture groundwater from a portion of the site and treat it by air sparging. The Plan proposed continued operation of this system for an indefinite period and monitoring of groundwater samples to ensure that the system is functioning as intended. The Plan is subject to MDEQ approval. In December 1999, MDEQ responded to the Plan with a request for further information.

On June 30, 1999, the City of Whitehall filed an action against the Company in the circuit court for the City of Muskegon alleging that the Company's and its predecessors' past wastewater management practices have adversely affected the environment, and seeking injunctive relief under Parts 17 and 201 of the Michigan Natural Resources Environmental Protection Act ("MNREPA") to require the Company to correct the alleged pollution. Further, the City alleges violations of City ordinances prohibiting blight and litter, and that the Whitehall Volunteer Leather plant constitutes a public nuisance. The Company filed an answer denying the material allegations of the complaint and asserting affirmative defenses and counterclaims against the City. The Company also moved to join the State of Michigan as a party to the action, since it has primary responsibility for administration of the environmental statutes underlying most of the City's claims. The State moved to dismiss the Company's action against it and to intervene in the case on a limited basis, seeking declaratory and injunctive relief regarding the restrictive covenants on the property, the State's jurisdiction under MNREPA Part 201 and its right of access to the property. On May 5, 2000, the court dismissed the Company's action against the State; the cross actions between the City and the Company remain.

In connection with its decision during the second quarter of Fiscal 2001 to exit the leather business and to shut down the Whitehall facility, the Company formally proposed a compromise remediation plan (the "Compromise Proposal"), including limited sediment removal and additional upland remediation to bring the property into compliance with regulatory standards for non-industrial uses. The Company estimated that the Compromise Proposal would include incremental costs of approximately $2.2 million, which were fully provided for during the quarter.

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NOTE 9

LEGAL PROCEEDINGS, CONTINUED

If the Compromise Proposal is approved and the litigation's outcome does not require additional remediation of the site, the Company does not expect remediation to have a material impact on its financial condition or results of operations. However, there can be no assurance that the Compromise Proposal will be approved, and the Company is unable to predict whether any further remediation that may ultimately be required will have a material effect on its financial condition or results of operations.

Whitehall Accident

On June 4, 1999, a truck driver working under contact with a carrier for a chemical vendor died after inhaling a toxic vapor produced when he deposited a chemical compound that he was delivering to the Company's Whitehall, Michigan leather tannery into a tank containing another chemical solution. Regulatory authorities, including the National Transportation Safety Board and the Michigan Occupational Safety and Health Administration, investigated the incident. The Michigan agency issued six citations alleging regulatory infractions identified in the course of a general compliance review following the accident. Proposed monetary penalties associated with the citations total $15,100. The Company is contesting the citations. On March 14, 2000, the estate of the deceased truck driver brought an action against the Company in Michigan state court alleging that the Company's negligent acts and omissions caused his death and seeking unspecified damages. The Company is currently unable to predict the extent of its liability, if any, in connection with the accident and how liability, if found, would be allocated among other potential defendants, including the chemical vendor and the common carrier, and whether such liability, if any, would have a material effect on its financial condition or results of operations. The Company's insurance carrier is defending the Company in the action, subject to a standard reservation of rights to deny coverage.

Threatened Contribution Claim

The Company has been advised by the current owner of an adhesives manufacturing business formerly owned by the Company that the owner has been named a third-party defendant in a suit brought under CERCLA relating to an Alabama solvent recycling facility allegedly used by the business. According to the owner, it would in turn seek contribution from the Company against any portion of its liability arising out of the Company's operation of the business prior to its 1986 divestiture. The current owner has advised the Company that available information on volumes of contaminants at the site indicates that the entire share of liability related to the adhesives business is de minimis, not likely to exceed $50,000. Based on information concerning its relative contribution of wastes to the site the Company has agreed to accept 17% of up to $50,000 in liability imposed on the adhesives business and the current owner and one other former owner have agreed to accept the balance of such liability up to $50,000. The Company does not expect this threatened claim to have a material adverse effect on its financial condition or results of operations.

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NOTE 10

BUSINESS SEGMENT INFORMATION

The Company currently operates four reportable business segments (not including corporate): Journeys; Jarman, comprised of the Jarman, Underground Station and Stone & Co. retail footwear chains; Johnston & Murphy, comprised of Johnston & Murphy retail stores and wholesale distribution; and Licensed Brands, comprised of Dockers and Nautica Footwear. The Company operated in Fiscal 2000 the Other Retail segment, comprised of General Shoe Warehouse and the Jarman Leased departments, both of which were closed in Fiscal 2000. All the Company's segments sell footwear products at either retail or wholesale. The Company also operated the Leather segment in Fiscal 2000 and some of Fiscal 2001. The Company sold certain assets of its Volunteer Leather business June 19, 2000 and has discontinued all Leather segment operations.

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

The Company's reportable segments are based on the way management organizes the segments in order to make operating decisions and assess performance along types of products sold. Journeys and Jarman sells primarily branded products from other companies while Johnston & Murphy and Licensed Brands sells primarily the Company's owned and licensed brands.

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

THREE MONTHS ENDED JULY 29, 2000	JOURNEYS	JARMAN	JOHNSTON & MURPHY	LICENSED BRANDS	LEATHER	CORPORATE	CONSOLIDATED
Sales	$ 59,726	$20,498	$44,169	$ 19,216	$ -0-	$ -0-	$ 143,609
Intercompany sales	-0-	-0-	20	(886)	-0-	-0-	(866)
NET SALES TO EXTERNAL CUSTOMERS	59,726	20,498	44,189	18,330	-0-	-0-	142,743
Operating income (loss)	6,569	450	5,632	974	-0-	(2,752)	10,873
Interest expense	-0-	-0-	-0-	-0-	-0-	2,093	2,093
Interest income	-0-	-0-	-0-	-0-	-0-	261	261
EARNINGS BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	6,569	450	5,632	974	-0-	(4,584)	9,041
Total assets	101,113	37,319	68,792	24,667	6,901	91,385	330,177
Depreciation	1,199	518	652	28	91	650	3,138
Capital expenditures	5,217	2,764	1,291	19	-0-	988	10,279

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BUSINESS SEGMENT INFORMATION, CONTINUED

THREE MONTHS ENDED JULY 31, 1999	JOURNEYS	JARMAN	OTHER RETAIL	JOHNSTON & MURPHY	LICENSED BRANDS	LEATHER	CORPORATE	CONSOLIDATED
Sales	$ 44,937	$ 18,168	$ 2,170	$ 37,865	$ 19,070	$ -0-	$ -0-	$ 122,210
Intercompany sales	-0-	-0-	-0-	(148)	(1,058)	-0-	-0-	(1,206)
NET SALES TO EXTERNAL CUSTOMERS	44,937	18,168	2,170	37,717	18,012	-0-	-0-	121,004
Operating income (loss)	5,888	(288)	143	4,721	885	-0-	(2,920)	8,429
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	2,041	2,041
Interest income	-0-	-0-	-0-	-0-	-0-	-0-	580	580
EARNINGS BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	5,888	(288)	143	4,721	885	-0-	(4,381)	6,968
Total assets	71,389	25,774	3,047	57,957	26,295	8,150	99,967	292,579
Depreciation	771	393	26	671	59	114	404	2,438
Capital expenditures	3,138	406	5	1,010	1	11	900	5,471

SIX MONTHS ENDED JULY 29, 2000	JOURNEYS	JARMAN	JOHNSTON & MURPHY	LICENSED BRANDS	LEATHER	CORPORATE	CONSOLIDATED
Sales	$117,743	$ 41,518	$ 88,486	$ 42,525	$ -0-	$ -0-	$ 290,272
Intercompany sales	-0-	-0-	(211)	(1,304)	-0-	-0-	(1,515)
NET SALES TO EXTERNAL CUSTOMERS	117,743	41,518	88,275	41,221	-0-	-0-	288,757
Operating income (loss)	13,081	1,193	11,305	2,607	-0-	(5,271)	22,915
Interest expense	-0-	-0-	-0-	-0-	-0-	4,194	4,194
Interest income	-0-	-0-	-0-	-0-	-0-	680	680
Other	-0-	-0-	-0-	-0-	-0-	(170)	(170)
EARNINGS BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	13,081	1,193	11,305	2,607	-0-	(8,955)	19,231
Total assets	101,113	37,319	68,792	24,667	6,901	91,385	330,177
Depreciation	2,294	987	1,344	59	201	1,292	6,177
Capital expenditures	9,347	5,257	2,889	36	-0-	1,700	19,229

SIX MONTHS ENDED JULY 31, 1999	JOURNEYS	JARMAN	OTHER RETAIL	JOHNSTON & MURPHY	LICENSED BRANDS	LEATHER	CORPORATE	CONSOLIDATED
Sales	$ 84,387	$ 36,742	$ 5,399	$ 78,194	$ 42,301	$ -0-	$ -0-	$ 247,023
Intercompany sales	-0-	-0-	-0-	(156)	(2,499)	-0-	-0-	(2,655)
NET SALES TO EXTERNAL CUSTOMERS	84,387	36,742	5,399	78,038	39,802	-0-	-0-	244,368
Operating income (loss)	9,576	(261)	(51)	10,011	2,420	-0-	(5,193)	16,502
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	4,037	4,037
Interest income	-0-	-0-	-0-	-0-	-0-	-0-	1,241	1,241
Other	-0-	-0-	-0-	-0-	-0-	-0-	(127)	(127)
EARNINGS BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	9,576	(261)	(51)	10,011	2,420	-0-	(8,116)	13,579
Total assets	71,389	25,774	3,047	57,957	26,295	8,150	99,967	292,579
Depreciation	1,508	824	87	1,332	116	229	782	4,878
Capital expenditures	5,956	340	100	2,108	23	20	1,669	10,216

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This discussion and the notes to the Consolidated Financial Statements include certain forward-looking statements. Actual results could differ materially from those reflected by the forward-looking statements in this discussion and a number of factors may adversely affect future results, liquidity and capital resources. These factors include changes in consumer demand or tastes that affect sales at retail or wholesale, changes in buying patterns by significant wholesale customers, disruptions in product supply, changes in business strategies by the Company's competitors, the Company's ability to open, staff and support additional retail stores on schedule and at acceptable expense levels and the outcome of litigation and environmental matters and the adequacy of related reserves, including those discussed in Note 9 to the Consolidated Financial Statements. Although the Company believes it has an appropriate business strategy and the resources necessary for its operations, future revenue and margin trends cannot be reliably predicted and the Company may alter its business strategies to address changing conditions.

SIGNIFICANT DEVELOPMENTS

Volunteer Leather Divestiture

On May 22, 2000, the Company's board of directors approved a plan to sell its Volunteer Leather finishing business and liquidate its tanning business, to allow the Company to be more focused on the retailing and marketing of branded footwear.

Certain assets of the Volunteer Leather business were sold June 19, 2000. The plan resulted in a pretax charge to second quarter earnings of $4.9 million ($3.0 million net of tax). Because Volunteer Leather constitutes the entire Leather segment of the Company's business, the charge to earnings is treated for financial reporting purposes as a provision for discontinued operations.

The provision for discontinued operations includes $1.3 million in asset write-downs and $3.6 million of other costs, of which $3.2 million are expected to be incurred in the next twelve months. Other costs include primarily employee severance and facility shutdown costs. Other costs expected to be incurred beyond twelve months are classified as long-term liabilities in the consolidated balance sheet. The Volunteer Leather business employed approximately 160 people.

Share Repurchase Program

In total, the Company's board of directors has authorized the repurchase of 6.8 million shares of the Company's common stock since the third quarter of Fiscal 1999. This total includes the authorization in February of 2000 of an additional 1.0 million shares. The purchases may be made on the open market or in privately negotiated transactions. As of July 29, 2000, the Company had repurchased 6.2 million shares at a cost of $57.1 million from all authorizations.

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Business Segments

The Company currently operates four reportable business segments (not including corporate): Journeys; Jarman, comprised of the Jarman, Underground Station and Stone & Co. retail footwear chains; Johnston & Murphy, comprised of Johnston & Murphy retail stores and wholesale distribution; and Licensed Brands, comprised of Dockers and Nautica Footwear. The Company operated in Fiscal 2000 the Other Retail segment, comprised of General Shoe Warehouse and the Jarman Leased departments, both of which were closed in Fiscal 2000. The Company also operated the Leather segment in Fiscal 2000 and some of Fiscal 2001. The Company sold certain assets of its Volunteer Leather business June 19, 2000 and has discontinued all Leather segment operations.

RESULTS OF OPERATIONS - SECOND QUARTER FISCAL 2001 COMPARED TO FISCAL 2000

The Company's net sales in the second quarter ended July 29, 2000 increased 18.0% to $142.7 million from $121.0 million in the second quarter ended July 31, 1999. Excluding net sales attributable to the divested Other Retail business from last year, the Company's net sales increased 20.1% to $142.7 million in the second quarter ended July 29, 2000 from $118.8 million in the same period last year. Gross margin increased 21.8% to $68.5 million in the second quarter this year from $56.2 million in the same period last year and increased as a percentage of net sales from 46.5% to 48.0%. Selling and administrative expenses in the second quarter this year increased 20.5% from the second quarter last year and increased as a percentage of net sales from 39.5% to 40.3%. Selling and administrative expenses were reduced $0.3 million in the second quarter this year for a reduction in pension expense. Explanations of the changes in results of operations are provided by business segment in discussions following this introductory paragraph.

Pretax earnings for the second quarter ended July 29, 2000 were $9.0 million compared to $7.0 million for the second quarter ended July 31, 1999.

Net earnings for the second quarter ended July 29, 2000 were $2.6 million ($.13 diluted earnings per share) compared to $4.2 million ($.17 diluted earnings per share) for the second quarter ended July 31, 1999. Net earnings for the second quarter ended July 29, 2000 included a $3.0 million ($.11 diluted earnings per share) charge to earnings (net of tax) for the divestiture of the Company's Volunteer Leather business.

Journeys

	Three Months Ended		
	July 29, 2000	July 31, 1999	% Change
	(dollars in thousands)		
Net sales	$59,726	$44,937	32.9%
Operating income..	$ 6,569	$ 5,888	11.6%
Operating margin..	11.0%	13.1%	

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Reflecting both a 30% increase in average Journeys stores operated (i.e., the sum of the number of stores open on the first day of the fiscal quarter and the last day of each fiscal month during the quarter divided by four) and an 8% increase in comparable store sales, net sales from Journeys increased 32.9% for the second quarter ended July 29, 2000 compared to the same period last year. The average price per pair of shoes decreased 1% in the second quarter of Fiscal 2001 while unit sales increased 33% during the same period. The store count for Journeys was 377 stores at the end of the second quarter of Fiscal 2001 compared to 287 stores at the end of the second quarter last year.

Journeys operating income for the second quarter ended July 29, 2000 was up 11.6% to $6.6 million compared to $5.9 million for the second quarter ended July 31, 1999. The increase was due to increased sales both from store openings and a comparable store sales increase and increased gross margin as a percentage of sales. Journeys operating income decreased as a percentage of sales from 13.1% for the second quarter last year to 11.0% for the second quarter this year due to higher marketing expenses and costs associated with rapid store expansion.

Jarman

	Three Months Ended		
	July 29, 2000	July 31, 1999	% Change
	(dollars in thousands)		
Net sales	$20,498	$ 18,168	12.8%
Operating income (loss)	$ 450	$ (288)	NA
Operating margin	2.2%	(1.6%)	

Primarily due to a 13% increase in average Jarman stores operated and a 2% increase in comparable store sales, net sales from Jarman increased 12.8% for the second quarter ended July 29, 2000 compared to the same period last year. The increase in sales was driven primarily by Underground Station stores. The average price per pair of shoes increased 7% in the second quarter of Fiscal 2001 and unit sales increased 2% during the same period. Jarman operated 186 stores at the end of the second quarter of Fiscal 2001, including 33 Underground Station stores and nine Stone & Co. stores. It had operated 158 stores at the end of the second quarter last year, including 17 Underground Station stores and one Stone & Co. store.

Jarman operating income for the second quarter ended July 29, 2000 was $0.5 million compared to ($0.3) million for the second quarter ended July 31, 1999 and increased as a percent of sales to 2.2% from (1.6%) for the same period last year. The increase was due to increased sales, increased gross margin in dollars and as a percentage of sales due primarily to lower markdowns and changes in product mix.

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Johnston & Murphy

	Three Months Ended July 29, 2000	Three Months Ended July 31, 1999	% Change
	(dollars in thousands)		
Net sales	$44,189	$37,717	17.2%
Operating income..	$ 5,632	$ 4,721	19.3%
Operating margin..	12.7%	12.5%	

Johnston & Murphy net sales increased 17.2% to $44.2 million for the second quarter ended July 29, 2000 from $37.7 million for the second quarter ended July 31, 1999. The increase reflects primarily a 5% increase in comparable store sales for Johnston & Murphy retail operations and a 9% increase in average Johnston & Murphy retail stores operated. Retail operations accounted for 65% of Johnston & Murphy segment sales in the second quarter this year, up from 63% in the second quarter last year. There was an 11% increase in Johnston & Murphy wholesale sales. The store count for Johnston & Murphy retail operations at the end of the second quarter of Fiscal 2001 included 152 Johnston & Murphy stores and factory stores compared to 138 Johnston & Murphy stores and factory stores at the end of the second quarter of Fiscal 2000. The average price per pair of shoes for Johnston & Murphy retail increased 1% in the second quarter this year and unit sales increased 15% during the same period. Unit sales for the Johnston & Murphy wholesale business increased 16% in the second quarter of Fiscal 2001, while the average price per pair of shoes decreased 6% for the same period, reflecting increased promotional activities and mix changes.

Johnston & Murphy operating income for the second quarter ended July 29, 2000 increased 19.3% from $4.7 million for the second quarter ended July 31, 1999 to $5.6 million, primarily due to increased sales and increased gross margin as a percentage of sales.

Licensed Brands

	Three Months Ended July 29, 2000	Three Months Ended July 31, 1999	% Change
	(dollars in thousands)		
Net sales	$18,330	$18,012	1.8%
Operating income..	$ 974	$ 885	10.1%
Operating margin..	5.3%	4.9%	

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Licensed Brands net sales increased 1.8% to $18.3 million for the second quarter ended July 29, 2000 from $18.0 million for the second quarter ended July 31, 1999, reflecting primarily a 2% increase in Licensed Brands wholesale sales. Unit sales for the Licensed Brands wholesale businesses increased 7% for the second quarter this year, while the average price per pair of shoes decreased 5% for the same period, reflecting increased promotional activities and changes in product mix.

Licensed Brands operating income for the second quarter ended July 29, 2000 increased 10.1% from $0.9 million for the second quarter ended July 31, 1999 to $1.0 million, primarily due to increased sales and increased gross margin as a percentage of sales.

Other Retail

	Three Months Ended		
	July 29, 2000	July 31, 1999	% Change
	(dollars in thousands)		
Net sales	$ -0-	$2,170	(100.0%)
Operating income	$ -0-	$ 143	NA
Operating margin	NA	6.6%	

The Jarman Leased departments business was closed in the first quarter of Fiscal 2000 and the remaining five Other Retail stores, which were General Shoe Warehouse stores, were transferred to the Jarman and Johnston & Murphy operating segments during the first quarter of Fiscal 2001. The Company will no longer report results from the Other Retail segment.

Corporate, Interest Expenses and Other Charges

Corporate and other expenses for the second quarter ended July 29, 2000 were $2.7 million compared to $2.9 million for the second quarter ended July 31, 1999 or a decrease of 5.9%. The decrease in corporate expenses in the second quarter this year is attributable primarily to $0.3 million of investment income.

Interest expense increased 2.5% from $2.0 million in the second quarter ended July 31, 1999 to $2.1 million for the second quarter ended July 29, 2000, primarily due to increased bank activity fees due to the increase in the number of individual bank accounts because of increased new store openings.

Interest income decreased 55% from $0.6 million in the second quarter last year to $0.3 million in the second quarter this year due to decreases in average short-term investments. There were no borrowings under the Company's revolving credit facility during the three months ended July 29, 2000 or July 31, 1999.

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RESULTS OF OPERATIONS - SIX MONTHS FISCAL 2001 COMPARED TO FISCAL 2000

The Company's net sales in the first six months ended July 29, 2000 increased 18.2% to $288.8 million from $244.4 million in the first six months ended July 31, 1999. Excluding net sales attributable to the divested Other Retail business from last year, the Company's net sales increased 20.8% to $288.8 million in the first six months ended July 29, 2000 from $239.0 million in the same period last year. Gross margin increased 20.2% to $136.1 million in the first six months this year from $113.3 million in the same period last year and increased as a percentage of net sales from 46.4% to 47.1%. Selling and administrative expenses in the first six months this year increased 17.0% from the first six months last year but decreased as a percentage of net sales from 39.7% to 39.3%. Selling and administrative expenses were reduced $0.7 million in the first six months this year for a reduction in pension expense as total pension expense for Fiscal 2001 is expected to be $0.3 million versus $1.7 million in Fiscal 2000. Explanations of the changes in results of operations are provided by business segment in discussions following this introductory paragraph.

Pretax earnings for the first six months ended July 29, 2000 were $19.2 million compared to $13.6 million for the first six months ended July 31, 1999.

Net earnings for the first six months ended July 29, 2000 were $8.5 million ($.38 diluted earnings per share) compared to $8.2 million ($.33 diluted earnings per share) for the first six months ended July 31, 1999. Net earnings for the first six months ended July 29, 2000 included a $3.0 million ($.12 diluted earnings per share) charge to earnings (net of tax) for the divestiture of the Company's Volunteer Leather business.

Journeys

	Six Months Ended		
	July 29, 2000	July 31, 1999	% Change
	(dollars in thousands)		
Net sales	$117,743	$84,387	39.5%
Operating income	$ 13,081	$ 9,576	36.6%
Operating margin	11.1%	11.3%	

Reflecting both a 30% increase in average Journeys stores operated (i.e., the sum of the number of stores open on the first day of the fiscal year and the last day of each fiscal month during the six months divided by seven) and a 14% increase in comparable store sales, net sales from Journeys increased 39.5% for the first six months ended July 29, 2000 compared to the same period last year. The average price per pair of shoes decreased 1% in the first six months of Fiscal 2001 while unit sales increased 40% during the same period. The store count for Journeys was 377 stores at the end of the first six months of Fiscal 2001 compared to 287 stores at the end of the first six months last year.

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Journeys operating income for the first six months ended July 29, 2000 was up 36.6% to $13.1 million compared to $9.6 million for the first six months ended July 31, 1999. The increase was due to increased sales both from store openings and a comparable store sales increase. Journeys operating income decreased as a percentage of sales from 11.3% for the first six months last year to 11.1% for the first six months this year due to higher marketing expenses and costs associated with rapid store expansion.

Jarman

	Six Months Ended		
	July 29, 2000	July 31, 1999	% Change
	(dollars in thousands)		
Net sales	$41,518	$36,742	13.0%
Operating income (loss) ...	$ 1,193	$ (261)	NA
Operating margin	2.9%	(0.7%)	

Primarily due to a 7% increase in average Jarman stores operated for the six months and a 5% increase in comparable store sales, net sales from Jarman increased 13.0% for the first six months ended July 29, 2000 compared to the same period last year. The increase in sales was driven primarily by Underground Station stores. The average price per pair of shoes increased 8% in the first six months of Fiscal 2001 and unit sales increased 2% during the same period. Jarman operated 186 stores at the end of the first six months of Fiscal 2001, including 33 Underground Station stores and nine Stone & Co. stores. It had operated 158 stores at the end of the first six months last year, including 17 Underground Station stores and one Stone & Co. store.

Jarman operating income for the first six months ended July 29, 2000 was $1.2 million compared to ($0.3) million for the first six months ended July 31, 1999 and increased as a percent of sales to 2.9% from (0.7%) for the same period last year. The increase was due to increased sales, increased gross margin in dollars and as a percentage of sales due primarily to lower markdowns combined with changes in product mix and decreased expenses as a percentage of sales.

Johnston & Murphy

	Six Months Ended July 29, 2000	Six Months Ended July 31, 1999	% Change
	(dollars in thousands)		
Net sales	$88,275	$78,038	13.1%
Operating income	$11,305	$10,011	12.9%
Operating margin	12.8%	12.8%	

Johnston & Murphy net sales increased 13.1% to $88.3 million for the first six months ended July 29, 2000 from $78.0 million for the first six months ended July 31, 1999. The increase reflects primarily a 5% increase in comparable store sales for Johnston & Murphy retail operations and a 9% increase in average Johnston & Murphy retail stores operated. Retail operations accounted for 64% of Johnston & Murphy segment sales in the first six months this year and 62% of Johnston & Murphy segment sales in the first six months last year. There was a 7% increase in Johnston & Murphy wholesale sales. The store count for Johnston & Murphy retail operations at the end of the first six months of Fiscal 2001 included 152 Johnston & Murphy stores and factory stores compared to 138 Johnston & Murphy stores and factory stores at the end of the first six months of Fiscal 2000. The average price per pair of shoes for Johnston & Murphy retail was flat in the first six months this year while unit sales increased 14% during the same period. Unit sales for the Johnston & Murphy wholesale business increased 13% in the first six months of Fiscal 2001, while the average price per pair of shoes decreased 5% for the same period, reflecting increased promotional activities and mix changes.

Johnston & Murphy operating income for the first six months ended July 29, 2000 increased 12.9% from $10.0 million for the first six months ended July 31, 1999 to $11.3 million, primarily due to increased sales.

Licensed Brands

	Six Months Ended July 29, 2000	Six Months Ended July 31, 1999	% Change
	(dollars in thousands)		
Net sales	$41,221	$39,802	3.6%
Operating income	$ 2,607	$ 2,420	7.7%
Operating margin	6.3%	6.1%	

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Licensed Brands net sales increased 3.6% to $41.2 million for the first six months ended July 29, 2000 from $39.8 million for the first six months ended July 31, 1999, reflecting primarily a 3% increase in Licensed Brands wholesale sales. Unit sales for the Licensed Brands wholesale businesses increased 6% for the first six months this year, while the average price per pair of shoes decreased 5% for the same period, reflecting increased promotional activities and changes in product mix.

Licensed Brands operating income for the first six months ended July 29, 2000 increased 7.7% from $2.4 million for the first six months ended July 31, 1999 to $2.6 million, primarily due to increased sales and decreased expenses as a percentage of sales.

Other Retail

	Six Months Ended		
	July 29, 2000	July 31, 1999	% Change
	(dollars in thousands)		
Net sales	-0-	$ 5,399	(100.0%)
Operating income	-0-	$ (51)	NA
Operating margin	NA	(0.9%)	

The Jarman Leased departments business was closed in the first quarter of Fiscal 2000 and the remaining five Other Retail stores, which were General Shoe Warehouse stores, were transferred to the Jarman and Johnston & Murphy operating segments during the first quarter of Fiscal 2001. The Company will no longer report results from the Other Retail segment.

Corporate, Interest Expenses and Other Charges

Corporate and other expenses for the first six months ended July 29, 2000 were essentially flat with last year at $5.3 million.

Interest expense increased 3.9% from $4.0 million in the first six months ended July 31, 1999 to $4.2 million for the first six months ended July 29, 2000, primarily due to increased bank activity fees due to the increase in the number of individual bank accounts because of increased new store openings.

Interest income decreased 45% from $1.2 million in the first six months last year to $0.7 million in the first six months this year due to decreases in average short-term investments. There were no borrowings under the Company's revolving credit facility during the six months ended July 29, 2000 or July 31, 1999.

LIQUIDITY AND CAPITAL RESOURCES

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

	July 29, 2000	July 31, 1999
	(dollars in millions)	
Cash and short-term investments	$ 38.3	$ 49.1
Working capital	$ 134.0	$ 134.8
Long-term debt (includes current maturities)	$ 103.5	$ 103.5
Current ratio	2.4x	2.8x

Working Capital

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

Cash provided by operating activities was $1.1 million in the first six months of Fiscal 2001 compared to $16.2 million in the first six months of Fiscal 2000. The $15.1 million decrease in cash flow from operating activities reflects primarily increased accounts receivable due to increased wholesale sales and extended terms and increased inventory due to increased new store openings and planned seasonal increases. Contributing to the inventory change was an increase in net stores and leased departments of 86 this year compared to a net decline of 39 last year.

The $32.0 million increase in inventories at July 29, 2000 from January 29, 2000 levels reflects increases in retail inventory to support the net increase of 86 stores in the first six months this year as well as planned seasonal increases.

Accounts receivable at July 29, 2000 increased $5.9 million compared to January 29, 2000 primarily due to increased wholesale sales and lengthening of days sales outstanding due to changes in promotional activities.

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

	Six Months Ended	
	July 29, 2000	July 31, 1999
	(in thousands)	
Accounts payable	$ 24,911	$ 8,315
Accrued liabilities....	(6,225)	(4,904)
	$ 18,686	$ 3,411

The fluctuations in accounts payable for the first six months this year from the first six months last year are due to changes in buying patterns, payment terms negotiated with individual vendors and changes in inventory levels. The change in accrued liabilities for the first six months this year was due primarily to payment of incentive compensation accruals.

There were no revolving credit borrowings during the first six months ended July 29, 2000 and July 31, 1999, as cash generated from operations and cash on hand funded seasonal working capital requirements and capital expenditures.

Capital Expenditures

Total capital expenditures in Fiscal 2001 are expected to be approximately $33.1 million. These include expected retail expenditures of $29.4 million to open approximately 100 Journeys stores, 15 Johnston & Murphy stores and factory stores, and 54 Jarman Retail stores which includes 33 Underground Station stores and three Stone & Co. stores, and to complete 34 major store renovations. Capital expenditures for wholesale and manufacturing operations and other purposes are expected to be approximately $3.7 million, including approximately $2.0 million for new computer 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 9 to the Company's Consolidated Financial Statements. The Company has made provisions for certain of these contingencies, including approximately $2.4 million reflected in Fiscal 2001 and $472,000 reflected in Fiscal 2000. The Company monitors these matters 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 and circumstances as of the close of the most recent fiscal quarter. Because of uncertainties and risks inherent in litigation generally and in environmental proceedings in particular, however, there can be no assurance that future developments will not require additional reserves to be set aside, that some or all reserves may not be adequate or that the amounts of any such additional reserves or any such inadequacy will not have a material adverse effect upon the Company's financial condition or results of operations.

Future Capital Needs

The Company expects that cash on hand and cash provided by operations will be sufficient to fund all of its capital expenditures through Fiscal 2001, although the Company may borrow from time to time to support seasonal working capital requirements. The approximately $6.1 million of costs associated with the prior restructurings and discontinued operations that are expected to be incurred during the next twelve months are also expected to be funded from cash on hand. In February of 2000, the Company authorized the additional repurchase, from time to time, of up to 1.0 million shares of the Company's common stock. These purchases will be funded from available cash. The Company has repurchased a total of 6.2 million shares at a cost of $57.1 million from all authorizations for Fiscal 1999, Fiscal 2000 and Fiscal 2001.

There were $8.9 million of letters of credit outstanding under the revolving credit agreement at July 29, 2000, leaving availability under the revolving credit agreement of $56.1 million.

The Company's revolving credit agreement restricts the payment of dividends and other payments with respect to capital stock. At July 29, 2000, $30.7 million was available for such payments. The aggregate of annual dividend requirements on the Company's Subordinated Serial Preferred Stock, $2.30 Series 1, $4.75 Series 3 and $4.75 Series 4, and on its $1.50 Subordinated Cumulative Preferred Stock is $300,000.

FINANCIAL MARKET RISK

The following discusses the Company's exposure to financial market risk related to changes in interest rates and foreign currency exchange rates.

Outstanding Debt of the Company - The Company's outstanding long-term debt of $103.5 million 5 1/2% convertible subordinated notes due April 2005 bears interest at a fixed rate. Accordingly, there would be no immediate impact on the Company's interest expense due to fluctuations in market interest rates.

Cash and Short-Term Investments - The Company's cash and short-term investment balances are invested in financial instruments with original maturities of three months or less. The Company does not have significant exposure to changing interest rates on invested cash at July 29, 2000. As a result, the interest rate market risk implicit in these investments at July 29, 2000, if any, is low.

Foreign Currency Exchange Rate Risk - Most purchases by the Company from foreign sources are denominated in U.S. dollars. To the extent that import transactions are denominated in other currencies, it is the Company's practice to hedge its risks through the purchase of forward foreign

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exchange contracts. Gains and losses from these transactions are included in the cost of the underlying purchases. The loss on contracts outstanding at July 29, 2000 was $1.7 million from current spot rates. At July 29, 2000, the Company had $26.6 million of foreign exchange contracts for Italian Lira and Euro. As of July 29, 2000, a 10% adverse change in foreign currency exchange rates from market rates would decrease the fair value of the contracts by approximately $4.0 million.

Summary - Based on the Company's overall market interest rate and foreign currency rate exposure at July 29, 2000, the Company believes that the effect, if any, of reasonably possible near-term changes in interest rates or fluctuations in foreign currency exchange rates on the Company's consolidated financial position, result of operations or cash flows for Fiscal 2001 would not be material.

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

CHANGES IN ACCOUNTING PRINCIPLES

In June 1998 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Instruments and Hedging Activities, effective for fiscal years beginning after June 15, 1999. The Financial Accounting Standards Board issued SFAS No. 137 in July 1999 to delay the effective date of SFAS No. 133 for one year, to fiscal years beginning after June 15, 2000. SFAS No. 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires an entity to recognize all derivatives as either assets or liabilities in the consolidated balance sheet and to measure those instruments at fair value. Under certain conditions, a derivative may be specifically designated as a fair value hedge or a cash flow hedge. The accounting for changes in the fair value of a derivative will depend on the intended use of the derivative and the resulting designation. At this time, the impact of adopting the provisions of this statement is not currently estimable and will depend on the financial position of the Company and the nature and purpose of the derivative instruments in use at that time.

PART II - OTHER INFORMATION

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Company's annual meeting of shareholders held on June 28, 2000, shares representing a total of 21,775,663 votes were outstanding and entitled to vote. At the meeting, shareholders of the Company:

(1) elected ten directors nominated by the board of directors by the following votes:

	Votes "For"	Votes "Withheld"
Leonard L. Berry	17,547,428	340,510
Robert V. Dale	17,534,224	353,714
W. Lipscomb Davis, Jr	17,544,595	343,343
Joel C. Gordon	17,545,291	342,647
Ben T. Harris	14,473,867	3,414,071
Kathleen Mason	17,548,029	339,909
Hal N. Pennington	17,548,031	339,907
William A. Williamson, Jr	17,545,980	341,958
William S. Wire II	17,545,850	342,088
Gary M. Witkin	17,525,016	362,922

(2) approved an amendment to the Company's 1996 Stock Incentive Plan by a vote of 18,355,609 for, 1,653,666 against, with 66,749 abstentions.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS

(27) Financial Data Schedule (for SEC use only)

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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
September 12, 2000

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S 2ND QUARTER FISCAL 2001 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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6-MOS
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JAN-30-2000
JUL-29-2000
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152,616
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7,507
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(3,201)
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