



Genesco Reports Fourth Quarter and Fiscal 2004 Sales and Earnings

March 3, 2004

--Company Reports Fourth Quarter Diluted Earnings Per Share Before Discontinued Operations of \$0.81--

NASHVILLE, Tenn., March 3 /PRNewswire-FirstCall/ -- Genesco Inc. (NYSE: GCO) today reported earnings before discontinued operations of \$17.8 million, or \$0.81 per diluted share, for the fourth quarter ended January 31, 2004. Items including retail store asset impairments and recognition of excess restructuring provisions and a tax benefit added a net \$0.05 per diluted share to earnings before discontinued operations in the fourth quarter of fiscal 2004. Earnings before discontinued operations for the fourth quarter of fiscal 2003 were \$14.2 million, or \$0.56 per diluted share, including a charge of \$0.06 per share primarily related to retail store asset impairments. Net earnings for the fourth quarter of fiscal 2004 were \$16.9 million, or \$0.77 per diluted share, compared with \$14.0 million, or \$0.55 per diluted share, for the previous fourth quarter. Net sales for the fourth quarter of fiscal 2004 were \$253 million compared to \$250 million for the fourth quarter of fiscal 2003.

For the fiscal year ended January 31, 2004, earnings before discontinued operations were \$29.7 million, or \$1.33 per diluted share, compared to \$36.4 million, or \$1.47 per diluted share, for fiscal 2003. Earnings before discontinued operations for fiscal 2004 included net charges of \$0.03 per share, primarily related to the items discussed above and expenses related to the refinancing of the Company's long-term debt in the second quarter. Earnings before discontinued operations for fiscal 2003 were reduced by \$0.08 per share because of charges primarily related to retail store asset impairments. Net earnings for fiscal 2004 were \$28.8 million, or \$1.29 per diluted share, compared to \$36.3 million, or \$1.47 per diluted share, for fiscal 2003. Net sales for fiscal 2004 were \$837 million versus \$828 million the previous year.

Genesco President and Chief Executive Officer Hal N. Pennington, said, "We were very pleased to end the year on such a positive note. Throughout fiscal 2004 we worked hard to respond to challenges in the marketplace and we believe that our strong fourth quarter performance is an early indication that our strategies are working and our outlook is improving. As we head into fiscal 2005, our momentum is good, our inventories are fresh and we are excited about the opportunities that lie ahead.

"During the quarter Journeys same store sales were flat, footwear unit comparable sales rose 6% and margins came in above our expectations, due primarily to lower than expected markdowns. So far in the new fiscal year, Journeys' comparable sales trends have improved, the decline in average selling price appears to be moderating, the retail environment seems to be improving and Journeys merchants are enthusiastic about fresh, new products in the marketplace. We believe that all of this bodes well for us in the new year.

"Comparable store sales in the fourth quarter in the Underground Station/Jarman Group fell about 8%, compared to an increase of 9% last year, with Underground Station stores again performing better than the Jarman stores. As expected, the business was affected by a decline in demand for Euro-casual and utility-inspired products. Underground Station has implemented a number of initiatives to take advantage of the opportunities we see in its women's and fashion athletic businesses and to improve its overall position in the marketplace. Underground Station's comparable sales for the quarter to date have improved from fourth quarter levels. We have made the strategic decision to close 34 Jarman stores over the next 12 months and convert the remaining 62 stores to Underground Station stores as quickly as it is financially feasible to do so, subject to obtaining necessary approvals under the store leases.

"Johnston & Murphy saw more benefits of its strategic repositioning in the fourth quarter, as changes in product mix and a less promotional stance improved average selling price in the Johnston & Murphy shops by 6% compared to the fourth quarter last year. Johnston & Murphy also did a good job managing expenses during the quarter and its inventories are well positioned as it begins the new year. The positive feedback from retailers that we received at the recent World Shoe Association (WSA) tradeshow gives us confidence that Johnston & Murphy is successfully executing its plan.

"Dockers Footwear sales were \$12 million in the fourth quarter compared to \$19 million for the same period last year. Despite the top line pressure, Dockers' operating margin increased by 2 percentage points. We continue to expect a rebound in Dockers' sales in the second half of this year."

Genesco also stated that it is revising upward its fiscal 2005 guidance. The Company now expects sales between \$901 million and \$920 million and earnings per share from \$1.37 to \$1.44, including charges of approximately \$0.09 per share associated with the planned closing of Jarman and other underperforming stores in fiscal 2005. The Company's guidance does not reflect the closing of its previously announced agreement to acquire Hat World Corporation, which the Company expects to consummate during the first quarter.

Pennington concluded, "We remain committed to taking the necessary steps to help improve our operating platform and better position Genesco for long-term growth. We move forward focused on execution and excited about the future."

This release contains forward-looking statements, including those regarding the Company's sales and earnings outlook, the anticipated acquisition of Hat World Corporation, and all other statements not addressing solely historical facts or present conditions. Actual results could turn out materially different from the expectations reflected in these statements. A number of factors could cause differences. These include weakness in consumer demand for products sold by the Company, fashion trends or other factors that affect the sales or product margins of the Company's retail product offerings, changes in buying patterns by significant wholesale customers, disruptions in product supply or distribution, further unfavorable trends in foreign exchange rates and other factors affecting the cost of products, 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 to renew leases in existing stores on schedule and at acceptable expense levels, the ability to negotiate acceptable arrangements for closing or converting Jarman stores, variations from expected pension-related charges caused by conditions in the financial markets, and developments in litigation and environmental matters involving the Company. They also include the Company's ability to consummate the Hat World acquisition, including its ability to meet conditions to the transaction and to conclude financing for it and to obtain required regulatory approvals and the approval of Hat World's shareholders, and changes from anticipated levels in interest rates associated with the financing for the transaction and in the value of intangible assets to be acquired. Forward-looking statements reflect the expectations of the Company at the time they are made. The Company disclaims any obligation to update such

statements.

The Company's live conference call on March 3, 2004, at 10:00 a.m. (Central time) may be accessed through the Company's internet website, www.genesco.com. The Company expects to discuss results from the fourth quarter and fiscal year ended January 31, 2004, and its current expectations for the fiscal year ending January 29, 2005, during the call. To listen live, please go to the website at least 15 minutes early to register, download and install any necessary software.

Genesco, based in Nashville, sells footwear and accessories in more than 1,040 retail stores in the U.S., principally under the names Journeys, Journeys Kidz, Johnston & Murphy, Jarman and Underground Station, and on internet websites www.journeys.com and www.johnstonmurphy.com. The Company also sells footwear at wholesale under its Johnston & Murphy brand and under the licensed Dockers brand. Additional information on Genesco and its operating divisions may be accessed at its website www.genesco.com.

GENESCO INC.

Consolidated Earnings Summary

In Thousands	Fourth Quarter		Fiscal Year Ended	
	2004	2003	2004	2003
Net sales	\$252,672	\$249,715	\$837,379	\$828,307
Cost of sales	134,603	133,477	448,601	438,231
Selling and administrative expenses	89,209	88,744	332,559	320,833
Restructuring and other charges	1,040	2,549	901	2,549
Earnings from operations before interest and other	27,820	24,945	55,318	66,694
Loss on early retirement of debt	-	-	2,581	-
Interest expense, net	1,598	2,114	7,289	7,870
Earnings before income taxes from continuing operations	26,222	22,831	45,448	58,824
Income tax expense	8,392	8,658	15,760	22,379
Earnings from continuing operations	17,830	14,173	29,688	36,445
Provision for discontinued operations, net	(888)	(165)	(888)	(165)
Net Earnings	\$16,942	\$14,008	\$28,800	\$36,280

Earnings Per Share Information

In Thousands (except per share amounts)	Fourth Quarter		Fiscal Year Ended	
	2004	2003	2004	2003
Preferred dividend requirements	\$73	\$73	\$294	\$294
Average common shares - Basic EPS	21,721	21,710	21,742	21,821
Basic earnings per share:				
Before discontinued operations	\$0.82	\$0.65	\$1.35	\$1.66
Net earnings	\$0.78	\$0.64	\$1.31	\$1.65
Average common and common equivalent shares - Diluted EPS	22,098	26,988	22,042	27,152
Diluted earnings per share:				
Before discontinued operations	\$0.81	\$0.56	\$1.33	\$1.47
Net earnings	\$0.77	\$0.55	\$1.29	\$1.47

GENESCO INC.

Consolidated Earnings Summary

In Thousands	Fourth Quarter		Fiscal Year Ended	
	2004	2003	2004	2003
Sales:				
Journeys	\$151,128	\$139,566	\$468,919	\$436,498
Underground Station/Jarman Group	47,521	48,129	147,812	147,926
Johnston & Murphy	41,727	43,000	160,095	165,269
Dockers	12,241	18,979	60,274	78,497

Corporate and Other	55	41	279	117
Net Sales	\$252,672	\$249,715	\$837,379	\$828,307
Pretax Earnings (Loss):				
Journeys	\$26,065	\$22,050	\$54,823	\$53,214
Underground Station/Jarman Group	4,975	5,656	8,156	12,096
Johnston & Murphy	1,589	2,806	4,018	9,270
Dockers	943	1,089	4,548	8,506
Corporate and Other*	(5,752)	(6,656)	(16,227)	(16,392)
Operating income	27,820	24,945	55,318	66,694
Loss on early retirement of debt	-	-	2,581	-
Interest, net	1,598	2,114	7,289	7,870
Total Pretax Earnings	26,222	22,831	45,448	58,824
Income tax expense	8,392	8,658	15,760	22,379
Earnings from continuing operations	17,830	14,173	29,688	36,445
Provision for discontinued operations	(888)	(165)	(888)	(165)
Net Earnings	\$16,942	\$14,008	\$28,800	\$36,280

* Includes impairment charge of \$2.8 million offset by \$1.8 million excess restructuring provisions in the fourth quarter and year of Fiscal 2004 and includes impairment and other charges of \$2.6 million in the fourth quarter and year of Fiscal 2003 and \$0.6 million of professional fees, severance and litigation in Fiscal 2003.

GENESCO INC.

Consolidated Balance Sheet

In Thousands	January 31, 2004	February 1, 2003
Assets		
Cash and cash equivalents	\$81,549	\$55,929
Accounts receivable	12,515	19,412
Inventories	167,234	168,622
Other current assets	22,424	22,630
Total current assets	283,722	266,593
Property, equipment and capital leases	121,667	127,542
Other non-current assets	24,753	25,079
Total Assets	\$430,142	\$419,214
Liabilities and Shareholders' Equity		
Accounts payable	\$47,921	\$43,660
Other current liabilities	44,405	44,606
Total current liabilities	92,326	88,266
Long-term debt	86,250	103,245
Other long-term liabilities	35,897	44,924
Shareholders' equity	215,669	182,779
Total Liabilities and Shareholders' Equity	\$430,142	\$419,214

GENESCO INC.

Retail Units Operated - Twelve Months Ended January 31, 2004

	Balance			Balance	
	02/01/03	Open	Conversions	Close	01/31/04
Journeys Group	614	55	0	4	665
Journeys	579	50	0	4	625
Journeys Kidz	35	5	0	0	40
Underground Station/Jarman Group	229	18	0	14	233
Underground Station	114	18	8	3	137
Jarman Retail	115	0	(8)	11	96
Johnston & Murphy	148	7	0	7	148

Shops	115	5	0	5	115
Factory Outlets	33	2	0	2	33
Total Retail Units	991	80	0	25	1,046

Retail Units Operated - Three Months Ended January 31, 2004

	Balance 11/01/03	Open	Conversions	Close	Balance 01/31/04
Journeys Group	658	8	0	1	665
Journeys	618	8	0	1	625
Journeys Kidz	40	0	0	0	40
Underground Station/Jarman Group	237	4	0	8	233
Underground Station	132	4	2	1	137
Jarman Retail	105	0	(2)	7	96
Johnston & Murphy	152	2	0	6	148
Shops	118	2	0	5	115
Factory Outlets	34	0	0	1	33
Total Retail Units	1,047	14	0	15	1,046

Constant Store Sales

	Three Months Ended		Twelve Months Ended	
	January 31, 2004	February 1, 2003	January 31, 2004	February 1, 2003
Journeys	0%	1%	-1%	0%
Underground Station/Jarman Group	-8%	9%	-6%	14%
Underground Station	-7%	17%	-1%	18%
Jarman Retail	-9%	3%	-11%	12%
Johnston & Murphy	-1%	-3%	-1%	0%
Shops	-3%	-2%	-3%	0%
Factory Outlets	9%	-7%	4%	-1%
Total Constant Store Sales	-2%	2%	-2%	3%

SOURCE Genesco Inc.

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/Company News On-Call: <http://www.prnewswire.com/comp/352750.html> /

/Web site: <http://www.genesco.com>

<http://www.journeys.com>

<http://www.johnstonmurphy.com> /

(GCO)

CO: Genesco Inc.; Journeys; Johnston & Murphy; Jarman; Underground Station

ST: Tennessee

IN: TEX REA

SU: ERN SLS CCA MAV ERP

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