



Genesco Reports Third Quarter Results

November 22, 2005

--Diluted Earnings Per Share Before Discontinued Operations Increase 27% to

\$0.62--

--Raises Fiscal 2006 Guidance--

NASHVILLE, Tenn., Nov. 22 /PRNewswire-FirstCall/ -- Genesco Inc. (NYSE: GCO) today reported earnings before discontinued operations of \$16.2 million, or \$0.62 per diluted share, for the third quarter ended October 29, 2005. This compares with earnings before discontinued operations of \$12.4 million, or \$0.49 per diluted share, for the third quarter last year. Net sales for the third quarter of fiscal 2006 increased 10% to \$316 million compared to \$288 million for the third quarter of fiscal 2005.

Genesco's third quarter earnings reflect a pre-tax gain of \$0.9 million, or approximately \$0.02 per diluted share, associated with the conclusion of the settlement of a California employment class action more favorably than originally anticipated offset by a pre-tax expense of \$0.6 million, or approximately \$0.01 per diluted share, related to uninsured property damage from the hurricanes during the quarter.

Genesco Chairman, President and Chief Executive Officer Hal N. Pennington, said, "Our third quarter performance, which once again exceeded expectations, was driven primarily by same store sales gains and gross margin expansion. These results were particularly gratifying given the external challenges we faced during the quarter -- including hurricanes and rising gasoline prices -- and some difficult internal comparisons against the previous year.

"Net sales at Journeys rose 11% to approximately \$153 million, and both same store sales and footwear unit comps increased 5% for the quarter. The Journeys business was strong across the board. In December, Journeys will open its 700th store, an important milestone that reflects the vibrancy and national appeal of the brand. In addition to seeking further growth in its mall-based store count, Journeys' growth plans include opening additional stores in major city street locations following a successful opening on 34th Street in Manhattan, as well as testing other non-mall venues. Additionally, the continuing strength of the Journeys Kidz business has led us to accelerate our store opening plans for that concept for next year to more than double this year's level.

"Net sales at Hat World increased 15% to \$68 million and same store sales were up 1%, which was in line with expectations, and on top of a 12% comp increase a year ago. Despite the tough comparisons to the robust demand generated by last year's World Series, the Major League Baseball business was on plan, and the NFL, NBA and NHL products all performed well. Hat World remains on track to open about 96 new stores this year, up from 55 last year, and we expect it will have approximately 642 stores in operation at the end of fiscal 2006.

"Net sales for the Underground Station Group, which includes Jarman, increased 12% to \$38 million and comparable store sales rose 9%. Comparable store sales at Jarman declined 5%. Underground Station registered another strong same store sales result, accelerating to a 13% comp increase, following a 12% gain in the second quarter and an 11% increase in the first quarter. Underground Station again expanded its operating margin in the quarter by 300 basis points to 5.1%, driven by better gross margins and improved expense leverage.

"Johnston & Murphy's net sales were up 2% for the quarter to \$39 million, same store sales for Johnston & Murphy shops increased 6%, and footwear unit comps rose 7%. As anticipated, Johnston & Murphy's earnings declined modestly, primarily due to increased investment in brand advertising. Johnston & Murphy continued to experience growth in casual and dress casual footwear and registered solid gains in its accessory business as well.

"Sales of Dockers Footwear were \$17 million compared to \$18 million for the same period a year ago. The Stain Defender and Pro Style product has continued to perform strongly and the early response to its Spring 2006 offering is good."

Genesco also stated that it is revising its fiscal 2006 guidance upward. The Company now expects sales for the year to be approximately \$1.28 billion and earnings per share to range from \$2.34 to \$2.35, including the previously announced charge of approximately \$0.04 per share associated with the settlement of a class action lawsuit (adjusted for its more favorable than expected conclusion, as discussed above.)

Pennington concluded, "As we look toward the holiday selling season, we feel good about our product assortment, brand positioning and forward momentum. We remain focused on improving our platform for growth and driving increased shareholder value into the future."

This release contains forward-looking statements, including those regarding the Company's sales and earnings outlook and all other statements not addressing solely historical facts or present conditions. Actual results could vary materially from the expectations reflected in these statements. A number of factors could cause differences, including the 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, weakness in consumer demand for products sold by the Company, fashion trends that affect the sales or product margins of the Company's retail product offerings, changes in the timing of holidays or in the onset of seasonal weather affecting period to period sales comparisons, changes in buying patterns by significant wholesale customers, disruptions in product availability or distribution, unfavorable trends in foreign exchange rates and other factors affecting the cost of products, changes in business strategies by the Company's competitors (including pricing and promotional discounts), variations from expected pension-related charges caused by conditions in the financial markets, and the outcome of litigation and environmental matters involving the Company. 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 November 22, 2005, at 7:30 a.m. (Central time) may be accessed through the Company's internet website, www.genesco.com. To listen live, please go to the website at least 15 minutes early to register, download and install any necessary software.

Genesco Inc., a Nashville-based specialty retailer, sells footwear, headwear and accessories in more than 1,700 retail stores in the United States and Canada, principally under the names Journeys, Journeys Kidz, Johnston & Murphy, Underground Station, Hatworld, Lids, Hat Zone, Cap Factory, Head Quarters and Cap Connection, and on internet websites www.journeys.com, www.journeyskidz.com, www.undergroundstation.com, www.johnstonmurphy.com, www.lids.com, www.hatworld.com, and www.lidscyo.com. The Company also sells footwear at wholesale under its Johnston & Murphy brand and under the licensed Dockers and Perry Ellis brands. Additional information on Genesco and its operating divisions may be accessed at its website www.genesco.com.

GENESCO INC.

Consolidated Earnings Summary

In Thousands	Three Months Ended		Nine Months Ended	
	October 29, 2005	October 30, 2004	October 29, 2005	October 30, 2004
Net sales	\$316,336	\$288,398	\$877,589	\$759,863
Cost of sales	154,825	145,030	430,567	383,928
Selling and administrative expenses	133,225	119,492	385,429	330,841
Restructuring and other, net	(789)	664	2,255	572
Earnings from operations before interest	29,075	23,212	59,338	44,522
Interest expense, net	2,669	3,138	7,941	7,916
Earnings before income taxes from continuing operations	26,406	20,074	51,397	36,606
Income tax expense	10,168	7,691	19,967	13,592
Earnings from continuing operations	16,238	12,383	31,430	23,014
Provision for discontinued operations, net	(95)	(440)	(30)	(461)
Net Earnings	\$16,143	\$11,943	\$31,400	\$22,553

Earnings Per Share Information

In Thousands (except per share amounts)	Three Months Ended		Nine Months Ended	
	October 29, 2005	October 30, 2004	October 29, 2005	October 30, 2004
Preferred dividend requirements	\$67	\$73	\$209	\$219
Average common shares - Basic EPS	22,797	22,041	22,675	21,902
Basic earnings per share:				
Before discontinued operations	\$0.71	\$0.56	\$1.38	\$1.04
Net earnings	\$0.71	\$0.54	\$1.38	\$1.02
Average common and common equivalent shares - Diluted EPS	27,346	26,388	27,106	26,256
Diluted earnings per share:				
Before discontinued operations	\$0.62	\$0.49	\$1.22	\$0.94
Net earnings	\$0.61	\$0.47	\$1.22	\$0.92

GENESCO INC.

Consolidated Earnings Summary

In Thousands	Three Months Ended		Nine Months Ended	
	October	October	October	October
	29, 2005	30, 2004	29, 2005	30, 2004
Sales:				
Journeys	\$153,109	\$137,985	\$400,881	\$358,011
Underground Station Group	38,395	34,273	110,417	97,864
Hat World	68,330	59,477	199,532	135,518
Johnston & Murphy	38,981	38,256	121,497	118,210
Licensed Brands	17,457	18,334	45,065	50,037
Corporate and Other	64	73	197	223
Net Sales	\$316,336	\$288,398	\$877,589	\$759,863
Pretax Earnings (Loss):				
Journeys	\$21,551	\$17,830	\$42,270	\$33,076
Underground Station Group	1,965	720	3,900	862
Hat World	7,615	7,612	22,355	16,614
Johnston & Murphy	1,404	1,881	6,352	5,666
Licensed Brands	1,781	2,140	3,545	5,195
Corporate and Other*	(5,241)	(6,971)	(19,084)	(16,891)
Operating income	29,075	23,212	59,338	44,522
Interest, net	2,669	3,138	7,941	7,916
Total Pretax Earnings	26,406	20,074	51,397	36,606
Income tax expense	10,168	7,691	19,967	13,592
Earnings (loss) from continuing operations	16,238	12,383	31,430	23,014
Provision for discontinued operations, net	(95)	(440)	(30)	(461)
Net Earnings	\$16,143	\$11,943	\$31,400	\$22,553

*Includes \$0.1 million and \$0.6 million of other charges for asset impairment and lease terminations in the third quarter and nine months of Fiscal 2006, respectively, and a \$0.9 million credit due to a favorable adjustment to the litigation settlement in the third quarter of Fiscal 2006 and a \$1.7 million charge for the litigation settlement for the nine months of Fiscal 2006. In addition, the third quarter and nine months of fiscal 2006 include a \$0.6 million charge for uninsured property damage from the hurricanes during the quarter. Includes \$0.7 million and \$1.2 million of other charges for asset impairment and lease terminations in the third quarter and nine months of Fiscal 2005, respectively, offset by a \$0.6 million pension curtailment gain in the nine months of Fiscal 2005.

GENESCO INC.

Consolidated Balance Sheet

In Thousands	October 29, 2005	October 30, 2004
Assets		
Cash and cash equivalents	\$33,398	\$15,012
Accounts receivable	22,738	18,823
Inventories	292,798	265,733
Other current assets	26,011	23,905

Total current assets	374,945	323,473
Property and equipment	181,630	168,202
Other non-current assets	159,130	163,775
Total Assets	\$715,705	\$655,450
Liabilities and Shareholders' Equity		
Accounts payable	\$115,993	\$93,541
Current portion - long-term debt	-	17,000
Other current liabilities	62,671	57,197
Total current liabilities	178,664	167,738
Long-term debt	151,250	175,250
Other long-term liabilities	74,076	73,211
Shareholders' equity	311,715	239,251
Total Liabilities and Shareholders' Equity	\$715,705	\$655,450

GENESCO INC.

Retail Units Operated - Nine Months Ended October 29, 2005

	Balance 01/31/04	Acquisi- tions	Open	Conv	Close
Journeys	665		37	0	7
Journeys	625		35	0	6
Journeys Kidz	40		2	0	1
Underground Station Group	233		21	0	25
Underground Station	137		21	12	5
Jarman Retail	96		0	(12)	20
Hat World	0	503	55	0	6
Johnston & Murphy	148		7	0	13
Shops	115		3	0	11
Factory Outlets	33		4	0	2
Total Retail Units	1,046	503	120	0	51

Retail Units Operated - Nine Months Ended October 29, 2005

	Balance 01/29/05	Open	Conv	Close	Balance 10/29/05
Journeys	695	34	0	5	724
Journeys	654	33	0	4	683
Journeys Kidz	41	1	0	1	41
Underground Station Group	229	15	0	14	230
Underground Station	165	15	2	6	176
Jarman Retail	64	0	(2)	8	54
Hat World	552	73	0	4	621
Johnston & Murphy	142	4	0	3	143
Shops	107	4	0	2	109
Factory Outlets	35	0	0	1	34
Total Retail Units	1,618	126	0	26	1,718

Retail Units Operated - Three Months Ended October 29, 2005

	Balance 07/30/05	Open	Conv	Close	Balance 10/29/05
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Journeys	711	15	0	2	724
Journeys	670	15	0	2	683
Journeys Kidz	41	0	0	0	41
Underground Station Group	226	11	0	7	230
Underground Station	168	11	0	3	176
Jarman Retail	58	0	0	4	54
Hat World	593	30	0	2	621
Johnston & Murphy	142	2	0	1	143
Shops	107	2	0	0	109
Factory Outlets	35	0	0	1	34
Total Retail Units	1,672	58	0	12	1,718

Constant Store Sales

	Three Months Ended		Nine Months Ended	
	October	October	October	October
	29, 2005	30, 2004	29, 2005	30, 2004
Journeys	5%	7%	6%	6%
Underground Station Group	9%	-5%	9%	-6%
Underground Station	13%	-2%	12%	-5%
Jarman Retail	-5%	-9%	0%	-7%
Johnston & Murphy	5%	-1%	6%	2%
Shops	6%	0%	6%	2%
Factory Outlets	5%	-2%	5%	3%
Total Constant Store Sales	6%	4%	7%	3%
Hat World	1%	12%	4%	-
April 1, 2004 - October 30, 2004	-	-	-	15%

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.journeyskidz.com>

<http://www.undergroundstation.com>

<http://www.johnstonmurphy.com>

<http://www.lids.com>

<http://www.hatworld.com>

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

(GCO)

CO: Genesco Inc.

ST: Tennessee

IN: TEX REA

SU: ERN ERP CCA

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