



THE BUSINESS OF GENESCO

Founded in 1924, Nashville, Tennessee-based Genesco Inc. (NYSE: GCO) is a leading retailer of branded footwear, licensed and branded headwear and accessories and wholesaler of branded footwear. It operates 2,387 footwear and headwear retail stores in the United States, Puerto Rico, Canada, the United Kingdom and the Republic of Ireland, principally under the names Journeys®, Journeys Kidz®, Shi by Journeys®, Underground by Journeys®, Schuh®, Johnston & Murphy®, Lids®, and on Internet websites, www.journeys.com, www.journeyskidz.com, www.shibyjourneys.com, www.undergroundbyjourneys.com, www.schuh.co.uk, www.johnstonmurphy.com, www.lids.com, www.lids.ca, www.lidslockerroom.com, www.lidsteamsports.com, www.lidsclubhouse.com, www.dockersshoes.com and www.suregripfootwear.com. In addition, the Company's Lids Sports Group operates the Lids Locker Room and other team sports fan shops and single team clubhouse stores, and the Lids Team Sports team dealer business. Genesco also designs, sources, markets and distributes footwear under its own Johnston & Murphy brand, the licensed Dockers brand, SureGrip, and other brands. Genesco relies primarily on independent third party manufacturers for the production of its footwear products sold at wholesale.

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This annual report contains certain forward-looking statements. Actual results could be materially different. For discussion of some of the factors that could adversely affect future results, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the material under the caption "Risk Factors" in the Company's annual report on form 10-K for Fiscal 2012 filed with the Securities and Exchange Commission.

FINANCIAL HIGHLIGHTS

	2012	2011	% CHANGE
FOR THE FISCAL YEAR:			
Net Sales	\$ 2,291,987,000	\$ 1,789,839,000	28 %
Earnings From Continuing Operations	\$ 82,984,000	\$ 54,547,000	52 %
Net Earnings	\$ 81,959,000	\$ 53,211,000	54 %
Diluted Earnings Per Common Share			
From Continuing Operations	\$ 3.48	\$ 2.29	52 %
Diluted Net Earnings Per Share	\$ 3.43	\$ 2.24	53 %
AT YEAR END:			
Working Capital	\$ 290,850,000	\$ 278,692,000	4 %
Long-Term Debt	\$ 40,704,000	\$ -0-	100 %
Equity	\$ 717,610,000	\$ 626,821,000	14 %
Shares Outstanding	24,269,000	23,674,000	3 %
Book Value Per Share	\$ 29.27	\$ 26.15	12 %
Approximate Number of Common Shareholders of Record	3,000	3,150	

Approximate number of common shareholders of record: 3,000

SECURITIES INFORMATION

COMMON STOCK: NEW YORK AND CHICAGO STOCK EXCHANGES

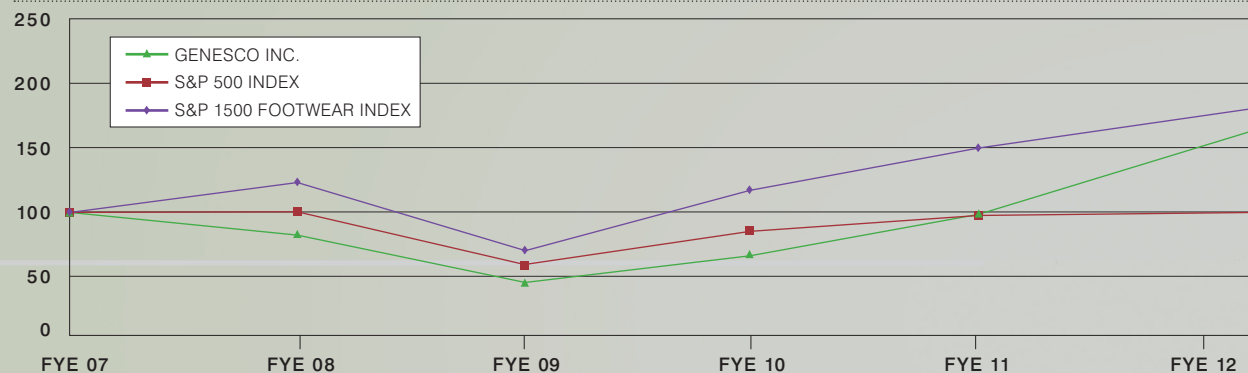
	Fiscal 2012		Fiscal 2011		Fiscal 2010	
	High	Low	High	Low	High	Low
Quarter ended April 30	44.75	35.76	35.00	21.00	23.26	11.31
Quarter ended July 30	56.84	39.12	34.07	24.72	26.51	17.51
Quarter ended October 29	62.51	39.41	34.10	24.49	29.69	19.73
Quarter ended January 28	64.93	54.32	41.20	31.90	29.71	23.11

TOTAL RETURN TO SHAREHOLDERS

INCLUDES REINVESTMENT OF DIVIDENDS

The graph below compares the cumulative total shareholder return on the Company's common stock for the last five fiscal years with the cumulative total return of (i) the S&P 500 Index and (ii) the S&P 1500 Footwear Index. The graph assumes the investment of \$100 in the Company's common stock, the S&P 500 Index and the S&P 1500 Footwear Index at the market close on January 31, 2007 and the reinvestment monthly of all dividends.

COMPARISON OF CUMULATIVE 5 YEAR TOTAL RETURN



	Annual Return Percentage Years Ended				
	Jan 08	Jan 09	Jan 10	Jan 11	Jan 12
Genesco Inc.	-18.06	-49.06	53.12	53.77	69.91
S&P 500 Index	-1.80	-39.37	33.14	21.26	5.33
S&P 1500 Footwear Index*	16.58	-36.59	49.26	34.33	24.35

	Base Period	Index Returns Years Ended				
		Jan 07	Jan 08	Jan 09	Jan 10	Jan 11
Genesco Inc.	\$ 100.00	\$ 81.94	\$ 41.74	\$ 63.92	\$ 98.29	\$ 167.00
S&P 500 Index	100.00	98.20	59.54	79.27	96.12	101.24
S&P 1500 Footwear Index*	100.00	116.58	73.92	110.34	148.22	184.32

*The S&P 1500 Footwear Index consists of Crocs Inc., Deckers Outdoor Corp., K-Swiss Inc. -CL A, Madden Steven Ltd., Nike Inc. -CL B, Skechers U.S.A. Inc. and Wolverine World Wide.



SHAREHOLDERS' MESSAGE

TO OUR SHAREHOLDERS:

Fiscal 2012 was another excellent year for Genesco. Double digit sales and earnings gains, reflecting healthy organic growth across the Company as well as strategic expansion, once again demonstrated the power of a portfolio of businesses with leadership positions in their markets and competitive advantages that make them hard for potential challengers to replicate, run by talented people focused on operational excellence. We grew the portfolio with our June 2011 acquisition of Schuh Group Limited, a leading retailer of footwear for teens and young adults in the U.K. and the Republic of Ireland, which also contributed to our record operating performance for the year.

On a consolidated basis, Genesco achieved record revenues of \$2.3 billion, driven by organic growth as well as the contribution of Schuh. Diluted earnings per share from continuing operations increased to \$3.48 in Fiscal 2012. Sales increased 28% and diluted earnings per share from continuing operations were up 52% compared to the year prior. Our year-end cash position of \$54 million was only slightly less than a year ago despite having spent approximately \$93 million on acquisitions in Fiscal 2012.



GENESCO MANAGEMENT COMMITTEE FROM LEFT: BOB DENNIS, CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, GENESCO INC.; ANDY GILBERT, PRESIDENT, GENESCO LICENSED BRANDS; ROGER SISSON, SENIOR VICE PRESIDENT, CORPORATE SECRETARY AND GENERAL COUNSEL; JIM ESTEPA, SENIOR VICE PRESIDENT, CHIEF EXECUTIVE OFFICER – GENESCO RETAIL GROUP; JON CAPLAN, SENIOR VICE PRESIDENT, CHIEF EXECUTIVE OFFICER – GENESCO BRANDED GROUP, PRESIDENT – JOHNSTON & MURPHY; JIM GULMI, SENIOR VICE PRESIDENT – FINANCE AND CHIEF FINANCIAL OFFICER; MIMI VAUGHN, SENIOR VICE PRESIDENT – STRATEGY AND SHARED SERVICES; KEN KOCHER, SENIOR VICE PRESIDENT, PRESIDENT – LIDS SPORTS GROUP.

JOURNEYS GROUP

Favorable fashion trends and successful sales and merchandising strategies fueled exceptional growth in the Journeys Group in Fiscal 2012. With a 15% comparable store sales gain, the group was able to leverage expenses by 240 basis points and deliver an operating margin of 9%. Sales growth was even stronger on the web, as Journeys.com and other e-commerce sites in the Group posted a 32% increase, fueled by increased traffic and an improved merchandise selection. In total, the Journeys Group ended the year with 1,017 Journeys, Journeys Kidz and Shi by Journeys stores, including 13 stores in Canada, and accounted for 41% of Genesco's sales in Fiscal 2012.

By the end of Fiscal 2012, our multi-year effort to manage the Underground Station chain down to a core group of profitable stores had left us with 137 Underground Station stores accounting for 4% of the Company's sales. Toward the end of the year, we determined that it made sense to integrate the Underground Station organization into the Journeys Group. As we implement the integration plan this year, we'll rebrand a number of stores as "Underground by Journeys" which will target a slightly older demographic than Journeys, convert certain other doors into Journeys stores, and continue to close unprofitable locations. Much of the back office integration has already taken place with the rebranding and remerchandising underway and on schedule to be completed by the fourth quarter of this year. Among other benefits of the consolidation, we have been able to redeploy resources within the combined Group to focus on growth drivers and store productivity.

SCHUH GROUP

The Schuh acquisition in June was another highlight of the year. This business has performed exceptionally well despite a challenging retail environment in the U.K. and Republic of Ireland. By drawing on the strength of Journeys' relationships with major vendors, we are finding ways to add even more breadth to Schuh's merchandise offering and further differentiate the concept from the competition, and our retail management teams on both sides of the Atlantic are benefitting from fresh perspectives and shared learning opportunities. Schuh ended the year with 64 stand-alone locations and 14 concessions in a U.K. specialty chain, and with exciting plans for future new store openings. In just over seven months of operations after the acquisition, Schuh accounted for 9% of the Company's sales for the year.

LIDS SPORTS GROUP

The Lids Sports Group continued to leverage its leadership position and scale in licensed sports-related headwear into the broader licensed sports retail and team sports markets. The combined merchandising capabilities, buying power and customer

relationships created by our ongoing consolidation strategy are driving higher productivity and better efficiency across our base of Lids hat stores, Lids Locker Room stores and Lids Clubhouse stores. Meanwhile, Lids made progress integrating the team sports businesses it has acquired over the last several years as it works to become the dominant player in the highly fragmented team sports market. In total, the Lids Sports Group delivered 26% sales growth in Fiscal 2012, highlighted by a 12% comparable sales gain which helped drive a 150 basis point improvement in operating margin, to approximately 11%. With 1,002 retail stores in operation at year end, Lids Sports Group accounted for 33% of the Company's sales for Fiscal 2012.

JOHNSTON & MURPHY GROUP

Johnston & Murphy continued to benefit from a more diverse assortment of products and, by the end of Fiscal 2012, relatively newer categories including men's casual footwear, women's footwear and non-footwear collections contributed more than 50% of the brand's overall sales. The brand's geographic reach expanded, with a new Company-owned store and wholesale operations in Canada, a licensed store in Mexico, and with new distribution arrangements in India and Japan, laying a strong foundation for future international growth in Fiscal 2013 and beyond. Johnston & Murphy had 153 retail locations at year-end, and the division represented 9% of total Genesco sales in Fiscal 2012.

LICENSED BRANDS

Licensed Brands, including the licensed Dockers Footwear and Chaps Footwear wholesale businesses and another small wholesale footwear line that leveraged the Group's product development infrastructure, represented 4% of Genesco's sales in Fiscal 2012. Despite a challenging market environment which affected sales for the group, its operating margin remained healthy at 10%.



In Genesco's current five-year strategic plan, we are targeting annual sales of \$3.1 billion and adjusted operating margins of 9% by Fiscal 2016. These targets compare favorably to our previous five-year goals of annual sales of \$2.3 billion and adjusted operating margins of 8% by Fiscal 2015, with the improved outlook coming from better than expected organic growth and the acquisition of Schuh in Fiscal 2012.

We continue to be the "go to" retailer in each of our major business categories as our size and access to key brands and products make our concepts difficult for others to replicate. No less important to our success are the dedication, motivation and talent of the individuals that make Genesco a world-class organization, and we are confident that they will continue to be a primary catalyst for the Company's progress. I thank the entire team for continuing to execute at such a high level and I share their justifiable pride in the company we're working together to build. We hope you all share our enthusiasm for the exciting times that we believe lie ahead.

A handwritten signature in black ink, appearing to read "Robert J. Dennis".

Robert J. Dennis
Chairman, President and Chief Executive Officer
Genesco Inc.

EVA®

Genesco has been an EVA® company since 1999. EVA advances the analysis of operating performance one step beyond profitability by taking efficiency in capital usage into account. Essentially, EVA recognizes that companies create the most wealth for their shareholders by making the greatest possible profit with the fewest possible net assets. In Fiscal 2012 we exceeded our annual EVA improvement goal. Because everyone at Genesco recognizes the link between EVA improvement, shareholders wealth creation (and, not insignificantly, our own incentive compensation), we are committed to continue growing earnings while tightly managing assets, to meet or exceed our EVA improvement goals.

EVA is a registered trademark of Stern Stewart & Co.

The LIDS Sports Group is comprised of the LIDS retail headwear stores, the LIDS Locker Room specialty fan retail chain, the LIDS Team Sports wholesale team sports business, LIDS Clubhouse retail stores and its Internet businesses, www.lids.com, www.lidslockerroom.com, www.lidsclubhouse.com, www.lidsteamsports.com and www.lids.ca. Operating out of Indianapolis, Indiana, the retail businesses make up more than 1,000 mall-based, airport, street level and factory outlet locations nationwide, and in Canada and Puerto Rico. LIDS retail stores offer officially licensed and branded headwear of collegiate and professional sports teams, as well as other specialty fashion headwear categories, all in the latest styles and colors. LIDS Locker Room is a mall-based retailer of sports headwear,



apparel, accessories, and novelties, which also operates under the Sports Fan-Attic and Sports Avenue banners. Most LIDS and LIDS Locker Room stores also offer custom embroidery capability. LIDS Clubhouse operates team-specific professional sports and university athletics retail stores and e-commerce sites under a variety of names. LIDS Team Sports is a full-service team uniform and apparel dealer, custom screen printer, embroidery and sporting goods distributor.

Lids

**Lids
Locker Room**

**Lids
Team Sports**

**Lids
Clubhouse**

LIDS

SPORTS GROUP



JOURNEYS

Journeys is a leader in the teen specialty retail scene, with more than 800 stores in all 50 states, Puerto Rico and Canada. Journeys uses fashion savvy and merchandising science to keep in step with the fast-paced footwear and accessories market for 13- to 22-year-old guys and girls. Journeys offers a wide variety of trendy, relevant brands that cater to teens that seek the hottest new styles. The Journeys store is more than a retail environment; it's an extension of the teen lifestyle – from the plasma TVs playing exclusive content and the latest music videos, to visual merchandising strategy and promotions, to employees whose image and style reflect our customers' lifestyle and attitude. In addition, Journeys reaches its customers through www.journeys.com, a mobile website, catalog, national advertising, strategic cross-promotions, social media and an annual music and action sports tour – the Journeys Backyard BBQ (journeysbbq.com). Journeys – An Attitude You Can Wear!



In June 2011, Genesco purchased Schuh Group Limited, a leading retailer of footwear for teens and young adults in the U.K. and the Republic of Ireland and one of the U.K.'s largest online shoe websites, www.schuh.co.uk. Schuh operates 64 stores and 14 footwear concessions. Schuh's core product selection consists of a broad range of branded casual and athletic footwear complemented by a meaningful private label offering targeted at its 15- to 30-year old core customer.



In February 2012, the Underground Station mall-based specialty retail concept was integrated into the Journeys organization. Now named Underground by Journeys, the chain is a destination for footwear and accessory needs of connected and dynamic young men and women who desire fast fashion, driven by current trends and pop culture. Underground by Journeys reaches its target market through more than 135 retail stores, www.undergroundbyjourneys.com, social media, brand promotions, consumer contests and strategic partnerships.





JOURNEYS KIDZ

Launched in 2001 as an extension of the highly successful Journeys footwear retail concept, Journeys Kidz is a unique branded kids' footwear retailer, targeting customers 5- to 12-years old with trendy footwear styles and accessories. Whether it's the skateboard-style footwear display, the Playstation 2 terminals, or the TVs playing cartoons and music, Journeys Kidz has a visually exciting atmosphere that is both fun for kids and functional for parents. In addition to more than 150 stores, Journeys Kidz reaches its customers through www.journeyskidz.com, its mobile website, brand promotions, consumer contests and strategic partnerships.







SHI

BY JOURNEYS

Shi by Journeys is a brand extension of the Company's successful Journeys division. Shi by Journeys caters to fashionable women from their early 20s to mid 30s, and is designed to continue to serve the Journeys female customer as she matures and her fashion tastes evolve. With more than 50 stores across the United States, this specialty store features fashionable branded and private label footwear and accessories relevant to the lifestyle of its customer. Shi by Journeys reaches its customers through www.shibyjourneys.com, national advertising and a mobile website.

shi by JOURNEYS



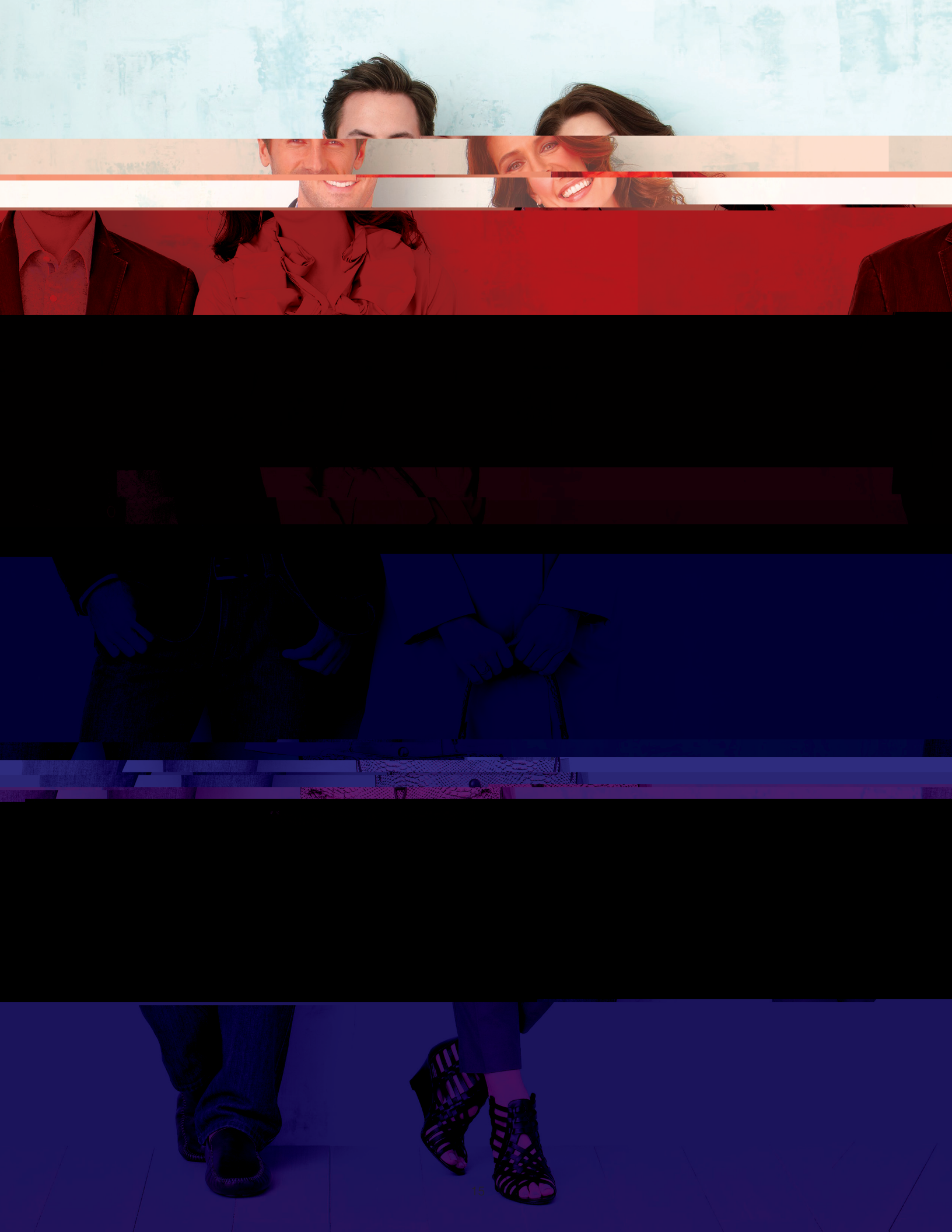


Craftsmanship, innovation and style are the hallmarks of the Johnston & Murphy brand. Johnston & Murphy continues to appeal to successful, affluent men with a broad array of footwear, apparel, luggage, leather goods and accessories. In addition, Johnston & Murphy continues to expand its collection of women's footwear, handbags, outerwear and accessories designed to appeal to stylish, affluent women. At Johnston & Murphy, world-class service is the defining element of the shopping experience, combining a warm and inviting store environment with a commitment to understand the needs of our consumers and continually exceed their expectations in both product and service. The brand is sold in more than 150 Johnston & Murphy stores in better malls and airports across the U.S., through a direct mail catalog, on the Internet at www.johnstonmurphy.com and through premier specialty and department stores nationwide in the U.S., Canada and abroad.

JOHNSTON & MURPHY

powered by Murphy





LICENSED BRANDS

The Licensed Brands division is composed primarily of footwear marketed under the Dockers® Footwear name, for which Genesco has had the exclusive men's footwear license in the U.S. since 1991. Designed with an emphasis on style and performance, Dockers Footwear has become a leader in men's dress casual and casual shoes. Marketed under license from Levi Strauss & Co., Dockers remains one of the nation's most recognized brand names. It is the quintessential source for casual, authentic and stylish apparel and footwear. The brand has evolved into a full lifestyle resource providing superior styling, quality and value. Dockers Footwear is available through many of the same national chains that carry Dockers apparel, and in shoe chains and shoe stores across the country. In addition to Dockers Footwear, the division also markets under the Chaps name and SureGrip® Footwear.

DOCKERS



CHAPS
EST. 1978

 **SUREGRIP**



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**Forward-Looking Statements**

This discussion and the notes to the Consolidated Financial Statements include certain forward-looking statements, which include statements regarding our intent, belief or expectations and all statements other than those made solely with respect to historical fact. Actual results could differ materially from those reflected by the forward-looking statements in this discussion and a number of factors may adversely affect the forward-looking statements and the Company's future results, liquidity, capital resources or prospects. These include, but are not limited to, the amount of required accruals related to the earn-out bonus potentially payable to Schuh management in four years based on the achievement of certain performance objectives, the costs of responding to and liability in connection with the network intrusion announced in December 2010, the timing and amount of non-cash asset impairments, weakness in the consumer economy, competition in the Company's markets, inability of customers to obtain credit, fashion trends that affect the sales or product margins of the Company's retail product offerings, changes in buying patterns by significant wholesale customers, bankruptcies or deterioration in financial condition of significant wholesale customers, disruptions in product supply or distribution, unfavorable trends in fuel costs, foreign exchange rates, foreign labor and material costs, and other factors affecting the cost of products, the Company's ability to continue to complete and integrate acquisitions, expand its business and diversify its product base and changes in the timing of holidays or in the onset of seasonal weather affecting period-to-period sales comparisons. Additional factors that could affect the Company's prospects and cause differences from expectations include the ability to build, open, staff and support additional retail stores and to renew leases in existing stores and maintain reductions in occupancy costs achieved in recent lease negotiations, and to conduct required remodeling or refurbishment on schedule and at expected expense levels, deterioration in the performance of individual businesses or of the Company's market value relative to its book value, resulting in impairments of fixed assets or intangible assets or other adverse financial consequences, unexpected changes to the market for the Company's shares, variations from expected pension-related charges caused by conditions in the financial markets, and the outcome of litigation, investigations and environmental matters involving the Company. For a discussion of additional risk factors, see Item 1A, Risk Factors, in the Company's Annual Report on Form 10-K.

Overview**DESCRIPTION OF BUSINESS**

The Company's business includes the design and sourcing, marketing and distribution of footwear and accessories through retail stores, including Journeys,[®] Journeys Kidz,[®] Shi by Journeys,[®] Johnston & Murphy,[®] and Underground Station[®] in the U.S., Puerto Rico and Canada and through the newly acquired Schuh[®] stores in the United Kingdom and the Republic of Ireland, and through e-commerce websites, and at wholesale, primarily under the Company's Johnston & Murphy brand and the Dockers[®] brand and other brands that the Company licenses for men's footwear. The Company's wholesale footwear brands are distributed to more than 970 retail accounts in the United States, including a number of leading department, discount, and specialty stores. The Company's business also includes Lids Sports, which operates (i) headwear and accessory stores under the Lids[®] name and other names in the U.S., Puerto Rico and Canada, (ii) the Lids Locker Room business, consisting of sports-oriented fan shops featuring a broad array of licensed merchandise such as apparel, hats and accessories, sports decor and novelty products, (iii) the Lids Clubhouse business, consisting of single team fan shops, (iv) e-commerce business and (v) an athletic team dealer business operating as Lids Team Sports. Including both the footwear businesses and the Lids Sports business, at January 28, 2012, the Company operated 2,387 retail stores in the U.S., Puerto Rico, Canada, the United Kingdom and the Republic of Ireland.

During Fiscal 2012, the Company operated six reportable business segments (not including corporate): (i) Journeys Group, comprised of the Journeys, Journeys Kidz and Shi by Journeys retail footwear chains, catalog and e-commerce operations; (ii) Underground Station Group, comprised of the Underground Station retail footwear chain and e-commerce operations; (iii) Schuh Group, acquired in June 2011, comprised of the Schuh retail footwear chain and e-commerce operations; (iv) Lids Sports Group, comprised as described in the preceding paragraph; (v) Johnston & Murphy Group, comprised of Johnston & Murphy retail operations, catalog and e-commerce operations and wholesale distribution; and (vi) Licensed Brands, comprised primarily of Dockers[®] Footwear, sourced and marketed under a license from Levi Strauss & Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Journeys retail footwear stores sell footwear and accessories primarily for 13- to 22-year-old men and women. The stores average approximately 1,950 square feet. The Journeys Kidz retail footwear stores sell footwear primarily for younger children, ages five to 12. These stores average approximately 1,425 square feet. Shi by Journeys retail footwear stores sell footwear and accessories to fashion-conscious women in their early 20s to mid 30s. These stores average approximately 2,150 square feet. The Journeys Group stores are primarily in malls and factory outlet centers throughout the United States, Puerto Rico and Canada. Journeys also sells footwear and accessories through direct-to-consumer catalog and e-commerce operations.

The Underground Station retail footwear stores sell footwear and accessories primarily for men and women in the 20 to 35 age group in the urban market. The Underground Station Group stores average approximately 1,825 square feet. Underground Station also sells footwear and accessories through an e-commerce operation. The Company has announced the integration of the Underground Station operations into the Journeys Group segment during Fiscal 2013. The former Underground Station stores will be a subset of Journeys Group under the brand "Underground by Journeys." Product in the new "Underground by Journeys" stores will resemble a traditional Journeys store with appropriate merchandise changes to reflect mall and store demographics, targeting a somewhat older customer base than Journeys stores. The Company plans to continue to close underperforming Underground by Journeys locations.

The Schuh retail footwear stores sell a broad range of branded casual and athletic footwear along with a meaningful private label offering primarily for 15- to 30-year-old men and women. The stores, which average approximately 4,575 square feet, include both street-level and mall locations in the United Kingdom and the Republic of Ireland. The Schuh Group also operates 14 footwear concessions in Republic apparel stores in the United Kingdom, averaging approximately 1,200 square feet, and sells footwear through e-commerce operations.

The Lids Sports Group includes stores and kiosks, primarily under the Lids banner, that sell licensed and branded headwear to men and women primarily in the early-teens to mid-20s age group. The Lids store locations average approximately 825 square feet and are primarily in malls, airports, street-level stores and factory outlet centers throughout the United States, Puerto Rico and Canada. The Group also operates Lids Locker Room and Lids Clubhouse stores under a number of trade names, selling licensed sports headwear, apparel and accessories to sports fans of all ages in locations, averaging approximately 2,850 square feet in malls and other locations primarily in the United States. The Lids Sports Group also sells headwear and accessories through e-commerce operations. In addition, the Lids Sports Group operates Lids Team Sports, an athletic team dealer business.

Johnston & Murphy retail shops sell a broad range of men's footwear, luggage and accessories. Women's footwear and accessories are sold in select Johnston & Murphy retail shops. Johnston & Murphy shops average approximately 1,475 square feet and are located primarily in better malls and in airports throughout the United States. Johnston & Murphy opened its first store in Canada during the fourth quarter of Fiscal 2012. The Company also sells Johnston & Murphy footwear and accessories in factory stores, averaging approximately 2,350 square feet, located in factory outlet malls, and through a direct-to-consumer catalog and e-commerce operation. In addition, Johnston & Murphy shoes are also distributed through the Company's wholesale operations to better department and independent specialty stores.

The Licensed Brands segment markets casual and dress casual footwear under the licensed Dockers® brand to men aged 30 to 55 through many of the same national retail chains that carry Dockers slacks and sportswear and in department and specialty stores across the country. The Company entered into an exclusive license with Levi Strauss & Co. to market men's footwear in the United States under the Dockers brand name in 1991. Levi Strauss & Co. and the Company have subsequently added additional territories, including Canada and Mexico and in certain other Latin American countries. The Dockers license agreement was renewed May 15, 2009. The Dockers license agreement, as amended, expires on December 31, 2012.

STRATEGY

The Company's long-term strategy has been to seek organic growth by: 1) increasing the Company's store base; 2) increasing retail square footage; 3) improving comparable store sales; 4) increasing operating margin; and 5) enhancing the value of its brands. Beginning in Fiscal 2010, the Company slowed the pace of new store openings and

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

focused on inventory management and cash flow in response to economic conditions. The Company also focused on opportunities provided by the economic climate to negotiate occupancy cost reductions, especially where lease provisions triggered by sales shortfalls or declining occupancy of malls would permit the Company to terminate leases. The pace of the Company's organic growth may be limited by saturation of its markets and by economic conditions. To address potential saturation of the U.S. market, certain of the Company's retail businesses, other than the Lids Sports Group, have opened retail stores in Canada, beginning in Fiscal 2011.

To further supplement its organic growth potential, the Company has made acquisitions and expects to consider acquisition opportunities, either to augment its existing businesses or to enter new businesses that it considers compatible with its existing businesses, core expertise and strategic profile. Acquisitions involve a number of risks, including, among others, inaccurate valuation of the acquired business, the assumption of undisclosed liabilities, the failure to integrate the acquired business appropriately, and distraction of management from existing businesses. The Company seeks to mitigate these risks by applying appropriate financial metrics in its valuation analysis and developing and executing plans for due diligence and integration that are appropriate to each acquisition.

More generally, the Company attempts to develop strategies to mitigate the risks it views as material, including those discussed under the caption "Forward-Looking Statements," above, and those discussed in Item 1A, Risk Factors, in the Company's Annual Report on Form 10-K. Among the most important of these factors are those related to consumer demand. Conditions in the external economy can affect demand, resulting in changes in sales and, as prices are adjusted to drive sales and manage inventories, in gross margins. Because fashion trends influencing many of the Company's target customers can change rapidly, the Company believes that its ability to react quickly to those changes has been important to its success. Even when the Company succeeds in aligning its merchandise offerings with consumer preferences, those preferences may affect results by, for example, driving sales of products with lower average selling prices. Moreover, economic factors, such as the current relatively high level of unemployment and any future economic contraction, may reduce the consumer's disposable income or his or her willingness to purchase discretionary items, and thus may reduce demand for the Company's merchandise, regardless of the Company's skill in detecting and responding to fashion trends. The Company believes its experience and discipline in merchandising and the buying power associated with its relative size and importance in the industry segments in which it competes are important to its ability to mitigate risks associated with changing customer preferences and other changes in consumer demand.

SUMMARY OF RESULTS OF OPERATIONS

The Company's net sales increased 28.1% during Fiscal 2012 compared to Fiscal 2011. The increase reflected (i) the acquisition of the Schuh Group in the second quarter this year, which contributed \$212.3 million in sales during Fiscal 2012, (ii) a 26% increase in Lids Sports Group sales, (iii) a 15% increase in Journeys Group sales, (iv) a 9% increase in Johnston & Murphy Group sales, partially offset by a 4% decrease in Licensed Brands sales and a 2% decrease in Underground Station Group sales. Gross margin as a percentage of sales was flat during Fiscal 2012. Selling and administrative expenses decreased as a percentage of net sales during Fiscal 2012, reflecting expense decreases as a percentage of net sales in all of the Company's business segments operated throughout Fiscal 2011 and Fiscal 2012, except Licensed Brands. Earnings from operations increased as a percentage of net sales during Fiscal 2012, reflecting improved earnings from operations in all the Company's business segments operated throughout Fiscal 2011 and Fiscal 2012, except Licensed Brands.

Significant Developments**SCHUH ACQUISITION**

On June 23, 2011, the Company, through its newly-formed, wholly-owned subsidiary Genesco (UK) Limited ("Genesco UK"), completed the acquisition of all the outstanding shares of Schuh Group Ltd. ("Schuh") for a total purchase price of approximately £100 million, less £29.5 million outstanding under existing Schuh credit facilities, which remain in place, less a £1.9 million working capital adjustment and plus £6.2 million net cash acquired, with £5.0 million withheld until satisfaction of certain closing conditions. The Company financed the acquisition with borrowings under its existing credit facility and the balance from cash on hand. The purchase agreement also provides for deferred purchase price payments totaling £25 million, payable £15 million and £10 million on the third and fourth anniversaries of the closing, respectively, subject to the

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

payees' not having terminated their employment with Schuh under certain specified circumstances. This amount will be recorded as compensation expense and not reported as a component of the cost of the acquisition. During the fiscal year ended January 28, 2012, compensation expense related to the Schuh acquisition deferred purchase price obligation was \$7.2 million. This expense is included in operating income for the Schuh Group segment.

Headquartered in Scotland, Schuh is a specialty retailer of casual and athletic footwear sold through 64 retail stores in the United Kingdom and the Republic of Ireland and 14 concessions in Republic apparel stores as of January 28, 2012. The Company believes the acquisition will enhance its strategic development and prospects for growth and provide the Company with an established retail presence in the United Kingdom and improved insight into global fashion trends. The results of Schuh's operations for the fiscal year from the date of acquisition through January 28, 2012, including net sales of \$212.3 million and operating income of \$11.7 million, have been included in the Company's Consolidated Financial Statements for the fiscal year ended January 28, 2012. During the fiscal year ended January 28, 2012, the Company expensed \$7.4 million in costs related to the acquisition. These costs were recorded as selling and administrative expenses on the Consolidated Statements of Operations.

NETWORK INTRUSION

On December 10, 2010, the Company announced that it had suffered a criminal intrusion into the portion of its computer network that processes payments for transactions in certain of its retail stores. Visa, Inc. and MasterCard Worldwide have asserted claims against the Company's acquiring banks, totaling approximately \$15.4 million in connection with the intrusion, which amounts may be indemnifiable by the Company. The Company disputes the validity of these claims and intends to contest them vigorously. There can be no assurance that additional claims related to the intrusion will not be asserted by these or other parties in the future, but the Company does not currently expect additional claims, if any, to have a material effect on its financial condition or results of operations.

OTHER ACQUISITIONS

In Fiscal 2011, the Company completed other acquisitions for a total purchase price of \$75.5 million, which included \$4.9 million in payments during Fiscal 2011 for amounts withheld in acquisitions from previous years for certain closing contingencies. The acquisitions consisted primarily of the assets of Brand Innovators Inc., a West Coast team dealer business and the assets of Anaconda Sports, Inc., a New York team dealer business, both as part of the Lids Sports Group, the stock of Keuka Footwear, Inc., an occupational footwear company for service based industries, to be operated within the Licensed Brands segment and the assets of Sports Avenue, a 48 store retail chain with 12 e-commerce sites, selling officially licensed NFL, NCAA, MLB, NBA, NHL and NASCAR headwear, apparel and accessories, to be operated within the Lids Sports Group.

RESTRUCTURING AND OTHER CHARGES

The Company recorded a pretax charge to earnings of \$2.7 million in Fiscal 2012. The charge reflected in restructuring and other, net, included \$1.1 million for retail store asset impairments, \$0.9 million for other legal matters and \$0.7 million for expenses related to the computer network intrusion.

The Company recorded a pretax charge to earnings of \$8.6 million in Fiscal 2011. The charge reflected in restructuring and other, net, included \$7.2 million for retail store asset impairments, \$1.3 million for expenses related to the computer network intrusion and \$0.1 million for other legal matters.

The Company recorded a pretax charge to earnings of \$13.5 million in Fiscal 2010. The charge reflected in restructuring and other, net, included \$13.3 million for retail store asset impairments and \$0.4 million for lease terminations offset by \$0.3 million for other legal matters. Also included in the charge was \$0.1 million in excess markdowns related to the lease terminations, which is reflected in cost of sales on the Consolidated Statements of Operations.

POSTRETIREMENT BENEFIT LIABILITY ADJUSTMENTS

The return on pension plan assets was \$6.1 million for Fiscal 2012, compared to an expected return of \$7.8 million. The discount rate used to measure benefit obligations decreased from 5.25% to 4.35% in Fiscal 2012. As a result of the decrease in discount rate and the short fall from expected return on plan assets, the pension liability reflected in the Consolidated Balance Sheets increased to \$22.2 million compared to \$11.9 million in Fiscal 2011. There was an increase in the pension liability adjustment of \$4.7 million (net of tax) in accumulated other comprehensive loss in equity. Depending upon future

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interest rates and returns on plan assets and other factors, there can be no assurance that additional adjustments in future periods will not be required.

DISCONTINUED OPERATIONS

In Fiscal 2012, the Company recorded an additional charge to earnings of \$1.7 million (\$1.0 million net of tax) reflected in discontinued operations, including \$1.8 million primarily for anticipated costs of environmental remedial alternatives related to former facilities operated by the Company, offset by a \$0.1 million gain for excess provisions to prior discontinued operations. For additional information, see Note 13 to the Consolidated Financial Statements.

In Fiscal 2011, the Company recorded an additional charge to earnings of \$2.2 million (\$1.3 million net of tax) reflected in discontinued operations, including \$2.9 million primarily for anticipated costs of environmental remedial alternatives related to former facilities operated by the Company, offset by a \$0.7 million gain for excess provisions to prior discontinued operations. For additional information, see Note 13 to the Consolidated Financial Statements.

In Fiscal 2010, the Company recorded an additional charge to earnings of \$0.5 million (\$0.3 million net of tax) reflected in discontinued operations, including \$0.8 million primarily for anticipated costs of environmental remedial alternatives related to former facilities operated by the Company, offset by a \$0.3 million gain for excess provisions to prior discontinued operations. For additional information, see Note 13 to the Consolidated Financial Statements.

CONVERSION OF 4 1/8% DEBENTURES

On April 29, 2009, the Company entered into separate exchange agreements whereby it acquired and retired \$56.4 million in aggregate principal amount (\$51.3 million fair value) of its 4 1/8% Convertible Subordinated Debentures, (the "Debentures") due June 15, 2023 in exchange for the issuance of 3,066,713 shares of its common stock, which include 2,811,575 shares that were reserved for conversion of the Debentures and 255,138 additional inducement shares, and a cash payment of approximately \$0.9 million. The inducement was not deductible for tax purposes. During the fourth quarter of Fiscal 2010, holders of an aggregate of \$21.04 million principal amount of its 4 1/8% Convertible Subordinated Debentures were converted to 1,048,764 shares of common stock pursuant to separate conversion agreements which provided for payment of an aggregate of \$0.3 million to induce conversion. On November 4, 2009, the Company issued a notice of redemption to the remaining holders of the \$8.775 million outstanding 4 1/8% Convertible Subordinated Debentures. As permitted by the Indenture, holders of all except \$1,000 in principal amount of the remaining Debentures converted their Debentures to 437,347 shares of common stock prior to the redemption date of December 3, 2009. As a result of the exchange agreements and conversions, the Company recognized a loss on the early retirement of debt of \$5.5 million in Fiscal 2010, reflected on the Consolidated Statements of Operations. After the exchanges and conversions, there was zero aggregate principal amount of Debentures outstanding. See Note 6 to the Consolidated Financial Statements for additional information.

Critical Accounting Policies**INVENTORY VALUATION**

As discussed in Note 1 to the Consolidated Financial Statements, the Company values its inventories at the lower of cost or market.

In its footwear wholesale operations, its Schuh Group segment and its Lids Sports Group wholesale operations, except for the Anaconda Sports wholesale division, cost is determined using the first-in, first-out ("FIFO") method. Market value is determined using a system of analysis which evaluates inventory at the stock number level based on factors such as inventory turn, average selling price, inventory level, and selling prices reflected in future orders. The Company provides reserves when the inventory has not been marked down to market value based on current selling prices or when the inventory is not turning and is not expected to turn at levels satisfactory to the Company.

The Lids Sports Group retail segment and its Anaconda Sports wholesale division employ the moving average cost method for valuing inventories and apply freight using an allocation method. The Company provides a valuation allowance for slow-moving inventory based on negative margins and estimated shrink based on historical experience and specific analysis, where appropriate.

In its retail operations, other than the Schuh Group and Lids Sports Group retail segments, the Company employs the retail inventory method, applying average cost-to-retail ratios to the retail value of inventories. Under the retail inventory method,

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valuing inventory at the lower of cost or market is achieved as markdowns are taken or accrued as a reduction of the retail value of inventories.

Inherent in the retail inventory method are subjective judgments and estimates, including merchandise mark-on, markups, markdowns, and shrinkage. These judgments and estimates, coupled with the fact that the retail inventory method is an averaging process, could produce a range of cost figures. To reduce the risk of inaccuracy and to ensure consistent presentation, the Company employs the retail inventory method in multiple subclasses of inventory with similar gross margins, and analyzes markdown requirements at the stock number level based on factors such as inventory turn, average selling price, and inventory age. In addition, the Company accrues markdowns as necessary. These additional markdown accruals reflect all of the above factors as well as current agreements to return products to vendors and vendor agreements to provide markdown support. In addition to markdown provisions, the Company maintains provisions for shrinkage and damaged goods based on historical rates.

Inherent in the analysis of both wholesale and retail inventory valuation are subjective judgments about current market conditions, fashion trends, and overall economic conditions. Failure to make appropriate conclusions regarding these factors may result in an overstatement or understatement of inventory value. A change of 10 percent from the recorded provisions for markdowns, shrinkage and damaged goods would have changed inventory by \$1.0 million at January 28, 2012.

IMPAIRMENT OF LONG-LIVED ASSETS

As discussed in Note 1 to the Consolidated Financial Statements, 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 the carrying amount. Inherent in the analysis of impairment are subjective judgments about future cash flows. Failure to make appropriate conclusions regarding these judgments may result in an overstatement or understatement of the value of long-lived assets.

The goodwill impairment test involves a two-step process. The first step is a comparison of the fair value and carrying value of the business unit with which the goodwill is associated. The Company estimates fair value using the best information available, and computes the fair value by an equal weighting of the results derived by a market approach and an income approach utilizing discounted cash flow projections. The income approach uses a projection of a business unit's estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions. The projection uses management's best estimates of economic and market conditions over the projected period including growth rates in sales, costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements.

If the carrying value of the business unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of business unit goodwill to the carrying value of the goodwill in the same manner as if the business unit was being acquired in a business combination. Specifically, the Company would allocate the fair value to all of the assets and liabilities of the business unit, including any unrecognized intangible assets, in a hypothetical analysis that would calculate the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, the Company would record an impairment charge for the difference.

A key assumption in the Company's fair value estimate is the weighted average cost of capital utilized for discounting its cash flow projections in its income approach. The Company believes the rate it used in its annual test, which is completed in the fourth quarter each year, was consistent with the risks inherent in its business and with industry discount rates. The Company performed sensitivity analyses on its estimated fair value using the income approach. Holding all other assumptions constant as of the measurement date, the Company noted that an increase in the weighted average cost of capital of 100 basis points would not result in impairment of its goodwill.

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 13 to the Company's Consolidated Financial Statements. The Company has made

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pretax accruals for certain of these contingencies, including approximately \$1.8 million reflected in Fiscal 2012, \$2.9 million reflected in Fiscal 2011 and \$0.8 million reflected in Fiscal 2010. The Company monitors these matters on an ongoing basis and, on a quarterly basis, 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 best estimate of probable loss connected to the proceeding, or in cases in which no best 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. However, because of uncertainties and risks inherent in litigation generally and in environmental proceedings in particular, there can be no assurance that future developments will not require additional reserves to be set aside, that some or all reserves will 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.

REVENUE RECOGNITION

Retail sales are recorded at the point of sale and are net of estimated returns and exclude sales and value-added taxes. Catalog and Internet sales are recorded at time of delivery to the customer and are net of estimated returns and exclude sales taxes. Wholesale revenue is recorded net of estimated returns and allowances for markdowns, damages and miscellaneous claims when the related goods have been shipped and legal title has passed to the customer. Shipping and handling costs charged to customers are included in net sales. Estimated returns are based on historical returns and claims. Actual amounts of markdowns have not differed materially from estimates. Actual returns and claims in any future period may differ from historical experience.

INCOME TAXES

As part of the process of preparing Consolidated Financial Statements, the Company is required to estimate its income taxes in each of the tax jurisdictions in which it operates. This process involves estimating actual current tax obligations together with assessing temporary differences resulting from differing treatment of certain items for tax and accounting purposes, such as depreciation of property and equipment and valuation of inventories. These temporary differences result in deferred tax assets and liabilities, which are included within the Consolidated Balance Sheets. The Company then assesses the likelihood that its deferred tax assets will be recovered from future taxable income. Actual results could differ from this assessment if adequate taxable income is not generated in future periods. To the extent the Company believes that recovery of an asset is at risk, valuation allowances are established. To the extent valuation allowances are established or increased in a period, the Company includes an expense within the tax provision in the Consolidated Statements of Operations. These deferred tax valuation allowances may be released in future years when management considers that it is more likely than not that some portion or all of the deferred tax assets will be realized. In making such a determination, management will need to periodically evaluate whether or not all available evidence, such as future taxable income and reversal of temporary differences, tax planning strategies, and recent results of operations, provides sufficient positive evidence to offset any other potential negative evidence that may exist at such time. In the event the deferred tax valuation allowance is released, the Company would record an income tax benefit for the portion or all of the deferred tax valuation allowance released. At January 28, 2012, the Company had a deferred tax valuation allowance of \$3.8 million. The Company recorded an effective income tax rate of 40.2% for Fiscal 2012 compared to 35.8% for Fiscal 2011. This year's rate is higher due to transaction costs and deferred purchase price related to the Schuh acquisition, which are considered permanent differences. The rate for Fiscal 2011 was unusually low reflecting the net reduction of the Company's liability for uncertain tax positions of \$1.3 million in Fiscal 2011.

Income tax reserves are determined using the methodology required by the Income Tax Topic of the Accounting Standards Codification ("Codification"). This methodology requires companies to assess each income tax position taken using a two-step process. A determination is first made as to whether it is more likely than not that the position will be sustained, based upon the technical merits, upon examination by the taxing authorities. If the tax position is expected to meet the more likely than not criteria, the benefit recorded for the tax position equals the largest amount that is greater than 50% likely to be realized upon ultimate settlement of the respective tax position. Uncertain tax positions require determinations and estimated liabilities to be made based on provisions of the tax law which may be subject to change or varying interpretation. If the Company's determinations and estimates prove to be inaccurate, the

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resulting adjustments could be material to its future financial results. The Company believes it is reasonably possible that there will be an \$8.0 million decrease in the gross tax liability for uncertain tax positions within the next 12 months based upon the expiration of statutes of limitation in various tax jurisdictions and potential settlements. See Note 9 to the Company's Consolidated Financial Statements for additional information regarding income taxes.

POSTRETIREMENT BENEFITS PLAN ACCOUNTING

Full-time employees who had at least 1,000 hours of service in calendar year 2004, except employees in the Lids Sports Group and Schuh Group segments, are covered by a defined benefit pension plan. The Company froze the defined benefit pension plan effective January 1, 2005. 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.

As required by the Compensation – Retirement Benefits Topic of the Codification, the Company is required to recognize the overfunded or underfunded status of postretirement benefit plans as an asset or liability in their Consolidated Balance Sheets and to recognize changes in that funded status in accumulated other comprehensive loss, net of tax, in the year in which the changes occur.

The Company accounts for the defined benefit pension plans using the Compensation-Retirement Benefits Topic of the Codification. As permitted under this topic, pension expense is recognized on an accrual basis over employees' approximate service periods. The calculation of pension expense and the corresponding liability requires the use of a number of critical assumptions, including the expected long-term rate of return on plan assets and the assumed discount rate, as well as the recognition of actuarial gains and losses. Changes in these assumptions can result in different expense and liability amounts, and future actual experience can differ from these assumptions.

LONG-TERM RATE OF RETURN ASSUMPTION – Pension expense increases as the expected rate of return on pension plan assets decreases. The Company estimates that the pension plan assets will generate a long-term rate of return of 8.25%. The Company has lowered its long-term rate of return assumption to 7.75% for Fiscal 2013. To develop this assumption, the Company considered historical asset returns, the current asset allocation and future expectations of asset returns. The expected long-term rate of return on plan assets is based on a long-term investment policy of 50% U.S. equities, 13% international equities, 35% U.S. fixed income securities and 2% cash equivalents. For Fiscal 2012, if the expected rate of return had been decreased by 1%, net pension expense would have increased by \$1.0 million, and if the expected rate of return had been increased by 1%, net pension expense would have decreased by \$1.0 million.

DISCOUNT RATE – Pension liability and future pension expense increase as the discount rate is reduced. The Company discounted future pension obligations using a rate of 4.35%, 5.25% and 5.625% for Fiscal 2012, 2011 and 2010, respectively. The discount rate at January 28, 2012 was determined based on a yield curve of high-quality corporate bonds with cash flows matching the Company's plans' expected benefit payments. For Fiscal 2012, if the discount rate had been increased by 0.5%, net pension expense would have decreased by \$0.5 million, and if the discount rate had been decreased by 0.5%, net pension expense would have increased by \$0.6 million. In addition, if the discount rate had been increased by 0.5%, the projected benefit obligation would have decreased by \$5.3 million and the accumulated benefit obligation would have decreased by \$5.3 million. If the discount rate had been decreased by 0.5%, the projected benefit obligation would have been increased by \$5.8 million and the accumulated benefit obligation would have increased by \$5.8 million.

AMORTIZATION OF GAINS AND LOSSES – The Company utilizes a calculated value of assets, which is an averaging method that recognizes changes in the fair values of assets over a period of five years. At the end of Fiscal 2012, the Company had unrecognized actuarial losses of \$48.9 million. Accounting principles generally accepted in the United States require that the Company recognize a portion of these losses when they exceed a calculated threshold. These losses might be recognized as a component of pension expense in future years and would be amortized over the average future service of employees, which is currently approximately six years. Future changes in plan asset returns, assumed discount rates and various other factors related to the pension plan will impact future pension expense and liabilities, including increasing or decreasing unrecognized actuarial gains and losses.

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The Company recognized expense for its defined benefit pension plans of \$2.8 million, \$2.3 million and \$0.2 million in Fiscal 2012, 2011 and 2010, respectively. The Company's board of directors approved freezing the Company's defined pension benefit plan effective January 1, 2005. The Company's pension expense is expected to increase in Fiscal 2013 by approximately \$1.9 million due to a larger actuarial loss to be amortized and the change in the long-term rate of return assumption to 7.75% from 8.25%.

SHARE-BASED COMPENSATION

The Company has share-based compensation plans covering certain members of management and non-employee directors. The Company recognizes compensation expense for share-based payments based on the fair value of the awards as required by the Compensation – Stock Compensation Topic of the Codification. For Fiscal 2012, 2011 and 2010, share-based compensation expense was less than \$1,000, \$0.2 million and \$0.5 million, respectively. The Company did not issue any new share-based compensation awards in Fiscal 2012, 2011 or 2010. For Fiscal 2012, 2011 and 2010, restricted stock expense was \$7.7 million, \$7.8 million and \$6.5 million, respectively. The fair value of employee restricted stock is determined based on the closing price of the Company's stock on the date of the grant. The benefits of tax deductions in excess of recognized compensation expense are reported as a financing cash flow.

Comparable Store Sales

Comparable store sales begin in the fifty-third week of a store's operation. Temporarily closed stores are excluded from the comparable store sales calculation for every full week of the store closing. Expanded stores are excluded from the comparable store sales calculation until the fifty-third week of operation in the expanded format. Unless otherwise specified, e-commerce and catalog sales are excluded from comparable store sales calculations.

Results of Operations – Fiscal 2012 Compared to Fiscal 2011

The Company's net sales for Fiscal 2012 increased 28.1% to \$2.29 billion from \$1.79 billion in Fiscal 2011. The increase in net sales was a result of an increase in comparable store sales in the Lids Sports Group, Journeys Group and Johnston & Murphy Group, combined with \$274.2 million of sales from businesses acquired over the past 12 months, offset slightly by lower sales in Licensed Brands and Underground Station Group. Gross margin increased 28.0% to \$1.15 billion in Fiscal 2012 from \$901.8 million in Fiscal 2011 and was flat as a percentage of net sales at 50.4%. Selling and administrative expenses in Fiscal 2012 increased 24.8% from Fiscal 2011 but decreased as a percentage of net sales from 45.1% to 44.0%, primarily reflecting expense leverage in the Lids Sports Group, Journeys Group, Johnston & Murphy Group and Underground Station Group due to positive comparable store sales and increased wholesale sales in the Johnston & Murphy Group. The Company records buying and merchandising and occupancy costs in selling and administrative expense. Because the Company does not include these costs in cost of sales, the Company's gross margin may not be comparable to other retailers that include these costs in the calculation of gross margin. Explanations of the changes in results of operations are provided by business segment in discussions following these introductory paragraphs.

Earnings from continuing operations before income taxes ("pretax earnings") for Fiscal 2012 were \$138.8 million, compared to \$85.0 million for Fiscal 2011. Pretax earnings for Fiscal 2012 included restructuring and other charges of \$2.7 million, including \$1.1 million for retail store asset impairments, \$0.9 million for other legal matters and \$0.7 million for expenses related to the computer network intrusion announced in December 2010. Pretax earnings for Fiscal 2011 included restructuring and other charges of \$8.6 million, including \$7.2 million for retail store asset impairments, \$1.3 million for expenses related to the computer network intrusion and \$0.1 million for other legal matters.

Net earnings for Fiscal 2012 were \$82.0 million (\$3.43 diluted earnings per share) compared to \$53.2 million (\$2.24 diluted earnings per share) for Fiscal 2011. Net earnings for Fiscal 2012 includes \$1.0 million (\$0.05 diluted loss per share) charge to earnings (net of tax), including \$1.1 million primarily for anticipated costs of environmental remedial alternatives related to former facilities operated by the Company, offset by a \$0.1 million gain for excess provisions to prior discontinued operations. Net earnings for Fiscal 2011 includes \$1.3 million (\$0.05 diluted loss per share) charge to earnings (net of tax), including \$1.8 million primarily for anticipated costs of environmental remedial alternatives related to former facilities operated by the Company, offset by a \$0.5 million gain for excess provisions to prior discontinued

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operations. The Company recorded an effective federal income tax rate of 40.2% for Fiscal 2012 compared to 35.8% for Fiscal 2011. This year's higher effective tax rate of 40.2% reflects transaction costs and deferred purchase price related to the Schuh acquisition, which are considered permanent differences. Last year's lower effective tax rate of 35.8% reflects the net reduction of the Company's liability for uncertain tax positions of \$1.3 million in Fiscal 2011. See Note 9 to the Consolidated Financial Statements for additional information.

JOURNEYS GROUP

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT CHANGE
	2012	2011	
Net sales	\$ 927,743	\$ 804,149	15.4%
Earnings from operations	\$ 82,785	\$ 52,639	57.3%
Operating margin	8.9%	6.5%	

Net sales from Journeys Group increased 15.4% to \$927.7 million for Fiscal 2012 from \$804.1 million for Fiscal 2011. The increase reflects primarily a 15% increase in comparable store sales. The comparable store sales increase reflected a 12% increase in footwear unit comparable sales and a 2% increase in the average price per pair of shoes. Total unit sales increased 13% during the same period. The store count for Journeys Group was 1,017 stores at the end of Fiscal 2012, including 152 Journeys Kidz stores, 53 Shi by Journeys stores and 13 Journeys stores in Canada, compared to 1,017 stores at the end of Fiscal 2011, including 149 Journeys Kidz stores, 55 Shi by Journeys stores and three Journeys stores in Canada.

Journeys Group earnings from operations for Fiscal 2012 increased 57.3% to \$82.8 million, compared to \$52.6 million for Fiscal 2011. The increase in earnings from operations was primarily due to increased net sales and decreased expenses as a percentage of net sales, reflecting leveraging of occupancy costs, selling salaries and depreciation.

UNDERGROUND STATION GROUP

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT CHANGE
	2012	2011	
Net sales	\$ 92,373	\$ 94,351	(2.1)%
Loss from operations	\$ (333)	\$ (2,997)	88.9 %
Operating margin	(0.4)%	(3.2)%	

Net sales from the Underground Station Group decreased 2.1% to \$92.4 million for Fiscal 2012 from \$94.4 million for Fiscal 2011. The decrease reflects a 12% decrease in average Underground Station Group 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 year divided by thirteen) partially offset by a 6% increase in comparable store sales. Comparable footwear unit sales increased 4% while the average price per pair of shoes decreased 1%, reflecting changes in product mix. Total unit sales for the Group decreased 4% for Fiscal 2012. Underground Station Group operated 137 stores at the end of Fiscal 2012. The Company had operated 151 Underground Station Group stores at the end of Fiscal 2011. The Company has announced the integration of Underground Station operations into the Journeys Group segment during Fiscal 2013. The former Underground Station stores will be a subset of Journeys Group under the brand "Underground by Journeys." Product in the new "Underground by Journeys" stores will resemble a traditional Journeys store with appropriate merchandise changes to reflect mall and store demographics, targeting a somewhat older customer base than Journeys stores. The Company plans to continue to close underperforming Underground by Journeys locations.

The Underground Station Group loss from operations for Fiscal 2012 improved to \$(0.3) million compared to \$(3.0) million for the same period last year. The improvement was primarily due to decreased expenses as a percentage of net sales, reflecting decreased occupancy costs, depreciation and compensation expenses resulting from strong comparable store sales and closing unprofitable stores.

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SCHUH GROUP

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT
	2012	2011	CHANGE
Net sales	\$ 212,262	\$ -	NM
Earnings from operations	\$ 11,711	\$ -	NM
Operating margin	5.5%	-	

Net sales from the Schuh Group were \$212.3 million for the initial reporting period ended January 28, 2012, beginning on June 20, 2011. Schuh Group operated 64 stores and 14 concessions at the end of Fiscal 2012.

Schuh Group earnings from operations were \$11.7 million for Fiscal 2012. Earnings included \$7.2 million in compensation expense related to a deferred purchase price obligation in connection with the acquisition, as discussed above. Such expense reduced operating margin for the segment by approximately 340 basis points. See Note 2 to the Consolidated Financial Statements for additional information related to the Schuh acquisition.

LIDS SPORTS GROUP

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT
	2012	2011	CHANGE
Net sales	\$ 759,324	\$ 603,345	25.9%
Earnings from operations	\$ 82,349	\$ 56,026	47.0%
Operating margin	10.8%	9.3%	

Net sales from the Lids Sports Group increased 25.9% to \$759.3 million for Fiscal 2012 from \$603.3 million for Fiscal 2011. The increase primarily reflects a 12% increase in comparable store sales and \$59.8 million of sales from businesses acquired over the past twelve months. The comparable store sales increase reflected a 10% increase in comparable store units sold, primarily reflecting demand which management believes is driven by style trends and a 2% increase in average price per hat. Lids Sports Group operated 1,002 stores at the end of Fiscal 2012, including 82 stores in Canada and 120 Lids Locker Room stores and Clubhouse stores, compared to 985 stores at the end of Fiscal 2011, including 73 stores in Canada and 99 Lids Locker Room stores.

Lids Sports Group earnings from operations for Fiscal 2012 increased 47.0% to \$82.3 million compared to \$56.0 million for Fiscal 2011. The increase in operating income was primarily due to increased headwear sales and decreased expenses as a percentage of net sales, primarily reflecting leverage in store related expenses from positive comparable store sales as well as for a change in sales mix in the Lids Sports Group. Wholesale sales accounted for 15% of the Lids Sports Group's sales in Fiscal 2012 compared to 12% in Fiscal 2011. Wholesale sales normally involve lower expenses compared to retail stores.

JOHNSTON & MURPHY GROUP

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT
	2012	2011	CHANGE
Net sales	\$ 201,725	\$ 185,011	9.0%
Earnings from operations	\$ 13,682	\$ 7,595	80.1%
Operating margin	6.8%	4.1%	

Johnston & Murphy Group net sales increased 9.0% to \$201.7 million for Fiscal 2012 from \$185.0 million for Fiscal 2011. The increase reflected primarily a 10% increase in comparable store sales and a 5% increase in Johnston & Murphy wholesale sales, partially offset by a 2% decrease in average stores operated for Johnston & Murphy retail operations. Unit sales for the Johnston & Murphy wholesale business increased 4% in Fiscal 2012 and the average price per pair of shoes increased 1% for the same period. The comparable store sales increase in Fiscal 2012 reflects a 3% increase in footwear unit comparable sales and a 3% increase in average price per pair of shoes, primarily due to changes in product mix. The comparable store sales increase also reflects increased sales of non-footwear categories. Retail operations accounted for 74.3% of Johnston & Murphy Group sales in Fiscal 2012, up from 73.3% in Fiscal 2011. The store count for Johnston & Murphy retail operations at the end of Fiscal 2012 included 153 Johnston & Murphy shops and factory stores compared to 156 Johnston & Murphy shops and factory stores at the end of Fiscal 2011.

Johnston & Murphy earnings from operations for Fiscal 2012 increased 80.1% to \$13.7 million from \$7.6 million for Fiscal 2011, primarily due to increased net sales, increased gross margin as a percentage of net sales and decreased

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expenses as a percentage of net sales. Expenses reflected positive leverage in occupancy and depreciation from the increase in comparable store sales.

LICENSED BRANDS

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT
	2012	2011	CHANGE
Net sales	\$ 97,444	\$ 101,644	(4.1)%
Earnings from operations	\$ 9,456	\$ 12,359	(23.5)%
Operating margin	9.7%	12.2%	

Licensed Brands' net sales decreased 4.1% to \$97.4 million for Fiscal 2012 from \$101.6 million for Fiscal 2011. The sales decrease reflects a decrease in sales of Dockers Footwear which management attributes in part to retailers' increasing emphasis on their private label brands, offset by a \$4.9 million increase in sales from the Chaps line of footwear and Keuka Footwear business, which was acquired in the third quarter of Fiscal 2011. Unit sales for Dockers Footwear decreased 9% for Fiscal 2012, and the average price per pair of shoes decreased 1% for the same period.

Licensed Brands' earnings from operations for Fiscal 2012 decreased 23.5%, from \$12.4 million for Fiscal 2011 to \$9.5 million, primarily due to decreased net sales, decreased gross margins as a percentage of net sales and to increased expenses as a percentage of net sales, reflecting increased selling and advertising expenses and freight costs.

CORPORATE, INTEREST EXPENSES AND OTHER CHARGES

Corporate and other expense for Fiscal 2012 was \$55.8 million compared to \$39.5 million for Fiscal 2011. Corporate expense in Fiscal 2012 included \$2.7 million in restructuring and other charges, primarily for retail store asset impairments, other legal matters, network intrusion expenses and \$7.4 million in acquisition related expenses. Corporate expense in Fiscal 2011 included \$8.6 million in restructuring and other charges, primarily for retail store asset impairments, network intrusion expenses and other legal matters. Excluding the charges listed above, corporate and other expense increased primarily due to higher bonus accruals reflecting improved financial performance of the Company.

Interest expense increased 356.4% from \$1.1 million in Fiscal 2011 to \$5.2 million in Fiscal 2012, due to average revolver borrowings of \$49.5 million in Fiscal 2012, primarily in connection with the Schuh acquisition, and acquired UK term loans totaling \$35.7 million as of January 28, 2012, compared to average revolver borrowings of \$7.0 million in Fiscal 2011.

Results of Operations – Fiscal 2011 Compared to Fiscal 2010

The Company's net sales for Fiscal 2011 increased 13.7% to \$1.79 billion from \$1.57 billion in Fiscal 2010. The increase in net sales was a result of an increase in comparable store sales in the Lids Sports Group, Journeys Group and Johnston & Murphy Group and higher sales in Licensed Brands combined with \$52.8 million of sales from businesses acquired over the past twelve months. The higher sales were offset slightly by negative comparable store sales and lower sales, reflecting fewer stores in operation in the Underground Station Group. Gross margin increased 13.3% to \$901.8 million in Fiscal 2011 from \$795.9 million in Fiscal 2010 but decreased as a percentage of net sales from 50.6% to 50.4%. Selling and administrative expenses in Fiscal 2011 increased 11.8% from Fiscal 2010 but decreased as a percentage of net sales from 45.9% to 45.1%, primarily reflecting expense leverage in the Lids Sports Group, Journeys Group and Johnston & Murphy Group due to positive comparable store sales and increased wholesale sales in the Johnston & Murphy Group. The Company records buying and merchandising and occupancy costs in selling and administrative expense. Because the Company does not include these costs in cost of sales, the Company's gross margin may not be comparable to other retailers that include these costs in the calculation of gross margin. Explanations of the changes in results of operations are provided by business segment in discussions following these introductory paragraphs.

Earnings from continuing operations before income taxes ("pretax earnings") for Fiscal 2011 were \$85.0 million, compared to \$50.5 million for Fiscal 2010. Pretax earnings for Fiscal 2011 included restructuring and other charges of \$8.6 million, including \$7.2 million for retail store asset impairments, \$1.3 million for expenses related to the computer network intrusion announced in December 2010, and \$0.1 million for other legal matters. Pretax earnings for Fiscal 2010 included restructuring and other charges of \$13.5 million, including \$13.3 million for retail store asset impairments and \$0.4 million for lease terminations, offset by \$0.3 million for other legal matters. Also included in pretax earnings was \$0.1 million in excess markdowns related to the lease terminations, reflected in cost of sales on the Consolidated Statements of Operations. Pretax earnings for Fiscal 2010 also included a \$5.5 million loss on early retirement of debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Net earnings for Fiscal 2011 were \$53.2 million (\$2.24 diluted earnings per share) compared to \$28.8 million (\$1.30 diluted earnings per share) for Fiscal 2010. Net earnings for Fiscal 2011 includes \$1.3 million (\$0.05 diluted loss per share) charge to earnings (net of tax), including \$1.8 million primarily for anticipated costs of environmental remedial alternatives related to former facilities operated by the Company, offset by a \$0.5 million gain for excess provisions to prior discontinued operations. Net earnings for Fiscal 2010 includes \$0.3 million (\$0.01 diluted loss per share) charge to earnings (net of tax), including \$0.5 million primarily for anticipated costs of environmental remedial alternatives related to former facilities operated by the Company offset by a \$0.2 million gain for excess provisions to prior discontinued operations. The Company recorded an effective federal income tax rate of 35.8% for Fiscal 2011 compared to 42.4% for Fiscal 2010. The lower effective tax rate for Fiscal 2011 of 35.8% reflects the net reduction of the Company's liability for uncertain tax positions of \$1.3 million in Fiscal 2011, as well as the non-deductibility in Fiscal 2010 of certain items incurred in connection with the inducement of conversion of the Debentures for common stock. The higher effective tax rate in Fiscal 2010 of 42.4% reflects the non-deductibility of certain items incurred in connection with the inducement of the conversion of the Debentures for common stock in Fiscal 2010. See Note 9 to the Consolidated Financial Statements for additional information.

JOURNEYS GROUP

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT
	2011	2010	CHANGE
Net sales	\$ 804,149	\$ 749,202	7.3%
Earnings from operations	\$ 52,639	\$ 42,090	25.1%
Operating margin	6.5%	5.6%	

Net sales from Journeys Group increased 7.3% to \$804.1 million for Fiscal 2011 from \$749.2 million for Fiscal 2010. The increase reflects primarily a 7% increase in comparable store sales, resulting from a 7% increase in footwear unit comparable sales with no change in the average price per pair of shoes. Total unit sales increased 8% during the same period. The store count for Journeys Group was 1,017 stores at the end of Fiscal 2011, including 149 Journeys Kidz stores, 55 Shi by Journeys stores and three Journeys stores in Canada, compared to 1,025 stores at the end of Fiscal 2010, including 150 Journeys Kidz stores and 56 Shi by Journeys stores.

Journeys Group earnings from operations for Fiscal 2011 increased 25.1% to \$52.6 million, compared to \$42.1 million for Fiscal 2010. The increase in earnings from operations was primarily due to increased net sales and decreased expenses as a percentage of net sales, reflecting store-related occupancy cost leverage from positive comparable store sales and lower depreciation expense.

UNDERGROUND STATION GROUP

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT
	2011	2010	CHANGE
Net sales	\$ 94,351	\$ 99,458	(5.1)%
Loss from operations	\$ (2,997)	\$ (4,809)	37.7%
Operating margin	(3.2)%	(4.8)%	

Net sales from the Underground Station Group decreased 5.1% to \$94.4 million for Fiscal 2011 from \$99.5 million for Fiscal 2010. The decrease reflects a 1% decrease in comparable store sales and a 9% decrease in average Underground Station Group stores operated. Comparable footwear unit sales increased 4% while the average price per pair of shoes decreased 4%, reflecting changes in product mix. Total unit sales for the Group were flat for Fiscal 2011. Underground Station Group operated 151 stores at the end of Fiscal 2011. The Company had operated 170 Underground Station Group stores at the end of Fiscal 2010. The Company plans to close certain underperforming Underground Station stores as the opportunity presents itself, and attempt to secure rent relief on other locations while it assesses the future prospects for the chain.

The Underground Station Group loss from operations for Fiscal 2011 improved to \$(3.0) million compared to \$(4.8) million for the same period last year. The improvement was due to increased gross margin as a percentage of net sales, reflecting decreased markdowns, decreased expenses as a percentage of net sales due to decreased occupancy costs and depreciation and to earnings improvement resulting from closing underperforming stores.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**LIDS SPORTS GROUP**

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT
	2011	2010	CHANGE
Net sales	\$ 603,345	\$ 465,776	29.5%
Earnings from operations	\$ 56,026	\$ 42,708	31.2%
Operating margin	9.3%	9.2%	

Net sales from the Lids Sports Group increased 29.5% to \$603.3 million for Fiscal 2011 from \$465.8 million for Fiscal 2010. The increase reflects primarily a 9% increase in comparable store sales, a \$46.7 million increase in sales from the Lids Team Sports business, primarily due to acquisitions, and a \$36.0 million increase in sales from Lids Locker Room, including the Sports Avenue stores acquired during the third quarter of the year. The comparable store sales increase reflected a 7% increase in comparable store headwear units sold, primarily reflecting demand which management believes is driven by style trends and a 2% increase in average price per hat. Lids Sports Group operated 985 stores at the end of Fiscal 2011, including 73 stores in Canada and 99 Lids Locker Room stores, compared to 921 stores at the end of Fiscal 2010, including 60 stores in Canada and 37 Lids Locker Room stores.

Lids Sports Group earnings from operations for Fiscal 2011 increased 31.2% to \$56.0 million compared to \$42.7 million for Fiscal 2010. The increase in operating income was primarily due to increased net sales and decreased expenses as a percentage of net sales, primarily reflecting leverage from positive comparable store sales.

JOHNSTON & MURPHY GROUP

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT
	2011	2010	CHANGE
Net sales	\$ 185,011	\$ 166,079	11.4%
Earnings from operations	\$ 7,595	\$ 4,725	60.7%
Operating margin	4.1%	2.8%	

Johnston & Murphy Group net sales increased 11.4% to \$185.0 million for Fiscal 2011 from \$166.1 million for Fiscal 2010, reflecting primarily an 8% increase in comparable store sales and a 21% increase in Johnston & Murphy wholesale sales, partially offset by a 1% decrease in average stores operated for Johnston & Murphy retail operations. The comparable store sales increase in Fiscal 2011 reflects an 11% increase in footwear unit comparable sales offset by a 5% decrease in average price per pair of shoes, primarily due to changes in product mix. Unit sales for the Johnston & Murphy wholesale business increased 14% in Fiscal 2011 and the average price per pair of shoes increased 6% for the same period. Retail operations accounted for 73.3% of Johnston & Murphy Group sales in Fiscal 2011, down from 75.4% in Fiscal 2010. The store count for Johnston & Murphy retail operations at the end of Fiscal 2011 included 156 Johnston & Murphy shops and factory stores compared to 160 Johnston & Murphy shops and factory stores at the end of Fiscal 2010.

Johnston & Murphy earnings from operations for Fiscal 2011 increased 60.7% to \$7.6 million from \$4.7 million for Fiscal 2010, primarily due to increased net sales and decreased expenses as a percentage of net sales, reflecting positive leverage from the increase in comparable store sales and increased wholesale sales.

LICENSED BRANDS

DOLLARS IN THOUSANDS	FISCAL YEAR ENDED		PERCENT
	2011	2010	CHANGE
Net sales	\$ 101,644	\$ 93,194	9.1%
Earnings from operations	\$ 12,359	\$ 11,974	3.2%
Operating margin	12.2%	12.8%	

Licensed Brands' net sales increased 9.1% to \$101.6 million for Fiscal 2011 from \$93.2 million for Fiscal 2010. The sales increase reflects \$9.1 million of increased sales from the Chaps line of footwear that the Company is sourcing with limited distribution and a small acquisition made in the third quarter of Fiscal 2011, while sales of Dockers Footwear were flat. Unit sales for Dockers Footwear increased 1% for Fiscal 2011 while the average price per pair of shoes decreased 1% for the same period.

Licensed Brands' earnings from operations for Fiscal 2011 increased 3.2%, from \$12.0 million for Fiscal 2010 to \$12.4 million, primarily due to increased net sales.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**CORPORATE, INTEREST EXPENSES AND OTHER CHARGES**

Corporate and other expense for Fiscal 2011 was \$39.5 million compared to \$41.8 million for Fiscal 2010. Corporate expense in Fiscal 2011 included \$8.6 million in restructuring and other charges, primarily for retail store asset impairments, network intrusion expenses and other legal matters. Corporate expense in Fiscal 2010 included \$13.5 million in restructuring and other charges, primarily for retail store asset impairments and lease terminations offset by other legal matters. Corporate expense for Fiscal 2010 also included \$5.5 million for the loss on early retirement of debt. Corporate and other costs of sales for Fiscal 2010 included \$0.1 million in excess markdowns related to lease terminations. Corporate expenses, excluding restructuring and other charges and the loss on early retirement of debt in Fiscal 2010, increased \$8.1 million primarily due to higher bonus accruals reflecting improved financial performance of the Company.

Interest expense decreased 74.5% from \$4.4 million in Fiscal 2010 to \$1.1 million in Fiscal 2011, due to the conversion of all the Company's 4 1/8% Debentures during Fiscal 2010.

Liquidity and Capital Resources

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

DOLLARS IN MILLIONS	JAN. 28 2012	JAN. 29 2011	JAN. 30 2010
Cash and cash equivalents	\$ 53.8	\$ 55.9	\$ 82.1
Working capital	\$ 290.9	\$ 278.7	\$ 280.4
Long-term debt (includes current maturities)	\$ 40.7	\$ -0-	\$ -0-

WORKING CAPITAL

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

Cash provided by operating activities was \$145.0 million in Fiscal 2012 compared to \$102.6 million in Fiscal 2011. The \$42.4 million increase in cash flow from operating activities from last year reflects improved earnings and a change in other assets and liabilities and accounts receivable of \$27.1 million and \$15.1 million, respectively, offset by a decrease in cash flow from changes in other accrued liabilities and accounts payable of \$32.6 million and \$14.8 million, respectively. The \$27.1 million increase in cash flow from other assets and liabilities reflects an increase in the bonus bank liability, resulting from increased bonuses in Fiscal 2012, and deferred compensation due to the deferred purchase price and bonus earn-out accruals related to Schuh, partially offset by an increase in long-term receivables related to the network intrusion. The \$15.1 million increase in cash flow from accounts receivable reflects primarily decreased wholesale sales in Licensed Brands for Fiscal 2012 and the increase in wholesale sales, including the additional sales in Lids Team Sports, in Fiscal 2011 when compared to Fiscal 2010, which together, contribute to the increase in cash flow for Fiscal 2012. The \$32.6 million decrease in cash flow from other accrued liabilities was due to a reduction in the growth of current bonus accruals and increased payments related to environmental liabilities. The \$14.8 million decrease in cash flow from accounts payable reflected changes in buying patterns and payment terms negotiated with individual vendors.

The \$42.3 million increase in inventories at January 28, 2012 from January 29, 2011 levels reflects primarily an increase in Lids retail inventory to support growth and increases in Lids Team Sports inventory to support growth and to improve customer fulfillment.

Accounts receivable at January 28, 2012 decreased \$3.0 million compared to January 29, 2011, due primarily to decreased wholesale sales in Licensed Brands.

Cash provided by operating activities was \$102.6 million in Fiscal 2011 compared to \$142.1 million in Fiscal 2010. The \$39.5 million decrease from operating activities from Fiscal 2010 reflects a decrease in cash flow from changes in inventory and accounts receivable of \$68.4 million and \$9.8 million, respectively, offset by increases from improved earnings and changes in other accrued liabilities of \$39.9 million. The \$68.4 million decrease in cash flow from inventory reflected the decision in Fiscal 2011 to accelerate receipts in anticipation of potential supply chain disruptions associated with the Chinese New Year, increased purchases to support sales and efforts in Fiscal 2010 to reduce inventory in order to align inventory growth with sales growth, especially in the Johnston & Murphy Group.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The \$9.8 million decrease in cash flow from accounts receivable reflects increased wholesale sales including the additional sales in Lids Team Sports related to recent acquisitions. The \$39.9 million increase in cash flow from other accrued liabilities reflected increased bonus accruals and increased income tax accruals in Fiscal 2011 compared to Fiscal 2010, resulting from improved earnings.

The \$44.3 million increase in inventories at January 29, 2011 from January 30, 2010 levels reflects the decision in Fiscal 2011 to accelerate receipts in anticipation of potential supply chain disruptions associated with the Chinese New Year and increased purchases to support sales.

Accounts receivable at January 29, 2011 increased \$12.1 million compared to January 30, 2010, due primarily to increased wholesale sales reflecting growth in Lids Team Sports and in the Johnston & Murphy wholesale business.

SOURCES OF LIQUIDITY

The Company has three principal sources of liquidity: cash from operations, cash and cash equivalents on hand and the Credit Facility and UK Credit Facility discussed below. The Company believes that cash and cash equivalents on hand, cash from operations and availability under its Credit Facility and UK Credit Facility will be sufficient to cover its working capital and capital expenditures for the foreseeable future.

On June 23, 2011, the Company entered into a First Amendment (the "Amendment") to the Second Amended and Restated Credit Agreement (the "Credit Facility") dated January 21, 2011, in the aggregate principal amount of \$375.0 million, with a \$40.0 million swingline loan sublimit, a \$70.0 million sublimit for the issuance of standby letters of credit and a Canadian sub-facility of up to \$8.0 million, and has a five-year term, expiring in January 2016. The Amendment raised the aggregate principal amount on the Credit Facility to \$375.0 million from \$300.0 million. Any swingline loans and any letters of credit and borrowings under the Canadian facility will reduce the availability under the Credit Facility on a dollar-for-dollar basis. In addition, the Company has an option to increase the availability under the Credit Facility by up to \$75.0 million subject to, among other things, the receipt of commitments for the increased amount. The aggregate amount of the loans made and letters of credit issued under the Credit Facility shall at no time exceed the lesser of the facility amount (\$375.0 million or, if increased at the Company's option, subject to the receipt of commitments for the increased amount, up to \$450.0 million) or the "Borrowing Base", which generally is based on 90% of eligible inventory plus 85% of eligible wholesale receivables (50% of eligible wholesale receivables of the Lids Team Sports business) plus 90% of eligible credit card and debit card receivables less applicable reserves. For additional information on the Company's Credit Facility, see Note 6 to the Consolidated Financial Statements included in Item 8.

In connection with the Schuh acquisition, Schuh entered into an amended and restated Senior Term Facilities Agreement and Working Capital Facility Letter (collectively, the "UK Credit Facility") which provides for term loans of up to £29.5 million (a £15.5 million A term loan and £14.0 million B term loan) and a working capital facility of £5.0 million. The A term loan bears interest at LIBOR plus 2.50% per annum. The B term loan bears interest at LIBOR plus 3.75% per annum. The Company is not required to make any payments on the B term loan until it expires October 31, 2015, unless the Company's Schuh Group segment has excess cash flow. The Company paid £4.5 million on the B term loan in the fourth quarter of Fiscal 2012. The working capital facility bears interest at the Base Rate (as defined) plus 2.25% per annum.

The UK Credit Facility contains certain covenants at the Schuh level including a minimum interest coverage covenant initially set at 4.25x and increasing to 4.50x in January 2012 and thereafter, a maximum leverage covenant initially set at 2.75x declining over time at various rates to 2.25x beginning in July 2012 and a minimum cash flow coverage of 1.10x. The Company was in compliance with all the covenants at January 28, 2012.

The UK Credit Facility is secured by a pledge of all the assets of Schuh and its subsidiaries.

Revolving credit borrowings averaged \$49.5 million during Fiscal 2012 and \$7.0 million during Fiscal 2011, as cash on hand and cash generated from operations primarily funded seasonal working capital requirements and capital expenditures for Fiscal 2012 with revolver borrowings used during the second quarter of Fiscal 2012 for the purchase of Schuh Group Ltd.

There were \$10.1 million of letters of credit outstanding, \$5.0 million of revolver borrowings outstanding under the Credit Facility and \$35.7 million in UK term loans outstanding at January 28, 2012. The Company is not required to comply with any financial covenants under the Credit Facility unless Excess Availability (as defined in the First Amendment to the Second Amended and Restated Credit Agreement) is less than the greater of \$27.5 million or 12.5% of the Loan Cap. If and during such time as

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Excess Availability is less than the greater of \$27.5 million or 12.5% of the Loan Cap, the Credit Facility requires the Company to meet a minimum fixed charge coverage ratio of (a) an amount equal to consolidated EBITDA less capital expenditures and taxes paid in cash, in each case for such period, to (b) fixed charges for such period, of not less than 1.0:1.0. Excess Availability was \$272.4 million at January 28, 2012. Because Excess Availability exceeded \$27.5 million or 12.5% of the Loan Cap, the Company was not required to comply with this financial covenant at January 28, 2012.

The Company's Credit Facility prohibits the payment of dividends and other restricted payments unless as of the date of the making of any Restricted Payment or consummation of any Acquisition, (a) no Default or Event of Default exists or would arise after giving effect to such Restricted Payment or Acquisition, and (b) either (i) the Borrowers have pro forma projected Excess Availability for the following six month period equal to or greater than 50% of the Loan Cap, after giving pro forma effect to such Restricted Payment or Acquisition, or (ii) (A) the Borrowers have pro forma projected Excess Availability for the following six month period of less than 50% of the Loan Cap but equal to or greater than 20% of the Loan Cap, after giving pro forma effect to the Restricted Payment or Acquisition, and (B) the Fixed Charge Coverage Ratio, on a pro-forma basis for the twelve months preceding such Restricted Payment or Acquisition, will be equal to or greater than 1.0:1.0 and (c) after giving effect to such Restricted Payment or Acquisition, the Borrowers are Solvent. The Company's management does not expect availability under the Credit Facility to fall below the requirements listed above during Fiscal 2013. The Company's UK Credit Facility prohibits the payment of any dividends by Schuh or its subsidiaries to the Company.

The aggregate of annual dividend requirements on the Company's Subordinated Serial Preferred Stock is \$2.30 Series 1, \$4.75 Series 3 and \$4.75 Series 4, and on its \$1.50 Subordinated Cumulative Preferred Stock is \$0.2 million.

CONTRACTUAL OBLIGATIONS

The following tables set forth aggregate contractual obligations and commitments as of January 28, 2012.

IN THOUSANDS	PAYMENTS DUE BY PERIOD				
	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS
Capital Lease Obligations	\$ 15	\$ 1	\$ 3	\$ 3	\$ 8
Long-Term Debt Obligations	40,704	8,773	10,986	20,945	-0-
Operating Lease Obligations	1,133,972	202,882	361,785	274,424	294,881
Purchase Obligations ⁽¹⁾	494,690	494,690	-0-	-0-	-0-
Long-Term Obligations – Schuh ⁽²⁾	36,658	1,373	28,044	7,241	-0-
Other Long-Term Liabilities	1,356	176	351	351	478
Total Contractual Obligations⁽³⁾	\$ 1,707,395	\$ 707,895	\$ 401,169	\$ 302,964	\$ 295,367

COMMERCIAL COMMITMENTS

IN THOUSANDS	AMOUNT OF COMMITMENT EXPIRATION PER PERIOD				
	TOTAL AMOUNTS COMMITTED	LESS THAN 1 YEAR	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS
Letters of Credit	\$ 10,138	\$ 10,138	\$ -0-	\$ -0-	\$ -0-
Total Commercial Commitments	\$ 10,138	\$ 10,138	\$ -0-	\$ -0-	\$ -0-

(1) Open purchase orders for inventory.

(2) Includes deferred purchase price payments, earn-out bonus payments and retention note payments related to the Schuh acquisition and interest on the UK term loans. For additional information, see Notes 2 and 6 to the Consolidated Financial Statements.

(3) Excludes unrecognized tax benefits of \$21.9 million due to their uncertain nature in timing of payments, if any.

CAPITAL EXPENDITURES

Capital expenditures were \$49.5 million, \$29.3 million and \$33.8 million for Fiscal 2012, 2011 and 2010, respectively. The \$20.2 million increase in Fiscal 2012 capital expenditures as compared to Fiscal 2011 reflected an increase in retail store capital expenditures due to the construction of 70 new stores opened in Fiscal 2012, compared to 53 stores in Fiscal 2011 and increased major and minor renovations due to lease renewals. The \$4.5 million decrease in Fiscal 2011 capital expenditures as compared to Fiscal 2010 reflected a decrease in retail store capital expenditures due to the construction of 53 new stores opened in Fiscal 2011, compared to 61 stores in Fiscal 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Total capital expenditures in Fiscal 2013 are expected to be approximately \$85.6 million. These include retail capital expenditures of approximately \$77.5 million to open approximately 27 Journeys stores, including 12 in Canada, seven Journeys Kidz stores, three Shi by Journeys stores, eight Schuh stores, 13 Johnston & Murphy shops and factory stores and 42 Lids Sports Group stores including 25 Lids stores, with 10 stores in Canada, and 17 Lids Locker Room and Clubhouse stores, with two Lids Locker Room stores in Canada, and to complete approximately 161 major store renovations. The planned amount of capital expenditures in Fiscal 2013 for wholesale operations and other purposes is approximately \$8.1 million, including approximately \$4.3 million for new systems to improve customer service and support the Company's growth.

FUTURE CAPITAL NEEDS

The Company expects that cash on hand and cash provided by operations and borrowings under its Credit Facility and UK Credit Facility will be sufficient to support seasonal working capital and capital expenditure requirements during Fiscal 2013. The approximately \$8.2 million of costs associated with discontinued operations that are expected to be paid during the next twelve months are expected to be funded from cash on hand, cash generated from operations and borrowings under the Credit Facility during Fiscal 2013.

COMMON STOCK REPURCHASES

The Company repurchased 85,000 shares at a cost of \$2.0 million during Fiscal 2010. In the first quarter of Fiscal 2011, the board increased the total repurchase authorization to \$35.0 million. The board restored the total repurchase authorization in the third quarter of Fiscal 2011 to \$35.0 million. The Company repurchased 863,767 shares at a cost of \$24.8 million during Fiscal 2011. All of the \$24.8 million in repurchases for Fiscal 2011, except \$0.6 million, were repurchased under the original \$35.0 million authorization made during the first quarter of Fiscal 2011. The Company did not repurchase any shares during Fiscal 2012.

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 13 to the Company's Consolidated Financial Statements. The Company has made pretax accruals for certain of these contingencies, including approximately \$1.8 million reflected in Fiscal 2012, \$2.9 million reflected in Fiscal 2011 and \$0.8 million reflected in Fiscal 2010. The Company monitors these matters on an ongoing basis and, on a quarterly basis, 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. However, because of uncertainties and risks inherent in litigation generally and in environmental proceedings in particular, 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.

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 has \$5.0 million of outstanding revolver borrowings under its Credit Facility at a weighted average interest rate of 4.50% as of January 28, 2012. A 100 basis point adverse change in interest rates would increase interest expense by less than \$0.1 million on the \$5.0 million revolving credit debt. The Company has \$35.7 million of outstanding UK term loans at a weighted average interest rate of 4.11% as of January 28, 2012. A 100 basis point adverse change in interest rates would increase interest expense by \$0.4 million on the \$35.7 million term loans.

CASH AND CASH EQUIVALENTS – The Company's cash and cash equivalent balances are invested in financial instruments with original maturities of three months or less. The Company did not have significant exposure to changing interest rates on invested cash at January 28, 2012. As a result, the Company considers the interest rate market risk implicit in these investments at January 28, 2012 to be low.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 was the Company's practice to hedge its risks through the purchase of forward foreign exchange contracts when the purchases were material. At January 28, 2012, the Company did not have any forward foreign exchange contracts for Euro outstanding.

ACCOUNTS RECEIVABLE – The Company's accounts receivable balance at January 28, 2012 is concentrated in two of its footwear wholesale businesses, which sell primarily to department stores and independent retailers across the United States and its Lids Team Sports wholesale business, which sells primarily to colleges and high school athletic teams and their fan bases. Including both footwear wholesale and Lids Team Sports wholesale business receivables, one customer accounted for 5% and no other customer accounted for more than 4% of the Company's total trade receivables balance as of January 28, 2012. The Company monitors the credit quality of its customers and establishes an allowance for doubtful accounts based upon factors surrounding credit risk of specific customers, historical trends and other information, as well as customer specific factors; however, credit risk is affected by conditions or occurrences within the economy and the retail industry, as well as company-specific information.

SUMMARY – Based on the Company's overall market interest rate and foreign currency rate exposure at January 28, 2012, the Company believes that the effect, if any, of reasonably possible near-term changes in interest rates or foreign currency exchange rates on the Company's consolidated financial position, results of operations or cash flows for Fiscal 2013 would not be material.

New Accounting Principles

In June 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2011-05, an update to the FASB Codification Comprehensive Income Topic, which amends the existing accounting standards related to the presentation of comprehensive income in a company's financial statements. This update requires that all non-owner changes in shareholders' equity be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. In the two statement approach, the first statement would present total net earnings and its components followed consecutively by a second statement that should present total other comprehensive income, the components of other comprehensive income and the total of comprehensive income. Under either presentation alternative, reclassification adjustments and the effect of those adjustments on net earnings and other comprehensive income must be presented in the respective statement or statements, as applicable. This update becomes effective in periods beginning after December 15, 2011 and is required to be adopted retrospectively. Early adoption is permitted. The Company is currently evaluating which of the two presentation alternatives it will adopt, but it is not expected to have a significant impact on the Company's results of operations or financial position.

In September 2011, the FASB issued Accounting Standards Update No. 2011-08, an update to FASB Codification Intangibles – Goodwill and Other Topic, which amends the existing accounting standards related to the method of assessing goodwill for potential impairment. Specifically, this update limits the requirement for a company to perform a quantitative goodwill impairment test to situations in which management believes it is more likely than not that the fair value of a reporting unit is less than its carrying amount. This update becomes effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted. The Company will adopt this update in Fiscal 2013, which begins January 29, 2012. The Company does not expect the adoption of this update to have a significant impact on the Company's results of operations or financial position.

In December 2011, the FASB issued Accounting Standards Update No. 2011-12, an update to the FASB Codification Comprehensive Income Topic, which defers the specific requirement to present items that are reclassified from accumulated other comprehensive income to net earnings separately with their respective components of net earnings and other comprehensive income. The update does not defer the requirement to report comprehensive income either in a single continuous statement or in two separate but consecutive financial statements. This update becomes effective in periods beginning after December 15, 2011. The Company does not expect the adoption of this update to have a significant impact on the Company's results of operations or financial position.

Inflation

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

FINANCIAL SUMMARY

IN THOUSANDS EXCEPT PER COMMON SHARE DATA, FINANCIAL STATISTICS AND OTHER DATA	FISCAL YEAR END				
	2012	2011	2010	2009	2008
Results of Operations Data					
Net Sales	\$ 2,291,987	\$ 1,789,839	\$ 1,574,352	\$ 1,551,562	\$ 1,502,119
Depreciation and amortization	53,737	47,738	47,462	46,833	45,114
Earnings from operations	143,870	86,083	60,422	259,626	41,821
Earnings from continuing operations before income taxes	138,778	84,961	50,488	250,714	29,920
Earnings from continuing operations	82,984	54,547	29,086	156,219	6,774
Provision for earnings from discontinued operations, net	(1,025)	(1,336)	(273)	(5,463)	(1,603)
Net earnings	\$ 81,959	\$ 53,211	\$ 28,813	\$ 150,756	\$ 5,171
Per Common Share Data					
Earnings from continuing operations					
Basic	\$ 3.56	\$ 2.34	\$ 1.35	\$ 8.11	\$.29
Diluted	3.48	2.29	1.31	6.72	.29
Discontinued operations					
Basic	(.04)	(.06)	(.02)	(.28)	(.07)
Diluted	(.05)	(.05)	(.01)	(.23)	(.07)
Net earnings					
Basic	3.52	2.28	1.33	7.83	.22
Diluted	3.43	2.24	1.30	6.49	.22
Balance Sheet Data					
Total assets	\$ 1,237,265	\$ 961,082	\$ 863,652	\$ 816,063	\$ 801,685
Long-term debt	40,704	-0-	-0-	113,735	147,271
Non-redeemable preferred stock	4,957	5,183	5,220	5,203	5,338
Common equity	710,404	619,135	577,093	444,552	420,778
Capital expenditures	49,456	29,299	33,825	49,420	80,662
Financial Statistics					
Earnings from operations as a percent of net sales	6.3%	4.8%	3.8%	16.7%	2.8%
Book value per share (common equity divided by common shares outstanding)	\$ 29.27	\$ 26.15	\$ 23.97	\$ 23.10	\$ 18.46
Working capital (in thousands)	\$ 290,850	\$ 278,692	\$ 280,415	\$ 259,137	\$ 238,093
Current ratio	2.0	2.2	2.7	2.9	2.6
Percent long-term debt to total capitalization	5.4%	0.0%	0.0%	20.2%	25.7%
Other Data (End of Year)					
Number of retail outlets*	2,387	2,309	2,276	2,234	2,175
Number of employees	21,475	15,200	13,925	13,775	13,950

* Includes 75 Schuh stores and concessions in Fiscal 2012 acquired June 23, 2011, 48 Sports Avenue stores in Fiscal 2011 acquired October 8, 2010, and 37 Sports Fan Attic stores in Fiscal 2010 acquired November 3, 2009. See Note 2 to the Consolidated Financial Statements.

Reflected in earnings from continuing operations for Fiscal 2012 was \$7.4 million in acquisition related expenses. See Note 2 to the Consolidated Financial Statements for additional information.

Reflected in earnings from continuing operations for Fiscal 2009 was a \$204.1 million gain on the settlement of merger-related litigation.

Reflected in earnings from continuing operations for Fiscal 2009 and 2008 were \$8.0 million and \$27.6 million, respectively, in merger-related costs and litigation expenses. These expenses were deductible for tax purposes in Fiscal 2009.

Reflected in earnings from continuing operations for Fiscal 2012, 2011, 2010, 2009 and 2008 were restructuring and other charges of \$2.7 million, \$8.6 million, \$13.4 million, \$7.5 million and \$9.7 million, respectively. See Note 3 to the Consolidated Financial Statements for additional information regarding these charges.

Long-term debt includes current obligations. In January 2011, the Company entered into the second amended and restated credit agreement in the aggregate principal amount of \$300.0 million. In June 2011, the Company entered into a first amendment to the second amended and restated credit agreement to raise the aggregate principal amount to \$375.0 million. During Fiscal 2010, the Company entered into separate exchange agreements whereby it acquired and retired all \$86.2 million in aggregate principal amount of its Debentures due June 15, 2023 in exchange for the issuance of 4,552,824 shares of its common stock. As a result of the exchange agreements and conversions, the Company recognized a loss on the early retirement of debt of \$5.5 million reflected in earnings from continuing operations. See Note 6 to the Consolidated Financial Statements for additional information regarding the Company's debt.

The Company has not paid dividends on its Common Stock since 1973. See Notes 6 and 8 to the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Sources of Liquidity" for a description of limitations on the Company's ability to pay dividends.

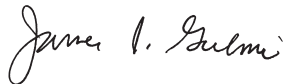
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

GENESCO INC. AND CONSOLIDATED SUBSIDIARIES


The consolidated financial statements presented in this report are the responsibility of management and have been prepared in conformity with U.S. generally accepted accounting principles. Some of the amounts included in the financial information are necessarily based on the estimates and judgments of management, which are based on currently available information and management's view of current conditions and circumstances.

An independent registered public accounting firm audits the Company's consolidated financial statements and the effectiveness of internal control over financial reporting in accordance with the standards established by the Public Company Accounting Oversight Board.

The audit committee of the board of directors, composed entirely of directors who are not employees of the Company, meets regularly with management, internal audit and the independent registered public accounting firm to review accounting, control, auditing and financial reporting matters. Internal audit and the independent auditors have full and free access to the audit committee and meet (with and without management present) to discuss appropriate matters.



James S. Gulmi
Senior Vice President – Finance
Chief Financial Officer



Paul D. Williams
Vice President
Chief Accounting Officer

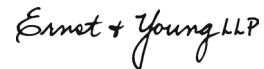
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON FINANCIAL STATEMENTS**THE BOARD OF DIRECTORS AND SHAREHOLDERS****GENESCO INC.**

We have audited the accompanying consolidated balance sheets of Genesco Inc. and Subsidiaries (the "Company") as of January 28, 2012 and January 29, 2011, and the related consolidated statements of earnings, cash flows and equity for each of the three fiscal years in the period ended January 28, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Genesco Inc. and Subsidiaries at January 28, 2012 and January 29, 2011, and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended January 28, 2012, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of January 28, 2012, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 28, 2012 expressed an unqualified opinion thereon.

The logo for Ernst & Young LLP, featuring the company name in a stylized, cursive script.

Nashville, Tennessee

March 28, 2012

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL CONTROL OVER FINANCIAL REPORTING**THE BOARD OF DIRECTORS AND SHAREHOLDERS**
GENESCO INC.

We have audited Genesco Inc. and Subsidiaries internal control over financial reporting as of January 28, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Genesco Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

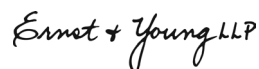
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Schuh Group Limited, which is included in the January 28, 2012 consolidated financial statements of Genesco Inc. and constituted \$251.3 million, or 20.3%, and \$123.1 million, or 17.2%, of total assets and net assets, respectively, as of January 28, 2012 and \$212.3 million, or 9.3%, and \$6.2 million, or 7.5%, of net sales and net earnings, respectively, for the year then ended. Our audit of internal control over financial reporting of Genesco Inc. also did not include an evaluation of the internal control over financial reporting of Schuh Group Limited.

In our opinion, Genesco Inc. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of January 28, 2012, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Genesco Inc. and Subsidiaries as of January 28, 2012 and January 29, 2011, and the related consolidated statements of earnings, cash flows, and equity for each of the three fiscal years in the period ended January 28, 2012 and our report dated March 28, 2012 expressed an unqualified opinion thereon.

The logo for Ernst & Young LLP, featuring the company name in a stylized, cursive script font.

Nashville, Tennessee
March 28, 2012

CONSOLIDATED BALANCE SHEETS

IN THOUSANDS, EXCEPT SHARE AMOUNTS	AS OF FISCAL YEAR END	
	2012	2011
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 53,790	\$ 55,934
Accounts receivable, net of allowances of \$6,900 at January 28, 2012 and \$3,301 at January 29, 2011	43,713	44,512
Inventories	435,113	359,736
Deferred income taxes	22,541	19,130
Prepays and other current assets	40,155	33,743
Total current assets	595,312	513,055
Property and equipment:		
Land	6,118	4,863
Buildings and building equipment	20,260	17,992
Computer hardware, software and equipment	116,920	92,929
Furniture and fixtures	127,949	105,056
Construction in progress	7,158	9,109
Improvements to leased property	299,775	279,295
Property and equipment, at cost	578,180	509,244
Accumulated depreciation	(350,491)	(310,553)
Property and equipment, net	227,689	198,691
Deferred income taxes	28,152	19,036
Goodwill	259,759	153,301
Trademarks, net of accumulated amortization of 2,246 at January 28, 2012 and \$1,151 at January 29, 2011	78,276	52,486
Other intangibles, net of accumulated amortization of \$13,645 at January 28, 2012 and \$10,565 at January 29, 2011	14,808	12,578
Other noncurrent assets	33,269	11,935
Total Assets	\$ 1,237,265	\$ 961,082
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 138,938	\$ 117,001
Accrued employee compensation	53,029	38,188
Accrued other taxes	26,293	17,289
Accrued income taxes	16,390	13,259
Current portion – long-term debt	8,773	-0-
Other accrued liabilities	52,789	38,177
Provision for discontinued operations	8,250	10,449
Total current liabilities	304,462	234,363
Long-term debt	31,931	-0-
Pension liability	22,201	11,906
Deferred rent and other long-term liabilities	156,794	83,406
Provision for discontinued operations	4,267	4,586
Total liabilities	519,655	334,261
Commitments and contingent liabilities		
Equity		
Non-redeemable preferred stock	4,957	5,183
Common equity:		
Common stock, \$1 par value: Authorized: 80,000,000 shares		
Issued/Outstanding: January 28, 2012 – 24,757,826 / 24,269,362		
January 29, 2011 – 24,162,634 / 23,674,170	24,758	24,163
Additional paid-in capital	149,479	131,910
Retained earnings	586,990	505,224
Accumulated other comprehensive loss	(32,966)	(24,305)
Treasury shares, at cost	(17,857)	(17,857)
Total Genesco equity	715,361	624,318
Noncontrolling interest – non-redeemable	2,249	2,503
Total equity	717,610	626,821
Total Liabilities and Equity	\$ 1,237,265	\$ 961,082

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

CONSOLIDATED STATEMENTS OF OPERATIONS

IN THOUSANDS, EXCEPT PER SHARE AMOUNTS	FISCAL YEAR		
	2012	2011	2010
Net sales	\$ 2,291,987	\$ 1,789,839	\$ 1,574,352
Cost of sales	1,137,938	887,992	778,482
Selling and administrative expenses	1,007,502	807,197	722,087
Restructuring and other, net	2,677	8,567	13,361
Earnings from operations	143,870	86,083	60,422
Loss on early retirement of debt	-0-	-0-	5,518
Interest expense, net:			
Interest expense	5,157	1,130	4,430
Interest income	(65)	(8)	(14)
Total interest expense, net	5,092	1,122	4,416
Earnings from continuing operations before income taxes	138,778	84,961	50,488
Income tax expense	55,794	30,414	21,402
Earnings from continuing operations	82,984	54,547	29,086
Provision for discontinued operations, net	(1,025)	(1,336)	(273)
Net Earnings	\$ 81,959	\$ 53,211	\$ 28,813
Basic earnings per common share:			
Continuing operations	\$ 3.56	\$ 2.34	\$ 1.35
Discontinued operations	\$ (.04)	\$ (.06)	\$ (.02)
Net earnings	\$ 3.52	\$ 2.28	\$ 1.33
Diluted earnings per common share:			
Continuing operations	\$ 3.48	\$ 2.29	\$ 1.31
Discontinued operations	\$ (.05)	\$ (.05)	\$ (.01)
Net earnings	\$ 3.43	\$ 2.24	\$ 1.30

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

IN THOUSANDS	FISCAL YEAR		
	2012	2011	2010
Cash Flows from Operating Activities:			
Net earnings	\$ 81,959	\$ 53,211	\$ 28,813
Tax benefit of stock options exercised	(4,744)	(1,448)	-0-
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	53,737	47,738	47,462
Amortization of deferred note expense and debt discount	708	370	2,022
Loss on early retirement of debt	-0-	-0-	5,518
Deferred income taxes	2,732	(11,866)	3,680
Provision for losses on accounts receivable	2,004	1,081	415
Impairment of long-lived assets	1,119	7,155	13,314
Restricted Stock and share-based compensation	7,660	8,006	6,969
Provision for discontinued operations	1,692	2,203	452
Other	1,005	1,328	1,650
Effect on cash of changes in working capital and other assets and liabilities, net of acquisitions:			
Accounts receivable	3,011	(12,085)	(2,251)
Inventories	(42,324)	(44,345)	24,027
Prepays and other current assets	5,286	(167)	3,154
Accounts payable	(1,201)	13,641	11,441
Other accrued liabilities	9,046	41,597	1,661
Other assets and liabilities	23,270	(3,811)	(6,231)
Net cash provided by operating activities	144,960	102,608	142,096
Cash Flows from Investing Activities:			
Capital expenditures	(49,456)	(29,299)	(33,825)
Acquisitions, net of cash acquired	(92,985)	(75,500)	(11,719)
Proceeds from asset sales	27	11	13
Net cash used in investing activities	(142,414)	(104,788)	(45,531)
Cash Flows from Financing Activities:			
Payments of long-term debt	(25,321)	(1,918)	(2,623)
Payments of capital leases	(22)	(104)	(181)
Borrowings under revolving credit facility	299,800	107,400	197,400
Payments on revolving credit facility	(294,800)	(107,400)	(229,700)
Tax benefit of stock options and restricted stock exercised	4,744	1,448	-0-
Shares repurchased	-0-	(26,851)	-0-
Change in overdraft balances	2,931	4,160	3,102
Dividends paid on non-redeemable preferred stock	(193)	(197)	(198)
Exercise of stock options and issue shares –			
Employee Stock Purchase Plan	9,820	2,343	499
Other	(939)	(2,915)	(388)
Net cash used in financing activities	(3,980)	(24,034)	(32,089)
Effect of foreign exchange rate fluctuations on cash	(710)	-0-	-0-
Net (Decrease) Increase in Cash and Cash Equivalents	(2,144)	(26,214)	64,476
Cash and cash equivalents at beginning of year	55,934	82,148	17,672
Cash and cash equivalents at end of year	\$ 53,790	\$ 55,934	\$ 82,148
Supplemental Cash Flow Information:			
Net cash paid for:			
Interest	\$ 4,789	\$ 748	\$ 1,596
Income taxes	50,254	24,079	13,386

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

CONSOLIDATED STATEMENTS OF EQUITY

IN THOUSANDS	TOTAL	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER		TREASURY STOCK	NON CONTROLLING INTEREST		COMPREHENSIVE INCOME	TOTAL EQUITY
	NON-REDEEMABLE PREFERRED STOCK			RETAINED EARNINGS	COMPREHENSIVE LOSS		NON-REDEEMABLE			
Balance January 31, 2009	\$ 5,203	\$ 19,732	\$ 49,780	\$ 423,595	\$ (30,698)	\$ (17,857)	\$ -	\$ -	\$ 28,813	\$ 449,755
Net earnings	-0-	-0-	-0-	28,813	-0-	-0-	-0-	-0-	28,813	28,813
Dividends paid on non-redeemable preferred stock	-0-	-0-	-0-	(198)	-0-	-0-	-0-	-0-	-0-	(198)
Exercise of stock options	-0-	28	372	-0-	-0-	-0-	-0-	-0-	-0-	400
Issue shares – employee stock purchase plan	-0-	4	95	-0-	-0-	-0-	-0-	-0-	-0-	99
Employee and non-employee restricted stock	-0-	-0-	6,528	-0-	-0-	-0-	-0-	-0-	-0-	6,528
Share-based compensation	-0-	-0-	441	-0-	-0-	-0-	-0-	-0-	-0-	441
Restricted stock issuance	-0-	405	(405)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Restricted shares withheld for taxes	-0-	(65)	(1,156)	-0-	-0-	-0-	-0-	-0-	-0-	(1,221)
Tax expense of stock options and restricted stock exercised	-0-	-0-	(658)	-0-	-0-	-0-	-0-	-0-	-0-	(658)
Shares repurchased	-0-	(85)	(1,942)	-0-	-0-	-0-	-0-	-0-	-0-	(2,027)
Conversion of 4 1/8% debentures	-0-	4,553	93,933	-0-	-0-	-0-	-0-	-0-	-0-	98,486
Loss on foreign currency forward contracts (net of tax of \$0.1 million)	-0-	-0-	-0-	-0-	(157)	-0-	-0-	(157)	(157)	(157)
Pension liability adjustment (net of tax of \$0.6 million)	-0-	-0-	-0-	-0-	1,151	-0-	-0-	1,151	1,151	1,151
Postretirement liability adjustment (net of tax of \$0.0 million)	-0-	-0-	-0-	-0-	14	-0-	-0-	14	14	14
Foreign currency translation adjustment	-0-	-0-	-0-	-0-	886	-0-	-0-	886	886	886
Other	17	(9)	(7)	-0-	-0-	-0-	-0-	-0-	-0-	1
Comprehensive income								\$ 30,707		
Balance January 30, 2010	5,220	24,563	146,981	452,210	(28,804)	(17,857)	-0-	-0-	\$ 53,211	582,313
Net earnings	-0-	-0-	-0-	53,211	-0-	-0-	-0-	-0-	53,211	53,211
Dividends paid on non-redeemable preferred stock	-0-	-0-	-0-	(197)	-0-	-0-	-0-	-0-	-0-	(197)
Exercise of stock options	-0-	118	2,105	-0-	-0-	-0-	-0-	-0-	-0-	2,223
Issue shares – employee stock purchase plan	-0-	4	116	-0-	-0-	-0-	-0-	-0-	-0-	120
Employee and non-employee restricted stock	-0-	-0-	7,796	-0-	-0-	-0-	-0-	-0-	-0-	7,796
Share-based compensation	-0-	-0-	210	-0-	-0-	-0-	-0-	-0-	-0-	210
Restricted stock issuance	-0-	423	(423)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Restricted shares withheld for taxes	-0-	(82)	(2,293)	-0-	-0-	-0-	-0-	-0-	-0-	(2,375)
Tax expense of stock options and restricted stock exercised	-0-	-0-	1,342	-0-	-0-	-0-	-0-	-0-	-0-	1,342
Shares repurchased	-0-	(864)	(23,961)	-0-	-0-	-0-	-0-	-0-	-0-	(24,825)
Gain on foreign currency forward contracts (net of tax of \$0.1 million)	-0-	-0-	-0-	-0-	166	-0-	-0-	166	166	166
Pension liability adjustment (net of tax of \$2.7 million)	-0-	-0-	-0-	-0-	3,921	-0-	-0-	3,921	3,921	3,921
Postretirement liability adjustment (net of tax of \$0.1 million)	-0-	-0-	-0-	-0-	(131)	-0-	-0-	(131)	(131)	(131)
Foreign currency translation adjustment	-0-	-0-	-0-	-0-	543	-0-	-0-	543	543	543
Other	(37)	1	37	-0-	-0-	-0-	-0-	-0-	-0-	1
Noncontrolling interest – non-redeemable	-0-	-0-	-0-	-0-	-0-	-0-	2,503	-0-	-0-	2,503
Comprehensive income								\$ 57,710		
Balance January 29, 2011	5,183	24,163	131,910	505,224	(24,305)	(17,857)	2,503	-0-	\$ 81,959	626,821
Net earnings	-0-	-0-	-0-	81,959	-0-	-0-	-0-	-0-	81,959	81,959
Dividends paid on non-redeemable preferred stock	-0-	-0-	-0-	(193)	-0-	-0-	-0-	-0-	-0-	(193)
Exercise of stock options	-0-	390	9,297	-0-	-0-	-0-	-0-	-0-	-0-	9,687
Issue shares – employee stock purchase plan	-0-	3	130	-0-	-0-	-0-	-0-	-0-	-0-	133
Employee and non-employee restricted stock	-0-	-0-	7,659	-0-	-0-	-0-	-0-	-0-	-0-	7,659
Share-based compensation	-0-	-0-	1	-0-	-0-	-0-	-0-	-0-	-0-	1
Restricted stock issuance	-0-	304	(304)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Restricted shares withheld for taxes	-0-	(93)	(4,034)	-0-	-0-	-0-	-0-	-0-	-0-	(4,127)
Tax expense of stock options and restricted stock exercised	-0-	-0-	4,585	-0-	-0-	-0-	-0-	-0-	-0-	4,585
Loss on foreign currency forward contracts (net of tax of \$0.0 million)	-0-	-0-	-0-	-0-	(35)	-0-	-0-	(35)	(35)	(35)
Pension liability adjustment (net of tax benefit of \$3.1 million)	-0-	-0-	-0-	-0-	(4,670)	-0-	-0-	(4,670)	(4,670)	(4,670)
Postretirement liability adjustment (net of tax benefit of \$0.1 million)	-0-	-0-	-0-	-0-	(109)	-0-	-0-	(109)	(109)	(109)
Foreign currency translation adjustment	-0-	-0-	-0-	-0-	(3,847)	-0-	-0-	(3,847)	(3,847)	(3,847)
Other	(226)	(9)	235	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Noncontrolling interest – earnings (loss)	-0-	-0-	-0-	-0-	-0-	-0-	(254)	-0-	-0-	(254)
Comprehensive income								\$ 73,298		
Balance January 28, 2012	\$ 4,957	\$ 24,758	\$ 149,479	\$ 586,990	\$ (32,966)	\$ (17,857)	\$ 2,249	-0-	\$ 717,610	

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

NATURE OF OPERATIONS

The Company's business includes the design and sourcing, marketing and distribution of footwear and accessories through retail stores in the U.S., Puerto Rico and Canada primarily under the *Journeys*, *Journeys Kidz*, *Shi by Journeys*, *Johnston & Murphy*, and *Underground Station* banners and under the newly acquired *Schuh* banner in the United Kingdom and the Republic of Ireland; through e-commerce websites, including: *journeys.com*, *journeyskidz.com*, *shibyjourneys.com*, *undergroundstation.com*, *schuh.co.uk* and *johnstonmurphy.com*, and at wholesale, primarily under the Company's *Johnston & Murphy* brand and the *Dockers* brand, which the Company licenses for men's footwear. The Company's business also includes Lids Sports, which operates headwear and accessory stores in the U.S. and Canada primarily under the *Lids*, *Hat World* and *Hat Shack* banners; the Lids Locker Room business, consisting of sports-oriented fan shops featuring a broad array of licensed merchandise such as apparel, hats and accessories, sports decor and novelty products, operating primarily under the *Lids Locker Room*, *Sports Fan-Attic* and *Sports Avenue* banners; certain e-commerce operations and an athletic team dealer business operating as Lids Team Sports. Including both the footwear businesses and the Lids Sports business, at January 28, 2012, the Company operated 2,387 retail stores in the U.S., Puerto Rico, Canada, United Kingdom and the Republic of Ireland.

PRINCIPLES OF CONSOLIDATION

All subsidiaries are consolidated in the consolidated financial statements. All significant intercompany transactions and accounts have been eliminated.

FISCAL YEAR

The Company's fiscal year ends on the Saturday closest to January 31. As a result, each of Fiscal 2012, Fiscal 2011 and Fiscal 2010 was a 52-week year with 364 days. Fiscal 2012 ended on January 28, 2012, Fiscal 2011 ended on January 29, 2011 and Fiscal 2010 ended on January 30, 2010.

FINANCIAL STATEMENT RECLASSIFICATIONS

Certain expenses previously allocated to the corporate segment have been reallocated to operating segments beginning in Fiscal 2012. Segment operating income (loss) for Fiscal 2011 and 2010 have been restated by operating segment totaling \$6.8 million and \$4.9 million, respectively, with an offsetting increase to corporate and other operating income to conform to the current year presentation (see Note 14).

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. 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.

Significant areas requiring management estimates or judgments include the following key financial areas:

INVENTORY VALUATION

The Company values its inventories at the lower of cost or market.

In its footwear wholesale operations, its Schuh Group segment and its Lids Sports Group wholesale operations, except for the Anaconda Sports wholesale division, cost is determined using the first-in, first-out ("FIFO") method. Market value is determined using a system of analysis, which evaluates inventory at the stock number level based on factors such as inventory turn, average selling price, inventory level, and selling prices reflected in future orders. The Company provides reserves when the inventory has not been marked down to market value based on current selling prices or when the inventory is not turning and is not expected to turn at levels satisfactory to the Company.

The Lids Sports Group retail segment and its Anaconda Sports wholesale division employ the moving average cost method for valuing inventories and apply freight using an allocation method. The Company provides a valuation allowance for slow-moving inventory based on negative margins and estimated shrink based on historical experience and specific analysis, where appropriate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 1: Summary of Significant Accounting Policies, Continued**

In its retail operations, other than the Schuh Group and Lids Sports Group retail segments, the Company employs the retail inventory method, applying average cost-to-retail ratios to the retail value of inventories. Under the retail inventory method, valuing inventory at the lower of cost or market is achieved as markdowns are taken or accrued as a reduction of the retail value of inventories.

Inherent in the retail inventory method are subjective judgments and estimates, including merchandise mark-on, markups, markdowns, and shrinkage. These judgments and estimates, coupled with the fact that the retail inventory method is an averaging process, could produce a range of cost figures. To reduce the risk of inaccuracy and to ensure consistent presentation, the Company employs the retail inventory method in multiple subclasses of inventory with similar gross margins, and analyzes markdown requirements at the stock number level based on factors such as inventory turn, average selling price, and inventory age. In addition, the Company accrues markdowns as necessary. These additional markdown accruals reflect all of the above factors as well as current agreements to return products to vendors and vendor agreements to provide markdown support. In addition to markdown provisions, the Company maintains provisions for shrinkage and damaged goods based on historical rates.

Inherent in the analysis of both wholesale and retail inventory valuation are subjective judgments about current market conditions, fashion trends, and overall economic conditions. Failure to make appropriate conclusions regarding these factors may result in an overstatement or understatement of inventory value.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company periodically assesses the realizability of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Asset impairment is determined to exist if estimated future cash flows, undiscounted and without interest charges, are less than the carrying amount. Inherent in the analysis of impairment are subjective judgments about future cash flows. Failure to make appropriate conclusions regarding these judgments may result in an overstatement or understatement of the value of long-lived assets. See also Notes 3 and 5.

The goodwill impairment test involves a two-step process. The first step is a comparison of the fair value and carrying value of the reporting unit with which the goodwill is associated. The Company estimates fair value using the best information available, and computes the fair value by an equal weighting of the results arrived by a market approach and an income approach utilizing discounted cash flow projections. The income approach uses a projection of a business unit's estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions. The projection uses management's best estimates of economic and market conditions over the projected period including growth rates in sales, costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements.

If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. Specifically, the Company would allocate the fair value to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that would calculate the implied fair value of goodwill. If the implied fair value of goodwill is less than the recorded goodwill, the Company would record an impairment charge for the difference.

A key assumption in the Company's fair value estimate is the weighted average cost of capital utilized for discounting its cash flow projections in its income approach. The Company believes the rate it used in its annual test, which is completed in the fourth quarter each year, was consistent with the risks inherent in its business and with industry discount rates.

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 13. The Company has made pretax accruals for certain of these contingencies, including approximately \$1.8 million in Fiscal 2012, \$2.9 million in Fiscal 2011 and \$0.8 million in Fiscal 2010,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 1: Summary of Significant Accounting Policies, Continued**

respectively. These charges are included in provision for discontinued operations, net in the Consolidated Statements of Operations (see Note 3). The Company monitors these matters on an ongoing basis and, on a quarterly basis, 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 best estimate of probable loss connected to the proceeding, or in cases in which no best 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. However, because of uncertainties and risks inherent in litigation generally and in environmental proceedings in particular, there can be no assurance that future developments will not require additional reserves to be set aside, that some or all reserves will 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.

REVENUE RECOGNITION

Retail sales are recorded at the point of sale and are net of estimated returns and exclude sales and value added taxes. Catalog and Internet sales are recorded at estimated time of delivery to the customer and are net of estimated returns and exclude sales taxes. Wholesale revenue is recorded net of estimated returns and allowances for markdowns, damages and miscellaneous claims when the related goods have been shipped and legal title has passed to the customer. Shipping and handling costs charged to customers are included in net sales. Estimated returns are based on historical returns and claims. Actual amounts of markdowns have not differed materially from estimates. Actual returns and claims in any future period may differ from historical experience.

INCOME TAXES

As part of the process of preparing Consolidated Financial Statements, the Company is required to estimate its income taxes in each of the tax jurisdictions in which it operates. This process involves estimating actual current tax obligations together with assessing temporary differences resulting from differing treatment of certain items for tax and accounting purposes, such as depreciation of property and equipment and valuation of inventories. These temporary differences result in deferred tax assets and liabilities, which are included within the Consolidated Balance Sheets. The Company then assesses the likelihood that its deferred tax assets will be recovered from future taxable income. Actual results could differ from this assessment if adequate taxable income is not generated in future periods. To the extent the Company believes that recovery of an asset is at risk, valuation allowances are established. To the extent valuation allowances are established or increased in a period, the Company includes an expense within the tax provision in the Consolidated Statements of Operations. These deferred tax valuation allowances may be released in future years when management considers that it is more likely than not that some portion or all of the deferred tax assets will be realized. In making such a determination, management will need to periodically evaluate whether or not all available evidence, such as future taxable income and reversal of temporary differences, tax planning strategies, and recent results of operations, provides sufficient positive evidence to offset any other potential negative evidence that may exist at such time. In the event the deferred tax valuation allowance is released, the Company would record an income tax benefit for the portion or all of the deferred tax valuation allowance released. At January 28, 2012, the Company had a deferred tax valuation allowance of \$3.8 million. The Company recorded an effective income tax rate of 40.2% for Fiscal 2012 compared to 35.8% for Fiscal 2011. This year's rate is higher due to transaction costs and deferred purchase price related to the Schuh acquisition which are considered permanent differences. The rate for Fiscal 2011 was unusually low reflecting the net reduction of the Company's liability for uncertain tax positions of \$1.3 million in Fiscal 2011.

Income tax reserves are determined using the methodology required by the Income Tax Topic of the Codification. This methodology requires companies to assess each income tax position taken using a two step process. A determination is first made as to whether it is more likely than not that the position will be sustained, based upon the technical merits, upon examination by the taxing authorities. If the tax position is expected to meet the more likely than not criteria, the benefit recorded for the tax position equals the largest amount that is greater than 50% likely to be realized upon ultimate settlement of the respective tax position. Uncertain tax positions require determinations and estimated

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 1: Summary of Significant Accounting Policies, Continued**

liabilities to be made based on provisions of the tax law which may be subject to change or varying interpretation. If the Company's determinations and estimates prove to be inaccurate, the resulting adjustments could be material to its future financial results. The Company believes it is reasonably possible that there will be an \$8.0 million decrease in the gross tax liability for uncertain tax positions within the next 12 months based upon the expiration of statutes of limitation in various tax jurisdictions and potential settlements.

POSTRETIREMENT BENEFITS PLAN ACCOUNTING

Full-time employees who had at least 1,000 hours of service in calendar year 2004, except employees in the Lids Sports Group and Schuh Group segments, are covered by a defined benefit pension plan. The Company froze the defined benefit pension plan effective January 1, 2005. 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.

As required by the Compensation – Retirement Benefits Topic of the Codification, the Company is required to recognize the overfunded or underfunded status of postretirement benefit plans as an asset or liability in their Consolidated Balance Sheets and to recognize changes in that funded status in accumulated other comprehensive loss, net of tax, in the year in which the changes occur.

The Company accounts for the defined benefit pension plans using the Compensation-Retirement Benefits Topic of the Codification. As permitted under this topic, pension expense is recognized on an accrual basis over employees' approximate service periods. The calculation of pension expense and the corresponding liability requires the use of a number of critical assumptions, including the expected long-term rate of return on plan assets and the assumed discount rate, as well as the recognition of actuarial gains and losses. Changes in these assumptions can result in different expense and liability amounts, and future actual experience can differ from these assumptions.

SHARE-BASED COMPENSATION

The Company has share-based compensation plans covering certain members of management and non-employee directors. The Company recognizes compensation expense for share-based payments based on the fair value of the awards as required by the Compensation – Stock Compensation Topic of the Codification. For Fiscal 2012, 2011 and 2010, share-based compensation expense was less than \$1,000, \$0.2 million and \$0.5 million, respectively. The Company did not issue any new share-based compensation awards in Fiscal 2012, 2011 or 2010. For Fiscal 2012, 2011 and 2010, restricted stock expense was \$7.7 million, \$7.8 million and \$6.5 million, respectively. The fair value of employee restricted stock is determined based on the closing price of the Company's stock on the date of the grant. The benefits of tax deductions in excess of recognized compensation expense are reported as a financing cash flow.

CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents at January 28, 2012 and January 29, 2011 are cash equivalents of \$0.2 million and \$29.8 million, respectively. Cash equivalents are highly-liquid financial instruments having an original maturity of three months or less. At January 28, 2012, substantially all of the Company's domestic cash was invested in deposit accounts at FDIC-insured banks. All of the Company's domestic deposit account balances are currently FDIC insured as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The majority of payments due from banks for domestic customer credit card transactions process within 24–48 hours and are accordingly classified as cash and cash equivalents.

At January 28, 2012 and January 29, 2011 outstanding checks drawn on zero-balance accounts at certain domestic banks exceeded book cash balances at those banks by approximately \$39.0 million and \$36.1 million, respectively. These amounts are included in accounts payable.

CONCENTRATION OF CREDIT RISK AND ALLOWANCES ON ACCOUNTS RECEIVABLE

The Company's footwear wholesale businesses sell primarily to independent retailers and department stores across the United States. Receivables arising from these sales are not collateralized. Customer credit risk is affected by conditions or occurrences within the economy and the retail industry as well as by customer specific factors. The Company's Lids Team Sports wholesale business sells primarily to colleges and high school athletic teams and their fan bases. Including

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 1: Summary of Significant Accounting Policies, Continued**

both footwear wholesale and Lids Team Sports wholesale business receivables, one customer accounted for 5% of the Company's total trade receivables balance, while no other customer accounted for more than 4% of the Company's total trade receivables balance as of January 28, 2012.

The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information, as well as customer specific factors. The Company also establishes allowances for sales returns, customer deductions and co-op advertising based on specific circumstances, historical trends and projected probable outcomes.

PROPERTY AND EQUIPMENT

Property and equipment 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 the following estimated useful lives:

BUILDINGS AND BUILDING EQUIPMENT	20-45 YEARS
COMPUTER HARDWARE, SOFTWARE AND EQUIPMENT	3-10 YEARS
FURNITURE AND FIXTURES	10 YEARS

LEASES

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 and the charge to earnings is included in selling and administrative expenses in the Consolidated Statements of Operations.

Certain leases include rent increases during the initial lease term. For these leases, the Company recognizes the related rental expense on a straight-line basis over the term of the lease (which includes any rent holidays and the pre-opening period of construction, renovation, fixturing and merchandise placement) and records the difference between the amounts charged to operations and amounts paid as deferred rent.

The Company occasionally receives reimbursements from landlords to be used towards construction of the store the Company intends to lease. Leasehold improvements are recorded at their gross costs including items reimbursed by landlords. The reimbursements are amortized as a reduction of rent expense over the initial lease term.

GOODWILL AND OTHER INTANGIBLES

Under the provisions of the Intangibles – Goodwill and Other Topic of the Codification, goodwill and intangible assets with indefinite lives are not amortized, but are tested at least annually, during the fourth quarter, for impairment. The Company will update the tests between annual tests if events or circumstances occur that would more likely than not reduce the fair value of the business unit with which the goodwill is associated below its carrying amount. It is also required that intangible assets with finite lives be amortized over their respective lives to their estimated residual values, and reviewed for impairment in accordance with the Property, Plant and Equipment Topic of the Codification.

Intangible assets of the Company with indefinite lives are primarily goodwill and identifiable trademarks acquired in connection with the acquisition of Schuh Group Ltd. in June 2011 and Hat World Corporation in April 2004. The Consolidated Balance Sheets include goodwill for the Lids Sports Group of \$159.1 million, \$99.9 million for the Schuh Group and \$0.8 million for Licensed Brands at January 28, 2012 and for the Lids Sports Group of \$152.5 million and \$0.8 million for Licensed Brands at January 29, 2011. The Company tests for impairment of intangible assets with an indefinite life, at a minimum on an annual basis, relying on a number of factors including operating results, business plans, projected future cash flows and observable market data. The impairment test for identifiable assets not subject to amortization consists of a comparison of the fair value of the intangible asset with its carrying amount. The Company has not had an impairment charge for intangible assets.

Identifiable intangible assets of the Company with finite lives are primarily trademarks acquired in connection with the acquisition of Hat Shack, Inc. in January 2007, Impact Sports in November 2008, Great Plains Sports in September 2009, Sports Fan-Attic in November 2009, Brand Innovators in May 2010, Anaconda Sports in August 2010, Keuka Footwear in August 2010 and Sports Avenue in October 2010, customer lists, in-place leases, non-compete agreements and a vendor contract. They are subject to amortization based upon their estimated useful lives. Finite-lived intangible assets are evaluated for impairment using a process similar to that used to evaluate other definite-lived long-lived assets,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 1: Summary of Significant Accounting Policies, Continued**

a comparison of the fair value of the intangible asset with its carrying amount. An impairment loss is recognized for the amount by which the carrying value exceeds the fair value of the asset.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Company's financial instruments at January 28, 2012 and January 29, 2011 are:

FAIR VALUES

IN THOUSANDS	JANUARY 28, 2012		JANUARY 29, 2011	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Revolver Borrowings	\$ 5,000	\$ 5,021	\$ -0-	\$ -0-
UK Term Loans	35,704	35,387	-0-	-0-

Debt fair values were determined using the income approach which measures the value of an asset by the present value of its future economic benefits.

Carrying amounts reported on the Consolidated Balance Sheets for cash, cash equivalents, receivables and accounts payable approximate fair value due to the short-term maturity of these instruments.

COST OF SALES

For the Company's retail operations, the cost of sales includes actual product cost, the cost of transportation to the Company's warehouses from suppliers and the cost of transportation from the Company's warehouses to the stores. Additionally, the cost of its distribution facilities allocated to its retail operations is included in cost of sales.

For the Company's wholesale operations, the cost of sales includes the actual product cost and the cost of transportation to the Company's warehouses from suppliers.

SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses include all operating costs of the Company excluding (i) those related to the transportation of products from the supplier to the warehouse, (ii) for its retail operations, those related to the transportation of products from the warehouse to the store and (iii) costs of its distribution facilities which are allocated to its retail operations. Wholesale and unallocated retail costs of distribution are included in selling and administrative expenses in the amounts of \$9.2 million, \$5.9 million and \$4.8 million for Fiscal 2012, Fiscal 2011 and Fiscal 2010, respectively.

GIFT CARDS

The Company has a gift card program that began in calendar 1999 for its Lids Sports operations and calendar 2000 for its footwear operations. The gift cards issued to date do not expire. As such, the Company recognizes income when: (i) the gift card is redeemed by the customer; or (ii) the likelihood of the gift card being redeemed by the customer for the purchase of goods in the future is remote and there are no related escheat laws (referred to as "breakage"). The gift card breakage rate is based upon historical redemption patterns and income is recognized for unredeemed gift cards in proportion to those historical redemption patterns.

Gift card breakage is recognized in revenues each period. Gift card breakage recognized as revenue was \$0.6 million, \$0.7 million and \$0.7 million for Fiscal 2012, 2011 and 2010, respectively. The Consolidated Balance Sheets include an accrued liability for gift cards of \$10.4 million and \$9.0 million at January 28, 2012 and January 29, 2011, respectively.

BUYING, MERCHANDISING AND OCCUPANCY COSTS

The Company records buying, merchandising and occupancy costs in selling and administrative expense. Because the Company does not include these costs in cost of sales, the Company's gross margin may not be comparable to other retailers that include these costs in the calculation of gross margin.

SHIPPING AND HANDLING COSTS

Shipping and handling costs related to inventory purchased from suppliers are included in the cost of inventory and are charged to cost of sales in the period that the inventory is sold. All other shipping and handling costs are charged to cost of sales in the period incurred except for wholesale and unallocated retail costs of distribution, which are included in selling and administrative expenses.

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, and are included in selling and administrative expenses on the accompanying Consolidated Statements of Operations.

STORE CLOSINGS AND EXIT COSTS

From time to time, the Company makes strategic decisions to close stores or exit locations or activities. If stores or operating activities to be closed or exited constitute components, as defined by the Property, Plant and Equipment Topic of the Codification, and will not result in a migration of customers and cash flows, these closures will be considered discontinued operations when the related assets meet the criteria to be classified as held for sale, or at the cease-use date, whichever occurs first. The results of operations of discontinued operations are presented retroactively, net of tax, as a separate component on the Consolidated Statements of Operations, if material individually or cumulatively. To date, no store closings meeting the discontinued operations criteria have been material individually or cumulatively. Assets related to planned store closures or other exit activities are reflected as assets held for sale and recorded at the lower of carrying value or fair value less costs to sell when the required criteria, as defined by the Property, Plant and Equipment Topic of the Codification, are satisfied. Depreciation ceases on the date that the held for sale criteria are met.

Assets related to planned store closures or other exit activities that do not meet the criteria to be classified as held for sale are evaluated for impairment in accordance with the Company's normal impairment policy, but with consideration given to revised estimates of future cash flows. In any event, the remaining depreciable useful lives are evaluated and adjusted as necessary.

Exit costs related to anticipated lease termination costs, severance benefits and other expected charges are accrued for and recognized in accordance with the Exit or Disposal Cost Obligations Topic of the Codification.

ADVERTISING COSTS

Advertising costs are predominantly expensed as incurred. Advertising costs were \$42.5 million, \$35.1 million and \$33.8 million for Fiscal 2012, 2011 and 2010, respectively. Direct response advertising costs for catalogs are capitalized in accordance with the Other Assets and Deferred Costs Topic for Capitalized Advertising Costs of the Codification. Such costs are amortized over the estimated future period as revenues realized from such advertising, not to exceed six months. The Consolidated Balance Sheets include prepaid assets for direct response advertising costs of \$1.1 million at both January 28, 2012 and January 29, 2011.

CONSIDERATION TO RESELLERS

The Company does not have any written buy-down programs with retailers, but the Company has provided certain retailers with markdown allowances for obsolete and slow moving products that are in the retailer's inventory. The Company estimates these allowances and provides for them as reductions to revenues at the time revenues are recorded. Markdowns are negotiated with retailers and changes are made to the estimates as agreements are reached. Actual amounts for markdowns have not differed materially from estimates.

COOPERATIVE ADVERTISING

Cooperative advertising funds are made available to all of the Company's wholesale customers. In order for retailers to receive reimbursement under such programs, the retailer must meet specified advertising guidelines and provide appropriate documentation of expenses to be reimbursed. The Company's cooperative advertising agreements require that wholesale customers present documentation or other evidence of specific advertisements or display materials used for the Company's products by submitting the actual print advertisements presented in catalogs, newspaper inserts or other advertising circulars, or by permitting physical inspection of displays. Additionally, the Company's cooperative advertising agreements require that the amount of reimbursement requested for such advertising or materials be supported by invoices or other evidence of the actual costs incurred by the retailer. The Company accounts for these cooperative advertising costs as selling and administrative expenses, in accordance with the Revenue Recognition Topic for Customer Payments and Incentives of the Codification.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 1: Summary of Significant Accounting Policies, Continued**

Cooperative advertising costs recognized in selling and administrative expenses were \$3.3 million, \$3.2 million and \$2.8 million for Fiscal 2012, 2011 and 2010, respectively. During Fiscal 2012, 2011 and 2010, the Company's cooperative advertising reimbursements paid did not exceed the fair value of the benefits received under those agreements.

VENDOR ALLOWANCES

From time to time, the Company negotiates allowances from its vendors for markdowns taken or expected to be taken. These markdowns are typically negotiated on specific merchandise and for specific amounts. These specific allowances are recognized as a reduction in cost of sales in the period in which the markdowns are taken. Markdown allowances not attached to specific inventory on hand or already sold are applied to concurrent or future purchases from each respective vendor.

The Company receives support from some of its vendors in the form of reimbursements for cooperative advertising and catalog costs for the launch and promotion of certain products. The reimbursements are agreed upon with vendors and represent specific, incremental, identifiable costs incurred by the Company in selling the vendor's specific products. Such costs and the related reimbursements are accumulated and monitored on an individual vendor basis, pursuant to the respective cooperative advertising agreements with vendors. Such cooperative advertising reimbursements are recorded as a reduction of selling and administrative expenses in the same period in which the associated expense is incurred. If the amount of cash consideration received exceeds the costs being reimbursed, such excess amount would be recorded as a reduction of cost of sales.

Vendor reimbursements of cooperative advertising costs recognized as a reduction of selling and administrative expenses were \$3.0 million, \$3.1 million and \$3.6 million for Fiscal 2012, 2011 and 2010, respectively. During Fiscal 2012, 2011 and 2010, the Company's cooperative advertising reimbursements received were not in excess of the costs incurred.

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.

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 11).

OTHER COMPREHENSIVE INCOME

The Comprehensive Income Topic of the Codification requires, among other things, the Company's pension liability adjustment, postretirement liability adjustment, unrealized gains or losses on foreign currency forward contracts and foreign currency translation adjustments to be included in other comprehensive income net of tax. Accumulated other comprehensive loss at January 28, 2012 consisted of \$29.6 million of cumulative pension liability adjustments, net of tax, a cumulative post retirement liability adjustment of \$0.3 million, net of tax, and a foreign currency translation adjustment of \$3.1 million.

BUSINESS SEGMENTS

The Segment Reporting Topic of the Codification, requires that companies disclose "operating segments" based on the way management disaggregates the Company's operations for making internal operating decisions (see Note 14).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 1: Summary of Significant Accounting Policies, Continued****DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES**

The Derivatives and Hedging Topic of the Codification 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 are recorded each period in current earnings or in other comprehensive income depending on the intended use of the derivative and the resulting designation. In prior periods, the Company entered into a small amount of foreign currency forward exchange contracts in order to reduce exposure to foreign currency exchange rate fluctuations in connection with inventory purchase commitments for its Johnston & Murphy Group.

There were no such contracts outstanding at January 28, 2012 or January 29, 2011. For the year ended January 28, 2012, the Company recorded an unrealized loss on foreign currency forward contracts of less than \$0.1 million in accumulated other comprehensive loss, before taxes. The Company monitors the credit quality of the major national and regional financial institutions with which it enters into such contracts.

The Company estimates that the majority of net hedging losses related to forward exchange contracts will be reclassified from accumulated other comprehensive loss into earnings through higher cost of sales over the succeeding year.

NEW ACCOUNTING PRINCIPLES

In June 2011, FASB issued Accounting Standards Update No. 2011-05, an update to the FASB Codification Comprehensive Income Topic, which amends the existing accounting standards related to the presentation of comprehensive income in a company's financial statements. This update requires that all non-owner changes in shareholders' equity be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. In the two statement approach, the first statement would present total net earnings and its components followed consecutively by a second statement that should present total other comprehensive income, the components of other comprehensive income and the total of comprehensive income. Under either presentation alternative, reclassification adjustments and the effect of those adjustments on net earnings and other comprehensive income must be presented in the respective statement or statements, as applicable. This update becomes effective in periods beginning after December 15, 2011 and is required to be adopted retrospectively. Early adoption is permitted. The Company is currently evaluating which of the two presentation alternatives it will adopt, but it is not expected to have a significant impact on the Company's results of operations or financial position.

In September 2011, the FASB issued Accounting Standards Update No. 2011-08, an update to FASB Codification Intangibles – Goodwill and Other Topic, which amends the existing accounting standards related to the method of assessing goodwill for potential impairment. Specifically, this update limits the requirement for a company to perform a quantitative goodwill impairment test to situations in which management believes it is more likely than not that the fair value of a reporting unit is less than its carrying amount. This update becomes effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted. The Company will adopt this update in Fiscal 2013 which begins January 29, 2012. The Company does not expect the adoption of this update to have a significant impact on the Company's results of operations or financial position.

In December 2011, the FASB issued Accounting Standards Update No. 2011-12, an update to the FASB Codification Comprehensive Income Topic, which defers the specific requirement to present items that are reclassified from accumulated other comprehensive income to net earnings separately with their respective components of net earnings and other comprehensive income. The update does not defer the requirement to report comprehensive income either in a single continuous statement or in two separate but consecutive financial statements. This update becomes effective in periods beginning after December 15, 2011. The Company does not expect the adoption of this update to have a significant impact on the Company's results of operations or financial position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2: Acquisitions and Intangible Assets**SCHUH ACQUISITION**

On June 23, 2011, the Company, through its newly-formed, wholly-owned subsidiary Genesco (UK) Limited ("Genesco UK"), completed the acquisition of all the outstanding shares of Schuh Group Ltd. ("Schuh") for a total purchase price of approximately £100 million, less £29.5 million outstanding under existing Schuh credit facilities, which remain in place, less a £1.9 million working capital adjustment and plus £6.2 million net cash acquired, with £5.0 million withheld until satisfaction of certain closing conditions. The Company financed the acquisition with borrowings under its existing credit facility and the balance from cash on hand. The purchase agreement also provides for deferred purchase price payments totaling £25 million, payable £15 million and £10 million on the third and fourth anniversaries of the closing, respectively, subject to the payees' not having terminated their employment with Schuh under certain specified circumstances. This amount will be recorded as compensation expense and not reported as a component of the cost of the acquisition. During the fiscal year ended January 28, 2012, compensation expense related to the Schuh acquisition deferred purchase price obligation was \$7.2 million. This expense is included in operating income for the Schuh Group segment.

Headquartered in Scotland, Schuh is a specialty retailer of casual and athletic footwear sold through 64 retail stores in the United Kingdom and the Republic of Ireland and 14 concessions in Republic apparel stores as of January 28, 2012. The Company believes the acquisition will enhance its strategic development and prospects for growth and provide the Company with an established retail presence in the United Kingdom and improved insight into global fashion trends. The results of Schuh's operations for the fiscal year from the date of acquisition through January 28, 2012, including net sales of \$212.3 million and operating income of \$11.7 million, have been included in the Company's Consolidated Financial Statements for the fiscal year ended January 28, 2012. During the fiscal year ended January 28, 2012, the Company expensed \$7.4 million in costs related to the acquisition. These costs were recorded as selling and administrative expenses on the Consolidated Statements of Operations.

The acquisition has been accounted for using the purchase method in accordance with the amended Business Combinations Topic of the Codification. Accordingly, the total purchase price has been allocated to the assets acquired and liabilities assumed based on their estimated fair values at acquisition as follows (amounts in thousands):

At June 23, 2011	
Cash	\$ 24,836
Accounts Receivable	4,673
Inventories	32,179
Other current assets	7,565
Property and equipment	30,314
Other non-current assets	6,977
Deferred taxes	4,197
Trademarks	27,224
Other intangibles	4,995
Goodwill	102,907
Accounts payable	(16,196)
Other current liabilities	(24,718)
Long-term debt (includes current portion)	(62,562)
Other non-current liabilities	(26,637)
Net Assets Acquired	<u>\$ 115,754</u>

The trademarks acquired include the concept names and are deemed to have an indefinite life. Other intangibles include a \$1.7 million customer list, a \$2.5 million asset to reflect the adjustment of acquired leases to market and a vendor contract of \$0.8 million. The weighted average amortization period for the asset to adjust acquired leases to market is 2.7 years. The weighted average amortization period for customer lists is 4.6 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2: Acquisitions and Intangible Assets, Continued

The recorded amounts above are provisional and subject to change. Specifically, the following items are subject to change:

- Amounts for income tax assets, receivables and liabilities pending further review of Schuh's pre-acquisition tax information, which may change certain estimates and assumptions used.

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Specifically, the goodwill recorded as part of the acquisition of Schuh includes the expected purchasing synergies and other benefits that result from combining the Schuh business with the Company, improved insight into global fashion trends, any intangible assets that do not qualify for separate recognition and an acquired assembled workforce. The goodwill related to the Schuh acquisition is not deductible for tax purposes.

The following pro forma information presents the results of operations of the Company as if the Schuh acquisition had taken place at the beginning of Fiscal 2011 or January 31, 2010. Pro forma adjustments have been made to reflect additional interest expense from the \$89.0 million in debt associated with the acquisition, interest expense on the acquired debt, amortization of intangible assets and the related income tax effects. Pro forma earnings for the twelve months ended January 28, 2012 have been adjusted to exclude \$7.4 million of costs related to the acquisition.

IN THOUSANDS, EXCEPT PER SHARE DATA	TWELVE MONTHS ENDED –	TWELVE MONTHS ENDED –
	PRO FORMA	PRO FORMA
	JANUARY 28, 2012	JANUARY 29, 2011
Net sales	\$ 2,384,267	\$ 2,045,473
Earnings from continuing operations	86,378	57,897
Earnings per share:		
Basic	\$ 3.71	\$ 2.49
Diluted	\$ 3.62	\$ 2.44

The pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the results of operations that would have occurred had the Schuh acquisition occurred at the beginning of Fiscal 2011.

INTANGIBLE ASSETS

Other intangibles by major classes were as follows:

IN THOUSANDS	LEASES		CUSTOMER LISTS		OTHER*		TOTAL	
	JAN. 28, 2012	JAN. 29, 2011	JAN. 28, 2012	JAN. 29, 2011	JAN. 28, 2012	JAN. 29, 2011	JAN. 28, 2012	JAN. 29, 2011
Gross other intangibles	\$ 12,390	\$ 9,837	\$ 14,062	\$ 12,206	\$ 2,001	\$ 1,100	\$ 28,453	\$ 23,143
Accumulated amortization	(9,477)	(8,482)	(3,292)	(1,480)	(876)	(603)	(13,645)	(10,565)
Net Other Intangibles	\$ 2,913	\$ 1,355	\$ 10,770	\$ 10,726	\$ 1,125	\$ 497	\$ 14,808	\$ 12,578

*Includes non-compete agreements, vendor contract and backlog.

The amortization of intangibles was \$4.2 million, \$2.5 million and \$0.9 million for Fiscal 2012, 2011 and 2010, respectively. The amortization of intangibles will be \$4.6 million, \$4.1 million, \$3.1 million, \$2.1 million and \$1.7 million for Fiscal 2013, 2014, 2015, 2016 and 2017, respectively.

Note 3: Restructuring and Other Charges and Discontinued Operations**RESTRUCTURING AND OTHER CHARGES**

In accordance with Company policy, assets are determined to be impaired when the revised estimated future cash flows are insufficient to recover the carrying costs. Impairment charges represent the excess of the carrying value over the fair value of those assets.

Asset impairment charges are reflected as a reduction of the net carrying value of property and equipment, and in restructuring and other, net in the accompanying Consolidated Statements of Operations.

The Company recorded a pretax charge to earnings of \$2.7 million in Fiscal 2012. The charge reflected in restructuring and other, net, included \$1.1 million for retail store asset impairments, \$0.9 million for other legal matters and \$0.7 million for expenses related to the computer network intrusion. For additional information on the computer network intrusion, see Note 13.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3: Restructuring and Other Charges and Discontinued Operations, Continued

The Company recorded a pretax charge to earnings of \$8.6 million in Fiscal 2011. The charge reflected in restructuring and other, net, included \$7.2 million for retail store asset impairments, \$1.3 million for expenses related to the computer network intrusion and \$0.1 million for other legal matters.

The Company recorded a pretax charge to earnings of \$13.5 million in Fiscal 2010. The charge reflected in restructuring and other, net, included \$13.3 million for retail store asset impairments and \$0.4 million for lease terminations offset by \$0.3 million for other legal matters. Also included in the charge was \$0.1 million in excess markdowns related to the lease terminations which is reflected in cost of sales on the Consolidated Statements of Operations.

DISCONTINUED OPERATIONS

In Fiscal 2012, the Company recorded an additional charge to earnings of \$1.7 million (\$1.0 million net of tax) reflected in discontinued operations, including \$1.8 million primarily for anticipated costs of environmental remedial alternatives related to former facilities operated by the Company, offset by a \$0.1 million gain for excess provisions to prior discontinued operations (see Note 13).

In Fiscal 2011, the Company recorded an additional charge to earnings of \$2.2 million (\$1.3 million net of tax) reflected in discontinued operations, including \$2.9 million primarily for anticipated costs of environmental remedial alternatives related to former facilities operated by the Company, offset by a \$0.7 million gain for excess provisions to prior discontinued operations (see Note 13).

In Fiscal 2010, the Company recorded an additional charge to earnings of \$0.5 million (\$0.3 million net of tax) reflected in discontinued operations, including \$0.8 million primarily for anticipated costs of environmental remedial alternatives related to former facilities operated by the Company, offset by a \$0.3 million gain for excess provisions to prior discontinued operations (see Note 13).

ACCRUED PROVISION FOR DISCONTINUED OPERATIONS

IN THOUSANDS	FACILITY SHUTDOWN COSTS
Balance January 30, 2010	\$ 15,414
Additional provision Fiscal 2011	2,203
Charges and adjustments, net	(2,582)
Balance January 29, 2011	15,035
Additional provision Fiscal 2012	1,692
Charges and adjustments, net	(4,210)
Balance January 28, 2012*	12,517
Current provision for discontinued operations	8,250
Total Noncurrent Provision for Discontinued Operations	\$ 4,267

*Includes a \$13.0 million environmental provision, including \$8.8 million in current provision for discontinued operations.

Note 4: Inventories

IN THOUSANDS	JANUARY 28, 2012	JANUARY 29, 2011
Raw materials	\$ 30,636	\$ 11,952
Goods in process	-0-	338
Wholesale finished goods	53,453	47,866
Retail merchandise	351,024	299,580
Total Inventories	\$ 435,113	\$ 359,736

Note 5: Fair Value

The Fair Value Measurements and Disclosures Topic of the Codification defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. This Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5: Fair Value, Continued

which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

LEVEL 1 – Quoted prices in active markets for identical assets or liabilities.

LEVEL 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

LEVEL 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table presents the Company's assets and liabilities measured at fair value on a nonrecurring basis as of January 28, 2012 aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands):

	LONG-LIVED ASSETS				TOTAL
	HELD AND USED	LEVEL 1	LEVEL 2	LEVEL 3	LOSSES
Measured as of April 30, 2011	\$ 548	\$ -	\$ -	\$ 548	\$ 747
Measured as of July 30, 2011	\$ 189	\$ -	\$ -	\$ 189	\$ 313
Measured as of October 29, 2011	\$ 65	\$ -	\$ -	\$ 65	\$ 43
Measured as of January 28, 2012	\$ 6	\$ -	\$ -	\$ 6	\$ 16

In accordance with the Property, Plant and Equipment Topic of the Codification, the Company recorded \$1.1 million of impairment charges as a result of the fair value measurement of its long-lived assets held and used on a nonrecurring basis during the twelve months ended January 28, 2012. These charges are reflected in restructuring and other, net on the Consolidated Statements of Operations.

The Company used a discounted cash flow model to estimate the fair value of these long-lived assets at January 28, 2012. Discount rate and growth rate assumptions are derived from current economic conditions, expectations of management and projected trends of current operating results. As a result, the Company has determined that the majority of the inputs used to value its long-lived assets held and used are unobservable inputs that fall within Level 3 of the fair value hierarchy.

Note 6: Long-Term Debt

IN THOUSANDS	JANUARY 28, 2012	JANUARY 29, 2011
Revolver borrowings	\$ 5,000	\$ -0-
UK term loans	35,704	-0-
Total long-term debt	40,704	-0-
Current portion	8,773	-0-
Total Noncurrent Portion of Long-Term Debt	\$ 31,931	\$ -0-

Long-term debt maturing during each of the next five years ending January is \$8.8 million, \$5.5 million, \$5.5 million, \$20.9 million and \$0.0 million.

CREDIT AGREEMENT:

On June 23, 2011, the Company entered into a First Amendment (the "Amendment") to the Second Amended and Restated Credit Agreement (the "Credit Facility") dated January 21, 2011 by and among the Company, certain subsidiaries of the Company party thereto, as other borrowers, the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent. The Amendment raised the aggregate principal amount on the credit facility to \$375.0 million from \$300.0 million. The Credit Facility was amended to permit the Schuh acquisition (see Note 2). The Credit Facility expires January 21, 2016.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 6: Long-Term Debt, Continued**

Deferred financing costs incurred of \$3.0 million related to the Credit Facility were capitalized and are being amortized over five years. Deferred financing costs incurred of \$0.7 million related to the Amendment were also capitalized and are being amortized over five years. These costs are included in other non-current assets on the Consolidated Balance Sheets.

The Company had \$5.0 million revolver borrowings outstanding under the Credit Facility at January 28, 2012 and \$35.7 million in term loans outstanding under the U.K. Credit Facility (described below) at January 28, 2012. The Company had outstanding letters of credit of \$10.1 million under the Credit Facility at January 28, 2012. These letters of credit support product purchases and lease and insurance indemnifications.

The material terms of the Credit Facility, as amended, are as follows:

AVAILABILITY

The amended Credit Facility is a revolving credit facility in the aggregate principal amount of \$375.0 million, with a \$40.0 million swingline loan sublimit, a \$70.0 million sublimit for the issuance of standby letters of credit and a Canadian sub-facility of up to \$8.0 million. The Company canceled its Tranche A-1 sublimit of up to \$30.0 million as of December 27, 2011. The facility has a five-year term. Any swingline loans and any letters of credit and borrowings under the Canadian facility will reduce the availability under the Credit Facility on a dollar-for-dollar basis. In addition, the Company has an option to increase the availability under the Credit Facility by up to \$75.0 million subject to, among other things, the receipt of commitments for the increased amount. The aggregate amount of the loans made and letters of credit issued under the Credit Facility shall at no time exceed the lesser of the facility amount (\$375.0 million or, if increased at the Company's option, subject to the receipt of commitments for the increased amount, up to \$450.0 million) or the "Borrowing Base", which generally is based on 90% of eligible inventory plus 85% of eligible wholesale receivables (50% of eligible wholesale receivables of the Lids Team Sports business) plus 90% of eligible credit card and debit card receivables less applicable reserves.

COLLATERAL

The loans and other obligations under the Credit Facility are secured by a perfected first priority lien and security interest in all tangible and intangible assets and excludes real estate and leaseholds of the Company and certain subsidiaries of the Company. In addition, with the amendment to the Credit Facility, the Company pledged 65% of its interest in Genesco (UK) Limited.

INTEREST AND FEES

The Company's borrowings under the Credit Facility bear interest at varying rates that, at the Company's option, can be based on:

Domestic Facility

- (a) LIBOR plus the applicable margin (as defined and based on average Excess Availability during the prior quarter or
- (b) the applicable margin plus the higher of (i) the Bank of America prime rate, (ii) the federal funds rate plus 0.50% or
- (iii) LIBOR for an interest period of thirty days plus 1.0%.

The initial applicable margin for base rate loans and U.S. Index rate loans is 1.25% and the initial applicable margin for LIBOR loans and BA equivalent loans is 2.25%. Thereafter, the applicable margin will be subject to adjustment based on "Excess Availability" for the prior quarter. The term "Excess Availability" means, as of any given date, the excess (if any) of the Loan Cap (being the lesser of the total commitments and the Borrowing Base) over the outstanding credit extensions under the Credit Facility.

Interest on the Company's borrowings is payable monthly in arrears for base rate loans and U.S. Index rate loans and at the end of each interest rate period (but not less often than quarterly) for LIBOR loans and BA equivalent loans.

The Company is also required to pay a commitment fee on the actual daily unused portions of the Credit Facility at a rate of (i) 0.50% per annum if less than 50% of the Credit Facility has been utilized on average during the immediately preceding fiscal quarter or (ii) 0.375% per annum if 50% or more of the Credit Facility has been utilized during such fiscal quarter.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6: Long-Term Debt, Continued*Canadian Sub-Facility*

(a) For loans made in Canadian dollars, the bankers' acceptances ("BA") rate plus the applicable margin or (b) the Canadian Prime Rate (defined as the highest of the (i) Bank of America Canadian Prime Rate, (ii) 0.50% plus the Bank of America (Canadian) overnight rate, and (iii) 1.0% plus the BA rate for a 30 day interest period) plus the applicable margin for loans made in U.S. dollars, LIBOR plus the applicable margin or the U.S. Index Rate (defined as the highest of the (i) Bank of America (Canada branch) U.S. dollar base rate, (ii) the Federal Funds rate plus 0.50%, and (iii) LIBOR for an interest period of thirty days plus 1.0%) plus the applicable margin.

CERTAIN COVENANTS

The Company is not required to comply with any financial covenants unless Excess Availability is less than the greater of \$27.5 million or 12.5% of the Loan Cap. If and during such time as Excess Availability is less than the greater of \$27.5 million or 12.5% of the Loan Cap, the Credit Facility requires the Company to meet a minimum fixed charge coverage ratio of (a) an amount equal to consolidated EBITDA less capital expenditures and taxes paid in cash, in each case for such period, to (b) fixed charges for such period, of not less than 1.0:1.0. Excess Availability was \$272.4 million at January 28, 2012. Because Excess Availability exceeded \$27.5 million or 12.5% of the Loan Cap, the Company was not required to comply with this financial covenant at January 28, 2012.

In addition, the Credit Facility contains certain covenants that, among other things, restrict additional indebtedness, liens and encumbrances, loans and investments, acquisitions, dividends and other restricted payments, transactions with affiliates, asset dispositions, mergers and consolidations, prepayments or material amendments of other indebtedness and other matters customarily restricted in such agreements. The Amended Credit Facility permits the Company to incur up to \$250.0 million of senior debt provided that certain terms and conditions are met.

CASH DOMINION

The Credit Facility also contains cash dominion provisions that apply in the event that the Company's Excess Availability is less than the greater of \$35.0 million or 15% of the Loan Cap or there is an event of default under the Credit Facility.

EVENTS OF DEFAULT

The Credit Facility contains customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain other material indebtedness in excess of specified amounts and to agreements which would have a material adverse effect if breached, certain events of bankruptcy and insolvency, certain ERISA events, judgments in excess of specified amounts and change in control.

Certain of the lenders under the Credit Facility or their affiliates have provided, and may in the future provide, certain commercial banking, financial advisory, and investment banking services in the ordinary course of business for the Company, its subsidiaries and certain of its affiliates, for which they receive customary fees and commissions.

U.K. CREDIT FACILITY

In connection with the Schuh acquisition, Schuh entered into an amended and restated Senior Term Facilities Agreement and Working Capital Facility Letter (collectively, the "UK Credit Facility") which provides for term loans of up to £29.5 million (a £15.5 million A term loan and £14.0 million B term loan) and a working capital facility of £5.0 million. The A term loan bears interest at LIBOR plus 2.50% per annum. The B term loan bears interest at LIBOR plus 3.75% per annum. The Company is not required to make any payments on the B term loan until it expires October 31, 2015, unless the Company's Schuh Group segment has excess cash flow. The Company paid £4.5 million on the B term loan in the fourth quarter of Fiscal 2012. The working capital facility bears interest at the Base Rate (as defined) plus 2.25% per annum.

The UK Credit Facility contains certain covenants at the Schuh level including a minimum interest coverage covenant initially set at 4.25x and increasing to 4.50x in January 2012 and thereafter, a maximum leverage covenant initially set at 2.75x declining over time at various rates to 2.25x beginning in July 2012 and a minimum cash flow coverage of 1.10x. The Company was in compliance with all the covenants at January 28, 2012.

The UK Credit Facility is secured by a pledge of all the assets of Schuh and its subsidiaries.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6: Long-Term Debt, Continued**4 1/8% CONVERTIBLE SUBORDINATED DEBENTURES DUE 2023:**

On June 24, 2003 and June 26, 2003, the Company issued a total of \$86.3 million of 4 1/8% Convertible Subordinated Debentures (the "Debentures") due June 15, 2023. The Debentures were convertible at the option of the holders into shares of the Company's common stock, par value \$1.00 per share: (1) in any quarter in which the price of its common stock issuable upon conversion of a Debenture reached 120% or more of the conversion price (\$24.07 or more) for 10 of the last 30 trading days of the immediately preceding fiscal quarter, (2) if specified corporate transactions occurred or (3) if the trading price for the Debentures fell below certain thresholds. Upon conversion, the Company would have the right to deliver, in lieu of its common stock, cash or a combination of cash and shares of its common stock. Subject to the above conditions, each \$1,000 principal amount of Debentures was convertible into 49.8462 shares (equivalent to a conversion price of \$20.06 per share of common stock) subject to adjustment. There were \$30,000 of debentures converted to 1,356 shares of common stock during Fiscal 2008.

On April 29, 2009, the Company entered into separate exchange agreements whereby it acquired and retired \$56.4 million in aggregate principal amount (\$51.3 million fair value) of its Debentures due June 15, 2023 in exchange for the issuance of 3,066,713 shares of its common stock, which include 2,811,575 shares that were reserved for conversion of the Debentures and 255,138 additional inducement shares, and a cash payment of approximately \$0.9 million. The inducement was not deductible for tax purposes. During the fourth quarter of Fiscal 2010, holders of an aggregate of \$21.04 million principal amount of its 4 1/8% Convertible Subordinated Debentures were converted to 1,048,764 shares of common stock pursuant to separate conversion agreements which provided for payment of an aggregate of \$0.3 million to induce conversion. On November 4, 2009, the Company issued a notice of redemption to the remaining holders of the \$8.775 million outstanding 4 1/8% Convertible Subordinated Debentures. As permitted by the Indenture, holders of all except \$1,000 in principal amount of the remaining Debentures converted their Debentures to 437,347 shares of common stock prior to the redemption date of December 3, 2009. As a result of the exchange agreements and conversions, the Company recognized a loss on the early retirement of debt of \$5.5 million in Fiscal 2010, reflected on the Consolidated Statements of Operations. After the exchanges and conversions there was zero aggregate principal amount of Debentures outstanding.

Deferred financing costs of \$2.9 million relating to the issuance were initially capitalized and being amortized over seven years. As a result of adoption of the FASB's Debt with Conversion and Other Options Sub-Topic of the Codification, \$0.7 million was reclassified from deferred note expense to additional paid-in capital. Due to the exchanges and conversions, deferred financing costs of \$0.3 million were written off and included in loss on early retirement of debt in the Consolidated Statements of Operations for Fiscal 2010.

Note 7: Commitments Under Long-Term Leases**OPERATING LEASES**

The Company leases its office space and all of its retail store locations and transportation equipment under various noncancelable operating leases. The leases have varying terms and expire at various dates through 2031. The store leases in the United States, Puerto Rico and Canada typically have initial terms of between 5 and 10 years. The stores leases in the United Kingdom and the Republic of Ireland typically have initial terms of between 10 and 35 years. Generally, most of the leases require the Company to pay taxes, insurance, maintenance costs and contingent rentals based on sales. Approximately 3% of the Company's leases contain renewal options.

Rental expense under operating leases of continuing operations was:

IN THOUSANDS	2012	2011	2010
Minimum rentals	\$ 192,175	\$ 167,558	\$ 159,553
Contingent rentals	12,918	5,827	4,780
Sublease rentals	(686)	(642)	(652)
Total Rental Expense	\$ 204,407	\$ 172,743	\$ 163,681

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7: Commitments Under Long-Term Leases, Continued

Minimum rental commitments payable in future years are:

FISCAL YEARS	IN THOUSANDS
2013	\$ 202,882
2014	189,333
2015	172,452
2016	150,368
2017	124,056
Later years	294,881
Total Minimum Rental Commitments	\$ 1,133,972

For leases that contain predetermined fixed escalations of the minimum rentals, the related rental expense is recognized on a straight-line basis and the cumulative expense recognized on the straight-line basis in excess of the cumulative payments is included in deferred rent and other long-term liabilities on the Consolidated Balance Sheets. The Company occasionally receives reimbursements from landlords to be used towards construction of the store the Company intends to lease. Leasehold improvements are recorded at their gross costs including items reimbursed by landlords. The reimbursements are amortized as a reduction of rent expense over the initial lease term. Tenant allowances of \$17.6 million and \$18.4 million for Fiscal 2012 and 2011, respectively, and deferred rent of \$35.2 million and \$33.0 million for Fiscal 2012 and 2011, respectively, are included in deferred rent and other long-term liabilities on the Consolidated Balance Sheets.

Note 8: Equity**NON-REDEEMABLE PREFERRED STOCK**

CLASS (IN ORDER OF PREFERENCE)*	SHARES AUTHORIZED	NUMBER OF SHARES			AMOUNTS IN THOUSANDS			COMMON	NO. OF VOTES
		2012	2011	2010	2012	2011	2010	CONVERTIBLE RATIO	
Subordinated Serial Preferred (Cumulative)									
Aggregate	3,000,000**	-	-	-	-	-	-	N/A	N/A
\$2.30 Series 1	64,368	30,368	33,497	33,497	\$1,215	\$1,340	\$1,340	.83	1
\$4.75 Series 3	40,449	11,643	12,163	12,326	1,164	1,216	1,233	2.11	2
\$4.75 Series 4	53,764	3,397	3,579	3,579	340	358	358	1.52	1
Series 6	800,000	-0-	-0-	-0-	-0-	-0-	-0-		100
\$1.50 Subordinated									
Cumulative Preferred	5,000,000	30,067	30,067	30,067	902	902	902		1
		75,475	79,306	79,469	3,621	3,816	3,833		
Employees' Subordinated									
Convertible Preferred	5,000,000	47,922	49,192	50,350	1,437	1,476	1,510	1.00***	1
Stated Value of Issued Shares					5,058	5,292	5,343		
Employees' Preferred Stock Purchase Accounts					(101)	(109)	(123)		
Total Non-Redeemable Preferred Stock					\$4,957	\$5,183	\$5,220		

*In order of preference for liquidation and dividends.

**The Company's charter permits the board of directors to issue Subordinated Serial Preferred Stock in as many series, each with as many shares and such rights and preferences as the board may designate.

***Also convertible into one share of \$1.50 Subordinated Cumulative Preferred Stock.

PREFERRED STOCK TRANSACTIONS

IN THOUSANDS	NON-REDEEMABLE PREFERRED STOCK	NON-REDEEMABLE EMPLOYEES' PREFERRED STOCK	EMPLOYEES' PREFERRED STOCK PURCHASE ACCOUNTS	TOTAL NON-REDEEMABLE PREFERRED STOCK
Balance January 31, 2009	\$ 3,833	\$ 1,502	\$ (132)	\$ 5,203
Other	-0-	8	9	17
Balance January 30, 2010	3,833	1,510	(123)	5,220
Other	(17)	(34)	14	(37)
Balance January 29, 2011	3,816	1,476	(109)	5,183
Other	(195)	(39)	8	(226)
Balance January 28, 2012	\$3,621	\$ 1,437	\$(101)	\$4,957

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 8: Equity, Continued****SUBORDINATED SERIAL PREFERRED STOCK (CUMULATIVE):**

Stated and redemption values for Series 1 are \$40 per share and for Series 3 and 4 are each \$100 per share plus accumulated dividends; liquidation value for Series 1 is \$40 per share plus accumulated dividends and for Series 3 and 4 is \$100 per share plus accumulated dividends.

The Company's shareholders' rights plan grants to common shareholders the right to purchase, at a specified exercise price, a fraction of a share of subordinated serial preferred stock, Series 6, in the event of an acquisition of, or an announced tender offer for, 15% or more of the Company's outstanding common stock. Upon any such event, each right also entitles the holder (other than the person making such acquisition or tender offer) to purchase, at the exercise price, shares of common stock having a market value of twice the exercise price. In the event the Company is acquired in a transaction in which the Company is not the surviving corporation, each right would entitle its holder to purchase, at the exercise price, shares of the acquiring company having a market value of twice the exercise price. The rights expire in March 2020, are redeemable under certain circumstances for \$.01 per right and are subject to exchange for one share of common stock or an equivalent amount of preferred stock at any time after the event which makes the rights exercisable and before a majority of the Company's common stock is acquired.

\$1.50 SUBORDINATED CUMULATIVE PREFERRED STOCK:

Stated and liquidation values and redemption price are 88 times the average quarterly per share dividend paid on common stock for the previous eight quarters (if any), but in no event less than \$30 per share plus accumulated dividends.

EMPLOYEES' SUBORDINATED CONVERTIBLE PREFERRED STOCK:

Stated and liquidation values are 88 times the average quarterly per share dividend paid on common stock for the previous eight quarters (if any), but in no event less than \$30 per share.

COMMON STOCK:

Common stock—\$1 par value. Authorized: 80,000,000 shares; issued: January 28, 2012—24,757,826 shares; January 29, 2011—24,162,634 shares. There were 488,464 shares held in treasury at January 28, 2012 and January 29, 2011. Each outstanding share is entitled to one vote. At January 28, 2012, common shares were reserved as follows: 102,886 shares for conversion of preferred stock; 394,627 shares for the 1996 Stock Incentive Plan; 92,146 shares for the 2005 Stock Incentive Plan; 1,953,346 shares for the 2009 Amended and Restated Stock Incentive Plan; and 315,901 shares for the Genesco Employee Stock Purchase Plan.

For the year ended January 28, 2012, 390,357 shares of common stock were issued for the exercise of stock options at an average weighted exercise price of \$24.82, for a total of \$9.7 million; 289,407 shares of common stock were issued as restricted shares as part of the 2009 Amended and Restated Equity Incentive Plan; 2,717 shares of common stock were issued for the purchase of shares under the Employee Stock Purchase Plan at an average weighted market price of \$48.95, for a total of \$0.1 million; 14,643 shares were issued to directors for no consideration; 93,089 shares were withheld for taxes on restricted stock vested in Fiscal 2012; 14,081 shares of restricted stock were forfeited in Fiscal 2012; and 5,238 shares were issued in miscellaneous conversions of Series 1, 3, 4 and Employees' Subordinated Convertible Preferred Stock. The 390,357 options exercised were all fixed stock options (see Note 12).

For the year ended January 29, 2011, 118,450 shares of common stock were issued for the exercise of stock options at an average weighted exercise price of \$18.77, for a total of \$2.2 million; 404,995 shares of common stock were issued as restricted shares as part of the 2009 Equity Incentive Plan; 4,230 shares of common stock were issued for the purchase of shares under the Employee Stock Purchase Plan at an average weighted market price of \$28.39, for a total of \$0.1 million; 17,838 shares were issued to directors for no consideration; 81,731 shares were withheld for taxes on restricted stock vested in Fiscal 2011; 1,575 shares of restricted stock were forfeited in Fiscal 2011; and 1,501 shares were issued in miscellaneous conversions of Series 3 and Employees' Subordinated Convertible Preferred Stock. The 118,450 options exercised were all fixed stock options (see Note 12). In addition, the Company repurchased and retired 863,767 shares of common stock at an average weighted market price of \$28.74 for a total of \$24.8 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 8: Equity, Continued**

For the year ended January 30, 2010, 28,500 shares of common stock were issued for the exercise of stock options at an average weighted exercise price of \$14.04, for a total of \$0.4 million; 383,745 shares of common stock were issued as restricted shares as part of the 2009 Equity Incentive Plan; 4,350 shares of common stock were issued for the purchase of shares under the Employee Stock Purchase Plan at an average weighted market price of \$22.87, for a total of \$0.1 million; 21,204 shares were issued to directors for no consideration; 65,299 shares were withheld for taxes on restricted stock vested in Fiscal 2010; 11,951 shares of restricted stock were forfeited in Fiscal 2010; 4,552,824 shares of common stock were issued in conversions of the Debentures; and 2,341 shares were issued in miscellaneous conversions of Series 1 and Employees' Subordinated Convertible Preferred Stock. The 28,500 options exercised were all fixed stock options (see Note 12). In addition, the Company repurchased and retired 85,000 shares of common stock at an average weighted market price of \$23.84 for a total of \$2.0 million.

RESTRICTIONS ON DIVIDENDS AND REDEMPTIONS OF CAPITAL STOCK:

The Company's charter provides that no dividends may be paid and no shares of capital stock acquired for value if there are dividend or redemption arrearages on any senior or equally ranked stock. Exchanges of subordinated serial preferred stock for common stock or other stock junior to such exchanged stock are permitted.

The Company's Credit Facility prohibits the payment of dividends and other restricted payments unless as of the date of the making of any Restricted Payment or consummation of any Acquisition, (a) no Default or Event of Default exists or would arise after giving effect to such Restricted Payment or Acquisition, and (b) either (i) the Borrowers have pro forma projected Excess Availability for the following six month period equal to or greater than 50% of the Loan Cap, after giving pro forma effect to such Restricted Payment or Acquisition, or (ii) (A) the Borrowers have pro forma projected Excess Availability for the following six month period of less than 50% of the Loan Cap but equal to or greater than 20% of the Loan Cap, after giving pro forma effect to the Restricted Payment or Acquisition, and (B) the Fixed Charge Coverage Ratio, on a pro-forma basis for the twelve months preceding such Restricted Payment or Acquisition, will be equal to or greater than 1.0:1.0 and (c) after giving effect to such Restricted Payment or Acquisition, the Borrowers are Solvent. The Company's management does not expect availability under the Credit Facility to fall below the requirements listed above during Fiscal 2013. The Company's UK Credit Facility prohibits the payment of any dividends by Schuh or its subsidiaries to the Company.

Dividends declared for Fiscal 2012 for the Company's Subordinated Serial Preferred Stock, \$2.30 Series 1, \$4.75 Series 3 and \$4.75 Series 4, and the Company's \$1.50 Subordinated Cumulative Preferred Stock were \$0.2 million in the aggregate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 8: Equity, Continued

CHANGES IN THE SHARES OF THE COMPANY'S CAPITAL STOCK

	COMMON STOCK	NON-REDEEMABLE PREFERRED STOCK	EMPLOYEES' PREFERRED STOCK
Issued at January 31, 2009	19,731,979	79,460	50,079
Exercise of options	28,500	-0-	-0-
Issue restricted stock	404,949	-0-	-0-
Issue shares – Employee Stock Purchase Plan	4,350	-0-	-0-
Conversion of 4 1/8% Debentures	4,552,824	-0-	-0-
Shares repurchased	(85,000)	-0-	-0-
Other	(74,909)	9	271
Issued at January 30, 2010	24,562,693	79,469	50,350
Exercise of options	118,450	-0-	-0-
Issue restricted stock	422,833	-0-	-0-
Issue shares – Employee Stock Purchase Plan	4,230	-0-	-0-
Shares repurchased	(863,767)	-0-	-0-
Other	(81,805)	(163)	(1,158)
Issued at January 29, 2011	24,162,634	79,306	49,192
Exercise of options	390,357	-0-	-0-
Issue restricted stock	304,050	-0-	-0-
Issue shares – Employee Stock Purchase Plan	2,717	-0-	-0-
Other	(101,932)	(3,831)	(1,270)
Issued at January 28, 2012	24,757,826	75,475	47,922
Less shares repurchased and held in treasury	488,464	-0-	-0-
Outstanding at January 28, 2012	24,269,362	75,475	47,922

Note 9: Income Taxes

Income tax expense from continuing operations is comprised of the following:

IN THOUSANDS	2012	2011	2010
Current			
U.S. federal	\$ 42,103	\$ 35,103	\$ 14,261
International	2,007	1,474	1,680
State	8,952	5,703	1,781
Total Current Income Tax Expense	53,062	42,280	17,722
Deferred			
U.S. federal	(175)	(8,165)	4,943
International	4,370	-0-	-0-
State	(1,463)	(3,701)	(1,263)
Total Deferred Income Tax Expense (Benefit)	2,732	(11,866)	3,680
Total Income Tax Expense – Continuing Operations	\$ 55,794	\$ 30,414	\$ 21,402

Discontinued operations were recorded net of income tax benefit of approximately (\$0.7) million, (\$0.9) million and (\$0.2) million in Fiscal 2012, 2011 and 2010, respectively.

As a result of the exercise of stock options and vesting of restricted stock during Fiscal 2012, 2011 and 2010, the Company realized an additional income tax benefit (expense) of approximately \$4.6 million, \$1.3 million and (\$0.7) million, respectively. These tax benefits (expenses) are reflected as an adjustment to additional paid-in capital.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9: Income Taxes, Continued

Deferred tax assets and liabilities are comprised of the following:

IN THOUSANDS	JANUARY 28, 2012	JANUARY 29, 2011
Identified intangibles	\$ (28,125)	\$ (20,392)
Prepays	(2,814)	(2,814)
Convertible bonds	(3,001)	(3,001)
Total deferred tax liabilities	(33,940)	(26,207)
Options	1,289	1,999
Deferred rent	7,043	8,961
Pensions	8,936	4,701
Expense accruals	17,146	4,738
Uniform capitalization costs	9,893	9,204
Book over tax depreciation	11,756	12,629
Provisions for discontinued operations and restructurings	5,201	6,215
Inventory valuation	2,397	3,232
Tax net operating loss and credit carryforwards	8,306	1,581
Allowances for bad debts and notes	1,641	894
Deferred compensation and restricted stock	5,174	5,047
Other	5,460	5,172
Gross deferred tax assets	84,242	64,373
Deferred tax asset valuation allowance	(3,790)	-0-
Deferred tax asset net of valuation allowance	80,452	64,373
Net Deferred Tax Assets	\$ 46,512	\$ 38,166

The deferred tax balances have been classified in the Consolidated Balance Sheets as follows:

	2012	2011
Net current asset	\$ 22,541	\$ 19,130
Net non-current asset	28,152	19,036
Net non-current liability	(4,181)	-0-
Net Deferred Tax Assets	\$ 46,512	\$ 38,166

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

	2012	2011	2010
U.S. federal statutory rate of tax	35.00%	35.00%	35.00%
State taxes (net of federal tax benefit)	3.53	2.59	1.05
Bond costs	-	-	4.70
Foreign rate differential	(1.92)	-	-
Change in valuation allowance	.71	-	-
Permanent items	2.35	(.83)	.75
Other	.53	(.96)	.89
Effective Tax Rate	40.20%	35.80%	42.39%

The provision for income taxes resulted in an effective tax rate for continuing operations of 40.20% for Fiscal 2012, compared with an effective tax rate of 35.80% for Fiscal 2011. The increase in the effective tax rate for Fiscal 2012 was primarily attributable to transaction costs and deferred purchase price related to the Schuh acquisition which are considered permanent differences.

As of January 28, 2012, the Company had a federal net operating loss carryforward, which was assumed in one of the prior year acquisitions, of \$1.6 million which expires in fiscal years 2025 through 2030.

As of January 28, 2012, January 29, 2011 and January 31, 2010, the Company had state net operating loss carryforwards of \$0.1 million, \$0.4 million and \$0.4 million, respectively, which expire in fiscal years 2016 through 2031.

As of January 28, 2012, January 29, 2011 and January 30, 2010, the Company had state tax credits of \$0.6 million, \$0.5 million and \$0.1 million, respectively. These credits expire in fiscal years 2014 through 2019.

As of January 28, 2012, January 29, 2011 and January 30, 2010, the Company had foreign tax credits of \$0.1 million, \$0.3 million and \$0.4 million, respectively. These credits will expire in fiscal year 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9: Income Taxes, Continued

As of January 28, 2012, the Company had foreign net operating losses of \$7.2 million, which have no expiration.

As of January 28, 2012, as part of the Schuh acquisition, the Company has provided a valuation allowance of approximately \$3.8 million on deferred tax assets associated primarily with foreign net operating losses and foreign fixed assets for which management has determined it is more likely than not that the deferred tax assets will not be realized. The \$0.9 million net increase in the valuation allowance during Fiscal 2012 from the \$2.9 million provided for on the opening balance sheet determined in accordance with the Income Tax Topic of the Codification relate to foreign net operating losses arising in Fiscal 2012 and increases in fixed asset-related deferred tax assets that will more likely than not never be realized. Management believes that it is more likely than not that the remaining deferred tax assets will be fully realized.

As of January 28, 2012, the Company has not provided for withholding or United States federal income taxes on approximately \$27.1 million of accumulated undistributed earnings of its foreign subsidiaries as they are considered by management to be permanently reinvested. If these undistributed earnings were not considered to be permanently reinvested, the related U.S. tax liability may be reduced by foreign income taxes paid on those earnings. Because of the complexities involved with the hypothetical tax calculation, a determination of the unrecognized deferred tax liability related to these undistributed earnings is not practicable.

The methodology in the Income Tax Topic of the Codification prescribes that a company should use a more-likely-than-not recognition threshold based on the technical merits of the tax position taken. Tax positions that meet the more-likely-than-not recognition threshold should be measured in order to determine the tax benefit to be recognized in the financial statements.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits for Fiscal 2012, 2011 and 2010.

IN THOUSANDS	2012	2011	2010
Unrecognized Tax Benefit – Beginning of Period	\$ 14,167	\$ 17,004	\$ 13,456
Gross Increases (Decreases) – Tax Positions in a Prior Period	(29)	(517)	4,306
Gross Increases – Tax Positions in a Current Period	6,986	473	327
Settlements	(533)	(2,605)	(445)
Lapse of Statutes of Limitations	(124)	(188)	(640)
Unrecognized Tax Benefit – End of Period	\$ 20,467	\$ 14,167	\$ 17,004

Unrecognized tax benefits were approximately \$20.5 million, \$14.2 million and \$17.0 million as of January 28, 2012, January 29, 2011 and January 30, 2010, respectively. The amount of unrecognized tax benefits as of January 28, 2012, January 29, 2011 and January 30, 2010 which would impact the annual effective rate if recognized were \$12.6 million, \$13.1 million and \$13.9 million, respectively. The Company believes it is reasonably possible that there will be an \$8.0 million decrease in the gross tax liability for uncertain tax positions within the next 12 months based upon the expiration of statutes of limitation in various tax jurisdictions and potential settlements.

The Company recognizes interest expense and penalties related to the above unrecognized tax benefits within income tax expense on the Consolidated Statements of Operations. Related to the uncertain tax benefits noted above, the Company recorded interest and penalties of approximately \$0.5 million expense and \$0.0 million, respectively, during Fiscal 2012, (\$0.5) million income and (\$0.2) million income, respectively, during Fiscal 2011 and \$0.8 million expense and (\$0.1) million income, respectively, during Fiscal 2010. The Company recognized a liability for accrued interest and penalties of \$2.3 million and \$0.2 million, respectively, as of January 28, 2012 and \$1.8 million and \$0.2 million, respectively, as of January 29, 2011, included in deferred rent and other long-term liabilities on the Consolidated Balance Sheets.

Income tax reserves are determined using the methodology required by the Income Tax Topic of the Codification.

The Company and its subsidiaries file income tax returns in federal and in many state and local jurisdictions as well as foreign jurisdictions. Primarily as a result of filing amended tax returns, which were generated by the closing of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 9: Income Taxes, Continued

the Internal Revenue Service ("IRS") examination during Fiscal 2011, the Company is still open to state and local audits dating back to fiscal year ended January 2006. In addition, the Company has subsidiaries in various foreign jurisdictions that have statutes of limitation generally ranging from two to six years.

Note 10: Defined Benefit Pension Plans and Other Postretirement Benefit Plans**DEFINED BENEFIT PENSION PLANS**

The Company sponsored a non-contributory, defined benefit pension plan. As of January 1, 1996, the Company amended the plan to change the pension benefit formula to a cash balance formula from the then existing benefit calculation based upon years of service and final average pay. The benefits accrued under the old formula were frozen as of December 31, 1995. Upon retirement, the participant will receive this accrued benefit payable as an annuity. In addition, the participant will receive as a lump sum (or annuity if desired) the amount credited to the participant's cash balance account under the new formula. Effective January 1, 2005, the Company froze the defined benefit cash balance plan which prevents any new entrants into the plan as of that date as well as affects the amounts credited to the participants' accounts as discussed below.

Under the cash balance formula, beginning January 1, 1996, the Company credited each participants' account annually with an amount equal to 4% of the participant's compensation plus 4% of the participant's compensation in excess of the Social Security taxable wage base. Beginning December 31, 1996 and annually thereafter, the account balance of each active participant was credited with 7% interest calculated on the sum of the balance as of the beginning of the plan year and 50% of the amounts credited to the account, other than interest, for the plan year. The account balance of each participant who was inactive would be credited with interest at the lesser of 7% or the 30 year Treasury rate. Under the frozen plan, each participants' cash balance plan account will be credited annually only with interest at the 30 year Treasury rate, not to exceed 7%, until the participant retires. The amount credited each year will be based on the rate at the end of the prior year.

OTHER POSTRETIREMENT BENEFIT PLANS

The Company provides health care benefits for early retirees and life insurance benefits for certain retirees not covered by collective bargaining agreements. Under the health care plan, early retirees are eligible for benefits until age 65. Employees who meet certain requirements are eligible for life insurance benefits upon retirement. The Company accrues such benefits during the period in which the employee renders service.

OBLIGATIONS AND FUNDED STATUS**CHANGE IN BENEFIT OBLIGATION**

IN THOUSANDS	PENSION BENEFITS		OTHER BENEFITS	
	2012	2011	2012	2011
Benefit obligation at beginning of year	\$ 110,793	\$ 109,771	\$ 3,480	\$ 3,226
Service cost	250	250	166	144
Interest cost	5,597	5,897	174	170
Plan participants' contributions	-0-	-0-	71	110
Benefits paid	(8,805)	(8,723)	(242)	(445)
Actuarial loss	10,809	3,598	259	275
Benefit Obligation at End of Year	\$ 118,644	\$ 110,793	\$ 3,908	\$ 3,480

CHANGE IN PLAN ASSETS

IN THOUSANDS	PENSION BENEFITS		OTHER BENEFITS	
	2012	2011	2012	2011
Fair value of plan assets at beginning of year	\$ 98,887	\$ 89,369	\$ -0-	\$ -0-
Actual gain on plan assets	6,111	14,041	-0-	-0-
Employer contributions	250	4,200	171	335
Plan participants' contributions	-0-	-0-	71	110
Benefits paid	(8,805)	(8,723)	(242)	(445)
Fair Value of Plan Assets at End of Year	\$ 96,443	\$ 98,887	\$ -0-	\$ -0-
Funded Status at End of Year	\$ (22,201)	\$ (11,906)	\$ (3,908)	\$ (3,480)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10: Defined Benefit Pension Plans and Other Postretirement Benefit Plans, Continued

Amounts recognized in the Consolidated Balance Sheets consist of:

IN THOUSANDS	PENSION BENEFITS		OTHER BENEFITS	
	2012	2011	2012	2011
Noncurrent assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Current liabilities	-0-	-0-	(160)	(315)
Noncurrent liabilities	(22,201)	(11,906)	(3,748)	(3,165)
Net Amount Recognized	\$ (22,201)	\$ (11,906)	\$ (3,908)	\$ (3,480)

Amounts recognized in accumulated other comprehensive income consist of:

IN THOUSANDS	PENSION BENEFITS		OTHER BENEFITS	
	2012	2011	2012	2011
Prior service cost	\$ 4	\$ 8	\$ -0-	\$ -0-
Net loss	48,906	41,129	437	257
Total Recognized in Accumulated Other Comprehensive Loss	\$ 48,910	\$ 41,137	\$ 437	\$ 257

PENSION BENEFITS

IN THOUSANDS	JANUARY 28,	JANUARY 29,
	2012	2011
Projected benefit obligation	\$118,644	\$110,793
Accumulated benefit obligation	118,644	110,793
Fair value of plan assets	96,443	98,887

COMPONENTS OF NET PERIODIC BENEFIT COST

NET PERIODIC BENEFIT COST

IN THOUSANDS	PENSION BENEFITS			OTHER BENEFITS		
	2012	2011	2010	2012	2011	2010
Service cost	\$ 250	\$ 250	\$ 250	\$ 166	\$ 144	\$ 120
Interest cost	5,597	5,897	6,562	174	170	170
Expected return on plan assets	(7,807)	(8,089)	(8,354)	-0-	-0-	-0-
Amortization:						
Prior service cost	4	4	4	-0-	-0-	-0-
Losses	4,728	4,235	1,751	79	59	50
Net amortization	4,732	4,239	1,755	79	59	50
Net Periodic Benefit Cost	\$2,772	\$ 2,297	\$ 213	\$ 419	\$ 373	\$ 340

RECONCILIATION OF ACCUMULATED OTHER COMPREHENSIVE INCOME

IN THOUSANDS	PENSION BENEFITS	OTHER BENEFITS
	2012	2012
Net loss (gain)	\$ 12,505	\$ (79)
Amortization of prior service cost	(4)	-0-
Amortization of net actuarial (loss) gain	(4,728)	259
Total Recognized in Other Comprehensive Income	\$ 7,773	\$ 180
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	\$10,545	\$ 599

The estimated net loss and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are \$6.4 million and \$4,000, respectively. The estimated net loss for the other postretirement benefit plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year is \$0.1 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10: Defined Benefit Pension Plans and Other Postretirement Benefit Plans, Continued

WEIGHTED-AVERAGE ASSUMPTIONS USED TO DETERMINE BENEFIT OBLIGATIONS

	PENSION BENEFITS		OTHER BENEFITS	
	2012	2011	2012	2011
Discount rate	4.35%	5.25%	4.17%	5.25%
Rate of compensation increase	NA	NA	-	-

For Fiscal 2012 and 2011, the discount rate was based on a yield curve of high quality corporate bonds with cash flows matching the Company's plans' expected benefit payments.

WEIGHTED-AVERAGE ASSUMPTIONS USED TO DETERMINE NET PERIODIC BENEFIT COSTS

	PENSION BENEFITS			OTHER BENEFITS		
	2012	2011	2010	2012	2011	2010
Discount rate	5.25%	5.625%	6.875%	5.25%	5.50%	6.375%
Expected long-term rate of return on plan assets	8.25%	8.25%	8.25%	-	-	-
Rate of compensation increase	NA	NA	NA	-	-	-

The weighted average discount rate used to measure the benefit obligation for the pension plan decreased from 5.25% to 4.35% from Fiscal 2011 to Fiscal 2012. The decrease in the rate increased the accumulated benefit obligation by \$10.4 million and increased the projected benefit obligation by \$10.4 million. The weighted average discount rate used to measure the benefit obligation for the pension plan decreased from 5.625% to 5.25% from Fiscal 2010 to Fiscal 2011. The decrease in the rate increased the accumulated benefit obligation by \$4.1 million and increased the projected benefit obligation by \$4.1 million.

To develop the expected long-term rate of return on assets assumption, the Company considered historical asset returns, the current asset allocation and future expectations. Considering this information, the Company selected an 8.25% long-term rate of return on assets assumption.

ASSUMED HEALTH CARE COST TREND RATES

	2012	2011
Health care cost trend rate assumed for next year	7.5%	8%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5%	5%
Year that the rate reaches the ultimate trend rate	2017	2017

The effect on disclosed information of one percentage point change in the assumed health care cost trend rate for each future year is shown below.

(IN THOUSANDS)	1% Increase	1% Decrease
	in Rates	in Rates
Aggregated service and interest cost	\$ 59	\$ 48
Accumulated postretirement benefit obligation	\$ 616	\$ 502

PLAN ASSETS

The Company's pension plan weighted average asset allocations as of January 28, 2012 and January 29, 2011, by asset category are as follows:

ASSET CATEGORY	PLAN ASSETS	
	JANUARY 28, 2012	JANUARY 29, 2011
Equity securities	63%	66%
Debt securities	37%	33%
Other	0%	1%
Total	100%	100%

The investment strategy of the Trust is to ensure over the long-term an asset pool, that when combined with company contributions, will support benefit obligations to participants, retirees and beneficiaries. Investment management responsibilities of plan assets are delegated to outside investment advisers and overseen by an Investment Committee comprised of members of the Company's senior management that is appointed by the Board of Directors. The Company has an investment policy that provides direction on the implementation of this strategy.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10: Defined Benefit Pension Plans and Other Postretirement Benefit Plans, Continued

The investment policy establishes a target allocation for each asset class and investment manager. The actual asset allocation versus the established target is reviewed at least quarterly and is maintained within a +/- 5% range of the target asset allocation. Target allocations are 50% domestic equity, 13% international equity, 35% fixed income and 2% cash investments.

All investments are made solely in the interest of the participants and beneficiaries for the exclusive purposes of providing benefits to such participants and their beneficiaries and defraying the expenses related to administering the Trust as determined by the Investment Committee. All assets shall be properly diversified to reduce the potential of a single security or single sector of securities having a disproportionate impact on the portfolio.

The Committee utilizes an outside investment consultant and a team of investment managers to implement its various investment strategies. Performance of the managers is reviewed quarterly and the investment objectives are consistently evaluated.

At January 28, 2012 and January 29, 2011, there were no Company related assets in the plan.

Generally, quoted market prices are used to value pension plan assets. Equities, some fixed income securities, publicly traded investment funds and U.S. government obligations are valued at the closing price reported on the active market on which the individual security is traded.

The following table presents the pension plan assets by level within the fair value hierarchy as of January 28, 2012.

IN THOUSANDS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Equity Securities:				
Europacific Growth Fund	\$ 11,754	–	–	\$11,754
Harbor Capital Appreciation Fund	12,129	–	–	12,129
Harbor Small Cap Growth Fund	6,279	–	–	6,279
Munder Veracity Small Cap Value Fund	6,574	–	–	6,574
Vanguard Inst Index Fund	11,946	–	–	11,946
Vanguard Russell 1000 Value Index Fund	12,393	–	–	12,393
Debt Securities:				
Pimco Long Duration Total Return Fund	15,845	–	–	15,845
Pimco Total Return Fund	19,319	–	–	19,319
Other:				
Cash Equivalents	267	–	–	267
Other (includes receivables and payables)	(63)	–	–	(63)
Total Pension Plan Assets	\$ 96,443	–	–	\$96,443

CASH FLOWS

RETURN OF ASSETS

There was no return of assets from the plan to the Company in Fiscal year 2012 and no plan assets are projected to be returned to the Company in Fiscal 2013.

CONTRIBUTIONS

There was no ERISA cash requirement for the plan in 2011 and none is projected to be required in 2012. It is the Company's policy to contribute enough cash to maintain at least an 80% funding level.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10: Defined Benefit Pension Plans and Other Postretirement Benefit Plans, Continued

ESTIMATED FUTURE BENEFIT PAYMENTS

Expected benefit payments from the trust, including future service and pay, are as follows:

ESTIMATED FUTURE PAYMENTS	Pension Benefits (\$ in millions)	Other Benefits (\$ in millions)
2012	\$ 8.6	\$ 0.2
2013	8.5	0.2
2014	8.5	0.2
2015	8.4	0.2
2016	8.2	0.2
2017–2021	38.8	1.2

SECTION 401(K) SAVINGS PLAN

The Company has a Section 401(k) Savings Plan available to employees who have completed one full year of service and are age 21 or older.

Concurrent with the January 1, 1996 amendment to the pension plan (discussed previously), the Company amended the 401(k) savings plan to make matching contributions equal to 50% of each employee's contribution of up to 5% of salary. Concurrent with freezing the defined benefit pension plan effective January 1, 2005, the Company amended the 401(k) savings plan to change the formula for matching contributions. Since January 1, 2005, the Company has matched 100% of each employee's contribution of up to 3% of salary and 50% of the next 2% of salary. In addition, for those employees hired before December 31, 2004, who were eligible for the Company's cash balance retirement plan before it was frozen, the Company annually makes an additional contribution of 2 1/2 % of salary to each employee's account. In calendar 2005 and future years, participants are immediately vested in their contributions and the Company's matching contribution plus actual earnings thereon. The contribution expense to the Company for the matching program was approximately \$4.2 million for Fiscal 2012, \$3.8 million for Fiscal 2011 and \$3.2 million for Fiscal 2010.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11: Earnings Per Share

IN THOUSANDS, EXCEPT PER SHARE AMOUNTS	FOR THE YEAR ENDED JANUARY 28, 2012			FOR THE YEAR ENDED JANUARY 29, 2011			FOR THE YEAR ENDED JANUARY 30, 2010		
	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER-SHARE AMOUNT
Earnings from									
continuing operations	\$82,984			\$54,547			\$29,086		
Less: Preferred									
stock dividends	(193)			(197)			(198)		
BASIC EPS									
Income available to									
common shareholders	82,791	23,234	\$3.56	54,350	23,209	\$2.34	28,888	21,471	\$1.35
EFFECT OF DILUTIVE SECURITIES									
Options and restricted stock		511			431			210	
Convertible									
preferred stock ⁽¹⁾	141	55		58	26		-0-	-0-	
4 1/8% Convertible									
Subordinated									
Debentures ⁽²⁾	-0-	-0-		-0-	-0-		1,911	1,768	
Employees'									
preferred stock ⁽³⁾		48			50			51	
DILUTED EPS									
Income available to common									
shareholders plus assumed									
conversions	\$82,932	23,848	\$3.48	\$54,408	23,716	\$2.29	\$30,799	23,500	\$1.31

(1) The amount of the dividend on the convertible preferred stock per common share obtainable on conversion of the convertible preferred stock was less than basic earnings per share for Series 1, 3 and 4 preferred stocks for Fiscal 2012. Therefore, conversion of these convertible preferred stocks were included in diluted earnings per share for Fiscal 2012. The amount of the dividend on Series 3 convertible preferred stock per common share obtainable on conversion of the convertible preferred stock was less than basic earnings for Fiscal 2011. Therefore, conversion of Series 3 preferred shares were included in diluted earnings per share for Fiscal 2011. The amount of the dividend on Series 1 and Series 4 convertible preferred stock per common share obtainable on conversion of the preferred stock was higher than basic earnings for Fiscal 2011. Therefore, conversion of Series 1 and Series 4 preferred shares were not reflected in diluted earnings per share for Fiscal 2011 because it would have been antidilutive. 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 Series 1, Series 3 and Series 4 for Fiscal 2010. Therefore, conversion of Series 1, Series 3 and Series 4 convertible preferred stock is not reflected in diluted earnings per share for Fiscal 2010, because it would have been antidilutive. The shares convertible to common stock for Series 1, 3 and 4 preferred stock would have been 25,306 and 24,512 and 5,147, respectively, as of January 28, 2012.

(2) The Company converted the 4 1/8% Convertible Subordinated Debentures to common stock during Fiscal 2010, therefore the convertible debentures are not reflected in diluted earnings per share for Fiscal 2012 or 2011.

(3) 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.

All outstanding options to purchase shares of common stock at the end of Fiscal 2012 were included in the computation of diluted earnings per share because the options' exercise prices were less than the average market price of the common shares.

Options to purchase 12,000 shares of common stock at \$32.65 per share, 71,428 shares of common stock at \$36.40 per share, 1,945 shares of common stock at \$40.05 per share, 103,474 shares of common stock at \$38.14 per share, 951 shares of common stock at \$37.41 per share and 2,351 shares of common stock at \$42.82 per share were outstanding at the end of Fiscal 2011 but were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common shares.

Options to purchase 12,000 shares of common stock at \$32.65 per share, 12,000 shares of common stock at \$23.97 per share, 60,752 shares of common stock at \$23.54 per share, 325,982 shares of common stock at \$24.90 per share, 71,428 shares of common stock at \$36.40 per share, 1,945 shares of common stock at \$40.05 per share, 103,474 shares of common stock at \$38.14 per share, 951 shares of common stock at \$37.41 per share and 2,351 shares of common stock at \$42.82 per share were outstanding at the end of Fiscal 2010 but were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 11: Earnings Per Share, Continued**

The weighted shares outstanding reflects the effect of stock buy back programs. The Company repurchased 85,000 shares at a cost of \$2.0 million during Fiscal 2010, which was not paid at the end of Fiscal 2010 but included in other accrued liabilities on the Consolidated Balance Sheets. During the first quarter of Fiscal 2011, the board increased the total repurchase authorization under its common stock repurchase plan to \$35.0 million. The board restored the total repurchase authorization in the third quarter of Fiscal 2011 to \$35.0 million. The Company repurchased 863,767 shares at a cost of \$24.8 million during Fiscal 2011. All of the \$24.8 million in repurchases for Fiscal 2011, except \$0.6 million, were repurchased under the original \$35.0 million authorization made during the first quarter of Fiscal 2011. The Company did not repurchase any shares during Fiscal 2012.

Note 12: Shared-Based Compensation Plans

The Company's stock-based compensation plans, as of January 28, 2012, are described below. The Company recognizes compensation expense for share-based payments based on the fair value of the awards as required by the Compensation – Stock Compensation Topic of the Codification.

STOCK INCENTIVE PLANS

The Company has two fixed stock incentive plans. Under the 2009 Amended and Restated Equity Incentive Plan (the "2009 Plan"), effective as of June 22, 2011, the Company may grant options, restricted shares, performance awards and other stock-based awards to its employees, consultants and directors for up to 2.5 million shares of common stock. Under the 2005 Equity Incentive Plan (the "2005 Plan"), effective as of June 23, 2005, the Company may grant options, restricted shares and other stock-based awards to its employees and consultants as well as directors for up to 2.5 million shares of common stock. There will be no future awards under the 2005 Equity Incentive Plan. Under both plans, the exercise price of each option equals the market price of the Company's stock on the date of grant and an option's maximum term is 10 years. Options granted under both plans vest 25% per year over four years.

For Fiscal 2012, 2011 and 2010, the Company recognized share-based compensation cost of less than \$1,000, \$0.2 million and \$0.4 million, respectively, for its fixed stock incentive plans included in selling and administrative expenses in the accompanying Consolidated Statements of Operations. The Company did not capitalize any share-based compensation cost.

The Compensation – Stock Compensation Topic of the Codification requires that the cash flows resulting from tax benefits for tax deductions in excess of the compensation cost recognized for those options (excess tax benefit) be classified as financing cash flows. Accordingly, the Company classified excess tax benefits of \$4.7 million, \$1.4 and \$0.0 million as financing cash inflows rather than as operating cash inflows on its Consolidated Statement of Cash Flows for Fiscal 2012, 2011 and 2010, respectively.

The Company did not grant any shares of fixed stock options in Fiscal 2012, 2011 or 2010.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12: Shared-Based Compensation Plans, Continued

A summary of fixed stock option activity and changes for Fiscal 2012, 2011 and 2010 is presented below:

	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	WEIGHTED-AVERAGE REMAINING CONTRACTUAL TERM	AGGREGATE INTRINSIC VALUE (IN THOUSANDS) ⁽¹⁾
Outstanding, January 31, 2009	1,043,759	\$ 23.90		
Granted	-0-	-		
Exercised	(28,500)	14.04		
Forfeited	(19,679)	31.16		
Outstanding, January 30, 2010	995,580	\$ 24.04		
Granted	-0-	-		
Exercised	(118,450)	18.77		
Forfeited	-0-	-		
Outstanding, January 29, 2011	877,130	\$ 24.75		
Granted	-0-	-		
Exercised	(390,357)	24.82		
Forfeited	-0-	-		
Outstanding, January 28, 2012	486,773	\$ 24.70	2.51	\$17,965
Exercisable, January 28, 2012	486,773	\$ 24.70	2.51	\$17,965

(1) Based upon the difference between the closing market price of the Company's common stock on the last trading day of the year and the grant price of in-the-money options.

The total intrinsic value, which represents the difference between the underlying stock's market price and the option's exercise price, of options exercised during Fiscal 2012, 2011 and 2010 was \$10.3 million, \$2.3 million and \$0.4 million, respectively.

A summary of the status of the Company's nonvested shares of its fixed stock incentive plans as of January 28, 2012, is presented below:

NONVESTED FIXED STOCK OPTIONS	SHARES	WEIGHTED-AVERAGE GRANT-DATE FAIR VALUE
Nonvested at January 29, 2011	587	\$ 16.28
Granted	-0-	-
Vested	(587)	16.28
Forfeited	-0-	-
Nonvested at January 28, 2012	-0-	\$ 0.00

As of January 28, 2012 there was no unrecognized compensation costs related to nonvested share-based compensation arrangements granted under the stock incentive plans discussed above.

Cash received from option exercises under all share-based payment arrangements for Fiscal 2012, 2011 and 2010 was \$9.7 million, \$2.2 million and \$0.4 million, respectively.

RESTRICTED STOCK INCENTIVE PLANS

DIRECTOR RESTRICTED STOCK

The 2009 and 2005 Plans permit the board of directors to grant restricted stock to non-employee directors on the date of the annual meeting of shareholders at which an outside director is first elected ("New Director Grants"). The outside director restricted stock so granted is to vest with respect to one-third of the shares each year as long as the director is still serving as a director. Once the shares have vested, the director is restricted from selling, transferring, pledging or assigning the shares for an additional two years. There were no shares issued in New Director Grants in Fiscal 2012, 2011 and 2010.

In addition, the 2009 and 2005 Plans permit an outside director to elect irrevocably to receive all or a specified portion of his annual retainers for board membership and any committee chairmanship for the following fiscal year in a number of shares of restricted stock (the "Retainer Stock"). Shares of the Retainer Stock are granted as of the first business day of the fiscal year as to which the election is effective, subject to forfeiture to the extent not earned upon the outside director's ceasing to serve as a director or committee chairman during such fiscal year. Once the shares are earned, the director is restricted from selling, transferring, pledging or assigning the shares for an additional three years. There were no retainer shares issued in Fiscal 2012, 2011 or 2010.

Also pursuant to the 2005 Plan, annually on the date of the annual meeting of shareholders, beginning in Fiscal 2007, each outside director received restricted stock valued at \$60,000 based on the average of stock prices for the first five days in the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12: Shared-Based Compensation Plans, Continued

month of the annual meeting of shareholders. The outside director restricted stock vests with respect to one-third of the shares each year as long as the director is still serving as a director. Once the shares vest, the director is restricted from selling, transferring, pledging or assigning the shares for an additional two years. Under the 2009 Plan, director stock awards were made during Fiscal 2012, 2011 and 2010 on substantially the same terms as grants under the 2005 Plan except for Fiscal 2012, the restricted stock was valued at \$70,000 and the vesting period was changed to one year. For Fiscal 2012, 2011 and 2010, the Company issued 14,643 shares, 17,838 shares and 21,204 shares, respectively, of director restricted stock.

For Fiscal 2012, 2011 and 2010, the Company recognized \$0.8 million, \$0.5 million and \$0.4 million, respectively, of director restricted stock related share-based compensation in selling and administrative expenses in the accompanying Consolidated Statements of Operations.

EMPLOYEE RESTRICTED STOCK

Under the 2009 Plan, the Company issued 289,407 shares, 404,995 shares and 383,745 shares of employee restricted stock in Fiscal 2012, 2011 and 2010, respectively. Of the 383,745 shares issued in Fiscal 2010, 359,096 shares and the shares issued in Fiscal 2011 and 2012 vest 25% per year over four years, provided that on such date the grantee has remained continuously employed by the Company since the date of grant. The additional 24,649 shares issued in Fiscal 2010 vest one-third per year over three years. The fair value of employee restricted stock is charged against income as compensation cost over the vesting period. Compensation cost recognized in selling and administrative expenses in the accompanying Consolidated Statements of Operations for these shares was \$6.9 million, \$7.3 million and \$6.2 million for Fiscal 2012, 2011 and 2010, respectively. A summary of the status of the Company's nonvested shares of its employee restricted stock as of January 28, 2012 is presented below:

NONVESTED RESTRICTED SHARES	SHARES	WEIGHTED-AVERAGE
		GRANT-DATE FAIR VALUE
Nonvested at January 31, 2009	508,333	\$ 24.60
Granted	383,745	19.25
Vested	(138,714)	26.70
Withheld for federal taxes	(65,299)	26.32
Forfeited	(11,951)	25.97
Nonvested at January 30, 2010	676,114	20.94
Granted	404,995	28.41
Vested	(179,684)	23.09
Withheld for federal taxes	(81,731)	23.15
Forfeited	(1,575)	19.40
Nonvested at January 29, 2011	818,119	23.95
Granted	289,407	45.14
Vested	(227,691)	22.58
Withheld for federal taxes	(93,089)	22.42
Forfeited	(14,081)	27.38
Nonvested at January 28, 2012	772,665	\$ 32.41

As of January 28, 2012 there was \$20.2 million of total unrecognized compensation costs related to nonvested share-based compensation arrangements for restricted stock discussed above. That cost is expected to be recognized over a weighted average period of 1.87 years.

EMPLOYEE STOCK PURCHASE PLAN

Under the Employee Stock Purchase Plan, the Company is authorized to issue up to 1.0 million shares of common stock to qualifying full-time employees whose total annual base salary is less than \$90,000, effective October 1, 2002. Prior to October 1, 2002, the total annual base salary was limited to \$100,000. Under the terms of the Plan, employees could choose each year to have up to 15% of their annual base earnings or \$8,500, whichever is lower, withheld to purchase the Company's common stock. The purchase price of the stock was 85% of the closing market price of the stock on either the exercise date or the grant date, whichever was less. The Company's board of directors amended the Company's Employee Stock Purchase Plan effective October 1, 2005 to provide that participants may acquire shares under the Plan at a 5% discount from fair market value on the last day of the Plan year. Employees can choose each year to have up to 15% of their annual base earnings or \$9,500, whichever is lower, withheld to purchase the Company's

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 12: Shared-Based Compensation Plans, Continued**

common stock. Under the Compensation – Stock Compensation Topic of the Codification, shares issued under the Plan as amended are non-compensatory. Under the Plan, the Company sold 2,717 shares, 4,230 shares and 4,350 shares to employees in Fiscal 2012, 2011 and 2010, respectively.

STOCK PURCHASE PLANS

Stock purchase accounts arising out of sales to employees prior to 1972 under certain employee stock purchase plans amounted to \$101,000 and \$109,000 at January 28, 2012 and January 29, 2011, respectively, and were secured at January 28, 2012, by 5,625 employees' preferred shares. Payments on stock purchase accounts under the stock purchase plans have been indefinitely deferred. No further sales under these plans are contemplated.

Note 13: Legal Proceedings**ENVIRONMENTAL MATTERS**

NEW YORK STATE ENVIRONMENTAL MATTERS

In August 1997, the New York State Department of Environmental Conservation ("NYSDEC") 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 remedial measure ("IRM") with regard to the site of a knitting mill operated by a former subsidiary of the Company from 1965 to 1969. The Company undertook the IRM and RIFS voluntarily, without admitting liability or accepting responsibility for any future remediation of the site. The Company has completed the IRM and the RIFS. In the course of preparing the RIFS, the Company identified remedial alternatives with estimated undiscounted costs ranging from \$0- to \$24.0 million, excluding amounts previously expended or provided for by the Company. The United States Environmental Protection Agency ("EPA"), which has assumed primary regulatory responsibility for the site from NYSDEC, issued a Record of Decision in September 2007. The Record of Decision requires a remedy of a combination of groundwater extraction and treatment and in-site chemical oxidation at an estimated cost of approximately \$10.7 million.

In July 2009, the Company agreed to a Consent Order with the EPA requiring the Company to perform certain remediation actions, operations, maintenance and monitoring at the site. In September 2009, a Consent Judgment embodying the Consent Order was filed in the U.S. District Court for the Eastern District of New York.

The Village of Garden City, New York, has asserted that the Company is liable for the costs associated with enhanced treatment required by the impact of the groundwater plume from the site on two public water supply wells, including historical costs ranging from approximately \$1.8 million to in excess of \$2.5 million, and future operation and maintenance costs which the Village estimates at \$126,400 annually while the enhanced treatment continues. On December 14, 2007, the Village filed a complaint against the Company and the owner of the property under the Resource Conservation and Recovery Act ("RCRA"), the Safe Drinking Water Act, and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") as well as a number of state law theories in the U.S. District Court for the Eastern District of New York, seeking an injunction requiring the defendants to remediate contamination from the site and to establish their liability for future costs that may be incurred in connection with it, which the complaint alleges could exceed \$41 million over a 70-year period. The Company has not verified the estimates of either historic or future costs asserted by the Village, but believes that an estimate of future costs based on a 70-year remediation period is unreasonable given the expected remedial period reflected in the EPA's Record of Decision. On May 23, 2008, the Company filed a motion to dismiss the Village's complaint on grounds including applicable statutes of limitation and preemption of certain claims by the NYSDEC's and the EPA's diligent prosecution of remediation. On January 27, 2009, the Court granted the motion to dismiss all counts of the plaintiff's complaint except for the CERCLA claim and a state law claim for indemnity for costs incurred after November 27, 2000. On September 23, 2009, on a motion for reconsideration by the Village, the Court reinstated the claims for injunctive relief under RCRA and for equitable relief under certain of the state law theories. The Company intends to continue to defend the action.

In December 2005, the EPA notified the Company that it considers the Company a potentially responsible party ("PRP") with respect to contamination at two Superfund sites in upstate New York. The sites were used as landfills for process wastes generated by a glue manufacturer, which acquired tannery wastes from several tanners, allegedly including the Company's Whitehall tannery, for use as raw materials in the gluemaking process. The Company has no records indicating that it ever provided raw materials to the gluemaking operation and has not been able to establish whether the EPA's substantive allegations are accurate. The Company, together with other tannery PRPs, has entered into cost sharing agreements and Consent Decrees with the EPA with

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 13: Legal Proceedings, Continued**

respect to both sites. Based upon the current estimates of the cost of remediation, the Company's share is expected to be less than \$250,000 in total for the two sites. While there is no assurance that the Company's share of the actual cost of remediation will not exceed the estimate, the Company does not presently expect that its aggregate exposure with respect to these two landfill sites will have a material adverse effect on its financial condition or results of operations.

WHITEHALL ENVIRONMENTAL MATTERS

The Company has performed sampling and analysis of soil, sediments, surface water, groundwater and waste management areas at the Company's former Volunteer Leather Company facility in Whitehall, Michigan.

In October 2010, the Company and the Michigan Department of Natural Resources and Environment entered into a Consent Decree providing for implementation of a remedial Work Plan for the facility site designed to bring the site into compliance with applicable regulatory standards. The Work Plan's implementation is substantially complete and the Company expects, based on its present understanding of the condition of the site, that its future obligations with respect to the site will be limited to periodic monitoring and that future costs related to the site should not have a material effect on its financial condition or results of operations.

ACCRUAL FOR ENVIRONMENTAL CONTINGENCIES

Related to all outstanding environmental contingencies, the Company had accrued \$13.0 million as of January 28, 2012, \$15.5 million as of January 29, 2011 and \$15.9 million as of January 30, 2010. All such provisions reflect the Company's estimates of the most likely cost (undiscounted, including both current and noncurrent portions) of resolving the contingencies, based on facts and circumstances as of the time they were made. There is no assurance that relevant facts and circumstances will not change, necessitating future changes to the provisions. Such contingent liabilities are included in the liability arising from provision for discontinued operations on the accompanying Consolidated Balance Sheets. The Company has made pretax accruals for certain of these contingencies, including approximately \$1.8 million reflected in Fiscal 2012, \$2.9 million in Fiscal 2011 and \$0.8 million in Fiscal 2010. These charges are included in provision for discontinued operations, net in the Consolidated Statements of Operations.

CALIFORNIA ACTIONS

On March 3, 2011, there was filed in the U.S. District Court for the Eastern District of California a putative class action styled *Fraser v. Genesco Inc.* On March 4, 2011, there was filed in the Superior Court of California for the County of San Francisco a putative class action styled *Pabst v. Genesco Inc. et al.* The Pabst action was removed to the U.S. District Court for the Northern District of California on April 1, 2011. Both complaints allege that the Company's retail stores in California violated the California Song-Beverly Credit Card Act of 1971 and other California law through customer information collection practices, and both seek civil penalties, damages, restitution, injunctive and declaratory relief, attorneys' fees, and other relief. The Company and plaintiffs' counsel have reached an agreement in principle to settle both actions, subject to documentation and court approval. The Company expects that the proposed settlement will not have a material effect on its financial condition or results of operations.

On June 22, 2011, the Company removed to the U.S. District Court for the Eastern District of California *Overton v. Hat World, Inc.*, a putative class action against its subsidiary, Hat World, Inc., alleging various violations of the California Labor Code, including failure to comply with certain itemized wage statement requirements, failure to reimburse expenses, forced patronization, and failure to provide adequate seats to employees. The Company and plaintiff's counsel have reached an agreement in principle to settle the action, subject to definitive documentation and court approval. The Company expects that the proposed settlement will not have a material effect on its financial condition or results of operations.

OTHER MATTERS

On December 10, 2010, the Company announced that it had suffered a criminal intrusion into the portion of its computer network that processes payments for transactions in certain of its retail stores. Visa, Inc. and MasterCard Worldwide have asserted claims against the Company's acquiring banks totaling approximately \$15.4 million in connection with the intrusion, which amounts may be indemnifiable by the Company. The Company disputes the validity of these claims and intends to contest them vigorously. There can be no assurance that additional claims related to the intrusion will not be asserted by these or other parties in the future, but the Company does not currently expect additional claims, if any, to have a material effect on its financial condition or results of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 13: Legal Proceedings, Continued

On January 5, 2012, a patent infringement action against the Company and numerous other defendants was filed in the U.S. District Court for the Eastern District of Texas, *GeoTag, Inc. v. Circle K Store, Inc.*, et al., alleging that features of certain of the Company's e-commerce websites infringe U.S. Patent No. 5,930,474, entitled "Internet Organizer for Accessing Geographically and Topically Based Information." The plaintiff seeks relief including damages for the alleged infringement, costs, expenses and pre- and post-judgment interest and injunctive relief. The Company intends to defend the matter.

In addition to the matters specifically described in this footnote, the Company is a party to other legal and regulatory proceedings and claims arising in the ordinary course of its business. While management does not believe that the Company's liability with respect to any of these other matters is likely to have a material effect on its financial position or results of operations, legal proceedings are subject to inherent uncertainties and unfavorable rulings could have a material adverse impact on the Company's business and results of operations.

Note 14: Business Segment Information

During Fiscal 2012 the Company operated six reportable business segments (not including corporate): (i) Journeys Group, comprised of the Journeys, Journeys Kidz and Shi by Journeys retail footwear chains, catalog and e-commerce operations; (ii) Underground Station Group, comprised of the Underground Station retail footwear chain and e-commerce operations; (iii) Schuh Group, acquired in June 2011, comprised of the Schuh retail footwear chain and e-commerce operations; (iv) Lids Sports Group, comprised primarily of the Lids, Hat World and Hat Shack retail headwear stores, the Lids Locker Room and Lids Clubhouse fan shops (operated under various trade names), the Lids Team Sports business and certain e-commerce operations; (v) Johnston & Murphy Group, comprised of Johnston & Murphy retail operations, catalog and e-commerce operations and wholesale distribution; and (vi) Licensed Brands, comprised primarily of Dockers® Footwear, sourced and marketed under a license from Levi Strauss & Company.

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 Group, Underground Station Group, Schuh Group and Lids Sports Group sell primarily branded products from other companies while Johnston & Murphy Group and Licensed Brands sell primarily the Company's owned and licensed brands.

Corporate assets include cash, prepaid rent expense, prepaid income taxes, deferred income taxes, deferred note expense and corporate fixed assets. The Company charges allocated retail costs of distribution to each segment. 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, restructuring charges and other, including major litigation and the loss on early retirement of debt.

Fiscal 2012	UNDERGROUND			JOHNSTON			CORPORATE & OTHER	CONSOLIDATED
	JOURNEYS GROUP	STATION GROUP	SCHUH GROUP	LIDS SPORTS GROUP	& MURPHY GROUP	LICENSED BRANDS		
IN THOUSANDS								
Sales	\$ 927,743	\$ 92,373	\$ 212,262	\$ 759,671	\$ 201,725	\$ 97,721	\$ 1,116	\$ 2,292,611
Intercompany sales	-0-	-0-	-0-	(347)	-0-	(277)	-0-	(624)
Net sales to external customers	\$ 927,743	\$ 92,373	\$ 212,262	\$ 759,324	\$ 201,725	\$ 97,444	\$ 1,116	\$ 2,291,987
Segment operating income (loss)	\$ 82,785	\$ (333)	\$ 11,711	\$ 82,349	\$ 13,682	\$ 9,456	\$ (53,103)	\$ 146,547
Restructuring and other*	-0-	-0-	-0-	-0-	-0-	-0-	(2,677)	(2,677)
Earnings from operations	82,785	(333)	11,711	82,349	13,682	9,456	(55,780)	143,870
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	(5,157)	(5,157)
Interest income	-0-	-0-	-0-	-0-	-0-	-0-	65	65
Earnings from continuing operations before income taxes	\$ 82,785	\$ (333)	\$ 11,711	\$ 82,349	\$ 13,682	\$ 9,456	\$ (60,872)	\$ 138,778
Total assets**	\$ 234,129	\$ 25,202	\$ 205,313	\$ 489,512	\$ 79,321	\$ 34,974	\$ 168,814	\$ 1,237,265
Depreciation and amortization	18,965	1,777	4,602	22,541	3,538	285	2,029	53,737
Capital expenditures	10,885	240	7,406	24,497	1,894	718	3,816	49,456

*Restructuring and other includes a \$1.1 million charge for asset impairments, of which \$0.5 million is in the Journeys Group, \$0.3 million in the Lids Sports Group, \$0.2 million in the Johnston & Murphy Group and \$0.1 million in the Underground Station Group.

**Total assets for the Lids Sports Group, Schuh Group and Licensed Brands include \$159.1 million, \$99.9 million and \$0.8 million of goodwill, respectively. Goodwill for Lids Sports Group includes \$6.5 million of additions in Fiscal 2012 resulting from small acquisitions and the Schuh Group goodwill is due to the acquisition of Schuh in the second quarter of Fiscal 2012 of \$102.9 million which has been decreased by \$3.0 million due to foreign currency translation adjustment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 14: Business Segment Information, Continued

Fiscal 2011							
IN THOUSANDS	UNDERGROUND			JOHNSTON		CORPORATE & OTHER	CONSOLIDATED
	JOURNEYS GROUP	STATION GROUP	LIDS SPORTS GROUP	& MURPHY GROUP	LICENSED BRANDS		
Sales	\$ 804,149	\$ 94,351	\$ 603,533	\$ 185,012	\$ 101,839	\$ 1,339	\$ 1,790,223
Intercompany sales	-0-	-0-	(188)	(1)	(195)	-0-	(384)
Net sales to external customers	\$ 804,149	\$ 94,351	\$ 603,345	\$ 185,011	\$ 101,644	\$ 1,339	\$ 1,789,839
Segment operating income (loss)	\$ 52,639	\$ (2,997)	\$ 56,026	\$ 7,595	\$ 12,359	\$ (30,972)	\$ 94,650
Restructuring and other*	-0-	-0-	-0-	-0-	-0-	(8,567)	(8,567)
Earnings (loss) from operations	52,639	(2,997)	56,026	7,595	12,359	(39,539)	86,083
Interest expense	-0-	-0-	-0-	-0-	-0-	(1,130)	(1,130)
Interest income	-0-	-0-	-0-	-0-	-0-	8	8
Earnings (loss) from continuing operations before income taxes	\$ 52,639	\$ (2,997)	\$ 56,026	\$ 7,595	\$ 12,359	\$ (40,661)	\$ 84,961
Total assets**	\$ 240,567	\$ 27,768	\$ 435,016	\$ 72,393	\$ 38,152	\$ 147,186	\$ 961,082
Depreciation and amortization	20,835	2,170	18,627	3,754	217	2,135	47,738
Capital expenditures	6,422	1,332	17,908	1,687	27	1,923	29,299

*Restructuring and other includes a \$7.2 million charge for asset impairments, of which \$4.8 million is in the Journeys Group, \$1.0 million in the Lids Sports Group, \$0.7 million in the Johnston & Murphy Group and \$0.7 million in the Underground Station Group.

**Total assets for Lids Sports Group include \$152.5 million goodwill which includes \$33.5 million of additions in Fiscal 2011 resulting from acquisitions. Total assets for Licensed Brands include \$0.8 million goodwill due to the Keuka Footwear acquisition.

Fiscal 2010							
IN THOUSANDS	UNDERGROUND			JOHNSTON		CORPORATE & OTHER	CONSOLIDATED
	JOURNEYS GROUP	STATION GROUP	LIDS SPORTS GROUP	& MURPHY GROUP	LICENSED BRANDS		
Sales	\$ 749,202	\$ 99,458	\$ 465,878	\$ 166,081	\$ 93,291	\$ 643	\$ 1,574,553
Intercompany sales	-0-	-0-	(102)	(2)	(97)	-0-	(201)
Net sales to external customers	\$ 749,202	\$ 99,458	\$ 465,776	\$ 166,079	\$ 93,194	\$ 643	\$ 1,574,352
Segment operating income (loss)	\$ 42,090	\$ (4,809)	\$ 42,708	\$ 4,725	\$ 11,974	\$ (22,905)	\$ 73,783
Restructuring and other*	-0-	-0-	-0-	-0-	-0-	(13,361)	(13,361)
Earnings (loss) from operations	42,090	(4,809)	42,708	4,725	11,974	(36,266)	60,422
Loss early retirement of debt	-0-	-0-	-0-	-0-	-0-	(5,518)	(5,518)
Interest expense	-0-	-0-	-0-	-0-	-0-	(4,430)	(4,430)
Interest income	-0-	-0-	-0-	-0-	-0-	14	14
Earnings (loss) from continuing operations before income taxes	\$ 42,090	\$ (4,809)	\$ 42,708	\$ 4,725	\$ 11,974	\$ (46,200)	\$ 50,488
Total assets**	\$ 246,000	\$ 28,497	\$ 333,634	\$ 67,705	\$ 27,293	\$ 160,523	\$ 863,652
Depreciation and amortization	23,839	2,669	14,732	3,891	174	2,157	47,462
Capital expenditures	14,664	158	13,959	3,633	64	1,347	33,825

*Restructuring and other includes a \$13.3 million charge for asset impairments, of which \$9.5 million is in the Journeys Group, \$2.1 million in the Lids Sports Group, \$0.9 million in the Johnston & Murphy Group and \$0.8 million in the Underground Station Group.

**Total assets for Lids Sports Group include \$119.0 million goodwill.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 15: Quarterly Financial Information (Unaudited)

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	1ST QUARTER		2ND QUARTER		3RD QUARTER		4TH QUARTER		FISCAL YEAR	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net sales	\$481,502	\$400,853	\$470,591	\$363,654	\$616,525	\$464,838	\$723,369	\$560,494	\$2,291,987	\$1,789,839
Gross margin	247,542	208,071	237,284	184,044	312,152	236,741	357,071	272,991	1,154,049	901,847
Earnings (loss) from continuing operations										
before income taxes	25,011 ⁽¹⁾	14,316 ⁽²⁾	570 ⁽³⁾	(3,649) ⁽⁴⁾	44,043 ⁽⁵⁾	26,373 ⁽⁶⁾	69,154 ⁽⁷⁾	47,921 ⁽⁸⁾	138,778	84,961
Earnings (loss) from continuing operations	14,975	8,563	350	(2,396)	26,161	16,967	41,498	31,413	82,984	54,547
Net earnings (loss)	14,793 ⁽⁹⁾	8,616	(392) ⁽¹⁰⁾	(3,183) ⁽¹¹⁾	26,088 ⁽¹²⁾	16,917	41,470	30,861 ⁽¹³⁾	81,959	53,211
Diluted earnings (loss) per common share:										
Continuing operations	.63	.36	.01	(.10)	1.09	.72	1.72	1.34	3.48	2.29
Net earnings (loss)	.63	.36	(.02)	(.14)	1.09	.72	1.72	1.31	3.43	2.24

- (1) Includes a net restructuring and other charge of \$1.2 million (see Note 3).
(2) Includes a loss of \$0.2 million, net of tax, from discontinued operations (see Note 3).
(3) Includes a net restructuring and other charge of \$2.4 million (see Note 3).
(4) Includes a net restructuring and other charge of \$0.4 million (see Note 3).
(5) Includes a loss of \$0.7 million, net of tax, from discontinued operations (see Note 3).
(6) Includes a net restructuring and other charge of \$2.0 million (see Note 3).
(7) Includes a loss of \$0.8 million, net of tax, from discontinued operations (see Note 3).
(8) Includes a net restructuring and other charge of \$0.3 million (see Note 3).
(9) Includes a loss of \$0.1 million, net of tax, from discontinued operations (see Note 3).
(10) Includes a net restructuring and other charge of \$2.2 million (see Note 3).
(11) Includes a net restructuring and other charge of \$0.8 million (see Note 3).
(12) Includes a net restructuring and other charge of \$2.0 million (see Note 3).
(13) Includes a loss of \$0.5 million, net of tax, from discontinued operations (see Note 3).

CORPORATE INFORMATION**ANNUAL MEETING OF SHAREHOLDERS**

The annual meeting of shareholders will be held Wednesday, June 27, 2012, at 10:00 a.m. CDT, at the corporate headquarters in Genesco Park, Nashville, Tennessee.

CORPORATE HEADQUARTERS

Genesco Park
1415 Murfreesboro Road – P.O. Box 731
Nashville, TN 37202-0731

INDEPENDENT AUDITORS

Ernst & Young LLP
150 Fourth Avenue North
Suite 1400
Nashville, Tennessee 37219

TRANSFER AGENT AND REGISTRAR

Communications concerning stock transfer, preferred stock dividends, consolidating accounts, change of address and lost or stolen stock certificates should be directed to the transfer agent. When corresponding with the transfer agent, shareholders should state the exact name(s) in which the stock is registered and certificate number, as well as old and new information about the account.

Computershare Phone #: 781-575-2879

Address: Computershare
P. O. Box 43078
Providence, Rhode Island 02940-3078

Private Couriers/Registered Mail:

Computershare
250 Royall Street
Canton, Massachusetts 02021

Questions & Inquiries via Website:

<http://www.computershare.com/investor>

Hearing Impaired #: TDD: 1-800-952-9245

INVESTOR RELATIONS

Security analysts, portfolio managers or other investment community representatives should contact:

James S. Gulmi, Senior Vice President – Finance
and Chief Financial Officer
Genesco Park, Suite 490 – P.O. Box 731
Nashville, Tennessee 37202-0731
(615) 367-8325

OTHER INFORMATION

Certifications by the Chief Executive Officer and the Chief Financial Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 have been filed as exhibits of the Company's 2012 Annual Report on Form 10-K. The Chief Executive Officer has submitted to the New York Stock Exchange (NYSE) the annual CEO certification for fiscal 2012 regarding the Company's compliance with the NYSE's corporate governance listing standards.

FORM 10-K

Each year Genesco files with the Securities and Exchange Commission a Form 10-K which contains more detailed information. Any shareholder who would like to receive, without charge, a single copy (without exhibits), or who would like to receive extra copies of any Genesco shareholder publication should send a request to:

Claire S. McCall
Director, Corporate Relations
Genesco Park, Suite 490 – P.O. Box 731
Nashville, Tennessee 37202-0731
(615) 367-8283

COMMON STOCK LISTING

New York Stock Exchange, Chicago Stock Exchange
Symbol: GCO

CORPORATE WEBSITE

Genesco's corporate website may be accessed at www.genesco.com

BOARD OF DIRECTORS

JAMES S. BEARD

Retired President, Caterpillar
Financial Services Corporation
Nashville, Tennessee
Member of the audit and finance committees

LEONARD L. BERRY

Distinguished Professor of Marketing,
M.B. Zale Chair in Retailing and Marketing Studies,
Department of Marketing, Mays Business School,
Texas A&M University
College Station, Texas
Member of the compensation and
nominating and governance committees

WILLIAM F. BLAUFUSS, JR.

Consultant, Certified Public Accountant
Nashville, Tennessee
Chairman of the audit committee,
member of the finance committee

JAMES W. BRADFORD

Dean, Owen Graduate School of Management
Vanderbilt University
Nashville, Tennessee
Chairman of the finance committee and member
of the nominating and governance committee

ROBERT V. DALE

Consultant
Nashville, Tennessee
Chairman of the nominating and governance
committee and member of the audit committee

ROBERT J. DENNIS

Chairman, President and Chief Executive Officer
Genesco Inc.

MATTHEW C. DIAMOND

Chairman and Chief Executive Officer
Alloy, Inc.
New York, New York
Chairman of the compensation committee,
member of the finance committee

MARTY G. DICKENS

Retired President
AT&T – Tennessee
Nashville, Tennessee
Member of the compensation and the
nominating and governance committees

BEN T. HARRIS

Former Chairman
Genesco Inc.
Member of the finance committee

THURGOOD MARSHALL, JR.

Partner
Bingham McCutchen, LLP
Washington, D.C.

KATHLEEN MASON

President and Chief Executive Officer
Tuesday Morning Inc.
Dallas, Texas
Member of the audit and compensation committees

CORPORATE OFFICERS

ROBERT J. DENNIS

Chairman, President and Chief Executive Officer
8 years with Genesco

JAMES S. GULMI

Senior Vice President – Finance and
Chief Financial Officer
40 years with Genesco

JONATHAN D. CAPLAN

Senior Vice President – Genesco Branded
19 years with Genesco

JAMES C. ESTEPA

Senior Vice President – Genesco Retail
27 years with Genesco

KENNETH J. KOCHER

Senior Vice President – Lids Sports Group
8 years with Genesco

ROGER G. SISSON

Senior Vice President, Corporate Secretary
and General Counsel
18 years with Genesco

MIMI E. VAUGHN

Senior Vice President – Strategy and Shared Services
9 years with Genesco

PAUL D. WILLIAMS

Vice President and Chief Accounting Officer
35 years with Genesco

MATTHEW N. JOHNSON

Treasurer
19 years with Genesco

GENESCO RETAIL STORES AS OF 1/28/12

ALASKA

ANCHORAGE LIDS (2), JOURNEYS (2)
FAIRBANKS LIDS, JOURNEYS

ALABAMA

AUBURN LIDS, JOURNEYS, LIDS CLUBHOUSE
BIRMINGHAM LIDS (3), JOHNSTON & MURPHY SHOP,
JOURNEYS
DOTHAN LIDS, JOURNEYS
FAIRFIELD UNDERGROUND STATION
FLORENCE LIDS, JOURNEYS
FOLEY LIDS, JOHNSTON & MURPHY OUTLET,
JOURNEYS, JOURNEYS KIDZ
GADSDEN LIDS
HOMEWOOD JOURNEYS
HOOVER JOURNEYS, SHI
HUNTSVILLE LIDS (2), JOURNEYS (2),
UNDERGROUND STATION
MOBILE LIDS, JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATION, LIDS LOCKER ROOM
MONTGOMERY LIDS, JOURNEYS
OXFORD LIDS
SPANISH FORT JOURNEYS
TUSCALOOSA LIDS, JOURNEYS

ALBERTA

CALGARY LIDS
EDMONTON LIDS (5)
MEDICINE HAT LIDS
RED DEER LIDS

ARKANSAS

FAYETTEVILLE LIDS, JOURNEYS, JOURNEYS KIDZ
FORT SMITH LIDS, JOURNEYS
HOT SPRINGS JOURNEYS
JONESBORO LIDS, JOURNEYS
LITTLE ROCK LIDS
NORTH LITTLE ROCK LIDS, JOURNEYS (2),
UNDERGROUND STATION
PINE BLUFF JOURNEYS
ROGERS LIDS, JOURNEYS

ARIZONA

CHANDLER JOURNEYS, JOURNEYS KIDZ
FLAGSTAFF LIDS, JOURNEYS
GILBERT JOURNEYS
GLENDALE LIDS, JOURNEYS
MESA JOURNEYS (2), JOURNEYS KIDZ, LIDS (2)
PHOENIX LIDS (3), JOURNEYS (4), JOURNEYS KIDZ,
UNDERGROUND STATION
PRESCOTT JOURNEYS
SCOTTSDALE LIDS, JOHNSTON & MURPHY SHOP,
JOURNEYS, JOURNEYS KIDZ
SIERRA VISTA LIDS
TEMPE LIDS (2), JOURNEYS (2), JOURNEYS KIDZ,
LIDS CLUBHOUSE
TUCSON LIDS (2), JOURNEYS (2), JOURNEYS KIDZ,
SHI, UNDERGROUND STATION
YUMA JOURNEYS

BRITISH COLUMBIA

BURNABY LIDS (3)
KELOWNA LIDS
LANGLEY LIDS
NANAIMO LIDS
SURREY LIDS
VANCOUVER LIDS
VICTORIA LIDS
WHISTLER LIDS

CALIFORNIA

ANTIOCH LIDS, JOURNEYS
ARCADIA LIDS, JOURNEYS

BAKERSFIELD LIDS, JOURNEYS,
JOURNEYS KIDZ, SHI
BREA LIDS, JOURNEYS
BURBANK LIDS, JOURNEYS
CABAZON JOHNSTON & MURPHY OUTLET
CAMARILLO LIDS, JOHNSTON & MURPHY OUTLET
CANOGA PARK LIDS, JOURNEYS, LIDS CLUBHOUSE
CAPITOLA LIDS, JOURNEYS
CARLSBAD LIDS (2), JOHNSTON & MURPHY OUTLET,
JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATION
CERRITOS LIDS, JOURNEYS
CHICO LIDS, JOURNEYS
CHULA VISTA LIDS
CITRUS HEIGHTS LIDS, JOURNEYS
CITY OF INDUSTRY LIDS, JOURNEYS
COMMERCE LIDS, JOURNEYS
CONCORD LIDS, JOURNEYS
COSTA MESA JOHNSTON & MURPHY SHOP,
JOURNEYS

CULVER CITY LIDS
DALY CITY JOURNEYS
DOWNEY LIDS, JOURNEYS
EL CAJON LIDS, JOURNEYS
EL CENTRO LIDS, JOURNEYS
ESCONDIDO LIDS, JOURNEYS
EUREKA LIDS, JOURNEYS
FAIRFIELD JOURNEYS, LIDS, UNDERGROUND STATION
FOLSOM LIDS
FRESNO LIDS, JOURNEYS

GILROY LIDS, JOHNSTON & MURPHY OUTLET
GLENDALE LIDS
HANFORD LIDS, JOURNEYS
HAYWARD LIDS
HOLLYWOOD LIDS, LIDS LOCKER ROOM
IRVINE LIDS, LIDS LOCKER ROOM
LAKE ELSINORE LIDS
LAKEWOOD LIDS, JOURNEYS
LONG BEACH LIDS
LOS ANGELES LIDS, JOHNSTON & MURPHY SHOP,
LIDS CLUBHOUSE, LIDS LOCKER ROOM

MILPITAS LIDS, JOURNEYS
MISSION VIEGO LIDS
MODESTO LIDS, JOURNEYS, JOURNEYS KIDZ, SHI
MONTCLAIR LIDS, JOURNEYS
MONTEBELLO LIDS, JOURNEYS
MONTEREY LIDS
MORENO VALLEY LIDS, JOURNEYS
NATIONAL CITY LIDS, JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATION
NEWARK LIDS, JOURNEYS
NORTHBRIDGE LIDS, JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATION

ONTARIO LIDS, JOURNEYS, JOURNEYS KIDZ
ORANGE LIDS
PALM DESERT LIDS, JOURNEYS
PALMDALE LIDS, JOURNEYS
PISMO BEACH JOURNEYS
PLEASANTON LIDS, JOURNEYS
RANCHO CUCAMONGA JOURNEYS
REDDING JOURNEYS
REDONDO BEACH LIDS
RICHMOND LIDS
RIVERSIDE LIDS, JOURNEYS
ROSEVILLE LIDS, JOURNEYS, JOURNEYS KIDZ, SHI
SACRAMENTO LIDS (2), JOURNEYS (2)
SALINAS LIDS, JOURNEYS
SAN BERNADINO LIDS, JOURNEYS
SAN BRUNO JOURNEYS
SAN DIEGO LIDS (3), JOHNSTON & MURPHY SHOP,
JOURNEYS (3)

SAN FRANCISCO LIDS (4), JOHNSTON & MURPHY SHOP
SAN JOSE LIDS (2), JOURNEYS (2)
SAN LEANDRO LIDS
SAN MATEO LIDS, JOURNEYS
SAN YSIDRO JOURNEYS
SANTA ANA LIDS, JOURNEYS, LIDS CLUBHOUSE
SANTA CLARA LIDS, JOURNEYS,
JOURNEYS KIDZ
SANTA MONICA LIDS, JOURNEYS
SANTA ROSA LIDS, JOURNEYS, JOURNEYS KIDZ
SHERMAN OAKS LIDS
SIMI VALLEY JOURNEYS
STOCKTON LIDS, JOURNEYS
TEMECULA JOURNEYS
THOUSAND OAKS LIDS, JOURNEYS
TORRANCE LIDS
TRACY LIDS
TULARE JOURNEYS
UNIVERSAL CITY LIDS
VALENCIA LIDS, JOURNEYS
VENTURA LIDS, JOURNEYS
VICTORVILLE LIDS, JOURNEYS
VISALIA LIDS, JOURNEYS, JOURNEYS KIDZ
WEST COVINA LIDS, JOURNEYS
WESTMINSTER LIDS, JOURNEYS
YUBA CITY LIDS, JOURNEYS

COLORADO

AURORA LIDS (2), JOURNEYS (2),
UNDERGROUND STATION
BROOMFIELD LIDS, JOURNEYS
CASTLE ROCK LIDS, JOHNSTON & MURPHY OUTLET,
JOURNEYS
COLORADO SPRINGS LIDS(2), JOURNEYS,
UNDERGROUND STATION
DENVER LIDS, JOHNSTON & MURPHY SHOP (2),
JOURNEYS (3)
FT. COLLINS LIDS, JOURNEYS
GRAND JUNCTION LIDS, JOURNEYS
GREELEY JOURNEYS
LAKEWOOD LIDS, JOURNEYS
LITTLETON LIDS, JOURNEYS (2)
LONETREE LIDS
LOVELAND LIDS, JOURNEYS
PUEBLO LIDS, JOURNEYS
SILVERTHORNE LIDS, JOURNEYS

CONNECTICUT

CLINTON JOHNSTON & MURPHY OUTLET
DANBURY LIDS, JOURNEYS, JOURNEYS KIDZ
FARMINGTON LIDS, JOHNSTON & MURPHY SHOP
MANCHESTER LIDS, JOURNEYS
MERIDEN LIDS, JOURNEYS
MILFORD LIDS, JOURNEYS, UNDERGROUND STATION
STAMFORD JOHNSTON & MURPHY SHOP, JOURNEYS
TRUMBULL LIDS, JOURNEYS
WATERBURY LIDS, JOURNEYS
WATERFORD LIDS, JOURNEYS
WESTBROOK LIDS
WESTPORT JOHNSTON & MURPHY SHOP

DELAWARE

DOVER LIDS, JOURNEYS
NEWARK LIDS, JOURNEYS
REHOBOTH BEACH LIDS, JOURNEYS
WILMINGTON LIDS, JOURNEYS

DISTRICT OF COLUMBIA

WASHINGTON, D.C. JOHNSTON & MURPHY SHOP (4)

FLORIDA

ALTAMONTE SPRINGS LIDS, JOURNEYS,
LIDS LOCKER ROOM

AVENTURA LIDS, JOHNSTON & MURPHY SHOP,
JOURNEYS, JOURNEYS KIDZ
BOCA RATON LIDS, JOHNSTON & MURPHY SHOP,
JOURNEYS
BOYNTON BEACH LIDS, JOURNEYS,
UNDERGROUND STATION
BRADENTON JOURNEYS
BRANDON LIDS, JOURNEYS, JOURNEYS KIDZ, SHI,
LIDS LOCKER ROOM
CLEARWATER LIDS, JOURNEYS, JOURNEYS KIDZ,
LIDS LOCKER ROOM
CORAL SPRINGS LIDS, JOURNEYS,
UNDERGROUND STATION, LIDS LOCKER ROOM
DAYTONA BEACH LIDS, JOURNEYS, JOURNEYS KIDZ
DESTIN LIDS, JOHNSTON & MURPHY OUTLET,
JOURNEYS (2)
ELLENTON LIDS, JOHNSTON & MURPHY OUTLET,
JOURNEYS
ESTERO LIDS, JOURNEYS (2),
JOHNSTON & MURPHY OUTLET
FT. LAUDERDALE JOURNEYS
FT. MYERS LIDS (2), JOURNEYS (2), LIDS LOCKER ROOM,
UNDERGROUND STATION
GAINESVILLE LIDS, JOURNEYS
HIALEAH LIDS
JACKSONVILLE LIDS (2), JOURNEYS (2),
JOHNSTON & MURPHY SHOP,
UNDERGROUND STATION (2)
JENSEN BEACH JOURNEYS
KISSIMMEE LIDS, JOURNEYS
LAKE WALES LIDS, JOURNEYS
LAKELAND LIDS, JOURNEYS,
LIDS LOCKER ROOM
MADEIRA BEACH LIDS LOCKER ROOM
MARY ESTHER LIDS, JOURNEYS,
JOURNEYS KIDZ
MELBOURNE LIDS, JOURNEYS
MERRITT ISLAND LIDS, JOURNEYS
MIAMI LIDS (2), JOURNEYS (2), JOURNEYS KIDZ,
LIDS LOCKER ROOM, UNDERGROUND STATION (3),
SHI, JOHNSTON & MURPHY SHOP
MIAMI BEACH JOURNEYS
NAPLES LIDS, JOURNEYS, JOURNEYS KIDZ
OCALA LIDS
OCOEEE LIDS, JOURNEYS, UNDERGROUND STATION,
LIDS LOCKER ROOM
ORANGE PARK LIDS, JOURNEYS
ORLANDO LIDS (6), JOHNSTON & MURPHY SHOP,
JOHNSTON & MURPHY OUTLET, JOURNEYS (5),
JOURNEYS KIDZ (2), UNDERGROUND STATION,
LIDS LOCKER ROOM
OVIEDO JOURNEYS
PALM BEACH GARDENS JOHNSTON & MURPHY SHOP,
JOURNEYS
PANAMA CITY LIDS, JOURNEYS
PANAMA CITY BEACH LIDS, JOURNEYS
PEMBROKE PINES LIDS, JOURNEYS,
LIDS LOCKER ROOM
PENSACOLA LIDS, JOURNEYS,
UNDERGROUND STATION, LIDS LOCKER ROOM
PLANTATION LIDS, JOURNEYS
PORT CHARLOTTE JOURNEYS
PORT RICHEY LIDS, JOURNEYS
ST. AUGUSTINE LIDS, JOURNEYS
ST. PETERSBURG JOURNEYS, LIDS,
LIDS LOCKER ROOM, UNDERGROUND STATION
SANFORD LIDS, JOURNEYS
SARASOTA LIDS, JOURNEYS, LIDS LOCKER ROOM
SUNRISE LIDS, JOURNEYS
TALLAHASSEE LIDS (2), JOURNEYS (2),
LIDS LOCKER ROOM, UNDERGROUND STATION

GENESCO RETAIL STORES AS OF 1/28/12

TAMPA LIDS (4), JOHNSTON & MURPHY SHOP JOURNEYS (4), JOURNEYS KIDZ, LIDS LOCKER ROOM (3), UNDERGROUND STATION	FAIRVIEW HEIGHTS LIDS, JOURNEYS, JOURNEYS KIDZ, LIDS CLUBHOUSE	BOWLING GREEN LIDS, JOURNEYS	BROCKTON LIDS
VERO BEACH JOURNEYS (3)	FORSYTH JOURNEYS	FLORENCE LIDS (2), JOURNEYS, JOURNEYS KIDZ	BURLINGTON LIDS, JOHNSTON & MURPHY SHOP, JOURNEYS, LIDS LOCKER ROOM
WELLINGTON JOURNEYS, LIDS, LIDS LOCKER ROOM	GURNEE LIDS, JOURNEYS, SHI, LIDS LOCKER ROOM	FORT CAMPBELL LIDS	CAMBRIDGE LIDS, JOURNEYS
WEST PALM BEACH JOURNEYS	JOLIET LIDS, JOURNEYS, UNDERGROUND STATION	LEXINGTON LIDS, JOURNEYS, JOURNEYS KIDZ, SHI	CHESTNUT HILL JOHNSTON & MURPHY SHOP
GEORGIA	LINCOLNWOOD LIDS, UNDERGROUND STATION	LOUISVILLE LIDS (2), JOHNSTON & MURPHY SHOP JOURNEYS (2), JOURNEYS KIDZ, UNDERGROUND STATION (2)	DARTMOUTH LIDS, JOURNEYS
ALBANY LIDS, JOURNEYS	LOMBARD LIDS, JOURNEYS	NEWPORT JOURNEYS	DEDHAM JOHNSTON & MURPHY SHOP
ALPHARETTA LIDS (2), JOURNEYS	MATTESON LIDS	OWENSBORO JOURNEYS	EAST BOSTON JOHNSTON & MURPHY SHOP (2)
ATHENS LIDS, JOURNEYS	MOLINE LIDS, JOURNEYS	PADUCAH LIDS, JOURNEYS	FOXBORO JOURNEYS
ATLANTA LIDS (6), JARMAN SHOE STORE, JOHNSTON & MURPHY SHOP (2), JOURNEYS (3), LIDS LOCKER ROOM, UNDERGROUND STATION (3)	NORRIDGE LIDS, JOURNEYS, UNDERGROUND STATION	LOUISIANA	HANOVER LIDS, JOURNEYS
AUGUSTA LIDS (2), JOURNEYS, LIDS LOCKER ROOM, UNDERGROUND STATION	NORTH RIVERSIDE LIDS, JOURNEYS, UNDERGROUND STATION	ALEXANDRIA LIDS	HOLYOKE LIDS (2), JOURNEYS, JOURNEYS KIDZ, SHI
BRUNSWICK JOURNEYS	NORTHBROOK JOHNSTON & MURPHY SHOP	BATON ROUGE LIDS (2), JOHNSTON & MURPHY SHOP, JOURNEYS (2), JOURNEYS KIDZ, UNDERGROUND STATION	HYANNIS LIDS, JOURNEYS
BUFORD LIDS, JOURNEYS, JOURNEYS KIDZ	OAKBROOK JOHNSTON & MURPHY SHOP	BOSSIER CITY LIDS, JOURNEYS, UNDERGROUND STATION, LIDS LOCKER ROOM	KINGSTON LIDS, JOURNEYS
CENTERVILLE JOURNEYS	ORLAND PARK LIDS (2), JOURNEYS, JOURNEYS KIDZ	GONZALES LIDS	LANESBORO JOURNEYS
COLUMBUS LIDS, JOURNEYS, UNDERGROUND STATION	PEORIA LIDS, JOURNEYS, JOURNEYS KIDZ	GREटना LIDS, JOURNEYS, UNDERGROUND STATION	LEE JOHNSTON & MURPHY OUTLET
COMMERCE LIDS, JOURNEYS	ROCKFORD LIDS, JOURNEYS	HOUMA JOURNEYS, LIDS LOCKER ROOM	LEOMINSTER LIDS, JOURNEYS
DALTON JOURNEYS	SCHAUMBURG LIDS, LIDS CLUBHOUSE, JOHNSTON & MURPHY SHOP, JOURNEYS	KENNER LIDS, JARMAN SHOE STORE, JOURNEYS, JOURNEYS KIDZ, LIDS LOCKER ROOM	MARLBORO LIDS, JOURNEYS
DAWSONVILLE LIDS, JOURNEYS, JOHNSTON & MURPHY OUTLET	SPRINGFIELD LIDS, JOURNEYS	LAFAYETTE LIDS, JOURNEYS, JOURNEYS KIDZ, LIDS LOCKER ROOM	NATICK LIDS, JOURNEYS, JOHNSTON & MURPHY SHOP, SHI
DECATUR LIDS, JARMAN SHOE STORE	VERNON HILLS LIDS, JOURNEYS	LAKE CHARLES LIDS, JOURNEYS, UNDERGROUND STATION	NORTH ATTLEBORO LIDS, JOURNEYS
DOUGLASVILLE LIDS, JOURNEYS, JOURNEYS KIDZ	WEST DUNDEE LIDS, JOURNEYS	METAIRIE JOHNSTON & MURPHY SHOP, LIDS LOCKER ROOM	PEABODY LIDS, JOURNEYS
DULUTH LIDS, JOURNEYS, LIDS LOCKER ROOM, UNDERGROUND STATION	INDIANA	MONROE LIDS, JOURNEYS, JOURNEYS KIDZ, UNDERGROUND STATION	SAUGUS LIDS, JOURNEYS
KENNESAW LIDS (2), JOURNEYS, JOURNEYS KIDZ, SHI, LIDS LOCKER ROOM	BLOOMINGTON LIDS, JOURNEYS, JOURNEYS KIDZ	NEW ORLEANS LIDS LOCKER ROOM (3)	SPRINGFIELD JOURNEYS
LAWRENCEVILLE JOURNEYS	CLARKSVILLE LIDS, JOURNEYS	SHREVEPORT JOURNEYS, LIDS LOCKER ROOM	SWANSEA LIDS
LITHONIA LIDS, JOURNEYS, UNDERGROUND STATION	EDINBURGH LIDS	SLIDELL JOURNEYS	TAUNTON LIDS, JOURNEYS
MACON LIDS (2), JOURNEYS (2), UNDERGROUND STATION	EVANSVILLE LIDS, JOURNEYS, JOURNEYS KIDZ	MAINE	WRENTHAM LIDS, JOHNSTON & MURPHY OUTLET, JOURNEYS
MORROW LIDS (2), UNDERGROUND STATION	FT. WAYNE LIDS (2), JOURNEYS, JOURNEYS KIDZ, SHI	BANGOR LIDS, JOURNEYS	MICHIGAN
ROME LIDS, JOURNEYS	GREENWOOD LIDS, JOURNEYS, JOURNEYS KIDZ, SHI	FREEPORT LIDS	ANN ARBOR LIDS, JOURNEYS
SAVANNAH LIDS, JOURNEYS, LIDS LOCKER ROOM, UNDERGROUND STATION	INDIANAPOLIS LIDS (4), JOURNEYS (2), JOHNSTON & MURPHY SHOP (2), SHI, UNDERGROUND STATION (2), LIDS LOCKER ROOM	KITTERY JOHNSTON & MURPHY OUTLET	AUBURN HILLS LIDS, JOHNSTON & MURPHY OUTLET, JOURNEYS, JOURNEYS KIDZ, SHI
VALDOSTA JOURNEYS	KOKOMO JOURNEYS	SOUTH PORTLAND LIDS, JOURNEYS	BATTLE CREEK LIDS, JOURNEYS
HAWAII	LAFAYETTE LIDS, JOURNEYS, JOURNEYS KIDZ	MANITоба	BIRCH RUN JOURNEYS
AIEA LIDS, JOURNEYS, JOURNEYS KIDZ, LIDS LOCKER ROOM	MERRILLVILLE LIDS, JOURNEYS, UNDERGROUND STATION	WINNIPEG LIDS (2)	CLINTON TOWNSHIP SHI
HILO LIDS, JOURNEYS	MICHIGAN CITY LIDS	MARYLAND	DEARBORN LIDS, JOURNEYS, UNDERGROUND STATION
HONOLULU LIDS (4), JOURNEYS	MISHAWAKA LIDS, JOURNEYS, JOURNEYS KIDZ, SHI	ANNAPOLIS LIDS (2), JOHNSTON & MURPHY SHOP, JOURNEYS, JOURNEYS KIDZ	FLINT LIDS, JOURNEYS, JOURNEYS KIDZ
KAHULUI LIDS, JOURNEYS	MUNCIE LIDS, JOURNEYS	BALTIMORE LIDS (3), JOHNSTON & MURPHY SHOP (2), JOURNEYS, JOURNEYS KIDZ, UNDERGROUND STATION	FORT GRATIOT JOURNEYS
KANEOHE LIDS, JOURNEYS	PLAINFIELD LIDS, JOURNEYS	BEL AIR LIDS, JOURNEYS	GRAND RAPIDS LIDS, JOHNSTON & MURPHY SHOP, JOURNEYS
LIHUE LIDS	RICHMOND JOURNEYS	BETHESDA LIDS, JOURNEYS	GRANDVILLE LIDS, JOURNEYS, SHI
WAIKOLOA LIDS	TERRE HAUTE LIDS, JOURNEYS	COLUMBIA LIDS, JOHNSTON & MURPHY SHOP JOURNEYS	GREEN OAK TOWNSHIP JOURNEYS
IDAHO	WEST LAFAYETTE LIDS CLUBHOUSE	FREDERICK LIDS, JOURNEYS	HARPER WOODS LIDS, UNDERGROUND STATION
BOISE JOURNEYS, JOURNEYS KIDZ	IOWA	GAITHERSBURG LIDS, JOURNEYS,	HOWELL LIDS, JOURNEYS
IDAHO FALLS JOURNEYS	AMES JOURNEYS, LIDS CLUBHOUSE	GLEN BURNIE LIDS, JOURNEYS	JACKSON LIDS
TWIN FALLS JOURNEYS	CEDAR FALLS LIDS, JOURNEYS	HAGERSTOWN LIDS (2), JOURNEYS, JOHNSTON & MURPHY OUTLET	LANSING LIDS, JOURNEYS
ILLINOIS	CORALVILLE LIDS, JOURNEYS, LIDS CLUBHOUSE	HANOVER LIDS, JOURNEYS	LIVONIA JOHNSTON & MURPHY SHOP
AURORA LIDS (2), JOHNSTON & MURPHY OUTLET, JOURNEYS (2), UNDERGROUND STATION	COUNCIL BLUFFS JOURNEYS	HYATTSVILLE LIDS, UNDERGROUND STATION	MIDLAND LIDS, JOURNEYS
BLOOMINGDALE LIDS, JOURNEYS	DAVENPORT LIDS, JOURNEYS	OCEAN CITY LIDS	MUSKEGON LIDS, JOURNEYS
BLOOMINGTON LIDS, JOURNEYS	DES MOINES JOURNEYS (2)	QUEENSTOWN JOHNSTON & MURPHY OUTLET	NOVI LIDS, JOHNSTON & MURPHY SHOP, JOURNEYS, JOURNEYS KIDZ, SHI
BOLINGBROOK JOURNEYS	SIoux CITY JOURNEYS	SALISBURY LIDS, JOURNEYS	OKEMOS LIDS, JOURNEYS
CALUMET CITY LIDS, UNDERGROUND STATION	WATERLOO JOURNEYS	TOWSON JOURNEYS	PORTAGE LIDS, JOURNEYS
CARBONDALE JOURNEYS	WEST DES MOINES JOURNEYS (2)	WALDORF LIDS, UNDERGROUND STATION	ROSEVILLE LIDS, UNDERGROUND STATION
CHAMPAIGN LIDS, JOURNEYS	WILLIAMSBURG LIDS LOCKER ROOM	WESTMINSTER JOURNEYS	SAGINAW LIDS, JOURNEYS
CHICAGO LIDS (4), JOURNEYS, JOHNSTON & MURPHY SHOP UNDERGROUND STATION, LIDS CLUBHOUSE	KANSAS	WHEATON LIDS, JOURNEYS, UNDERGROUND STATION	SOUTHFIELD LIDS, UNDERGROUND STATION
CHICAGO RIDGE LIDS, JOURNEYS, UNDERGROUND STATION	LAWRENCE LIDS, LIDS CLUBHOUSE	MASSACHUSETTS	STERLING HEIGHTS LIDS, JOHNSTON & MURPHY SHOP, JOURNEYS, UNDERGROUND STATION
EVERGREEN PARK LIDS	MANHATTAN LIDS, JOURNEYS	AUBURN LIDS, JOURNEYS	TAYLOR LIDS, JOURNEYS, UNDERGROUND STATION
	OLATHE JOURNEYS	BOSTON LIDS, JOHNSTON & MURPHY SHOP (2)	TRAVERSE CITY LIDS, JOURNEYS
	OVERLAND PARK LIDS, JOHNSTON & MURPHY SHOP JOURNEYS, LIDS CLUBHOUSE	BRAINTREE LIDS, JOURNEYS, LIDS LOCKER ROOM	TROY LIDS, JOURNEYS (2), UNDERGROUND STATION
	SALINA JOURNEYS		WESTLAND LIDS, JOURNEYS
	TOPEKA LIDS, JOURNEYS		MINNESOTA
	WICHITA LIDS (2), JOURNEYS (2), UNDERGROUND STATION		ALBERTVILLE LIDS, JOURNEYS
			BLAINE LIDS, JOURNEYS
			BLOOMINGTON LIDS (4), JOURNEYS (2), JOHNSTON & MURPHY SHOP, LIDS LOCKER ROOM, SHI, UNDERGROUND STATION
			BURNSVILLE LIDS, JOURNEYS, JOURNEYS KIDZ
			DULUTH LIDS, JOURNEYS

GENESCO RETAIL STORES AS OF 1/28/12

EDEN PRAIRIE JOURNEYS

MANKATO JOURNEYS, LIDS

MAPLE GROVE JOURNEYS

MAPLEWOOD JOURNEYS

MINNETONKA LIDS, JOURNEYS

ROCHESTER LIDS

ROSEVILLE LIDS, JOURNEYS, SHI

ST. CLOUD LIDS, JOURNEYS

ST. PAUL LIDS (2), JOHNSTON & MURPHY SHOP

JOURNEYS KIDZ, GREAT PLAINS

WOODBURY JOURNEYS

MISSISSIPPI

BILOXI LIDS, JOURNEYS, UNDERGROUND STATION

GREENVILLE JOURNEYS

GULFPORT LIDS

HATTIESBURG LIDS, JOURNEYS, JOURNEYS KIDZ

JACKSON LIDS, UNDERGROUND STATION

MERIDIAN LIDS, JOURNEYS

RIDGELAND LIDS, JOURNEYS, JOURNEYS KIDZ,

LIDS LOCKER ROOM

SOUTHAVEN JOURNEYS

TUPELO LIDS, JOURNEYS

UNIVERSITY LIDS CLUBHOUSE

MISSOURI

BRANSON LIDS, JOURNEYS, LIDS CLUBHOUSE

CAPE GIRARDEAU LIDS, JOURNEYS

CHESTERFIELD LIDS, JOURNEYS, JOURNEYS KIDZ,

LIDS LOCKER ROOM

COLUMBIA LIDS, JOURNEYS, LIDS CLUBHOUSE

DES PERES JOURNEYS, JOURNEYS KIDZ, SHI

FLORISSANT UNDERGROUND STATION

HAZELWOOD LIDS, JOURNEYS, LIDS CLUBHOUSE

INDEPENDENCE LIDS, JOURNEYS,

JOURNEYS KIDZ, SHI, LIDS CLUBHOUSE

JOPLIN LIDS, JOURNEYS

KANSAS CITY LIDS, JOURNEYS, LIDS LOCKER ROOM

OSAGE BEACH LIDS, JOURNEYS,

JOHNSTON & MURPHY OUTLET

SPRINGFIELD LIDS, JOURNEYS, JOURNEYS KIDZ,

LIDS LOCKER ROOM

ST. JOSEPH LIDS, JOURNEYS

ST. LOUIS LIDS (4), JOHNSTON & MURPHY SHOP (2),

JOURNEYS (2), JOURNEYS KIDZ, LIDS CLUBHOUSE (4),

LIDS LOCKER ROOM

ST. PETERS LIDS, JOURNEYS, JOURNEYS KIDZ, SHI,

LIDS LOCKER ROOM, LIDS CLUBHOUSE

MONTANA

BILLINGS LIDS, JOURNEYS

BOZEMAN LIDS

MISSOULA JOURNEYS

NEBRASKA

LINCOLN LIDS, JOURNEYS

OMAHA LIDS (2), JOURNEYS (2)

NEVADA

HENDERSON LIDS, JOURNEYS, JOURNEYS KIDZ

LAS VEGAS LIDS (9), JOHNSTON & MURPHY OUTLET,

JOHNSTON & MURPHY SHOP, JOURNEYS (7),

JOURNEYS KIDZ, LIDS LOCKER ROOM (6)

PRIMM JOURNEYS

RENO LIDS, JOURNEYS

NEW BRUNSWICK

DIEPPE LIDS

FREDERICTON LIDS

ST. JOHN LIDS

NEW HAMPSHIRE

CONCORD LIDS, JOURNEYS

MANCHESTER LIDS, JOURNEYS

NASHUA LIDS, JOURNEYS

NEWINGTON LIDS, JOURNEYS

NORTH CONWAY LIDS, JOURNEYS

SALEM LIDS, JOURNEYS

NEW JERSEY

BRIDGEWATER LIDS, JOHNSTON & MURPHY SHOP,

JOURNEYS

CHERRY HILL LIDS, JOHNSTON & MURPHY SHOP,

JOURNEYS, UNDERGROUND STATION,

LIDS LOCKER ROOM

DEPTFORD LIDS, JOURNEYS, JOURNEYS KIDZ

EAST BRUNSWICK LIDS, JOURNEYS

EATONTOWN LIDS, JOURNEYS, JOURNEYS KIDZ, SHI

EDISON LIDS

ELIZABETH LIDS, JOURNEYS, JOURNEYS KIDZ

FREEHOLD LIDS, JOURNEYS

JACKSON JOURNEYS

JERSEY CITY LIDS, JOURNEYS, SHI

LAWRENCEVILLE LIDS, JOURNEYS,

UNDERGROUND STATION

LIVINGSTON LIDS, JOURNEYS

MARLTON JOHNSTON & MURPHY SHOP

MAYS LANDING LIDS, JOURNEYS, JOURNEYS KIDZ

MOORESTOWN LIDS, JOURNEYS

NEWARK JOHNSTON & MURPHY SHOP

PARAMUS LIDS (2), JOURNEYS, JOURNEYS KIDZ,

UNDERGROUND STATION

ROCKAWAY LIDS, JOURNEYS, SHI

SHORT HILLS JOHNSTON & MURPHY SHOP

TINTON FALLS LIDS, JOHNSTON & MURPHY OUTLET,

JOURNEYS

TOMS RIVER LIDS, JOURNEYS

WAYNE LIDS, JOURNEYS, UNDERGROUND STATION

WOODBIDGE LIDS (2), JOURNEYS,

JOURNEYS KIDZ, SHI

NEW MEXICO

ALBUQUERQUE LIDS (2), JOURNEYS (2),

JOURNEYS KIDZ (2), UNDERGROUND STATION (2), SHI

CLOVIS JOURNEYS

FARMINGTON JOURNEYS

GALLUP JOURNEYS

LAS CRUCES JOURNEYS

SANTA FE JOURNEYS

NEW YORK

ALBANY LIDS (3), JOURNEYS, JOURNEYS KIDZ,

UNDERGROUND STATION, SHI

AMHERST LIDS, JOURNEYS

BAY SHORE LIDS, JOURNEYS, JOURNEYS KIDZ

BRONX LIDS

BROOKLYN LIDS (2), JOURNEYS,

UNDERGROUND STATION

BUFFALO LIDS (2), JOURNEYS (2),

UNDERGROUND STATION

CENTRAL VALLEY LIDS,

JOHNSTON & MURPHY OUTLET

CLAY JOURNEYS

DEER PARK LIDS, JOURNEYS

ELMHURST LIDS, JOURNEYS, UNDERGROUND STATION

GARDEN CITY LIDS (2), JOHNSTON & MURPHY SHOP,

JOURNEYS, LIDS CLUBHOUSE

GREECE JOURNEYS

HICKSVILLE LIDS, JOURNEYS

HORSEHEADS LIDS, JOURNEYS

HUNTINGTON STATION JOHNSTON & MURPHY SHOP

JOHNSON CITY LIDS, JOURNEYS, JOURNEYS KIDZ

KINGSTON JOURNEYS

LAKE GROVE LIDS, JOURNEYS, JOURNEYS KIDZ, SHI

LAKEWOOD LIDS

MASSAPEQUA LIDS, JOURNEYS, JOURNEYS KIDZ

MIDDLETOWN LIDS, JOURNEYS

NEW HARTFORD LIDS, JOURNEYS

NEW YORK LIDS (9), JOHNSTON & MURPHY SHOP (2),

JOURNEYS (3), LIDS CLUBHOUSE (8)

NIAGARA FALLS LIDS, JOHNSTON & MURPHY OUTLET,

JOURNEYS

PLATTSBURGH LIDS, JOURNEYS

POUGHKEEPSIE LIDS, JOURNEYS

RIVERHEAD LIDS, JOURNEYS,

JOHNSTON & MURPHY OUTLET

ROCHESTER LIDS (2), JOURNEYS,

UNDERGROUND STATION

SARATOGA SPRINGS LIDS

STATEN ISLAND LIDS, JOURNEYS,

UNDERGROUND STATION

SYRACUSE LIDS, JOURNEYS, JOURNEYS KIDZ

VALLEY STREAM LIDS, JOURNEYS

VICTOR LIDS, JOURNEYS

WATERLOO LIDS, JOURNEYS

WATERTOWN LIDS, JOURNEYS

WEST NYACK LIDS, JOURNEYS, SHI

WHITE PLAINS LIDS (2), JOURNEYS

YORKTOWN HEIGHTS JOURNEYS

NORTH CAROLINA

ASHEVILLE LIDS, JOURNEYS, UNDERGROUND STATION

BURLINGTON JOURNEYS

CARY LIDS (2), JOURNEYS

CHARLOTTE LIDS (2), JOHNSTON & MURPHY SHOP (3),

JOURNEYS, LIDS LOCKER ROOM, LIDS CLUBHOUSE,

UNDERGROUND STATION

CONCORD LIDS (2), JOURNEYS (2)

DURHAM LIDS (2), JOURNEYS, LIDS LOCKER ROOM,

UNDERGROUND STATION

FAYETTEVILLE LIDS, JOURNEYS, JOURNEYS KIDZ,

UNDERGROUND STATION

GASTONIA LIDS, JOURNEYS, LIDS LOCKER ROOM

GOLDSBORO JOURNEYS

GREENSBORO LIDS (2), JARMAN SHOE STORE,

JOHNSTON & MURPHY SHOP, JOURNEYS,

JOURNEYS KIDZ, LIDS LOCKER ROOM,

UNDERGROUND STATION

GREENVILLE UNDERGROUND STATION

HICKORY LIDS, JOURNEYS, LIDS LOCKER ROOM

JACKSONVILLE LIDS, JOURNEYS,

UNDERGROUND STATION

MEBANE JOHNSTON & MURPHY OUTLET

MOORESVILLE LIDS CLUBHOUSE

PINEVILLE LIDS, JOURNEYS, LIDS LOCKER ROOM

RALEIGH LIDS (2), JOHNSTON & MURPHY SHOP,

JOURNEYS (2), JOURNEYS KIDZ, SHI

ROCKY MOUNT LIDS, UNDERGROUND STATION

SMITHFIELD JOURNEYS

WILMINGTON LIDS, JOURNEYS, JOURNEYS KIDZ,

LIDS LOCKER ROOM

WINSTON-SALEM LIDS, JOURNEYS,

JOURNEYS KIDZ, SHI, LIDS LOCKER ROOM

JOURNEYS KIDZ, SHI, LIDS LOCKER ROOM

JOURNEYS KIDZ, SHI, LIDS LOCKER ROOM

NORTH DAKOTA

BISMARCK LIDS, JOURNEYS

FARGO LIDS, JOURNEYS

GRAND FORKS LIDS, JOURNEYS

MINOT JOURNEYS

NOVA SCOTIA

DARTMOUTH LIDS

HALIFAX LIDS

OHIO

AKRON LIDS (2), JOURNEYS (2)

AURORA JOURNEYS

BEACHWOOD JOHNSTON & MURPHY SHOP

BEAVERCREEK LIDS, JOURNEYS (2), JOURNEYS KIDZ

CANTON LIDS, JOURNEYS, JOURNEYS KIDZ

CINCINNATI LIDS (4), JOHNSTON & MURPHY SHOP,

JOURNEYS (4), JOURNEYS KIDZ,

UNDERGROUND STATION (2)

CLEVELAND LIDS, JOHNSTON & MURPHY SHOP,

UNDERGROUND STATION

COLUMBUS LIDS (4), JOHNSTON & MURPHY SHOP,

JOURNEYS (2), JOURNEYS KIDZ, SHI,

LIDS LOCKER ROOM, UNDERGROUND STATION,

LIDS CLUBHOUSE (4)

DAYTON LIDS (2), JOURNEYS, SHI

DUBLIN LIDS, JOURNEYS, JOURNEYS KIDZ, SHI

ELYRIA LIDS, JOURNEYS

FINDLAY JOURNEYS

HEATH JOURNEYS

JEFFERSONVILLE JOHNSTON & MURPHY OUTLET,

JOURNEYS

LANCASTER LIDS, JOURNEYS

LIMA LIDS, JOURNEYS

MANSFIELD LIDS, JOURNEYS

MAUMEE JOURNEYS

MENTOR LIDS, JOURNEYS

MONROE LIDS, JOHNSTON & MURPHY OUTLET

NILES LIDS, JOURNEYS

NORTH OLMSTED LIDS, JOURNEYS

PARMA LIDS, JOURNEYS

RICHMOND HEIGHTS UNDERGROUND STATION

SANDUSKY LIDS, JOURNEYS

SPRINGFIELD JOURNEYS

ST. CLAIRSVILLE LIDS

STRONGSVILLE LIDS, JOHNSTON & MURPHY SHOP,

JOURNEYS, JOURNEYS KIDZ, SHI

TOLEDO LIDS, JOURNEYS, SHI, UNDERGROUND STATION

WESTLAKE JOURNEYS

YOUNGSTOWN LIDS, JOURNEYS

ZANESVILLE LIDS

OKLAHOMA

BARTLESVILLE JOURNEYS

LAWTON LIDS, JOURNEYS

NORMAN LIDS, JOURNEYS

OKLAHOMA CITY LIDS (4), JOURNEYS (4),

JOURNEYS KIDZ (2), JOHNSTON & MURPHY OUTLET

SHAWNEE JOURNEYS

TULSA LIDS (2), JOURNEYS (2), JOURNEYS KIDZ,

UNDERGROUND STATION, LIDS LOCKER ROOM

UNDERGROUND STATION, LIDS LOCKER ROOM

UNDERGROUND STATION, LIDS LOCKER ROOM

ONTARIO

BARRIE LIDS

BELLEVILLE LIDS

BRAMPTON LIDS, JOURNEYS

BRANTFORD LIDS

BURLINGTON LIDS, JOURNEYS,

JOHNSTON & MURPHY SHOP

CAMBRIDGE LIDS

GUELPH LIDS

HAMILTON LIDS (2), JOURNEYS

KINGSTON LIDS, JOURNEYS

KITCHNER LIDS, JOURNEYS

LONDON LIDS (2), JOURNEYS

MISSISSAUGA LIDS (3), JOURNEYS (2)

NEWMARKET LIDS, JOURNEYS

NIAGARA FALLS LIDS

NORTH BAY LIDS

OSHAWA LIDS, JOURNEYS

OTTAWA LIDS (3)

OWEN SOUND LIDS

PETERBOROUGH LIDS, JOURNEYS

PICKERING LIDS

SARNIA LIDS

GENESCO RETAIL STORES AS OF 1/28/12

SCARBOROUGH LIDS, JOURNEYS

ST. CATHARINES LIDS

SUDBURY LIDS

THORNHILL LIDS

TIMMINS LIDS

TORONTO LIDS (6), JOURNEYS

VAUGHN LIDS

WATERLOO LIDS

WINDSOR LIDS (2)

OREGON

EUGENE LIDS, JOURNEYS

MEDFORD LIDS, JOURNEYS

PORTLAND LIDS (2), JOURNEYS (2)

SALEM LIDS (2), JOURNEYS

TIGARD LIDS, JOURNEYS

WOODBURN LIDS, JOURNEYS

PENNSYLVANIA

ALTOONA LIDS, JOURNEYS

BENSALEM LIDS, JOURNEYS

CAMP HILL LIDS, JOURNEYS

CENTER VALLEY LIDS, JOHNSTON & MURPHY SHOP,
JOURNEYS

DICKSON CITY JOURNEYS

ERIE LIDS, JOURNEYS

EXTON LIDS, JOURNEYS, JOURNEYS KIDZ

GREENSBURG LIDS, JOURNEYS

GROVE CITY JOHNSTON & MURPHY OUTLET,
JOURNEYS, LIDS

HARRISBURG LIDS, JOURNEYS (2)

HOMESTEAD JOURNEYS

JOHNSTOWN LIDS

KING OF PRUSSIA LIDS, JOHNSTON & MURPHY SHOP,
JOURNEYS, JOURNEYS KIDZLANCASTER LIDS (2), JOHNSTON & MURPHY OUTLET,
JOURNEYS

LANGHORNE LIDS, JOURNEYS, JOURNEYS KIDZ

MEDIA LIDS, JOURNEYS, UNDERGROUND STATION

MONACA LIDS, JOURNEYS

MONROEVILLE LIDS, JOHNSTON & MURPHY SHOP,
JOURNEYS

NORTH WALES LIDS, JOURNEYS, JOURNEYS KIDZ

PHILADELPHIA LIDS (4), JOHNSTON & MURPHY SHOP,
UNDERGROUND STATION (2)PITTSBURGH LIDS (4), JOHNSTON & MURPHY SHOP (3),
JOURNEYS (3), JOURNEYS KIDZ

PLYMOUTH MEETING JOURNEYS

POTTSTOWN JOHNSTON & MURPHY OUTLET, LIDS

SCRANTON LIDS (2), JOURNEYS

SELINGROVE LIDS

SPRINGFIELD LIDS, JOURNEYS

STATE COLLEGE LIDS, JOURNEYS

STROUDSBURG JOURNEYS

TANNERSVILLE LIDS, JOHNSTON & MURPHY OUTLET,
JOURNEYS

TARENTUM LIDS, JOURNEYS

UNIONTOWN LIDS

WASHINGTON LIDS, JOURNEYS

WEST MIFFLIN LIDS, JOURNEYS, JOURNEYS KIDZ

WHITEHALL LIDS, JOURNEYS

WILKES-BARRE LIDS, JOURNEYS

WILLOW GROVE LIDS, JOURNEYS, SHI

WYOMISSING LIDS, JOURNEYS

YORK JOURNEYS

PUERTO RICO

AGUADILLA JOURNEYS

BARCELONETA LIDS, JOURNEYS

BAYAMON LIDS, JOURNEYS (2), JOURNEYS KIDZ

CAGUAS LIDS (2), JOURNEYS (2), JOURNEYS KIDZ, SHI

CANOVANAS LIDS, JOURNEYS

CAROLINA LIDS, JOURNEYS, JOURNEYS KIDZ
UNDERGROUND STATION, SHI

FAJARDO JOURNEYS

GUAYAMA JOURNEYS

HATILLO LIDS, JOURNEYS

HATO REY JOURNEYS

HUMACAO LIDS, JOURNEYS

ISABELA JOURNEYS

MAYAGUEZ LIDS, JOURNEYS (2), JOURNEYS KIDZ

PONCE LIDS, JOURNEYS

SAN JUAN LIDS, JOURNEYS KIDZ

SIERRA BAYAMON JOURNEYS

VEGA ALTA LIDS, JOURNEYS

QUEBEC

ANJOU LIDS

CHICOUTIMI LIDS

FAIRVIEW POINTE-CLAIRE LIDS LOCKER ROOM

JOLIETTE LIDS

LASALLE LIDS

LAVAL LIDS, LIDS LOCKER ROOM

MONTREAL LIDS (2)

QUEBEC CITY LIDS (2)

REPENTIGNY LIDS

ROSEMERE LIDS

SHERBROOKE LIDS

SAINT-BRUNO-DE-MONTARVILLE
LIDS LOCKER ROOM

SAINT HYACINTHE LIDS

REPUBLIC OF IRELAND

CORK SCHUH

DUBLIN SCHUH (6)

GALWAY SCHUH

LIMERICK SCHUH

RHODE ISLAND

PROVIDENCE LIDS, JOURNEYS

SOUTH CAROLINA

ANDERSON LIDS, JOURNEYS

BLUFFTON JOHNSTON & MURPHY OUTLET,
JOURNEYS

CHARLESTON LIDS (3), JOURNEYS

COLUMBIA LIDS (3), JOURNEYS (3),
LIDS LOCKER ROOM, UNDERGROUND STATION

FLORENCE LIDS, JOURNEYS

GAFFNEY JOURNEYS

GREENVILLE LIDS (2), JARMAN SHOE STORE,
JOURNEYS, JOURNEYS KIDZ, LIDS LOCKER ROOMMYRTLE BEACH LIDS (4), JOHNSTON & MURPHY OUTLET,
JOURNEYS, LIDS LOCKER ROOMNORTH CHARLESTON JOURNEYS (2),
UNDERGROUND STATION,

JOHNSTON & MURPHY OUTLET

NORTH MYRTLE BEACH LIDS

SPARTANBURG LIDS, JOURNEYS,
UNDERGROUND STATION

SOUTH DAKOTA

RAPID CITY LIDS, JOURNEYS

SIOUX FALLS LIDS, JOURNEYS

TENNESSEE

ANTIOCH LIDS, JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATION

BARTLETT LIDS

CHATTANOOGA LIDS (2), JOURNEYS, JOURNEYS KIDZ

CLARKSVILLE LIDS, JOURNEYS, JOURNEYS KIDZ

COLLIERVILLE JOURNEYS

FRANKLIN LIDS, JOHNSTON & MURPHY SHOP,
JOURNEYS, JOURNEYS KIDZ, SHI

GATLINBURG LIDS

GOODLETTSVILLE LIDS, JOURNEYS,
UNDERGROUND STATION

JACKSON LIDS, JOURNEYS

JOHNSON CITY LIDS, JOURNEYS

KNOXVILLE LIDS (2), JOURNEYS (3), JOURNEYS KIDZ

MEMPHIS JOHNSTON & MURPHY SHOP,
JOURNEYS (2), JOURNEYS KIDZ,

UNDERGROUND STATION

MORRISTOWN JOURNEYS

MURFREESBORO LIDS, JOURNEYS

NASHVILLE JOHNSTON & MURPHY OUTLET,
JOHNSTON & MURPHY SHOP (2)SEVIERVILLE LIDS, JOHNSTON & MURPHY OUTLET,
JOURNEYS

TEXAS

ABILENE LIDS, JOURNEYS

ALLEN JOHNSTON & MURPHY OUTLET

AMARILLO LIDS, JOURNEYS, JOURNEYS KIDZ

ARLINGTON LIDS (2), JOURNEYS, JOURNEYS KIDZ,
SHI, UNDERGROUND STATION, LIDS LOCKER ROOMAUSTIN LIDS (3), JOHNSTON & MURPHY SHOP,
JOURNEYS (2)

BAYTOWN JOURNEYS

BEAUMONT LIDS, JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATIONBROWNSVILLE LIDS, JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATION

CANUTILLO JOHNSTON & MURPHY OUTLET, JOURNEYS

CEDAR PARK LIDS, JOURNEYS, JOURNEYS KIDZ

COLLEGE STATION LIDS, JOURNEYS

CONROE LIDS

CORPUS CHRISTI LIDS, JOURNEYS, JOURNEYS KIDZ,
SHI

CYPRESS JOHNSTON & MURPHY OUTLET, LIDS

DALLAS LIDS (3), JOHNSTON & MURPHY SHOP (3),
JOURNEYS (3), JOURNEYS KIDZ,

UNDERGROUND STATION (2)

DENTON LIDS, JOURNEYS

EAGLE PASS JOURNEYS

EL PASO LIDS (2), JOURNEYS (3),
JOURNEYS KIDZ (2), SHI, LIDS LOCKER ROOMFORT WORTH LIDS (2), JOURNEYS (2),
UNDERGROUND STATION

FRIENDSWOOD LIDS, JOURNEYS,

JOURNEYS KIDZ, SHI

FRISCO LIDS, JOURNEYS, JOURNEYS KIDZ, SHI

GARLAND JOURNEYS

GRAPEVINE LIDS, JOURNEYS, JOURNEYS KIDZ

HARLINGEN JOURNEYS

HOUSTON LIDS (8), JOHNSTON & MURPHY SHOP (2),
JOURNEYS (8), JOURNEYS KIDZ (2),
LIDS LOCKER ROOM (2), UNDERGROUND STATION (6)HUMBLE LIDS, JOURNEYS, JOURNEYS KIDZ, SHI,
LIDS LOCKER ROOM, UNDERGROUND STATION

HURST LIDS, JOURNEYS

IRVING LIDS, JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATION

KATY LIDS, JOURNEYS

KILLEEN LIDS, JOURNEYS, JOURNEYS KIDZ

LAKE JACKSON LIDS, JOURNEYS

LAREDO LIDS, JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATION

LEWISVILLE JOURNEYS, JOURNEYS KIDZ

LONGVIEW LIDS, JOURNEYS

LUBBOCK LIDS, JOURNEYS, JOURNEYS KIDZ,
LIDS CLUBHOUSE

LUFKIN JOURNEYS

MCALLEN LIDS, JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATIONMERCEDES LIDS, JOURNEYS,
JOHNSTON & MURPHY OUTLETMESQUITE LIDS (2), JOURNEYS, JOURNEYS KIDZ,
UNDERGROUND STATION

MIDLAND LIDS, JOURNEYS, JOURNEYS KIDZ

ODESSA LIDS, JOURNEYS

PASADENA JOURNEYS

PEARLAND LIDS, JOURNEYS

PLANO LIDS (2), JOHNSTON & MURPHY SHOP,
JOURNEYS

PORT ARTHUR JOURNEYS

ROUND ROCK LIDS, JOHNSTON & MURPHY OUTLET,
JOURNEYS

SAN ANGELO LIDS, JOURNEYS

SAN ANTONIO LIDS (6), JOURNEYS (6),
JOURNEYS KIDZ (3), JOHNSTON & MURPHY SHOP (2),
UNDERGROUND STATION, SHI, LIDS LOCKER ROOMSAN MARCOS LIDS, JOHNSTON & MURPHY OUTLET,
JOURNEYS, JOURNEYS KIDZ, SHI,
LIDS LOCKER ROOM

SHERMAN JOURNEYS

SPRING LIDS

SUGARLAND LIDS, JOURNEYS, JOURNEYS KIDZ

TEMPLE JOURNEYS

TEXARKANA LIDS, JOURNEYS

THE WOODLANDS JOURNEYS, JOURNEYS KIDZ

TYLER LIDS, JOURNEYS, UNDERGROUND STATION

VICTORIA JOURNEYS

WACO LIDS, JOURNEYS

WICHITA FALLS LIDS, JOURNEYS

UNITED KINGDOM

ABERDEEN SCHUH

BASINGSTOKE SCHUH

BELFAST SCHUH

BIRMINGHAM SCHUH

BLACKBURN SCHUH

BOURNEMOUTH SCHUH

BRIGHTON SCHUH

BRISTOL SCHUH

CAMBRIDGE SCHUH

CAMBRIDGESHIRE SCHUH

CARDIFF SCHUH

CARLISLE SCHUH

CHELTENHAM SCHUH

CHESTER SCHUH

CRAWLEY SCHUH

DERBY SCHUH

DONCASTER SCHUH

DUNDEE SCHUH

EDINBURGH SCHUH (2)

ESSEX SCHUH

EXETER SCHUH

GATESHEAD SCHUH

GLASGOW SCHUH (3)

GLASGOW FORT SCHUH

GLOUCESTER SCHUH

GUILDFORD SCHUH

HANLEY SCHUH

HERTFORDSHIRE SCHUH

HULL SCHUH

INVERNESS SCHUH

KENT SCHUH

LEEDS SCHUH (2)

LEICESTER SCHUH

LEITH SCHUH

LIVERPOOL SCHUH

LIVINGSTON SCHUH

LONDON SCHUH (3)

LONDONDERRY SCHUH

LUTON SCHUH

GENESCO RETAIL STORES AS OF 1/28/12

MAIDSTONE SCHUH

MANCHESTER SCHUH (2)

MIDDLESBROUGH SCHUH

MILTON KEYNES SCHUH

NEWCASTLE SCHUH

NORWICH SCHUH (2)

NOTTINGHAM SCHUH

NUNEATON SCHUH

OXFORD SCHUH

PETERBOROUGH SCHUH

PLYMOUTH SCHUH

PORTSMOUTH SCHUH

READING, BERKSHIRE SCHUH

SHEFFIELD SCHUH (2)

SOUTHAMPTON SCHUH

STIRLING SCHUH

SUNDERLAND SCHUH

SWANSEA SCHUH

SWINDON SCHUH

WEST MIDLANDS SCHUH

WIGAN SCHUH

WOLVERHAMPTON SCHUH

UTAH

LAYTON JOURNEYS

LOGAN JOURNEYS

MURRAY LIDS, JOURNEYS, JOURNEYS KIDZ

OGDEN LIDS, JOURNEYS

OREM LIDS, JOURNEYS, JOURNEYS KIDZ

PARK CITY JOURNEYS, LIDS LOCKER ROOM

PROVO JOURNEYS

SALT LAKE CITY LIDS, JOURNEYS

SANDY JOURNEYS, JOURNEYS KIDZ, SHI

ST. GEORGE JOURNEYS

WEST VALLEY CITY JOURNEYS

VERMONT

BURLINGTON JOURNEYS

MANCHESTER JOHNSTON & MURPHY OUTLET

SOUTH BURLINGTON LIDS, JOURNEYS

VIRGINIA

ARLINGTON LIDS, JOHNSTON & MURPHY SHOP

JOURNEYS, UNDERGROUND STATION

CHARLOTTESVILLE LIDS, JOURNEYS

CHESAPEAKE LIDS (2), JOURNEYS (2)

CHRISTIANSBURG LIDS, JOURNEYS

COLONIAL HEIGHTS LIDS, UNDERGROUND STATION

DANVILLE LIDS, JOURNEYS

DULLES LIDS, JOURNEYS

FAIRFAX LIDS, JOHNSTON & MURPHY SHOP

JOURNEYS

FREDERICKSBURG LIDS, JOURNEYS

GLEN ALLEN LIDS, JOURNEYS

HAMPTON JOURNEYS

HARRISONBURG LIDS, JOURNEYS

LEESBURG JOHNSTON & MURPHY OUTLET

LYNCHBURG LIDS, JOURNEYS

MANASSAS LIDS, JOURNEYS

MCLEAN LIDS, JOHNSTON & MURPHY SHOP, JOURNEYS

NEWPORT NEWS LIDS, JOURNEYS,

UNDERGROUND STATION

NORFOLK LIDS (2), JOHNSTON & MURPHY SHOP

JOURNEYS, UNDERGROUND STATION (2)

RICHMOND LIDS (2), JOURNEYS (3)

ROANOKE LIDS, JOURNEYS

SPRINGFIELD JOURNEYS

VIRGINIA BEACH LIDS (2), JOURNEYS (2),

JOHNSTON & MURPHY SHOP

WILLIAMSBURG LIDS, JOHNSTON & MURPHY OUTLET,

JOURNEYS (2)

WINCHESTER LIDS, JOURNEYS

WOODBIDGE LIDS, JOURNEYS,

JOHNSTON & MURPHY OUTLET

WASHINGTON

AUBURN JOURNEYS

BELLEVUE LIDS, JOHNSTON & MURPHY SHOP

BELLINGHAM LIDS, JOURNEYS

BURLINGTON JOURNEYS

KENNEWICK LIDS, JOURNEYS, JOURNEYS KIDZ

KENT JOURNEYS

LYNNWOOD LIDS, JOURNEYS

OLYMPIA LIDS, JOURNEYS, JOURNEYS KIDZ

PUYALLUP LIDS, JOURNEYS

SEATTLE LIDS, JOURNEYS (2), JOURNEYS KIDZ,

LIDS CLUBHOUSE

SILVERDALE LIDS, JOURNEYS

SPOKANE LIDS, JOURNEYS (2)

TACOMA LIDS, JOURNEYS

TUKWILA LIDS

TULALIP LIDS, JOHNSTON & MURPHY OUTLET,

JOURNEYS

UNION GAP JOURNEYS

VANCOUVER LIDS, JOURNEYS, JOURNEYS KIDZ

WEST VIRGINIA

BARBOURSVILLE LIDS, JOURNEYS

BRIDGEPORT LIDS, JOURNEYS

CHARLESTON LIDS, JOURNEYS, JOURNEYS KIDZ

MORGANTOWN LIDS, JOURNEYS

PARKERSBURG LIDS, JOURNEYS

WISCONSIN

APPLETON LIDS, JOURNEYS

BARABOO LIDS, JOURNEYS

BROOKFIELD LIDS, JOURNEYS, LIDS CLUBHOUSE

GRENDALE LIDS, JOURNEYS,

JOHNSTON & MURPHY SHOP

GREEN BAY LIDS, JOURNEYS

GREENDALE LIDS, JOURNEYS

JANESVILLE LIDS, JOURNEYS

LACROSSE JOURNEYS

MADISON LIDS (3), JOURNEYS (2)

MILWAUKEE UNDERGROUND STATION

PLEASANT PRAIRIE JOHNSTON & MURPHY OUTLET,

JOURNEYS

RACINE LIDS, JOURNEYS

WAUWATOSA LIDS, JOURNEYS

WYOMING

CASPER JOURNEYS

CHEYENNE JOURNEYS

