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**Earnings from operations**

53,214 12,096 9,270 8,506 (16,392) 66,694

Interest expense

-0- -0- -0- -0- (8,544) (8,544)

Interest income

-0- -0- -0- -0- 674 674

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**Earnings before income taxes from continuing operations**

53,214 12,096 9,270 8,506 (24,262) 58,824

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Total assets

135,259 45,763 65,260 32,430 140,502 419,214

Depreciation

9,080 3,078 3,125 139 3,892 19,314

Capital expenditures

14,776 3,349 2,518 14 15,619 36,276



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**Genesco Inc.**  
**and Consolidated Subsidiaries**  
Notes to Consolidated Financial Statements

**Note 17****Business Segment Information, Continued**

Fiscal 2002		Underground Station/ Jarman Group	Johnston & Murphy	Licensed Brands	Corporate	Consolidated
In thousands	Journeys					
Sales	\$ 381,736	\$ 120,242	\$ 167,487	\$ 79,642	\$ -0-	\$ 749,107
Intercompany sales	-0-	-0-	1	(2,951)	-0-	(2,950)
<b>Net sales to external customers</b>	<b>381,736</b>	<b>120,242</b>	<b>167,488</b>	<b>76,691</b>	<b>-0-</b>	<b>746,157</b>
Segment operating income (loss)	51,925	5,319	14,125	8,001	(10,777)	68,593
Restructuring charge	-0-	-0-	-0-	-0-	(4,805)	(4,805)
Other	-0-	-0-	-0-	-0-	(360)	(360)
<b>Earnings from operations</b>	<b>51,925</b>	<b>5,319</b>	<b>14,125</b>	<b>8,001</b>	<b>(15,942)</b>	<b>63,428</b>
Interest expense	-0-	-0-	-0-	-0-	(8,698)	(8,698)
Interest income	-0-	-0-	-0-	-0-	1,134	1,134
<b>Earnings before income taxes from continuing operations</b>	<b>51,925</b>	<b>5,319</b>	<b>14,125</b>	<b>8,001</b>	<b>(23,506)</b>	<b>55,864</b>
Total assets	120,169	42,687	62,835	25,108	112,755	363,554
Depreciation	7,011	3,044	3,254	146	2,784	16,239
Capital expenditures	18,708	5,412	2,951	54	16,598	43,723
<b>Fiscal 2001</b>						
In thousands	Journeys	Underground Station/ Jarman Group	Johnston & Murphy	Licensed Brands	Corporate	Consolidated
Sales	\$ 300,758	\$ 109,791	\$ 187,466	\$ 85,119	\$ -0-	\$ 683,134
Intercompany sales	-0-	-0-	(92)	(3,705)	-0-	(3,797)
<b>Net sales to external customers</b>	<b>300,758</b>	<b>109,791</b>	<b>187,374</b>	<b>81,414</b>	<b>-0-</b>	<b>679,337</b>
Segment operating income (loss)	41,869	8,395	24,636	4,695	(15,921)	63,674
Restructuring charge	-0-	-0-	-0-	-0-	(3,433)	(3,433)
Other	-0-	-0-	-0-	-0-	(54)	(54)
<b>Earnings from operations</b>	<b>41,869</b>	<b>8,395</b>	<b>24,636</b>	<b>4,695</b>	<b>(19,408)</b>	<b>60,187</b>
Interest expense	-0-	-0-	-0-	-0-	(8,618)	(8,618)
Interest income	-0-	-0-	-0-	-0-	1,418	1,418
<b>Earnings before income taxes from continuing operations</b>	<b>41,869</b>	<b>8,395</b>	<b>24,636</b>	<b>4,695</b>	<b>(26,608)</b>	<b>52,987</b>
Total assets	93,761	37,468	71,359	28,658	120,917	352,163

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Depreciation	5,070	2,334	2,890	99	2,807	13,200
Capital expenditures	17,133	9,433	4,917	399	2,853	34,735

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**Genesco Inc.**  
**and Consolidated Subsidiaries**  
Notes to Consolidated Financial Statements

**Note 18****Quarterly Financial Information (Unaudited)**

(In thousands, except per share amounts)	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Fiscal Year	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Net sales	\$ 190,593	\$ 171,662	\$ 174,842	\$ 166,483	\$ 213,157	\$ 185,535	\$ 249,715	\$ 222,477	\$ 828,307	\$ 746,157
Gross margin	90,148	81,841	82,851	78,305	100,839	85,721	116,238	103,078	390,076	348,945
Pretax earnings	13,250	13,350	6,263	9,878(1)	16,480	12,868	22,831(3)	19,768(5)	58,824	55,864
Earnings from continuing operations	8,202	8,338	3,963	6,183	10,107	7,991	14,173	15,811(6)	36,445	38,323
Net earnings	8,202	8,338	3,963	6,183	10,107	7,283(2)	14,008(4)	15,266(7)	36,280	37,070
Diluted earnings per common share:										
Continuing operations	.33	.34	.17	.26	.41	.33	.56	.61	1.47	1.54
Net earnings	.33	.34	.17	.26	.41	.30	.55	.59	1.47	1.49

- (1) Includes a restructuring gain of \$0.3 million (see Note 2).
- (2) Includes a loss of \$0.7 million, net of tax, from discontinued operations (see Notes 2 and 16).
- (3) Includes restructuring and other charges of \$2.5 million (see Note 2).
- (4) Includes a loss of \$0.2 million, net of tax, from discontinued operations (see Note 16).
- (5) Includes restructuring and other charges of \$5.4 million (see Note 2).
- (6) Includes tax benefit of \$3.5 million for previously accrued income taxes no longer required (see Note 12).
- (7) Includes a loss of \$0.6 million, net of tax, from discontinued operations (see Notes 2 and 16).

**Table of Contents****ITEM 9, CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**PART III****ITEM 10, DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT**

The Company incorporates by reference the (i) information regarding directors of the Company appearing under the heading "Information Concerning Nominees" to be included in the Company's proxy statement relating to the annual meeting of shareholders scheduled for June 26, 2003 (the "Proxy Statement") and (ii) information regarding compliance by persons subject to Section 16(a) of the Securities Exchange Act of 1934 appearing under the heading "Compliance with Beneficial Ownership Reporting Rules" to be included in the Proxy Statement. Information regarding the executive officers of the Company appears under the heading "Executive Officers of Genesco" in this report following Item 4 of Part I.

**ITEM 11, EXECUTIVE COMPENSATION**

The Company incorporates by reference the (i) information regarding the compensation of directors of the Company to appear under the heading "Director Compensation" in the Proxy Statement and (ii) information regarding the compensation of the Company's executive officers to appear under the heading "Executive Compensation" in the Proxy Statement.

**ITEM 12, SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

Information regarding beneficial ownership of the Company's voting securities by (i) the Company's directors, (ii) certain executive officers and (iii) the officers and directors of the Company as a group is incorporated by reference to the section entitled "Security Ownership of Officers, Directors and Principal Shareholders" to appear in the Proxy Statement.

The following information regarding beneficial ownership on March 31, 2003 (except as indicated) of the Company's voting securities is furnished with respect to each person or group of persons acting together who, as of such date, was known by the Company to be the beneficial owner of more than five percent of any class of the Company's voting securities. Beneficial ownership of the shares consists of sole voting and investment power except as otherwise noted.

<b>Name and Address</b>	<b>Class of Stock*</b>	<b>No. of Shares</b>	<b>Percent of Class</b>
Deutsche Bank AG Taunusanlage 12, D069325 Frankfurt am Main Federal Republic of Germany	Common	1,730,515(1)	8.0
Deutsche Bank Trust Company Americas Taunusanlage 12, D069325 Frankfurt am Main Federal Republic of Germany	Common	1,222,725(1)	5.6

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<b>Name and Address</b>	<b>Class of Stock*</b>	<b>No. of Shares</b>	<b>Percent of Class</b>
Lord, Abbett & Co. 90 Hudson Street Jersey City, NJ 07302	Common	1,791,220(2)	8.2
Wellington Management Company, LLP 75 State Street Boston, MA 02109	Common	1,830,455(3)	8.4
Jeannie Bussetti 12 Carteret Drive Pomona, NY 10970	Series 1	3,000	8.1
Joseph Bussetti 52 South Lilburn Drive Garnerville, NY 10923	Series 1	2,000	5.4
Ronald R. Bussetti 12 Carteret Drive Pomona, NY 10970	Series 1	2,000	5.4
S. Robert Weltz, Jr. 415 Hot Springs Road Santa Barbara, CA 93108	Series 1	2,308	6.2
Empire & Co. P. O. Box 426 Exchange Place Station 69 Montgomery St. Jersey City, NJ 07303	Series 1	5,889	15.9
Empire & Co. P. O. Box 426 Exchange Place Station 69 Montgomery St. Jersey City, NJ 07303	Series 3	4,226	23.3
Hazel Grossman 355 Blackstone Blvd., Apt. 552 Providence, RI 02906	Series 3	1,074	5.9
Jack Rubens 5114 Windsor Parke Dr. Boca Raton, FL 33496	Series 3	1,514	8.3
Barbara F. Grossman Wasserspring 75 Cooper Drive Great Neck, NY 11023	Series 3	933	5.1

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<b>Name and Address</b>	<b>Class of Stock*</b>	<b>No. of Shares</b>	<b>Percent of Class</b>
Melissa Evins 417 East 57th Street New York, NY 10022	Series 4	2,893	17.6
Reed Evins 417 East 57th Street Apt. 32B New York, NY 10022	Series 4	2,418	14.7
James H. Cheek, Jr. Apt. 407 11 Burton Hills Blvd Nashville, TN 37215	Subordinated Cumulative Preferred	2,413	8.0

\* See Note 11 to the Consolidated Financial Statements included in Item 8 and under the heading "Voting Securities" included in the Company's Proxy Statement for a more complete description of each class of stock.

- (1) This information is from Schedule 13G dated February 10, 2003.
- (2) This information is from Schedule 13G dated January 28, 2003.
- (3) This information is from Schedule 13G dated February 14, 2003.

This table provides certain information as of February 1, 2003 with respect to our equity compensation plans (shares in thousands):

**EQUITY COMPENSATION PLAN INFORMATION\***

	(a)	(b)	(c)
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	1,649,060	\$ 14.71	2,042,170
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>1,649,060</b>	<b>\$ 14.71</b>	<b>2,042,170</b>

\* For additional information concerning our equity compensation plans, see the discussion in Note 1 in the Notes to Consolidated Financial Statements "Summary of Significant Accounting Policies" "Stock Incentive Plans" and Note 15 "Stock Incentive Plans and Stock Purchase Plans."

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**ITEM 13, CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The Company incorporates by reference any information appearing under the heading "Certain Relationships and Related Transactions" included in the Company's Proxy Statement.

**ITEM 14, CONTROLS AND PROCEDURES**

- (a) Evaluation of disclosure controls and procedures. The Company's principal executive officer and its principal financial officer, after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-14(c) and 15d-14(c)) as of a date within 90 days before the filing date of this report, have concluded that, as of such date, the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company and its consolidated subsidiaries required to be disclosed in the reports the Company files under the Exchange Act was timely made known to them by others within those entities.
- (b) Changes in internal controls. There were no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's (disclosure controls and procedures) subsequent to the date of their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls. As a result, no corrective actions were required or undertaken.

**ITEM 15, PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The Proxy Statement issued in connection with the shareholders' meeting to be held on June 26, 2003 contains under the caption "Audit Matters" the information required by Item 15 of Form 10-K and is incorporated herein by reference.

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**PART IV**

**ITEM 16, EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K**

**Financial Statements**

The following are included in Item 8.

Reports of Independent Auditors

Consolidated Balance Sheet, February 1, 2003 and February 2, 2002

Consolidated Earnings, each of the three fiscal years ended 2003, 2002 and 2001

Consolidated Cash Flows, each of the three fiscal years ended 2003, 2002 and 2001

Consolidated Shareholders' Equity, each of the three fiscal years ended 2003, 2002 and 2001

Notes to Consolidated Financial Statements

**Financial Statement Schedules**

II -Reserves, each of the three fiscal years ended 2003, 2002 and 2001

All other schedules are omitted because the required information is either not applicable or is presented in the financial statements or related notes. These schedules begin on page 86.

**Exhibits**

- (3)
  - a. Amended and Restated Bylaws of Genesco Inc. Incorporated by reference to Exhibit (3)a to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1995.
  - b. Restated Charter of Genesco Inc., as amended. Incorporated by reference to Exhibit 1 to the Company's Registration Statement on Form 8-A/A filed with the SEC on May 1, 2003.
- (4)
  - a. Indenture dated as of April 9, 1998 between the Company and United States Trust Company of New York relating to 5 1/2% Convertible Subordinated Notes due 2005. Incorporated by reference to Registration Statement on Form S-3 filed November 9, 1998 (File No. 333-58541)
  - b. Form of Certificate for the Common Stock. Incorporated by reference to Exhibit 3 to the Company's Registration Statement on Form 8-A/A filed with the SEC on May 1, 2003.
- (10)
  - a. Form of Split-Dollar Insurance Agreement with Executive Officers. Incorporated by reference to Exhibit (10)a to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 1997.
  - b. Form of Officers and Key Executives Change-in-Control Employment Agreement. Incorporated by reference to Exhibit (10)d to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.

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- c. 1987 Stock Option Plan and Form of Stock Option Agreement. Incorporated by reference to Exhibit (10)e to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.
- d. 1996 Stock Incentive Plan as amended and restated. Incorporated by reference to Registration Statement on Form S-8 filed May 1, 2003 (File No. 333-104908)
- e. 2003 EVA Incentive Compensation Plan. Incorporated by reference to Exhibit (10)f to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2002.
- f. 2004 EVA Incentive Compensation Plan.\*
- g. Form of Indemnification Agreement For Directors. Incorporated by reference to Exhibit (10)m to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.
- h. Second Amended and Modified Loan Agreement dated as of July 16, 2001 among the Company and Bank of America, N.A., Fifth Third National Bank, Fleet National Bank, The Chase Manhattan Bank and Bank One, N.A. Incorporated by reference to Exhibit (10)h to the Company's Quarterly Report on Form 10-Q for the quarter ended August 4, 2001. First Amendment to Second Amended, Restated and Modified Loan Agreement dated as of September 6, 2001. Incorporated by reference to Exhibit (10)h to the Company's Quarterly Report on Form 10-Q for the quarter ended November 3, 2001.
- i. Supplemental Pension Agreement dated as of October 18, 1988 between the Company and William S. Wire II, as amended January 9, 1993. Incorporated by reference to Exhibit (10)p to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.
- j. Deferred Compensation Trust Agreement dated as of February 27, 1991 between the Company and NationsBank of Tennessee for the benefit of William S. Wire, II, as amended January 9, 1993. Incorporated by reference to Exhibit (10)q to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993.
- k. Amended and Restated Shareholders Rights Agreement dated as of August 28, 2000. Incorporated by reference to Exhibit 4 to the current report on Form 8-K filed August 30, 2000 (File No. 1-3083)
- l. Form of Employment Protection Agreement between the Company and certain executive officers dated as of February 26, 1997. Incorporated by reference to Exhibit (10)p to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 1997.

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(21)	Subsidiaries of the Company.*
(23)	a. Consent of Ernst & Young LLP, Independent Auditors included on page 83.
	b. Consent of PricewaterhouseCoopers LLP, Independent Auditors included on page 84.
(24)	Power of Attorney*
(99)	Financial Statements and Reports of Independent Accountants with respect to the Genesco Employee Stock Purchase Plan being filed herein in lieu of filing Form 11-K pursuant to Rule 15d-21.*
(31.1)	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31.2)	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32.1)	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32.2)	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibits (10)a through (10)f and (10)l are Management Contracts or Compensatory Plans or Arrangements required to be filed as Exhibits to this Form 10-K.

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\* Previously filed.

A copy of any of the above described exhibits will be furnished to the shareholders upon written request, addressed to Director, Corporate Relations, Genesco Inc., Genesco Park, Room 498, P.O. Box 731, Nashville, Tennessee 37202-0731, accompanied by a check in the amount of \$15.00 payable to Genesco Inc.

**Reports on Form 8-K**

The Company furnished to the SEC a current report on Form 8-K on November 19, 2002 containing Regulation FD disclosures under Item 9.

Information furnished under Item 9 of our current reports on Form 8-K, including the related exhibits, is not incorporated by reference in this Annual Report on Form 10-K.

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#### Consent of Independent Auditors

We consent to the incorporation by reference in the registration statements of Genesco Inc. listed below of our report dated February 21, 2003 with respect to the consolidated financial statements and schedule of Genesco Inc. included in its Annual Report (Form 10K/A) for the year ended February 1, 2003, filed with the Securities and Exchange Commission:

- (1) Form S-8, Registration No. 333-15835 pertaining to the Genesco Inc. 1987 Stock Option Plan
- (2) Form S-8, Registration No. 333-30828 pertaining to the Genesco Inc. 1987 Stock Option Plan
- (3) Form S-8, Registration No. 333-35329 pertaining to the Genesco Inc. 1987 Stock Option Plan
- (4) Form S-8, Registration No. 333-50248 pertaining to the Genesco Inc. 1987 Stock Option Plan
- (5) Form S-8, Registration No. 333-94249 pertaining to the Genesco Inc. 1987 Stock Option Plan
- (6) Form S-8, Registration No. 333-62653 pertaining to the Genesco Inc. 1996 Employee Stock Purchase Plan
- (7) Form S-8, Registration No. 333-08463 pertaining to the Genesco Inc. 1996 Stock Incentive Plan
- (8) Form S-8, Registration No. 333-104908 pertaining to the Genesco Inc. 1996 Stock Incentive Plan
- (9) Form S-3, Registration No. 333-58541 pertaining to the issuance of convertible subordinated debt including the related amendments filed on February 12, 2001 and March 14, 2001
- (10) Form S-3, Registration No. 333-109019 pertaining to the registration of convertible subordinated debentures, shares of common stock and allocated rights to purchase subordinated serial preferred stock

/s/ Ernst & Young LLP

Nashville, Tennessee  
December 18, 2003

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**Consent of Independent Auditors**

We hereby consent to the incorporation by reference in the registration statements of Genesco Inc. listed below of our report dated February 27, 2001 with respect to the consolidated financial statements and schedule of Genesco Inc. included in its Annual Report (Form 10-K) for the year ended February 1, 2003, filed with the Securities and Exchange Commission:

- (1) Form S-8, Registration No. 333-15835 pertaining to the Genesco Inc. 1987 Stock Option Plan
- (2) Form S-8, Registration No. 333-30828 pertaining to the Genesco Inc. 1987 Stock Option Plan
- (3) Form S-8, Registration No. 333-35329 pertaining to the Genesco Inc. 1987 Stock Option Plan
- (4) Form S-8, Registration No. 333-50248 pertaining to the Genesco Inc. 1987 Stock Option Plan
- (5) Form S-8, Registration No. 333-94249 pertaining to the Genesco Inc. 1987 Stock Option Plan
- (6) Form S-8, Registration No. 333-62653 pertaining to the Genesco Inc. 1996 Employee Stock Purchase Plan
- (7) Form S-8, Registration No. 333-08463 pertaining to the Genesco Inc. 1996 Stock Incentive Plan
- (8) Form S-8, Registration No. 333-104908 pertaining to the Genesco Inc. 1996 Stock Incentive Plan
- (9) Form S-3, Registration No. 333-58541 pertaining to the issuance of convertible subordinated debt including the related amendments filed on February 12, 2001 and March 14, 2001

We also consent to the incorporation by reference in the Registration Statement on Form S-8, Registration No. 333-62653 pertaining to the Genesco Inc. 1996 Employee Stock Purchase Plan of our report dated April 6, 2001 relating to the February 3, 2001, financial statements of the Genesco Employee Stock Purchase Plan, which appears in an exhibit to the Form 10-K.

/s/ PricewaterhouseCoopers LLP

Knoxville, Tennessee  
December 18, 2003



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**Genesco Inc.  
and Consolidated Subsidiaries**

Financial Statement Schedule

February 1, 2003

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Schedule 2

**Genesco Inc.  
and Consolidated Subsidiaries  
Reserves**

**Year Ended February 1, 2003**

In Thousands	Additions				Ending Balance
	Beginning Balance	Charged to Profit and Loss	Charged to Other Accounts	Increases (Decreases)	
Reserves deducted from assets in the balance sheet:					
Allowance for bad debts	\$ 1,019	164	-0-(1)	(493) <sup>(2)</sup>	\$ 690
Allowance for sales returns	1,370	-0-	-0-	(666) <sup>(3)</sup>	704
Allowance for customer deductions	274	-0-	-0-	246 <sup>(4)</sup>	520
Allowance for co-op advertising	290	-0-	-0-	230 <sup>(5)</sup>	520
<b>Totals</b>	<b>\$ 2,953</b>	<b>164</b>	<b>-0-</b>	<b>(683)</b>	<b>\$ 2,434</b>

**Year Ended February 2, 2002**

In Thousands	Additions				Ending Balance
	Beginning Balance	Charged to Profit and Loss	Charged to Other Accounts	Increases (Decreases)	
Reserves deducted from assets in the balance sheet:					
Allowance for bad debt	\$ 1,306	(470)	-0-(1)	183 <sup>(2)</sup>	\$ 1,019
Allowance for sales returns	1,176	-0-	-0-	194 <sup>(3)</sup>	1,370
Allowance for customer deductions	936	-0-	-0-	(662) <sup>(4)</sup>	274
Allowance for co-op advertising	485	-0-	-0-	(195) <sup>(5)</sup>	290
<b>Totals</b>	<b>\$ 3,903</b>	<b>(470)</b>	<b>-0-</b>	<b>(480)</b>	<b>\$ 2,953</b>

**Year Ended February 3, 2001**

In Thousands	Additions				Ending Balance
	Beginning Balance	Charged to Profit and Loss	Charged to Other Accounts	Increases (Decreases)	
Reserves deducted from assets in the balance sheet:					
Allowance for bad debts	\$ 1,019	164	-0-(1)	(493) <sup>(2)</sup>	\$ 690
Allowance for sales returns	1,370	-0-	-0-	(666) <sup>(3)</sup>	704
Allowance for customer deductions	274	-0-	-0-	246 <sup>(4)</sup>	520
Allowance for co-op advertising	290	-0-	-0-	230 <sup>(5)</sup>	520
<b>Totals</b>	<b>\$ 2,953</b>	<b>164</b>	<b>-0-</b>	<b>(683)</b>	<b>\$ 2,434</b>

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Reserves deducted from assets in the balance sheet:					
Allowance for bad debts	\$ 926	477	-0- <sup>(1)</sup>	(97) <sup>(2)</sup>	\$ 1,306
Allowance for sales returns	935	-0-	-0-	241 <sup>(3)</sup>	1,176
Allowance for customer deductions	831	-0-	-0-	105 <sup>(4)</sup>	936
Allowance for co-op advertising	495	-0-	-0-	(10) <sup>(5)</sup>	485
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Totals</b>	<b>\$3,187</b>	<b>477</b>	<b>-0-</b>	<b>239</b>	<b>\$ 3,903</b>
	<b>—————</b>	<b>—————</b>	<b>—————</b>	<b>—————</b>	<b>—————</b>

Note: Most subsidiaries and branches charge credit and collection expense directly to profit and loss. Adding such charges of \$(4,000) in 2003, \$27,000 in 2002 and, \$20,000 in 2001 to the addition above, the total bad debt expense amounted to \$160,000 in 2003, \$(443,000) in 2002 and \$497,000 in 2001.

- (1) Bad debt recoveries.
- (2) Bad debt charged to reserve.
- (3) Adjustment of allowance for sales returns to be allowed subsequent to period end on receivables at same date.
- (4) Adjustment of allowance for customer deductions to be allowed subsequent to period end on receivables at same date.
- (5) Adjustment of allowance for estimated co-op advertising to be allowed subsequent to period end on receivables at same date.

See Note 3 to the Consolidated Financial Statements included in Item 8.