



KELLWOOD

N E W S R E L E A S E

FOR IMMEDIATE RELEASE

**KELLWOOD (NYSE:KWD) REPORTS FIRST QUARTER RESULTS
REGULAR QUARTERLY DIVIDEND DECLARED**

ST. LOUIS, MO., May 30, 2002 – Kellwood Company reported sales and earnings today for the first quarter ended April 30, 2002, according to Hal J. Upbin, chairman, president, and chief executive officer. Sales for the quarter decreased 19.6 percent to \$570.7 million, down from \$709.4 million last year. Net earnings were \$8.6 million, or \$0.37 per share, versus \$25.1 million, or \$1.10 per share last year on a diluted basis. Included in net earnings for the current quarter is a provision of \$8.9 million before tax (\$5.8 million after tax or \$0.25 per share) for business and facilities realignment, which was previously announced. Excluding the Provision for Business and Facilities Realignment, net earnings were \$14.4 million, or \$0.62 per share, exceeding expectations.

The year-to-year drop in sales was broad based across every channel of distribution reflecting the cautious buying of both the retailers and consumers. The only segment of the Company reporting higher sales in the first quarter was Men's Sportswear which was up 9 percent. The Women's Sportswear business was down 25 percent from last year, but ahead of plan. Sales of Other Soft Goods was 17 percent below last year, but ahead of plan.

Upbin said "The drop in volume was anticipated last Fall when we placed orders with contractors for the Spring 2002 season. We entered the Spring shipping season in January with inventory down 28 percent from last year, and we ended the April quarter with inventory 40 percent below last year. Until we are convinced that the consumer has returned to a more normal and consistent level of consumption, we have elected not to speculate and carry inventory without an order."

The Company's balance sheet has never been stronger. As a result of aggressive working capital management, total debt of \$330 million was down \$150 million from April 2001. Additionally, the Company's total cash and time deposits were up \$126 million to \$152 million as of April 30, 2002.

-More-



KELLWOOD

Add One

Kellwood's infrastructure enhancement and overhead reduction initiatives continued to bear fruit in the first quarter. Selling, General & Administrative expenses were down \$11.6 million, or 12 percent, from last year. Total overhead spending, including warehousing and distribution, in the first quarter was down over \$18.5 million, or 15 percent, from last year. "The combination of our strong balance sheet and streamlined operations has positioned the Company for substantial growth in earnings as soon as consumers return to a more normal level of consumption," added Upbin.

During the first quarter, Kellwood completed its analysis of its sourcing and distribution infrastructure to better align the Company with the new business environment. The need for and cost of this realignment was first announced and discussed on March 7, 2002 when the Company reported results for fiscal year 2001. This restructuring stems from the significant changes in the global market for piece goods and apparel production. At the same time, the downturn in retail and consumer demand for apparel has resulted in some excess capacity in our warehousing and distribution network. As a result of this analysis, the Company has already taken, and has identified actions to be taken totaling \$15 million before tax, and \$9.7 million after tax, or \$0.42 per share. Of this total, \$8.9 million pretax was booked in the first quarter (\$5.8 million after tax, or \$0.25 per share) which included \$1.7 million charged to cost of sales and \$7.2 million recorded as Provision for Business and Facilities Realignment. The remaining \$6.1 million will be expensed throughout the balance of fiscal 2002, primarily in the third quarter, as the related facility closings are announced or as the expenses are incurred.

Upbin stated "While sell through rates of our products at retail have been encouraging this Spring, the improvement in turnover and margins for the retailers has not yet translated to a fundamental change in our customer's ordering mentality for Fall. The retailers continue to be cautious in placing orders for the upcoming season. Orders are being booked 45 to 60 days later than normal. The stores are also withholding a portion of their Fall open-to-buy for "at once" delivery just in case the consumer returns to a more normal level of consumption during the peak Fall selling season. This could potentially benefit some of Kellwood's divisions that can turn quickly. However, the vast majority of Kellwood's businesses do not operate this way, and we are not going to build inventory for Fall in hope that the retailers will need it."

"As a result, the outlook for the second quarter remains essentially unchanged from our original plan. Kellwood's second quarter, which encompasses the months of May-July, is Kellwood's smallest quarter on a seasonal basis in terms of volume. In a more robust retail environment, we would typically begin shipping early Fall merchandise to the stores in July. Given the continued softness at retail, we do not expect the stores to call in Fall deliveries until mid-August," Upbin continued.



Add Two

Therefore, sales in the second quarter are expected to be in the range of \$440 to \$450 million, down approximately 10 percent from last year. As in the first quarter, the only segment of business forecasting higher sales is Men's Sportswear with sales of \$80-\$85 million, up approximately 9 percent. Women's Sportswear sales are expected to be in the range of \$270-\$275 million, down approximately 18 percent. Finally, sales of Other Soft Goods will be in the range of \$85-\$90 million down approximately 7 percent from last year.

Net earnings and earnings per share, for the second quarter, before the previously discussed facilities realignment charge, are forecasted to increase in comparison to last year and be in the range of \$2.5 - 2.8 million, or \$0.10 - 0.12 per share, versus \$1.8 million, or \$0.08 per diluted share last year. The increase is due principally to the nonamortization of Goodwill in the current year as a result of the adoption of FAS 142.

For fiscal year 2002, which ends January 2003, sales are expected to be in the range of \$2.1 billion, down approximately 9 percent, with nearly all of the year-to-year erosion occurring in the first half of the year.

Net earnings and earnings per share for fiscal year 2002, before the provision for business and facilities realignment, are expected to be in the range of \$42-\$44 million, or \$1.80-\$1.90 per share, consistent with previous expectations, versus \$37.7 million, or \$1.65 per share, reported in fiscal year 2001 on a diluted basis.

The outlook for the second quarter and fiscal year do not include sales or earnings attendant with the pending acquisition of Gerber Childrenswear, Inc. The commencement of an exchange offer for Gerber Childrenswear common stock was announced on May 24, 2002. Given the uncertainties as to when the deal will close, we estimate that sales from the acquisition in fiscal year 2002 may be in the range of \$80-\$100 million. Additionally, we expect the acquisition to be accretive to earnings by as much as \$0.05 per share depending, again, on the timing of the closing and the impact of purchase accounting adjustments that are largely dependent on inventory levels at the time of closing. We expect to sharpen our guidance related to this transaction with the second quarter's earnings announcement at the end of August.

The Board of Directors declared a regular quarterly dividend of \$0.16 per common share, payable June 21, 2002 to shareholders of record June 10, 2002.



Add Three

Celebrating 40 years of value, fashion and diversity, Kellwood is a \$2.1 billion marketer of apparel and consumer soft goods. Kellwood specializes in branded as well as private label products, and markets to all channels of distribution with product specific to a particular channel. Kellwood brands include Sag Harbor®, Koret®, Jax®, David Dart®, Democracy®, David Meister™, Dorby™, My Michelle®, Vintage Blue™, EMME®, Bill Burns®, David Brooks®, Kelty®, and Sierra Designs®. EMME® and Bill Burns® are produced under licensing agreements. For more information about Kellwood, visit Kellwood's website at www.kellwood.com. An audio replay of tomorrow's conference call will be available on the Company web site.

Statements in this press release that are not strictly historical are "forward-looking" statements within the meaning of the safe harbor provisions of the federal securities laws. Actual results may differ materially due to risks and uncertainties that are described in the Company's Form 10-K and other filing with the SEC.

-More-



Add Four

KELLWOOD COMPANY AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET (UNAUDITED)
 (Amounts in thousands)

	April 30,	
	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Current assets:		
Cash and time deposits	\$ 152,076	\$ 26,216
Receivables, net	331,217	458,118
Inventories	269,703	451,688
Prepaid taxes and assets	<u>32,261</u>	<u>32,777</u>
Total current assets	785,257	968,799
Property, plant and equipment, net	104,526	112,246
Intangible assets, net	113,627	125,412
Other assets	<u>48,055</u>	<u>43,511</u>
Total assets	\$ <u>1,051,465</u>	\$ <u>1,249,968</u>
 <u>LIABILITIES AND SHAREOWNERS' EQUITY</u>		
Current Liabilities:		
Current portion of long-term debt	\$ 18,186	\$ 13,784
Notes payable	8,413	95,860
Accounts payable	133,985	137,334
Accrued expenses	<u>84,781</u>	<u>135,625</u>
Total current liabilities	245,365	382,603
Long-term debt	303,874	370,739
Deferred income taxes and other	38,607	44,236
Shareowners' equity	<u>463,619</u>	<u>452,390</u>
Total liabilities and shareowners' equity	\$ <u>1,051,465</u>	\$ <u>1,249,968</u>

-More-



KELLWOOD

Add Five

KELLWOOD COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EARNINGS (UNAUDITED)
(Amounts in thousands per share data)

	Three Months Ended April 30,	
	2002	2001
Net Sales by Segment:		
Women's sportswear	\$ 361,161	\$ 481,940
Men's sportswear	89,102	82,096
Other softgoods	120,417	145,331
Total net sales	570,680	709,367
Costs and Expenses:		
Cost of products sold	459,485	560,424
Selling, general and administrative	83,804	95,371
Provision for realignment	7,244	0
Amortization of intangible assets	725	2,345
Interest expense	6,839	10,985
Interest income and other, net	(564)	(869)
Earnings before income taxes	13,147	41,111
Income taxes	4,600	16,000
Net Earnings	\$ 8,547	\$ 25,111
Weighted Average Share Outstanding:		
Basic	22,953	22,713
Diluted	23,211	22,885
Basic Earnings per Share:	\$ 0.37	\$ 1.11
Diluted Earnings per Share:	\$ 0.37	\$ 1.10

###

FINANCIAL CONTACT: Roger D. Joseph, VP Treasurer & IR, Kellwood Company, 314.576.3437, Fax 314.576.3325 or roger_joseph@kellwood.com. W. Lee Capps III, Senior Vice President Finance & CFO, Kellwood Company, 314.576.3486, Fax 314.576.3439 or wlc@kellwood.com. Corporate Office: 600 Kellwood Parkway, Chesterfield, Missouri 63017.

MEDIA CONTACT: Donna Weaver, VP Corporate Communications, Kellwood Company, 212.575.7467, Fax 212.575.5339 or donna.weaver@kellwood.com. Executive Office: 120 West 45th Street, 27th Floor, New York, New York, 10036.