GEOX

PRESS RELEASE – NINE MONTHS 2015 RESULTS

GEOX HAS CLOSED THE FIRST NINE MONTHS OF 2015 WITH 6.1% GROWTH IN TURNOVER, THANKS TO THE POSITIVE PERFORMANCE OF MULTIBRAND CHANNEL (+7.1%) AND OF COMPARABLE SALES IN DIRECTLY OPERATED MONOBRAND STORES (+4.1%) AND FRANCHISED MONOBRAND STORES (+4.5%).

STRONG CASH FLOW GENERATION (+37 MILLION), AFTER 27 MILLION CAPEX

- **Sales: Euro 708.9 million, +6.1% (Euro 668.4 million in the first nine months of 2014)**
- **EBITDA: Euro 59.5 million, +28.4% (Euro 46.3 million in the first nine months of 2014)**
- **EBIT: Euro 31.2 million, +99.8% (Euro 15.6 million in the first nine months of 2014)**
- **Net Result: Euro 17.1 million (Euro 4.5 million in the first nine months of 2014)**
- **Positive Net Financial Position: Euro +1.4 million (-13.0 million as of December 31, 2014, -71.6 million as of September, 2014)**

Biadene di Montebelluna, November 12, 2015 – The Board of Directors of Geox S.p.A., one of the leading brands worldwide in the classic and casual footwear market listed on the Milan Stock Exchange (MSE: GEO.MI), approved today the first nine months 2015 financial results.

Mario Moretti Polegato, Chairman and founder of Geox, commented: "I am satisfied with the results achieved also in this third quarter, which closed with both revenues and profitability on the rise. Sales in the first nine months increased by 6% thanks to the positive performance of the multibrand channel, up by 7%, and to the satisfactory trend recorded by comparable sales of our direct and franchised stores, up by 4%.

This positive performance was driven by the launch of our new technically innovative products, which combine a winning design with a high level of comfort guaranteed by breathability. Products like our latest innovation Nebula, Amphibiox, Geox Cuoio and new clothing lines have met with considerable success on the part of consumers, thanks to effective marketing strategies and communication.

In addition, at the same time as the growth in revenues, Group profitability has increased and the focus on operational efficiency has also allowed excellent cash generation of 37 million, after capex of 27 million.

Looking at the first indications for 2016, the positive trend in orders received in the multibrand channel for the upcoming Spring/Summer season, up by 10%, testifies the soundness of the path taken in our main areas of activity, from product innovation, to marketing, specialization of the distribution network and supply chain."

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THE GROUP'S ECONOMIC PERFORMANCE

Sales

First nine months 2015 consolidated net sales increased by 6.1% (3.9% at constant exchange rates) to Euro 708.9 million. Footwear sales, which accounted for about 90% of consolidated sales, amounting to Euro 639.6 million, increased 9.3% compared to first nine months of 2014. Apparel sales, which represented 10% of consolidated sales, equal to Euro 69.3 million, compared to Euro 83.0 million of the first nine months 2014.

(Thousands of Euro)	9 Months 2015	%	9 Months 2014	%	Var. %
Footwear	639,612	90.2%	585,384	87.6%	9.3%
Apparel	69,262	9.8%	83,005	12.4%	(16.6%)
Net sales	**708,874**	**100.0%**	**668,389**	**100.0%**	**6.1%**

Sales in Italy, the Group's main market, which accounted for 34% of sales, in line with the first nine months 2014, amounted to Euro 238.1 million showing a 5.4% increase compared with the same period of the previous year.

Sales in Europe, which accounted for 43% of sales increased by 3.0% to Euro 303.5 million, compared with Euro 294.8 million in the first nine months of 2014.

North American sales amounted to Euro 46.1 million, showing an increase of 13.9% (+1.7% at constant exchange rates). Sales in Other Countries increased by 12.9% compared to the first nine months of 2014 (+5.6% at constant exchange rates).

(Thousands of Euro)	9 Months 2015	%	9 Months 2014	%	Var. %
Italy	238,147	33.6%	225,878	33.8%	5.4%
Europe (*)	303,527	42.8%	294,828	44.1%	3.0%
North America	46,077	6.5%	40,438	6.1%	13.9%
Other countries	121,123	17.1%	107,245	16.0%	12.9%
Net sales	**708,874**	**100.0%**	**668,389**	**100.0%**	**6.1%**

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.

Sales of the DOS channel, which represent 39% of Group revenues, grew 9.5% to Euro 276.6 million compared to the first nine months of 2014. The improvement is mainly driven by new openings and by comparable store sales growth recorded on DOS channel (+4.1%).
Comparable sales related to the Fall/Winter Collection (from August 24, 2015 to November 1, 2015) show a 10.7% growth. Comparable sales year to date (from January 1, 2015 to November 1, 2015) are up 5.1%.

Sales of the franchising channel, which account for 17% of Group revenues, amount to Euro 121.5 million, with a decrease of 3.3%. This trend is due to the effect of closing of shops not in line with the expected profitability standards which has been partially offset by the positive trend in comparable store sales at locations that have been open for at least 12 months (+4.5%).

Multibrand stores representing 44% of Group revenues (43% in the first nine months of 2014) amount to Euro 310.8 million, with an increase of 7.1%.

(Thousands of Euro)	**9 Months 2015**	**%**	**9 Months 2014**	**%**	**Var. %**
Multibrand	**310,762**	**43.8%**	**290,140**	**43.4%**	**7.1%**
Franchising	121,504	17.1%	125,630	18.8%	(3.3%)
DOS*	276,608	39.0%	252,619	37.8%	9.5%
Geox Shops	**398,112**	**56.2%**	**378,249**	**56.6%**	**5.3%**
Net sales	**708,874**	**100.0%**	**668,389**	**100.0%**	**6.1%**

* Directly Operated Store

As of September 30, 2015, the overall number of Geox Shops was 1,157 of which 470 DOS. During the first nine months of 2015, 84 new Geox Shops were opened and 152 have been closed, in line with the rationalization plan of the DOS network.

	09-30-2015		**12-31-2014**		**9 Months 2015**		
	Geox Shops	**of which DOS**	**Geox Shops**	**of which DOS**	**Net Openings**	**Openings**	**Closings**
Italy	359	132	421	173	(62)	8	(70)
Europe (*)	342	178	350	167	(8)	15	(23)
North America	46	46	44	44	2	6	(4)
Other countries (**)	410	114	410	93	0	55	(55)
Total	**1,157**	**470**	**1,225**	**477**	**(68)**	**84**	**(152)**

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.

(**) Includes Under License Agreement Shops (151 as of September 30 2015, 161 as of December 31 2014). Sales from these shops are not included in the franchising channel.

Cost of sales and Gross Profit

Cost of sales, as a percentage of sales, was 50.0% compared to 52.6% of the first nine months 2014, producing a gross margin of 50.0% (47.4% in the same period of 2014).

The increase in gross profit, in line with management expectations, is explained by the increased profitability in sales and the steps taken in terms of product mix, channels, prices.

Operating expenses and Operating income (EBIT)

Selling and distribution expenses as a percentage of sales were 5.9%, in line with the first nine months of 2014.

General and administrative expenses were equal to Euro 251.6 million, compared with Euro 231.3 million of the first nine months 2014. General and administrative expenses, as a percentage of sales, were 35.5%.

The increase in these costs is mainly due to:

- the implementation of projects designed to generate greater efficiency on the part of the production and distribution structure, new hires at management level and strengthening of the structures in the business areas that are growing, those in strategic countries and those with significant development potential;
- costs of opening and running of new directly operated stores (DOS) including the conversion to directly operated stores of stores previously managed by some franchisees.

Advertising and promotions expenses were equal to 4.2% of sales, 4.6% in the first nine months of 2014.

The operating result (EBIT) is equal to Euro 31.2 million (4.4% on sales) compared with Euro 15.6 million of the first nine months 2014 (2.3% on sales).

EBITDA

EBITDA was Euro 59.5 million, 8.4% of sales, compared to Euro 46.3 million (6.9% on sales) of the first nine months of 2014.

Income taxes and tax rate

Income taxes were equal to Euro 8.9 million, compared to Euro 5.8 million of the first nine months of 2014.

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THE GROUP'S FINANCIAL PERFORMANCE

The Group balance sheet shows a positive financial position of Euro 1.4 million.

The ratio of net working capital on sales comes to 28.3% compared with 38.2% of the first nine months 2014. This improvement is mainly due to the reduction in inventory and to the strengthening of the long-term partnerships with suppliers, making it possible to optimize payments.

Before the fair value adjustment of derivatives, net financial position was Euro -5.0 million, compared to Euro -41.0 million at the end of 2014. After fair value adjustment of derivatives, which positively affected 2015 first nine months for Euro 6.3 million (Euro 28.0 as of December 31, 2014), net financial position was positive and equal to Euro 1.4 million (Euro -13.0 million at the end of 2014).

FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

The Group maintained a positive momentum in the first nine months of 2015. Even though there are still some uncertainties about global economic growth and certain markets, such as China, Russia, Ukraine, Thailand or Greece, are showing real weaknesses, it is still possible to see signs of improvement that boost management's confidence in being able to achieve solid growth in revenues and profitability for the Group. The strategy appears to be correct and the 2015 results are in line with what was promised, revenue growth in key markets is solid, the gross margin is expanding and operating profitability is also moving in the right direction; this thanks to the operating leverage brought on by rationalization of the store network and the steps taken by management in terms of efficiency and specialization.

Regarding the entire year 2015, market expectations are very challenging. If the trend of solid growth that we have seen in major markets such as Italy, France, Spain and Germany is confirmed in November and December, management is confident that the Group will be able to achieve results substantially in line with expectations.

As for the outlook, management would like to point out that a number of important factors have to be taken into account:

i. In relation to the first half of 2016, the Spring/Summer order backlog of the multi-brand channel confirms solid growth and, as of to date, has posted an increase of 10%.
ii. Management is also implementing plans to boost sales margins through specific action on product, channel and price mix, and improving comparable sales in both directly operated and franchisee stores.

Management is assuming that these positive factors confirm the strategy goals and that the expected solid revenue growth and the strong performance in the business efficiency will lead, in any case, to an expansion in gross margin (in absolute value) compared to the previous year and thus will help to mitigate the unfavorable forex effect (Euro depreciation against the USD).

In February 2016 management will present the new Strategic Plan for 2016-2018 focused on the evolution of the strategic vision of the Brand, the product innovation, the acceleration of the growth path, the balancing of the geographical footprint with an expansion also on US$ areas. Furthermore management will present the positive outcomes related to the new European production hub ramp-up and the further optimization of the international sourcing and supply chain strategy.

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DECLARATION BY THE MANAGER RESPONSIBLE FOR THE PREPARATION OF COMPANY ACCOUNTING DOCUMENTS

The manager responsible for the preparation of the company's financial documents, Mr. Livio Libralesso, hereby declares, in accordance with paragraph 2 article 154 bis of the Testo Unico della Finanza that, based on his knowledge, the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the company.

FOR MORE INFORMATIONS

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GEOX GROUP

The Geox Group operates in the classic and casual footwear sector for men, women and children, with a medium/high price level, and in the apparel sector. The success of Geox is due to the constant focus on the application of innovative solutions and technologies on the product that guarantee both impermeability and breathability. Geox is one of the leading brands in the "International Lifestyle Casual Footwear Market". Geox technology is protected by over 60 different patents registered in Italy and extended internationally.

DISCLAIMER

This document includes forward-looking statements, relative to future events and income and financial operating results of the Geox Group. These forecasts, by their nature, include an element of risk and uncertainty, since they depend on the outcome of future events and developments. The actual results may differ even quite significantly from those stated due to a multiplicity of factors.

ANNEXES

- Consolidated income statement
- Reclassified Consolidated balance sheet
- Reclassified Consolidated cash flow statement

2015 and 2014 results are reported under IAS/IFRS. Fiscal year 2014 results have been audited, while the first nine months 2015 and the first nine months 2014 have not been audited. Consolidated balance sheet and cash flow statement are reclassified with statements normally used by management and investors to assess the Group's results. The afore-mentioned reclassified financial statements do not meet the presentation standards set down by the IFRS and thus are not to be considered a replacement. However, since their contents are the same, they can be easily reconciled with those envisaged by the International Accounting Standards.

CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	9 Months 2015	%	9 Months 2014	%	2014	%
Net sales	**708,874**	**100.0%**	**668,389**	**100.0%**	**824,243**	**100.0%**
Cost of sales	(354,381)	(50.0%)	(351,619)	(52.6%)	(420,451)	(51.0%)
Gross profit	**354,493**	**50.0%**	**316,770**	**47.4%**	**403,792**	**49.0%**
Selling and distribution costs	(41,739)	(5.9%)	(39,137)	(5.9%)	(48,519)	(5.9%)
General and administrative expenses	(251,625)	(35.5%)	(231,280)	(34.6%)	(308,257)	(37.4%)
Advertising and promotion	(29,927)	(4.2%)	(30,738)	(4.6%)	(42,126)	(5.1%)
EBIT	**31,202**	**4.4%**	**15,615**	**2.3%**	**4,890**	**0.6%**
Net interest	(5,160)	(0.7%)	(5,275)	(0.8%)	(6,335)	(0.8%)
PBT	**26,042**	**3.7%**	**10,340**	**1.5%**	**(1,445)**	**(0.2%)**
Income tax	(8,905)	(1.3%)	(5,830)	(0.9%)	(1,496)	(0.2%)
Tax rate	*34%*		*56%*		*-104%*	
Net result	**17,137**	**2.4%**	**4,510**	**0.7%**	**(2,941)**	**(0.4%)**
EPS (Earnings per shares)	**0.07**		**0.02**		**(0.01)**	
EBITDA	**59,485**	**8.4%**	**46,338**	**6.9%**	**42,643**	**5.2%**

EBITDA: is the EBIT plus depreciation, amortization and can be directly calculated from the financial statements as integrated by the notes.

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RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Thousands of Euro)	Sept. 30, 2015	Dec. 31, 2014	Sept. 30, 2014
Intangible assets	56,640	60,150	57,506
Property, plant and equipment	66,877	64,497	61,573
Other non-current assets - net	54,085	54,802	54,565
Total non-current assets	**177,602**	**179,449**	**173,644**
Net operating working capital	**244,839**	**226,651**	**306,925**
Other current assets (liabilities), net	**(34,810)**	**(10,625)**	**(21,225)**
Net invested capital	**387,631**	**395,475**	**459,344**
Equity	380,191	373,680	378,933
Provisions for severance indemnities, liabilities and charges	8,816	8,813	8,818
Net financial position	(1,376)	12,982	71,593
Net invested capital	**387,631**	**395,475**	**459,344**

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	Sept. 30, 2015	Dec. 31, 2014	Sept. 30, 2014
Inventories	229,499	287,732	242,175
Accounts receivable	194,980	106,517	179,993
Accounts payable	(179,640)	(167,598)	(115,243)
Net operating working capital	**244,839**	**226,651**	**306,925**
% of sales for the last 12 months	***28.3%***	***27.5%***	***38.2%***
Taxes payable	(12,712)	(6,439)	(19,457)
Other non-financial current assets	25,779	40,958	46,710
Other non-financial current liabilities	(47,877)	(45,144)	(48,478)
Other current assets (liabilities), net	**(34,810)**	**(10,625)**	**(21,225)**

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	9 Months 2015	9 Months 2014	2014
Net result	**17,137**	**4,510**	**(2,941)**
Depreciation, amortization and impairment	28,283	30,665	37,753
Other non-cash items	18,034	15,377	(1,483)
	63,454	**50,552**	**33,329**
Change in net working capital	(23,393)	(105,941)	(15,434)
Change in other current assets/liabilities	23,831	3,244	(6,842)
Cash flow from operations	**63,892**	**(52,145)**	**11,053**
Capital expenditure	(27,460)	(22,716)	(35,754)
Disposals	796	2,786	2,912
Net capital expenditure	**(26,664)**	**(19,930)**	**(32,842)**
Free cash flow	**37,228**	**(72,075)**	**(21,789)**
Change in net financial position	**37,228**	**(72,075)**	**(21,789)**
Initial net financial position - prior to fair value adjustment of derivatives	**(41,012)**	**(18,339)**	**(18,339)**
Change in net financial position	37,228	(72,075)	(21,789)
Translation differences	(1,169)	(1,708)	(884)
Final net financial position - prior to fair value adjustment of derivatives	**(4,953)**	**(92,122)**	**(41,012)**
Fair value adjustment of derivatives	6,329	20,529	28,030
Final net financial position	**1,376**	**(71,593)**	**(12,982)**