



Press Map

GEOX
BREATHES



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Press Map - Updated on September 30th, 2011

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1.0 COMPANY PROFILE

Geox group began its commercial and industrial activity in the 1990's and in a few years became one of the main players in the Italian and international footwear and apparel market.

The Group actively creates, produces, promotes and distributes footwear and one of its strengths is **product innovation**. In particular its activity is oriented towards identifying technological solutions that guarantee breathability and impermeability.

Geox group's innovation, protected by a total of over 50 different patents registered in Italy and extended at international level, is fundamentally based on the design and creation of soles that, thanks to the insertion of a membrane permeable to vapour and waterproof, are able to guarantee breathability to rubber soles and impermeability to leather soles.

The Geox group operates in the sector of *classic* and *casual* footwear and apparel for *men*, *women*, and *children*, priced in the medium to medium-high price range. The Geox brand is thus a *family brand* which offers a wide array of products for the entire family. Each product is characterized by innovation, comfort and a style in line with the latest fashion trends.

Besides producing *brown shoes*, Geox realizes also an entirely breathable collection named NET.

Today, Geox detains the *leadership* in Italy in the sector of *classic* and *casual* footwear and it can count on an increasing presence abroad: on September 30th, 2011 over 60% of net sales have been registered in the main foreign markets, among which Germany, France and Spain.

Moreover, Geox has been ranked the 1st footwear brand in Italy and the 2nd worldwide in the life-style casual footwear segment by the specialized magazine, *Shoe Intelligence* (2010 figures).

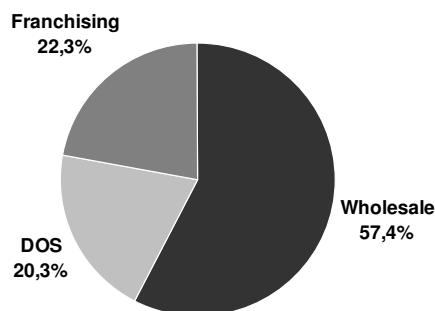
Geox group applies a diversified distribution strategy characterized by a balanced mix of multi-brand stores (approximately 10,000 doors) and single-brand stores (1,099 Geox Shops¹) managed directly (so called "Directly Operated Stores" or DOS) or in franchising in order to obtain a rapid penetration in the single markets and promote the Geox brand to the final consumer in a coherent way.

¹ Data as of September 30th, 2011.

2.0 GEOX: DISTINCTIVE ELEMENTS

Geox group's success is due to its distinctive elements that make it stand out in the Italian and international footwear industry scenario:

- **Constant focus on the product** characterized by the application of innovative and technological solutions created by Geox and protected by patents;
- **“Across-Market” positioning of its products**, with a wide array of men's, women's and children's products priced in the medium to medium-high price range of the market. On the basis of the success obtained with footwear the Geox group has implemented a project to extend the principle of the Geox breathability also to the apparel sector (in particular to the shoulder area of garments) and to the sportswear sector;
- **Strong awareness of the Geox brand**, due to an efficient communication strategy and to the identification of the brand with the “Geox breathes” advertising concept to the consumers;
- **Increasing presence in international markets**, which represent over the 60% of net sales on September 30th, 2011. Geox has been ranked the 1st footwear brand in Italy and the 2nd worldwide in the life-style casual footwear segment by the specialized magazine, *Shoe Intelligence* (2010 figures);
- **Network of single-brand Geox Shops**, in Italy and abroad, developed according to the distributing structure of each country and balanced with the capillary multi-brand clients' network. Both distribution methods are aimed at maximizing commercial penetration in each market and at the same time promote the Geox brand to the final consumer in a coherent way;



as of September 30th, 2011

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- **Flexibility of delocalized business model and in outsourcing**, which allows to efficiently manage the productive and logistic cycle. However Geox maintains control of the key phases in the production cycle and thus promote product quality and timely product distribution.

3.0 GEOX IN NUMBERS

Geox main numbers:

103 countries in which Geox is present

768.7 million euro net sales as of September 30th, 2011

63.2 million euro net income as of September 30th, 2011

56.9 million euro Net Cash Position as of September 30th, 2011

10,000 approx. number of multi-brand stores in the world

1,099 Geox Shops as of September 30th, 2011

4.0 HISTORY: THE MILESTONES

Origin of the Geox business

During a trip to Reno, Nevada (USA), to promote the wines produced by his family at an industry conference, Mario Moretti Polegato decided to take a walk. In discomfort due to overheating of his feet caused by the rubber-soled shoes he was wearing, he instinctively pierced the soles with a knife. By so doing he found a simple and effective way of releasing excess heat from his shoes.

On his return, Moretti Polegato developed his flash of intuition in the workshop of a small footwear company owned by his family and developed a new technology for rubber soles. He patented it immediately and created the first “breathing shoe”.

After having unsuccessfully offered his invention to well established footwear companies – and after having successfully completed his own market test with a range of children’s footwear - Moretti Polegato took the plunge and started full-scale industrial production of footwear under the Geox brand.

The Geox brand name is a combination of the word “geo” (the Greek word for “earth”) and of “x”, the letter/element symbolising the technology. The origin of the Geox name highlights the vocation and DNA of a company born of a revolutionary idea and that has made comfort, wellbeing, and innovation its corporate musts.

In the following years Moretti Polegato improved the original patent and extended the product range to adult footwear.

Commercial expansion and industrial reinforcement of the Group

Having consolidated its first successes in Italy, between 2000 and 2003 the Group expanded its commercial drive internationally, using both multi-brand and single-brand sales channels.

The group set up a sales organisation to cover the international market, consisting of independent agents, allocated by territorial area, who handle distribution of Geox products.

In just a few years the Group inaugurated Geox Shops in prime shopping locations and the entry of the “breathing shoe” into new markets led to outstanding sales results. The company based in Montebelluna won official recognition as one of the best success stories in Italian industry.

GEOX

The company grew fast and its constant investments in research enabled Geox to discover new technologies and products. The Group laboratory, by virtue of its continuous study of the human body's transpiration, patented an idea for wellbeing in apparel – Geox apparel. The project permitted application of the know-how acquired in the study of transpiration also to garments such as jackets, anoraks, and sports jackets. This marked the start of a new era for the Montebelluna group – the era of the “breathing total look”. Shortly afterwards, having successfully completed a test phase, Geox entered the Italian market with a patented apparel range.

Stock Market listing (in 2004)

Geox was listed on the Milan Stock Market with great success on December 1st 2004. The footwear group of Montebelluna was able to boast an enviable growth track record: sales progressing by almost 20% YoY, millions more pairs of shoes manufactured and sold each season, and with profitability indicators showing constant improvement. Such a performance encouraged Geox to take this important step, received with great consensus by the international financial community.

5.0 PRODUCTS

The Group is mainly active in the production and commercialization, in the medium to medium/high price range, of footwear (85,3% of net sales as of September 30th, 2011) and to a lesser extent of apparel (14,7% of net sales as of September 30th, 2011).

The innovative idea of the Geox group consists in perforating shoes' soles to allow feet to breathe. The Group's activity originates from the profiteering of the patents both nationally and internationally.

Research in the field of technological innovation has a key role in the development of Geox products and it is aimed at unifying innovation with comfort and a style in line with the latest fashion trends.

The "across-market" positioning of products, in terms of the clients' age and sex, makes the Geox brand a family brand which is quite peculiar in the Italian market. In fact, the Geox group creates three different types of products distinguished according to the final consumer: products for children, for men and for women.



The three types of products are divided in two different areas:

- *Classic* products, characterized by their elegance and a recall to traditional models;
- *Casual* products, characterized by their wearability and their adaptability.

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Based on the success of the Group's footwear products, the Company has begun to apply its technological solution to develop breathable apparel.



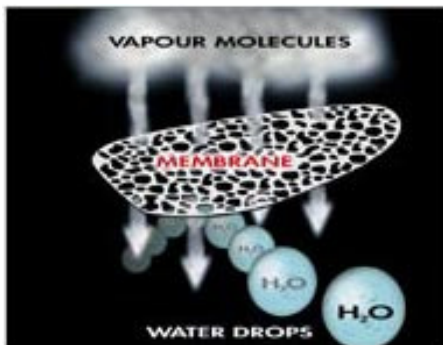
6.0 PATENTS

Geox group's distinctive element is to have identified, patented and implemented innovative and technological solutions which allow the combination of quality, breathability and impermeability through the use of special materials. The Group has identified, elaborated and improved the methodology behind the creation of its products, protecting them with patents in Italy which were later extended internationally.

By improving and widening the initial patent, the Group has deposited more than 50 different patents originated by the company policy that aims at enhancing technological innovation.

Rubber patent

The first rubber patent was developed in the footwear sector to solve the problem of feet perspiration in rubber soles. Geox exclusive solution consists of



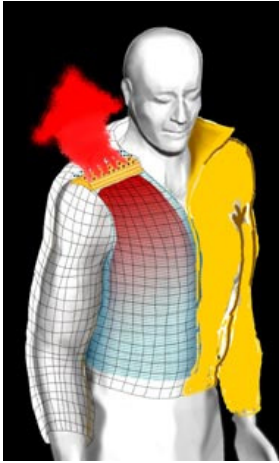
three different parts: a perforated inferior part (the outsole), a superior perforated part (the mid-sole) and a third part placed between the outsole and the mid-sole defined in the patent as “*membrane permeable to vapour but waterproof*”. The combination of the membrane characterized by selective pores, with holes on the outsole and foot-strap, allows vapour to move out, preventing water to enter.

Leather patent

The objective of the leather patent was to develop an innovative technology aimed at rendering the leather sole impermeable without impeding its natural transpiration quality. In this case the Group has applied the abovementioned constructive methodology, by using the membrane in order to waterproof leather soles.



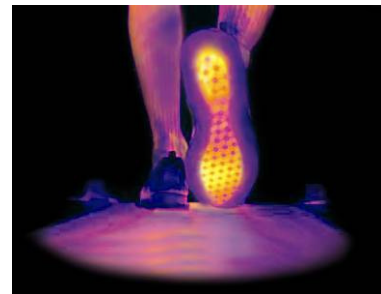
Apparel patent



This patent was created to ease body transpiration and it is mainly used in the shoulder area. The application of this patent consists in the use of a constructive system of the garment based on the creation of a cavity between the fabric and the body: this allows to exploit the natural movement of warm air, letting it raise and exit through the upper part of the garment.

Sportswear patent

This patent is based on NET System technology, that allows feet to breathe over its entire surface. The traditional rubber sole is replaced with an outside frame and a supporting net. This is combined with a special Geox membrane applied across the entire sole and this lets the foot breathe, while keeping out water, mud and any other external elements that might creep into the footwear. The tests performed by the Geox research laboratories show that a sole using NET technology will expel sweat produced by the sole of the foot both when it is at rest and when it is working.



7.0 GEOX AROUND THE WORLD

Geox detains the *leadership* in Italy in the sector of *classic* and *casual* footwear and it can count on an increasing presence abroad: on September 30th, 2011 over 60% of net sales have been registered in the foreign markets, among which the most important are Germany, France and Spain. Furthermore, Geox has been ranked the 1st footwear brand in Italy and the 2nd worldwide in the lifestyle casual footwear segment by the specialized magazine, *Shoe Intelligence* (2010 figures).

On the international markets Geox group has implemented a diversified distribution strategy characterized by a balanced mix of multi-brand and single-brand stores, tailored to each geographic market to promote a rapid penetration of new markets.

Geox products distribution takes place through two distribution channels: multi-brand stores, managed by independent third parties (approximately 10,000 doors), and single-brand stores, Geox Shop (DOS and franchise stores).

	30.09.2011		31.12.2010	
	Geox Shops	of which DOS	Geox Shops	of which DOS
Italy	373	81	344	85
Europe (*)	315	124	302	107
North America	46	41	50	41
Other countries	197	17	174	19
Under license agr. (**)	168	/	169	/
Total	1,099	263	1,039	252

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

(**) Sales from these shops are not included in the franchising channel.

8.0 MANAGEMENT

Mario Moretti Polegato

President of the company, founder of the Group and main shareholder with 71% of the capital, he was born in 1952 in Crocetta del Montello (Treviso). After completing his studies in oenology he joined the family business, which has been focused on agriculture and wine production for three generations and has become one of the most important wine companies in Italy.

In the mid-90s, he invented and patented the technology that allows feet to breathe when they are in contact with rubber soles. Thus he created Geox, the shoe that breathes, combining the made in Italy style, technology and the wellbeing of feet.

Mr. Polegato personally dedicates much time to teaching the “Intellectual Property” in schools and universities, both in Italy and abroad. This commitment has earned him the title of “Affiliate Professor of Entrepreneurship” from ESCP-EAP in Paris, one of the leading international business schools. During the past months, Mario Moretti Polegato has taught at the University of Florence, University of Pisa, Ca’ Foscari University of Venice, Federico II University of Naples, Catholic University of Lisbon, MIT of Boston, University of Cambridge, Columbia University, Peking University, Honk Kong University and Moscow University.

Mr. Moretti Polegato has been awarded many prizes in recent years:

- 2010 He is named “Innovator of the Year 2010” at the CNBC European Business Leaders Awards organized by CNBC in partnership with the Financial Times - for his ability to develop a fashionable brand with new technology.
- 2009 He is appointed member of International Advisory Council of the Bocconi University, placed in Milan.
- 2008 Confindustria appointes him Member of the Executive Council, for which he is stii in charge of.

He receives the “Premio Internazionale AEREC alla Carriera” from the European Academy for Economic and Cultural Relations.

He becomes a member and supporter of the World Economic Forum, the independent international organization committed to improving the state of the world. Mr. Polegato regularly attends the World Economic Forum Annual Meeting in Davos, Switzerland.

- 2007 He is elected member of the Managing Committee of Comitato Leonardo - Italian Quality Committee.

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He receives the “Premio Leone del Veneto” from the “Ufficio di Presidenza del Consiglio Regionale del Veneto”.

Confindustria appoints him Member of Council.

- 2006 He is appointed “Grand’Ufficiale al Merito della Repubblica Italiana” by the Italian President Giorgio Napolitano.

He is named “Affiliate Professor of Entrepreneurship” from ESCP-EAP in Paris, one of the leading international business schools.

He is conferred the Honorary Degree by the CUOA Foundation, Vicenza.

- 2005 He is appointed “Cavaliere del Lavoro” by the Italian President Carlo Azeglio Ciampi (honorary title conferred in recognition of the good results obtained in the footwear sector).

He is elected member of Governing Council of UPA (Association of Advertising High Spenders).

He is conferred the honorary degree in Chemistry by the Cà Foscari University of Venice.

- 2004 Founder and member of Board of Directors of ONLUS “Il Ponte del Sorriso”, Italian no profit association established by UIL (Italian Workers Union), which helps needy Romanian minor orphans.

He receives the Marketing 2004 Award from the Italian Marketing Association for the remarkable diffusion, promotion and development of the marketing culture.

He receives the “Premio Fedeltà al Lavoro” (Loyalty to Work) from the Italian Footwear Producers’ Association as best footwear entrepreneur.

- 2003 He receives the Honoris Causa Master in *Integrated Logistics and Supply Chain Integrated Management* at the University of Verona, Economics department.

He receives the Doctor Honoris Causa in Agricultural Studies and Veterinary Science at the University of Banatului, Timisoara – Romania.

He is elected Proboviro of Confindustria (Italian Industrials Association) for the next 4 years.

He is appointed “Best Italian Entrepreneur in the World” by Ernst & Young Global.

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He becomes member of Board of Directors of Siparex Italia, Private Equity Italian-French fund.

- 2002 He becomes member of international no profit association Aspen Institute Italia.

He is appointed Entrepreneur of the year 2002 from Ernst & Young, the Italian Stock Exchange and Italian financial newspaper Il Sole 24 Ore.

- 2000 He is appointed “Cavaliere al Merito dell’Ordine Nazionale” of Romania.
- 1997 He is appointed Honorary General Consul of Romania for North-Eastern Italy.
- 1995 He is appointed “Commendatore Nazionale” of the Italian Republic (a title conferred in recognition of the results obtained in the footwear sector).
- 1994 He receives the Italian Creativity Award from Confindustria (Italian Industrials Association).

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Diego Bolzonello

Has been active within the Group since its foundation and, together with the Chairman, has contributed significantly to the development of the operations. Since 1999 he has been the Product General Manager and since 2002 he has served as CEO. Mr Bolzonello is primarily responsible for the development of the Company business strategy and product innovation.

Massimo Stefanello

He has been appointed as Corporate Managing Director since May 2009. Mr. Stefanello has been with the company since 2005 and he has served important positions within the organization, among which as CFO of Lir S.r.l., the majority shareholder of Geox S.p.A.. He holds a degree in Business Administration from the University of Venice and, prior to joining Geox, he served with leading consulting firms and has matured extensive experience with international listed companies as Benetton and GlaxoSmithKline.

Livio Libralesso

He has served as Administration and Finance Manager since 2001. Mr. Libralesso is a certified public accountant, registered with the special register of accountants (Revisori Contabili) kept by the Italian Ministry of Justice. Prior to joining Geox, he served with PricewaterhouseCoopers and held positions in the areas of finance, administration and control with Safilo, Lotto and the Benetton group. Mr. Libralesso holds a degree in Economics from the University of Venice.