



PRESS RELEASE - REVENUES FOR THE FIRST QUARTER OF 2017

+1.2% INCREASE IN REVENUES DRIVEN BY A POSITIVE PERFORMANCE OF THE WHOLESALE CHANNEL, UP 6.3%, AND ONLINE SALES, WHICH GREW BY MORE THAN 30%

+8% INCREASE IN ORDER BACKLOG RECORDED BY THE WHOLESALE CHANNEL FOR THE 2017 FALL/WINTER SEASON

Biadene di Montebelluna, 10th May 2017 – Geox S.p.A., a leading brand in classic and casual footwear, listed on the Milan Stock Exchange (MSE: GEO.MI), today analysed its consolidated revenues for the first quarter of 2017.

Mario Moretti Polegato, Chairman and founder of Geox, commented: “I am satisfied with the results achieved by Geox Group in the first quarter. Revenues increased by 1.2%, thanks to the positive performance of the wholesale channel which recorded a growth of 6.3%. This growth was particularly driven by the excellent performance in Russia, Eastern Europe and China and by the e-commerce channel, which grew by more than 30%.

The wholesale channel is also showing solid growth in terms of order backlog for the upcoming 2017 Fall/Winter season, up +8%. This is thanks to overall good performance across all geographical areas, with the expected increase in margins also being confirmed.

With regard to mono-brand channel, the planned optimization of the stores network is underway. Furthermore, the growth in comparable store sales (+1.6%), our strong focus on operating efficiency, the rationalization of the products offer and tight cost control are also generating the results we expected in terms of profitability.

These results clearly confirm the strength and effectiveness of our strategic choices, which focus on solid and profitable growth. I am therefore confident that the Group will achieve positive results this year, with profitability in line with our expectations”.

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FIRST QUARTER 2017 SALES

First quarter 2017 consolidated net sales increased by 1.2% to Euro 297.9 million (+0.1% at constant forex). Footwear sales, which accounted for about 90% of consolidated sales, amounting to Euro 267.4 million, increased 0.8% compared to first quarter of 2016 (-0.2% at constant forex). Apparel sales, which represented 10% of consolidated sales, equal to Euro 30.5 million, compared to Euro 29.1 million of the first quarter 2016 (+4.5%; +2.8% at constant forex).

(Thousands of Euro)	I Quarter 2017	%	I Quarter 2016	%	Var. %
Footwear	267,429	89.8%	265,191	90.1%	0.8%
Apparel	30,461	10.2%	29,147	9.9%	4.5%
Net sales	297,890	100.0%	294,338	100.0%	1.2%

Revenues generated in Italy, the domestic market representing 33% of Group revenues (34% in the first quarter of 2016), are in line with the first quarter of 2016: the planned optimization of mono-brand distribution was offset by the growth recorded by the wholesale channel.

Revenues generated in Europe, representing 42% of Group revenues (44% in the first quarter of 2016), amount to Euro 126.1 million, compared to Euro 128.5 million in the first quarter of 2016, recording a decline of 1.9% (-2.0% at constant forex). This performance is explained by the planned rationalization of mono-brand stores, partially offset by the positive performance of the wholesale channel and growth in LFL sales recorded by both directly operated and franchised mono-brand stores.

North America recorded a turnover of 14.5 million, down 1.2 million (-7.8% at current forex and -13.0% at constant forex), mainly as a result of the Canadian market.

A 14.2% growth in turnover was recorded in the Rest of the World compared with the first quarter of 2016 (9.6% at constant forex), with solid results across all markets with the exception of Hong Kong. This growth was particularly driven by the excellent performance in Russia, Eastern Europe and China.

(Thousands of Euro)	I Quarter 2017	%	I Quarter 2016	%	Var. %
Italy	99,748	33.5%	99,728	33.9%	0.0%
Europe (*)	126,050	42.3%	128,462	43.6%	(1.9%)
North America	14,461	4.9%	15,681	5.3%	(7.8%)
Other countries	57,631	19.3%	50,467	17.1%	14.2%
Net sales	297,890	100.0%	294,338	100.0%	1.2%

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

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Revenues generated by directly-operated stores, DOS, representing 29% of Group revenues, amount to Euro 85.9 million, recording a decline of 2.1% (-3.2% at constant forex). As already reported, this performance is due to the planned rationalization of the mono-brand store network, whereas like-for-like sales of stores that have been open for at least 12 months (comparable store sales) reported a growth of +1.6% (+3.2% in the first quarter of 2016), with positive performance in all of the group's main markets.

Comparable sales generated by directly operated stores to date (week 1 - week 17) report a growth of 1.2% (compared with the 1.1% growth recorded in the same period last year). Following a sales period (January and February), when sales were substantially stable despite a challenging comparison base, like-for-like sales in March and April have recorded an overall increase of +3%.

Sales of the franchising channel, which account for 18% of Group revenues, amount to Euro 53.6 million, reporting a decline of 6.9% (-7.7% at constant forex). The performance of the franchising channel is also explained by the planned rationalization of the store network, whereas comparable sales recorded a slight decline, which is the result of performance during the January sales due to a difficult comparison base.

Wholesale stores representing 53% of Group revenues (51% in the first quarter of 2016) amount to Euro 158.4 million, with an increase of 6.3% (+5.1% at constant forex).

(Thousands of Euro)	I Quarter 2017	%	I Quarter 2016	%	Var. %
Wholesale	158,425	53.2%	149,006	50.6%	6.3%
Franchising	53,552	18.0%	57,536	19.5%	(6.9%)
DOS*	85,913	28.8%	87,796	29.8%	(2.1%)
Geox Shops	139,465	46.8%	145,332	49.4%	(4.0%)
Net sales	297,890	100.0%	294,338	100.0%	1.2%

* Directly Operated Store

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As of March 31, 2017, the overall number of Geox Shops was 1,134 of which 451 DOS. During the first quarter of 2017, 17 new Geox Shops were opened and 44 have been closed, in line with the rationalization plan of the DOS network.

	03-31-2017		12-31-2016		1° Q 2017		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	340	130	352	129	(12)	3	(15)
Europe (*)	332	173	346	173	(14)	1	(15)
North America	47	47	48	48	(1)	1	(2)
Other countries (**)	415	101	415	105	-	12	(12)
Total	1,134	451	1,161	455	(27)	17	(44)

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

(**) Includes Under License Agreement Shops (157 as of March 31, 2017, 156 as of December 31, 2016). Sales from these shops are not included in the franchising channel.



FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

Regarding 2017 performance, the management believes that the results achieved and actions taken to date confirm positive expectations for the year.

In particular, these positive prospects are based on the following factors:

1. the wholesale channel proves to be solid, with order backlog for fall-winter 2017 increasing by +8%, after already recording good performance for the spring-summer season with a +9% increase in order backlog;
2. the industrial margin relating to the fall-winter order backlog is growing as expected, reporting an increase of over 200 basis points, thanks to specific measures targeting both product design and supply chain efficiency;
3. improved economic performance is expected for the retail channel as a result of speeding up network optimization in Europe, carrying out the planned expansion in more reactive markets such as Eastern Europe and China and focusing on profitability, taking into consideration also the expected increase in like-for-like sales;
4. plans are underway to further increase productivity, simplification and operating efficiency, at the same time as implementing tight cost control.

The aim of these combined measures is to pursue sustainable and profitable growth, with profitability results in line with the business plan presented last year, especially in absolute terms, as reflected in market consensus and expectations.

However, these profitability results will be delivered with a different channel and geographic mix than originally expected, and therefore with a more prudent evolution of total sales as a result of retail optimization.

Lastly, as already announced during the 2016 results presentation, the management expects special items in the region of Euro 10 million as a result of the termination of employment of the previous Chief Executive Officer, the expected optimization of the network of directly operated and franchised stores and the measures to be implemented to reduce general costs.

In this context, as of today, the management expects that the positive performance of the wholesale channel combined with a slight increase in like-for-like sales will more than compensate for the effects of the planned network optimization involving both directly operated and franchised stores.

The management also assumes that the aforementioned low single digit increase in turnover and the expected improvement in gross margin, combined with the measures taken to boost efficiency and control costs, will allow the group to achieve levels of profitability that are in line with market expectations and which are therefore considered to be achievable even if challenging.



2017 FINANCIAL REPORTING CALENDAR

Forthcoming news flows:

July 28, 2017 - Half Year Report for the six months period ended June 30, 2017
November 8, 2017 – Nine Months 2017 Net Sales

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 35 different patents and by 10 more recent patent applications.

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.