



2013 HALF-YEAR
FINANCIAL REPORT



CONTENTS

Geox S.p.A.

Registered Offices in Italy - Via Feltrina Centro 16, Biadene di Montebelluna (Treviso)

Share Capital - Euro 25,920,733.1 fully paid

Tax Code and Treviso Companies Register No. 03348440268

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DIRECTORS' REPORT

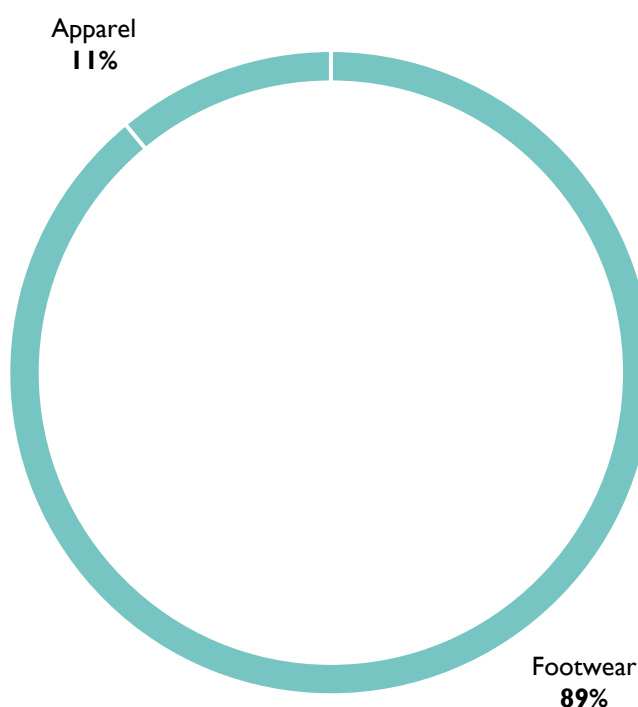
Profile

The Geox Group creates, produces, promotes and distributes Geox-brand footwear and apparel, the main feature of which is the use of innovative and technological solutions that can guarantee the ability to breathe and remain waterproof at the same time.

The extraordinary success that Geox has achieved is due to the technological characteristics of its shoes and apparel. Thanks to a technology that has been protected by over 60 different patents registered in Italy and extended internationally, "Geox" products ensure technical characteristics that improve foot and body comfort in a way that consumers are able to appreciate immediately.

Geox's innovation stems essentially from the creation and development of special outsoles: thanks to a special membrane that is permeable to vapour but impermeable to water, rubber outsoles are able to breathe and leather outsoles remain waterproof. In the apparel sector the innovation increases the expulsion of body's internal humidity thanks to hollow spaces and aerators.

Geox is market leader in Italy in its own segment and is one of the leading brands world-wide in the "International Lifestyle Casual Footwear Market" (source: Shoe Intelligence, 2012).

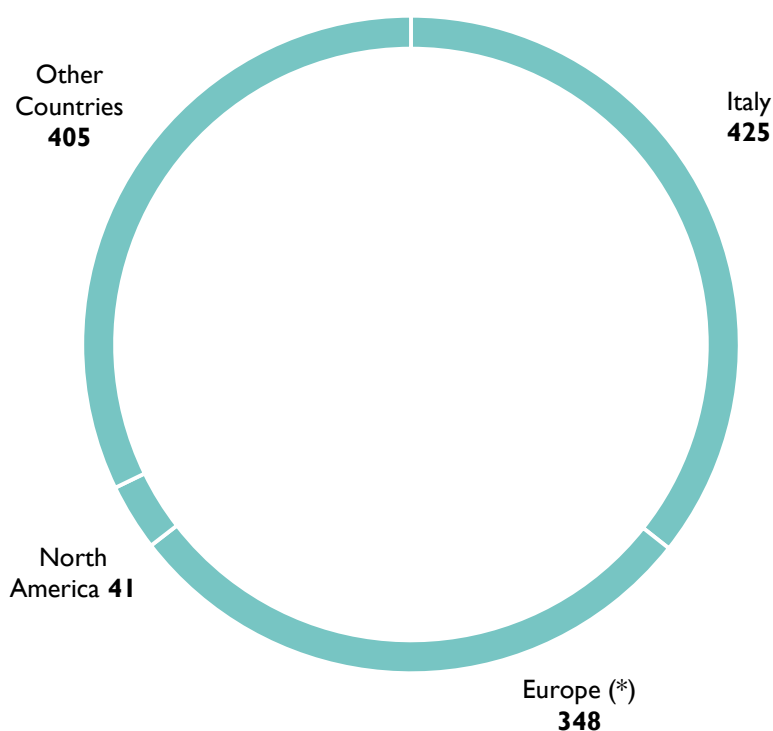


Net Sales 1H2013 – 386.8 million

The distribution system

Geox distributes its products through over 10,000 multi-brand selling points and also through over 1,000 Geox shops (Franchising and DOS – directly operated stores).

As of June 30, 2013, the overall number of "Geox Shops" came to 1,219, of which 853 in franchising and 366 operated directly.



Geox Shops

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

The production system

Geox's production system is organized so as to ensure the attainment of three strategic objectives:

- maintaining high quality standards;
- continuously improving flexibility and time to market;
- increasing productivity and reducing costs.

Production takes place in selected factories mainly in the Far East. Such monitoring includes the "upstream" phases such as the processing of leather (from raw to tanned hides) and the production of outsoles.

Great care is taken by the Group in selecting third-party producers, taking into account their technical skills, quality standards and ability to handle the production volumes which are assigned by the agreed deadlines.

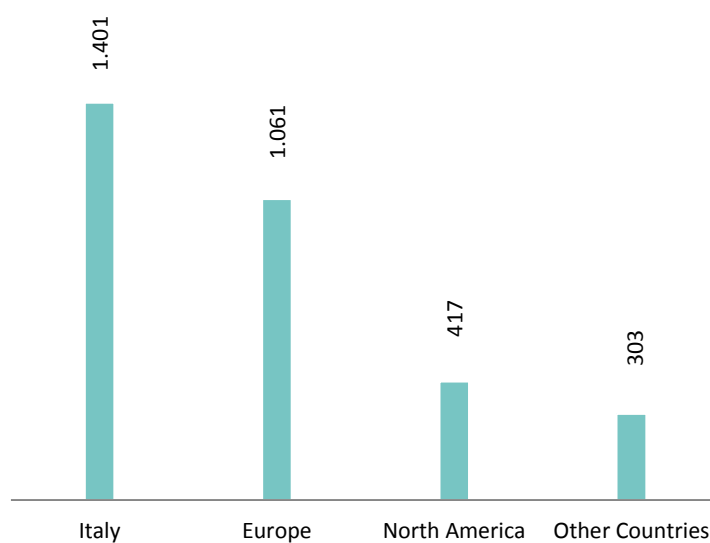
All of the output from these manufacturing locations is consolidated at the Group's distribution centres in Italy for Europe, New Jersey for the North America, Tokyo for Japan and Hong Kong for the rest of Asia.

Human Resources

As of June 30, 2013 the Group had 3,182 employees, split as follows:

Level	06-30-2013	12-31-2012
Managers	38	40
Middle Managers	122	122
Office Staff	754	724
Shop Employees	2,225	2,033
Factory Workers	43	43
Total	3,182	2,962

The graph shows the employees of the Group at 30 June 2013, broken down by geographic area:



Shareholders

Financial communication

Geox maintains a constant dialogue with individual shareholders, institutional investors and financial analysts through its Investor Relations function, which actively provides information to the market to consolidate and enhance confidence and level of understanding of the Group and its businesses.

The Investor Relations section, at www.geox.com, provides historical financial data and highlights, investor presentations, quarterly publications, official communications and real time trading information on Geox shares.

Control of the Company

LIR S.r.l. holds a controlling interest in the share capital of Geox S.p.A. with a shareholding of 71.10%. LIR S.r.l., with registered offices in Montebelluna (TV), Italy, is an investment holding company that belongs entirely to Mario Moretti Polegato and Enrico Moretti Polegato (who respectively own 85% and 15% of the share capital).

The shareholder structure of Geox S.p.A. based on the number of shares held is as follows:

Shareholder structure (*)	Number of shareholders	Number of shares
from 1 to 5.000 shares	16,672	19,555,216
from 5.001 to 10.000 shares	865	6,525,615
10.001 shares and over	650	230,488,189
Lack of information on disposal of individual positions previously reported		2,638,311
Total	18,187	259,207,331

(*)As reported by Istifid on June 28, 2013.

Shares held by directors and statutory auditors

As mentioned previously, the directors Mr. Mario Moretti Polegato and Mr. Enrico Moretti Polegato directly hold the entire share capital of LIR S.r.l., the parent company of Geox S.p.A..

Directors, statutory auditors and executives with strategic responsibilities have submitted declarations that they do not hold shares in the Company as of June 30, 2013.

Company officers

Board of Directors

Name	Position and independent status (where applicable)
Mario Moretti Polegato	Chairman and Executive Director
Enrico Moretti Polegato	Vice Chairman and Executive Director
Giorgio Presca	CEO and Executive Director (*)
Renato Alberini	Director
Fabrizio Colombo	Independent Director
Alessandro Antonio Giusti	Director
Roland Berger	Independent Director
Claudia Baggio	Director
Lara Livolsi	Independent Director

(*) Powers and responsibilities for ordinary and extraordinary administration, within the limits indicated by law and the Articles of Association, in compliance with the powers of the Shareholders' Meeting, the Board of Directors and the Executive Committee, in accordance with the Board of Directors' resolution of April 17, 2013.

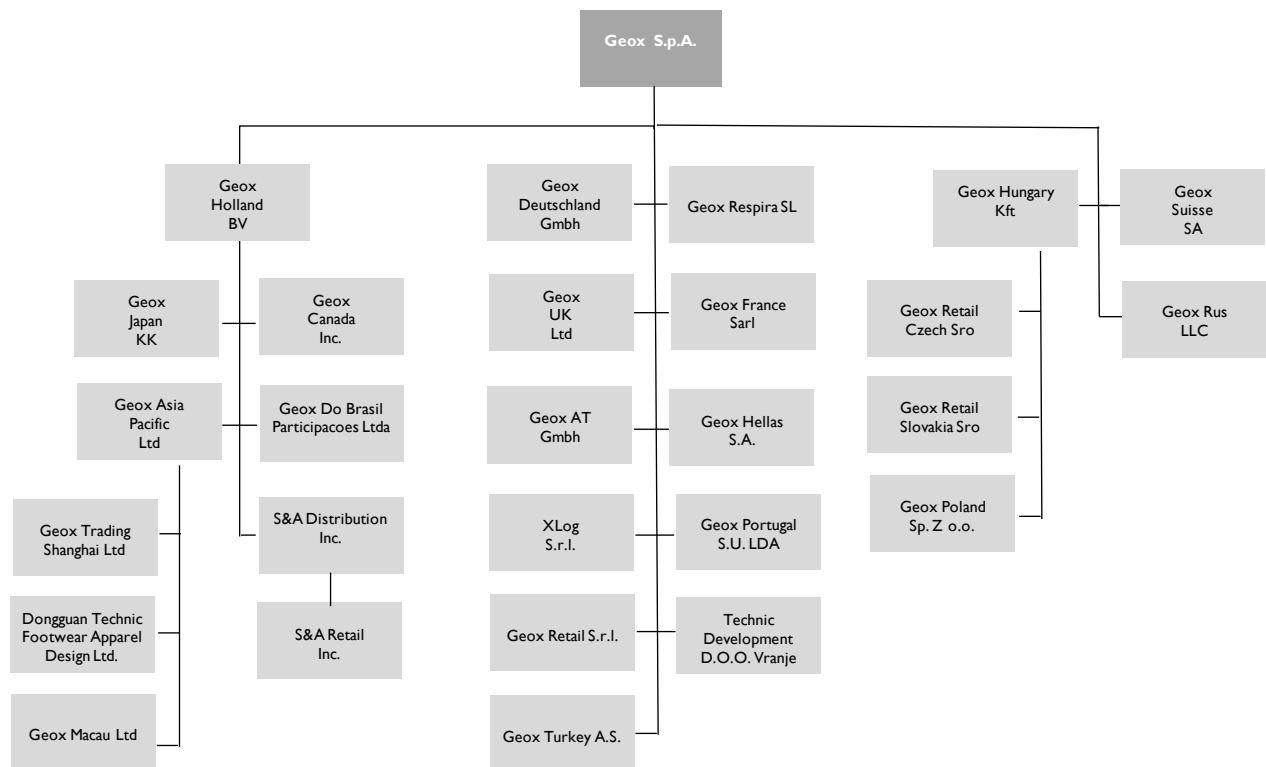
Board of Statutory Auditors

Name	Position
Francesco Gianni	Chairman
Francesca Meneghel	Statutory Auditor
Valeria Mangano	Statutory Auditor
Andrea Luca Rosati	Alternate Auditor
Giulia Massari	Alternate Auditor

Independent Auditors

Deloitte & Touche S.p.A.

Group Structure



The structure of the Group controlled by Geox S.p.A., which acts as an operating holding company, is split into 3 macro-groups:

- **Non-EU trading companies.** Their role is to monitor and develop the business in the various markets. They operate on the basis of licensing or distribution agreements stipulated with the parent company.
- **EU companies.** At the beginning their role was to provide commercial customer services and coordinate the sales network in favor of the parent company which distributes the products directly on a wholesale basis. Then, they started to manage the Group's own shops in the various countries belonging to the European Union.
- **European trading companies.** They are responsible for developing and overseeing their area in order to provide a better customer service, increasing the presence of the Group through localized direct sales force and investments in showrooms closer to the market. The trading companies in Switzerland and Russia also have the need of purchasing a product immediately marketable in the territory, having already complied with the customs.

The Group's economic performance

Economic results summary

The main results are outlined below:

- Net sales of Euro 386.8 million, with a decrease of 9.9% (-9.6% constant exchange rates) compared to Euro 429.1 million in first half 2012;
- EBITDA of Euro 21.9 million, compared to Euro 54.6 million in first half 2012, with a 5.7% margin;
- EBIT of Euro 0.2 million, compared to Euro 34.9 million in first half 2012;
- Net result of Euro -3.6 million, compared to Euro 21.3 million in first half 2012, with a -0.9% margin.

In the following table a comparison is made between the consolidated income statement:

(Thousands of Euro)	I half 2013	%	I half 2012	%	2012	%
Net sales	386,795	100.0%	429,093	100.0%	807,615	100.0%
Cost of sales	(200,680)	(51.9%)	(220,314)	(51.3%)	(419,522)	(51.9%)
Gross profit	186,115	48.1%	208,779	48.7%	388,093	48.1%
Selling and distribution costs	(23,896)	(6.2%)	(23,206)	(5.4%)	(43,379)	(5.4%)
General and administrative expenses	(136,671)	(35.3%)	(125,056)	(29.1%)	(251,907)	(31.2%)
Advertising and promotion	(18,703)	(4.8%)	(23,542)	(5.5%)	(45,777)	(5.7%)
Operating result	6,845	1.8%	36,975	8.6%	47,030	5.8%
Special items	(4,834)	(1.2%)	(2,057)	(0.5%)	(24,425)	(3.0%)
Net asset impairment	(1,840)	(0.5%)	-	0.0%	(2,640)	(0.3%)
EBIT	171	0.0%	34,918	8.1%	19,965	2.5%
Net interest	(2,088)	(0.5%)	(1,831)	(0.4%)	(2,251)	(0.3%)
PBT	(1,917)	(0.5%)	33,087	7.7%	17,714	2.2%
Income tax	(1,723)	(0.4%)	(11,779)	(2.7%)	(7,675)	(1.0%)
Tax rate	-90%		36%		43%	
Net result	(3,640)	(0.9%)	21,308	5.0%	10,039	1.2%
EPS (Earnings per shares)	(0.01)		0.08		0.04	
EBITDA	21,949	5.7%	54,597	12.7%	61,557	7.6%
Special items	(4,834)		(2,057)		(24,425)	
EBITDA adjusted	26,783	6.9%	56,654	13.2%	85,982	10.6%

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

Disclaimer

This Report, and in particular the section entitled "Outlook for operation and significant subsequent events", contains forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: volatility and deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulation (in each case, in Italy or abroad), and many other factors, most of which are outside of the Group's control.

Sales

First half 2013 consolidated net sales decreased by 9.9% (-9.6% at constant exchange rates) to Euro 386.8 million.

Footwear sales, which accounted for about 89% of consolidated sales, amounting to Euro 343.0 million, declined 8.7% compared to first half of 2012. Apparel sales, which represented 11% of consolidated sales, equal to Euro 43.8 million, declined 18.2%.

(Thousands of Euro)	I half 2013	%	I half 2012	%	Var. %
Footwear	342,949	88.7%	375,469	87.5%	(8.7%)
Apparel	43,846	11.3%	53,624	12.5%	(18.2%)
Net sales	386,795	100.0%	429,093	100.0%	(9.9%)

Sales in Italy, the Group's main market, which accounted for 32% of consolidated sales (36% in the first half of 2012) amounted to Euro 122.5 million showing a decrease of 21.8% compared with the same period of the previous year.

Sales in Europe, which accounted for 45% of Group revenues (43% in the first half of 2012) declined by 5.7% to Euro 172.7 million, compared with Euro 183.1 million of the first half of 2012.

North American sales amounted to Euro 26.2 million, showing an increase of 2.9%. Sales in the Other Countries increased by 2.3% (+3.6% at constant exchange rates) compared with the same period of previous year.

(Thousands of Euro)	I half 2013	%	I half 2012	%	Var. %
Italy	122,485	31.7%	156,640	36.5%	(21.8%)
Europe (*)	172,667	44.6%	183,052	42.7%	(5.7%)
North America	26,165	6.8%	25,423	5.9%	2.9%
Other countries	65,478	16.9%	63,978	14.9%	2.3%
Net sales	386,795	100.0%	429,093	100.0%	(9.9%)

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

In the first half of 2013, sales of the DOS channel, which represent 34% of Group revenues, grew 16.0% to Euro 131.1 million.

First half results have been characterized by a tough macro-economic environment which particularly affects the Mediterranean area. Comparable store sales of the DOS channel decreased by 7.6% in the first half of 2013 versus the same period of prior year.

Comparable store sales of the DOS channel of the Spring/Summer collection (from February 25 to July 21 2013) were down 5.1%.

Sales of the franchising channel, which account for 20% of Group revenues, amount to Euro 77.3 million, with a decrease of 18.8%. This trend is due to three factors:

- the new openings offset the closures of unprofitable marginal stores;

- the reduced sell in concerning initial orders according to the new model (adopted from the current season) to manage franchisees in favor of replenishment and reorders;
- the Group's decision to operate directly 46 shops which were previously run by agents whose contracts have terminated.

Multibrand stores representing 46% of Group revenues (52% in the first half of 2012) amount to Euro 178.3 million. The change compared with the previous year is equal to -19.2% and is mainly due to the difficult market conditions in Mediterranean countries with the consequent prudent business approach and selective cancellations of orders.

(Thousands of Euro)	I half 2013	%	I half 2012	%	Var. %
Multibrand	178,332	46.1%	220,825	51.5%	(19.2%)
Franchising	77,331	20.0%	95,250	22.2%	(18.8%)
DOS*	131,132	33.9%	113,018	26.3%	16.0%
Geox Shops	208,463	53.9%	208,268	48.5%	0.1%
Net sales	386,795	100.0%	429,093	100.0%	(9.9%)

* Directly Operated Store

As of June 30, 2013, the overall number of Geox Shops was 1,219 of which 366 DOS. During first half 2013, 66 new Geox Shops were opened and 59 have been closed. New openings of first half 2013 include shops in Beijing, Shanghai, Hong Kong and Singapore.

	06-30-2013		12-31-2012		I half 2013		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	425	117	432	84	(7)	10	(17)
Europe (*)	348	146	350	135	(2)	14	(16)
North America	41	41	40	40	1	1	-
Other countries (**)	405	62	390	41	15	41	(26)
Total	1,219	366	1,212	300	7	66	(59)

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

(**) Includes Under License Agreement Shops (134 as of June 30 2013, 125 as of December 31 2012). 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 51.9% compared to 51.3% of the first half of 2012, producing a gross margin of 48.1% (48.7% in the first half of 2012). The decrease in gross profit is explained by unfavorable trend of currencies, raw material prices and labour costs increases in supplier countries and higher promotional sales experienced during the first half.

Operating expenses and Operating income (EBIT)

Selling and distribution expenses as a percentage of sales was 6.2%. (5.4% in the first half of 2012).

General and administrative expenses were equal to Euro 136.7 million, compared with Euro 125.1 million of the first half of 2012. General and administrative expenses, as a percentage of sales, were 35.3%, compared to 29.1% of the first half of 2012.

The increase is mainly due to costs of opening and running of new directly operated stores (DOS) including the conversion to directly operated stores of 46 stores previously managed by some franchisees during the first half 2013.

Advertising and promotions expenses were equal to 4.8% of sales compared to 5.5% of the first half of 2012.

In the first half 2013, non-recurring expenses, special items, were recorded for Euro 4.8 million deriving from the implementation of a rationalization plan of the workforce. Moreover, the Group has registered Euro 1.8 million related to stores assets impairments that given the uncertain macroeconomic environment are not certain to be recovered.

The operating result is equal to Euro 0.2 million compared to Euro 34.9 million (8.1% on sales) of the first half of 2012.

The operating result adjusted, excluding special items mentioned above and asset impairment, is equal to Euro 6.8 million (1.8% as a percentage of sales) compared to Euro 37.0 million (8.6% on sales) of the first half of 2012.

The table below analyses the EBIT obtained across business segments in which the Group operates:

		I half 2013	%	I half 2012	%
Footwear	Net sales	342,949		375,469	
	EBIT	2,099	0.6%	29,185	7.8%
Apparel	Net sales	43,846		53,624	
	EBIT	(1,928)	(4.4%)	5,733	10.7%
Total	Net sales	386,795		429,093	
	EBIT	171	0.0%	34,918	8.1%

EBITDA

EBITDA was Euro 21.9 million, 5.7% of sales, compared to Euro 54.6 million (12.7% on sales) of the first half of 2012.

EBITDA adjusted excluding special items, is equal to Euro 26.8 million, 6.9% of sales, compared to Euro 56.7 million of first half of 2012 (13.2% on sales).

Income taxes and tax rate

Income taxes were equal to Euro 1.7 million, compared to Euro 11.8 million of the first half of 2012.

The Groups's financial performance

The following table summarizes the reclassified consolidated balance sheet:

(Thousands of Euro)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Intangible assets	66,575	67,827	70,088
Property, plant and equipment	65,208	68,090	63,953
Other non-current assets - net	55,241	50,899	41,178
Total non-current assets	187,024	186,816	175,219
Net operating working capital	212,834	192,093	206,206
Other current assets (liabilities), net	(15,473)	(17,965)	(22,523)
Net invested capital	384,385	360,944	358,902
Equity	385,835	402,836	428,411
Provisions for severance indemnities, liabilities and charges	11,519	12,254	10,619
Net financial position	(12,969)	(54,146)	(80,128)
Net invested capital	384,385	360,944	358,902

The Group balance sheet shows a net cash position of Euro 13.0 million.

The following table shows the mix and changes in net operating working capital and other current assets (liabilities):

(Thousands of Euro)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Inventories	205,160	209,249	176,821
Accounts receivable	140,862	145,450	160,030
Accounts payable	(133,188)	(162,606)	(130,645)
Net operating working capital	212,834	192,093	206,206
% of sales for the last 12 months	27.8%	23.8%	23.8%
Taxes payable	(10,864)	(11,039)	(17,481)
Other non-financial current assets	36,983	35,303	27,238
Other non-financial current liabilities	(41,592)	(42,229)	(32,280)
Other current assets (liabilities), net	(15,473)	(17,965)	(22,523)

The ratio of net working capital to sales comes to 27.8% compared with 23.8% of the first half of 2012. This increase is due to:

- the extending payment terms granted to some clients;

- the increase in inventory mainly caused by the previous season (Fall/Winter 2012) and the season currently on sales (Spring/Summer 2013);
- the improvement of our handling of payment terms with suppliers.

The following table gives a reclassified consolidated cash flow statement:

(Thousands of Euro)	I half 2013	I half 2012	2012
Net result	(3,640)	21,308	10,039
Depreciation, amortization and impairment	21,778	19,679	41,592
Other non-cash items	297	1,850	10,907
	18,435	42,837	62,538
Change in net working capital	(27,750)	11,377	19,661
Change in other current assets/liabilities	(4,131)	603	(15,208)
Cash flow from operations	(13,446)	54,817	66,991
Capital expenditure	(18,465)	(23,302)	(48,146)
Disposals	493	824	1,408
Net capital expenditure	(17,972)	(22,478)	(46,738)
Free cash flow	(31,418)	32,339	20,253
Dividends	(15,552)	(41,473)	(41,473)
Change in net financial position	(46,970)	(9,134)	(21,220)
Initial net financial position - prior to fair value adjustment of derivatives	57,792	78,214	78,214
Change in net financial position	(46,970)	(9,134)	(21,220)
Translation differences	867	365	798
Final net financial position - prior to fair value adjustment of derivatives	11,689	69,445	57,792
Fair value adjustment of derivatives	1,280	10,683	(3,646)
Final net financial position	12,969	80,128	54,146

During the period Euro 15.6 million dividend were distributed (Euro 41.5 million in the first half of 2012). Capital expenditures were Euro 18.5 million (Euro 23.3 million in the first half of 2012) of which Euro 11.7 million for new store openings and store refurbishment.

Consolidated capital expenditure is analyzed in the following table:

(Thousands of Euro)	I half 2013	I half 2012	2012
Trademarks and patents	539	512	1,369
Opening and restructuring of Geox Shop	11,654	15,692	32,036
Industrial plant and equipment	2,533	1,235	4,549
Logistic	73	871	1,296
Information technology	2,433	3,051	6,689
Offices furniture, warehouse and fittings	1,233	1,942	2,207
Total	18,465	23,303	48,146

The following table gives a breakdown of the net financial position:

(Thousands of Euro)	June 30, 2013	Dec. 31, 2012	June 30, 2012
Cash and cash equivalents	47,373	63,867	75,966
Current financial assets - excluding derivatives	73	75	871
Bank borrowings and current portion of long-term loans	(37,199)	(7,336)	(8,451)
Current financial liabilities - excluding derivatives	(13)	(4)	(5)
Net financial position - current portion	10,234	56,602	68,381
Non-current financial assets	1,517	1,351	1,323
Long-term loans	(62)	(161)	(259)
Net financial position - non-current portion	1,455	1,190	1,064
Net financial position - prior to fair value adjustment of derivatives	11,689	57,792	69,445
Fair value adjustment of derivatives	1,280	(3,646)	10,683
Net financial position	12,969	54,146	80,128

Treasury shares and equity interests in parent companies

Note that pursuant to art. 40.2 d) of Decree 127, the Group does not hold any of its own shares nor shares in parent companies, whether directly or indirectly, nor did it buy or sell such shares during the period.

Stock Option

On December 18, 2008, the Extraordinary Shareholders' Meeting authorized a divisible cash increase in capital, waiving option, for a maximum par value of Euro 1,200,000, by issuing up to n. 12,000,000 ordinary shares to service one or more share incentive plans reserved for the directors, employees and/or collaborators of the Company and/or its subsidiaries, in order to encourage beneficiaries to pursue the Company's medium-term plans, increase their loyalty to the Company and promote better relations within the Company.

At the date of this report are to be three cycles of stock option plans. The cycles are made up of a vesting period, from the date the options are granted, and a maximum period to exercise them (exercise period). Any options not vesting or, in any case, not exercised by the expiration date are automatically cancelled to all effects, releasing both the Company and the beneficiary from all obligations and liabilities.

The ability to exercise the options, which is determined tranche by tranche, depends on the Company achieving certain cumulative targets during the vesting periods, based on EBIT (Earnings Before Interest and Tax) as shown in the Geox Group's consolidated business plan.

The main characteristics of the three cycles are as follows:

- The first, which was approved by the Board of Directors on November 30, 2004, provides for a cycle of options to be granted starting in November 2004. At that time, 2,850,000 options were granted with a strike price of Euro 4.60 (the offering price when the shares were listed). The vesting period goes from 3 to 5 years, while the exercise period ends on December 31, 2014.
On December 5, 2005, the Board gave the managers holding these 2,850,000 options the right to exercise 344,000 of them earlier than as laid down in the Plan.
On February 27, 2008 the Board of Directors approved the fact that the first of the three option cycles could

be exercised after having checked that the performance targets laid down in the plan (in terms of EBIT) had been achieved during 2005, 2006 and 2007.

On March 4, 2009 the Board of Directors approved the fact that the second of the three option cycles could be exercised after having checked that the performance targets laid down in the plan (in terms of EBIT) had been achieved during 2005, 2006, 2007 and 2008.

On February 26, 2010 the Board of Directors approved the fact that the third of the three option cycles could be exercised after having checked that the performance targets laid down in the plan (in terms of EBIT) had been achieved during 2005, 2006, 2007, 2008 and 2009.

- The second, which was approved by the Board on December 15, 2005, provides for a cycle of options to be granted from December 2005. At that time, 898,800 options were granted with a strike price equal to the "normal value" of the shares at the time the options were granted, as defined in art. 9 of the Income Tax Consolidation Act 917/86 (T.U.I.R.), which amounted to Euro 9.17. The vesting period goes from 3 to 5 years, while the exercise period ends on December 31, 2015.

On March 4, 2009 the Board of Directors approved the fact that the first of the three option cycles could be exercised after having checked that the performance targets laid down in the plan (in terms of EBIT) had been achieved during 2006, 2007 and 2008.

On February 26, 2010 the Board of Directors approved the fact that the second of the three option cycles could be exercised after having checked that the performance targets laid down in the plan (in terms of EBIT) had been achieved during 2006, 2007, 2008 and 2009.

On March 3, 2011 the Board of Directors approved the fact that the third of the three option cycles could be exercised for 85% after having checked that the performance targets laid down in the plan (in terms of EBIT) had been achieved during 2006, 2007, 2008, 2009 and 2010.

- The third plan, which was approved by the Board on 22 December 2011, establishes a maximum number of options (2,830,000) and envisages two grant cycles in 2011 and 2012. In 2011 1,780,000 options and in 2012 500,000 options were granted with a strike price equal to the "normal value" of the shares at the time the options were granted, as defined in art. 9 of the Income Tax Consolidation Act 917/86 (T.U.I.R.), which respectively amounted to Euro 2.29 and Euro 2.08. The options have a minimum vesting period of 3 years, while the exercise period ends on 31 March 2020.

The stock options granted to the directors of the Group and the executives with strategic responsibilities are summarized below:

		Option held at the beginning of the year			Option granted during the period		
(A) Name	(B) Position	(1) Number of option	(2) Average Strike Price	(3) Average Expiry Date	(4) Number of option	(5) Average Strike Price	(6) Average Expiry Date
Giorgio Presca	CEO	250,000	2.29	2020	-	-	-
Giorgio Presca	CEO	500,000	2.08	2020	-	-	-
Executives with strategic responsibilities		52,250	9.17	2015	-	-	-
Executives with strategic responsibilities		500,000	2.29	2020	-	-	-

	Options exercised during the period			Options expired in 2013 (*)	Options held at the end of the period		
(A)	(7)	(8)	(9)	(10)	(11)=1+4-7-10	(12)	(13)
Name	Number of option	Average Strike Price	Average Expiry Date	Number of option	Number of option	Average Strike Price	Average Expiry Date
Giorgio Presca	-	-	-	-	250,000	2.29	2020
Giorgio Presca	-	-	-	-	500,000	2.08	2020
Exec. Strat. Resp.	-	-	-	52,250	-	-	-
Exec. Strat. Resp.	-	-	-	400,000	100,000	2.29	2020

(*) Options expired in 2013 for termination of employment or non-achievement of performance targets laid down in the plan (in terms of EBIT).

Transactions between Related Parties

During the period, there were no transactions with related parties which can be qualified as unusual or atypical. Any related party transactions formed part of the normal business activities of companies in the Group. Such transactions are concluded at standard market terms for the nature of goods and/or services offered.


Information on transactions with related parties is provided in Note 31 of the Consolidated Financial Statements.

Outlook for operation and significant subsequent events

In first half 2013, the macroeconomic and financial environment has become increasingly difficult in Europe, especially in the Mediterranean area, with the introduction of growing austere fiscal policies, restrictions on access to credit for commercial distribution and a deterioration in consumer expectations. In this context, management decided to adopt prudent policies with a view to containing business risk, rationalization of the wholesale accounts, maintaining strong control over working capital and focus on margins. This led, among other things, to selective cancellations of orders of customers in financial difficulty.

Given that these problems are generally expected to linger on in 2013, especially in commercially important countries like Italy, Spain, Portugal and Greece, management is assuming that, in the second half, the wholesale channel, which is focused on Europe, will still show signs of weakness and comparable same store sales of DOS stores could be slightly lower compared to the same period of prior year. The target, set by the management, of maintaining the sales in the second half of the year is therefore strictly linked to the new openings program of monobrand stores, both directly operated and in franchising, and it will depend also on the actual sales performance.

Given the current situation, the Geox Group has reacted with significant investments related to new shop openings, commercial structure improvements in Asia, Eastern Europe and Russia which will allow us to achieve the important potential growth opportunities in these markets, where the Group's presence is still limited, but in rapid and positive development.




These factors, combined with the need of implementing promotional initiatives to support sales, and in particular the continuing weakness of the wholesale channel and the consequent greater importance of the DOS channel will however lead to pressure on operating margins in the second half of 2013 compared with the same period of prior year with the same dynamics of the first half of the year.

The management is therefore keep implementing strong reorganization actions, rationalization and focusing the business aimed at simplifying operations and implementing a cost cutting program.

Biadene di Montebelluna, July 30, 2013

for the Board of Directors
The Chairman
Mr. Mario Moretti Polegato



CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

Consolidated income statement

(Thousands of Euro)	Notes	I half 2013	of which related party	I half 2012	of which related party	2012	of which related party
Net sales	3	386,795	2,562	429,093	1,078	807,615	2,919
Cost of sales		(200,680)	110	(220,314)	84	(419,522)	190
Gross profit		186,115		208,779		388,093	
Selling and distribution costs		(23,896)	-	(23,206)	-	(43,379)	-
General and administrative expenses	4	(136,671)	(1,332)	(125,056)	(1,554)	(251,907)	(3,122)
Advertising and promotion		(18,703)	(106)	(23,542)	-	(45,777)	(260)
Special items	7	(4,834)	-	(2,057)	-	(24,425)	-
Net asset impairment	5	(1,840)	-	-	-	(2,640)	-
EBIT	3	171		34,918		19,965	
Net interest	8	(2,088)	-	(1,831)	-	(2,251)	-
PBT		(1,917)		33,087		17,714	
Income tax	9	(1,723)	-	(11,779)	-	(7,675)	-
Net result		(3,640)		21,308		10,039	
Earnings per share [Euro]	10	(0.01)		0.08		0.04	
Diluted earnings per share [Euro]	10	(0.01)		0.08		0.04	

Consolidated statement of comprehensive income

(Thousands of Euro)	I half 2013	of which related party	I half 2012	of which related party	2012	of which related party
Net income	(3,640)		21,308		10,039	
- Net gain (loss) on Cash Flow Hedge, net of tax	2,546		744		(11,901)	
- Currency translation	(160)		1,225		1,706	
- Net gain (loss) on actuarial defined-benefit plans	(195)*		-		(636)	
Net comprehensive income	(1,449)		23,277		(792)	

* Items not reclassifiable in Income Statement

Consolidated statement of financial position

(Thousands of Euro)	Notes	June 30, 2013	of which related party	Dec. 31, 2012	of which related party	June 30, 2012	of which related party
ASSETS:							
Intangible assets	11	66,575		67,827		70,088	
Property, plant and equipment	12	65,208		68,090		63,953	
Deferred tax assets	13	36,796		34,349		25,565	
Non-current financial assets	18-30	1,517		1,351		1,323	
Other non-current assets	14	20,703	12	18,695	17	19,545	
Total non-current assets		190,799		190,312		180,474	
Inventories	15	205,160		209,249		176,821	
Accounts receivable	16	140,862	4,622	145,450	4,149	160,030	1,787
Other non-financial current assets	17	36,983	4,420	35,303	4,960	27,238	64
Current financial assets	18-30	3,172		2,366		13,645	
Cash and cash equivalents	19	47,373		63,867		75,966	
Current assets		433,550		456,235		453,700	
Total assets		624,349		646,547		634,174	
LIABILITIES AND EQUITY:							
Share capital	20	25,921		25,921		25,921	
Reserves	20	363,554		366,876		381,182	
Net income	20	(3,640)		10,039		21,308	
Equity		385,835		402,836		428,411	
Employee severance indemnities	21	2,652		2,406		2,010	
Provisions for liabilities and charges	22	8,867		9,848		8,609	
Long-term loans	23	62		161		259	
Other long-term payables	24	2,258		2,145		3,932	
Total non-current liabilities		13,839		14,560		14,810	
Accounts payable	25	133,188	1,086	162,606	618	130,645	224
Other non-financial current liabilities	26	41,592		42,229		32,280	
Taxes payable	27	10,864		11,039		17,481	6,257
Current financial liabilities	18-30	1,832		5,941		2,096	
Bank borrowings and current portion of long-term loans	28	37,199		7,336		8,451	
Current liabilities		224,675		229,151		190,953	
Total liabilities and equity		624,349		646,547		634,174	

Consolidated statement of cash flow

(Thousands of Euro)	Note	I half 2013	I half 2012	2012
CASH FLOW FROM OPERATING ACTIVITIES:				
Net result	20	(3,640)	21,308	10,039
Adjustments to reconcile net income to net cash provided (used) by operating activities:				
Depreciation and amortization and impairment	5	21,778	19,679	41,592
Increase in (use of) deferred taxes and other provisions		1,753	(975)	13,260
Provision for employee severance indemnities, net		61	(109)	(339)
Other non-cash items		(1,517)	2,934	(2,014)
		22,075	21,529	52,499
Change in assets/liabilities:				
Accounts receivable		1,248	(3,911)	(154)
Other assets		(4,060)	(6,362)	(12,051)
Inventories		426	18,006	(10,121)
Accounts payable		(29,424)	(2,718)	29,936
Other liabilities		64	1,361	(2,432)
Taxes payable		(135)	5,604	(725)
		(31,881)	11,980	4,453
Operating cash flow		(13,446)	54,817	66,991
CASH FLOW USED IN INVESTING ACTIVITIES:				
Capital expenditure on intangible assets	11	(5,770)	(10,202)	(17,500)
Capital expenditure on property, plant and equipment	12	(12,695)	(13,100)	(30,646)
		(18,465)	(23,302)	(48,146)
Disposals		493	824	1,408
(Increase) decrease in financial assets		(164)	(844)	(75)
Cash flow used in investing activities		(18,136)	(23,322)	(46,813)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES:				
Increase (decrease) in short-term bank borrowings, net		766	850	711
Loans:				
- Proceeds		30,000	-	(195)
- Repayments		(99)	(98)	-
Dividends	32	(15,552)	(41,473)	(41,473)
Cash flow used in financing activities		15,115	(40,721)	(40,957)
Increase (decrease) in cash and cash equivalents		(16,467)	(9,226)	(20,779)
Cash and cash equivalents, beginning of the period	19	63,867	84,794	84,794
Effect of translation differences on cash and cash equivalents		(27)	398	(148)
Cash and cash equivalents, end of the period	19	47,373	75,966	63,867
Supplementary information to the cash flow statement:				
- Interest paid during the period		1,322	1,860	2,712
- Interest received during the period		476	858	1,728
- Taxes paid during the period		6,938	7,050	17,052

Consolidated statement of changes in equity

(Thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Translation reserve	Cash flow hedge reserve	Stock option reserve	Retained earnings	Net income	Group equity
Balance at December 31, 2011	25,921	5,184	37,678	(1,310)	9,814	5,840	313,314	49,987	446,428
Allocation of 2011 result	-	-	-	-	-	-	(49,987)	49,987	-
Distribution of dividends	-	-	-	-	-	-	(41,473)	-	(41,473)
Recognition of cost stock option plans	-	-	-	-	-	179	-	-	179
Net comprehensive result	-	-	-	1,225	744	-	-	21,308	23,277
Balance at June 30, 2012	25,921	5,184	37,678	(85)	10,558	6,019	221,854	121,282	428,411

(Thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Translation reserve	Cash flow hedge reserve	Stock option reserve	Retained earnings	Net income	Group equity
Balance at December 31, 2011	25,921	5,184	37,678	(1,310)	9,814	5,840	313,314	49,987	446,428
Allocation of 2011 result	-	-	-	-	-	-	49,987	(49,987)	-
Distribution of dividends	-	-	-	-	-	-	(41,473)	-	(41,473)
Recognition of cost stock option plans	-	-	-	-	-	(4,179)	2,852	-	(1,327)
Net comprehensive result	-	-	-	1,706	(11,901)	-	(636)	10,039	(792)
Balance at December 31, 2012	25,921	5,184	37,678	396	(2,087)	1,661	324,044	10,039	402,836
Allocation of 2012 result	-	-	-	-	-	-	10,039	(10,039)	-
Distribution of dividends	-	-	-	-	-	-	(15,552)	-	(15,552)
Recognition of cost stock option plans	-	-	-	-	-	-	-	-	-
Net comprehensive result	-	-	-	(160)	2,546	-	(195)	(3,640)	(1,449)
Balance at June 30, 2013	25,921	5,184	37,678	236	459	1,661	318,336	(3,640)	385,835

Explanatory notes

1. Information about the Company: the Group's business activity

The Geox Group coordinates the third-party suppliers production and sells Geox-brand footwear and apparel to retailers and end-consumers. It also grants distribution rights and/or use of the brand name to third parties in markets where the Group has chosen not to have a direct presence. Licensees handle production and marketing in accordance with licensing agreements and pay Geox royalties.

Geox S.p.A. is a joint-stock company incorporated in Italy and controlled by Lir S.r.l..

2. Accounting policies

Form and contents of the consolidated financial statements

These explanatory notes have been prepared by the Board of Directors on the basis of the accounting records updated to June 30, 2013. They are accompanied by the directors' report on operations, which provides information on the results of the Geox Group. The consolidated financial statements have been drawn up in compliance with the International Financial Reporting Standards adopted by the European Union (IFRS, which include IAS).

This half-year report have been prepared in accordance with IAS 34 - Interim Financial Reporting applying the same accounting principles and policies used in the preparation of the comparative figures.

To facilitate comparison with the previous year, the accounting schedules provide comparative figures: at December 31, 2012 for the balance sheet and for the half period of 2012 in the case of the income statement.

The reporting currency is the Euro and all figures have been rounded up or down to the nearest thousand Euro.

Scope of consolidation

The consolidated financial statements at June 30, 2013 include the figures, on a line-by-line basis, of all the Italian and foreign companies in which the parent company holds a majority of the shares or quotas, directly or indirectly.

The companies taken into consideration for consolidation purposes are listed in the attached schedule entitled "List of companies consolidated at June 30, 2013".

Format of financial statements

The Group presents an income statement using a classification based on the "cost of sales" method, as this is believed to provide information that is more relevant. The format selected is that used for managing the business and for management reporting purposes and is consistent with international practice in the footwear and apparel sector.

For the Statement of financial position, a format has been selected to present current and non-current assets and liabilities.

The Statement of Cash Flows is presented using the indirect method.

In connection with the requirements of the Consob Resolution No. 15519 of 27 July 2006 as to the format of the financial statements, specific supplementary column has been added for related party transactions so as not to compromise an overall reading of the statements (Note 31).

Consolidation principles

The financial statements of the subsidiaries included in the scope of consolidation are consolidated on a line-by-line basis, which involves combining all of the items shown in their financial statements regardless of the Group's percentage interest.

If the companies included in the scope of consolidation are subject to different regulations, the most suitable reporting formats have been adopted to ensure maximum clarity, truth and fairness. The financial statements of foreign subsidiaries are reclassified where necessary to bring them into line with Group accounting policies. They are also adjusted to ensure compliance with IFRS.

In particular, for the subsidiaries included in the scope of consolidation:

- the book value of equity investments included in the scope of consolidation is eliminated against the equity of the companies concerned according to the full consolidation method. If the Group's direct or indirect investment is less than 100%, minority interests are calculated and shown separately;
- if purchase cost exceeds the net book value of the related shareholders' equity at the time of acquisition, the difference is allocated to specific assets of the companies acquired, with reference to their fair value at the acquisition date and amortized on a straight-line basis having regard to the useful life of the investment. If appropriate, any amounts which are not allocated are recorded as goodwill. In this case, the amounts are not amortized but subjected to impairment testing at least once a year, or whenever considered necessary;
- if the book value exceeds the purchase cost, the difference is credited to the income statement.

The following are also eliminated:

- receivables and payables, costs and revenues and profits and losses resulting from intragroup transactions, taking into account the related tax effects;
- the effects of extraordinary transactions involving Group companies (mergers, capital contributions, etc).

Accounting standards, amendments and interpretations applied since January 1, 2013

Amendment to IAS 1 – Presentation of Financial Statements requiring companies to group items presented in comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The amendment is applicable for periods beginning on or after July 1, 2012; the Group has applied this amendment since January 1, 2013. The application of this amendment had no effect on the measurement of items and had a limited effect on the disclosures provided in this Half-year financial statements.

Amendment to IAS 19 – Employee Benefits. The amendment modifies the requirements for recognizing defined benefit plans and termination benefits. The main changes concerning defined benefit plans regard the recognition of the entire plan deficit or surplus in the balance sheet, the introduction of net interest expense and the classification of net interest expense arising from defined benefit plans. The Group has retrospectively applied this amendment from January 1, 2013.

IFRS 13 – Fair Value Measurement, which has to be applied prospectively from January 1, 2013. The application of this standard did not have any effect on the measurement of items in this Half-year financial statements.

Amendment to IFRS 7 – Financial Instruments: Disclosures. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. The required disclosures should be provided retrospectively. The Group has applied these amendments from January 1, 2013. Applying these amendments has not had effects on the disclosures presented in this Half-year financial statements.

Accounting standards, amendments and interpretations effective not yet applicable and not early adopted by the Group

- IFRS 10 – Consolidated Financial Statements (Effective date 1.1.2014);
- IFRS 11 – Joint Arrangements (Effective date 1.1.2014);
- IFRS 12 – Disclosure of Interests in Other Entities (Effective date 1.1.2014);
- Amendment to IAS 32 – Financial instruments: Presentation (Effective date 1.1.2014);

At the date of this Half-year financial statements, the European Union has not yet completed its endorsement process for these amendments:

- IFRS 9 – Financial instruments (Effective date 1.1.2015);

Translation of foreign currency financial statements into Euro

The financial statements of foreign companies denominated in currencies other than the Euro are translated as follows:

- income statement items are translated at the average exchange rate for the period, whereas the closing rate is used for balance sheet items, except for net income and equity;
- equity items are translated at the historical exchange rate.

The difference between the equity translated at historical rates and the assets and liabilities translated at closing rates is recorded as a "Translation reserve" under "Reserves" as a part of consolidated equity.

The exchange rates used, as published by the Italian Exchange Office (U.I.C.), are as follows:

Currency	Average for 06-30-2013	As at 06-30-2013	Average for 12-31-2012	As at 12-31-2012	Average for 06-30-2012	As at 06-30-2012
US Dollar	1.3135	1.3080	1.2856	1.3194	1.2968	1.2590
Romanian Leu	n.a.	n.a.	n.a.	n.a.	4.3904	4.4513
Swiss Franc	1.2299	1.2338	1.2053	1.2072	1.2048	1.2030
British Pound	0.8512	0.8572	0.8111	0.8161	0.8225	0.8068
Canadian Dollar	1.3345	1.3714	1.2848	1.3137	1.3041	1.2871
Japanese Yen	125.4660	129.3900	102.6212	113.6100	103.3668	100.1300
Chinese Yuan	8.1294	8.0280	8.1094	8.2207	8.1918	8.0011
Czech Koruna	25.6974	25.9490	25.1457	25.1510	25.1685	25.6400
Russian Ruble	40.7641	42.8450	39.9238	40.3295	39.6978	41.3700
Polish Zloty	4.1781	4.3376	4.1843	4.0740	4.2443	4.2488
Hungarian Forint	296.0837	294.8500	289.3232	292.3000	295.3847	287.7700
Macau Pataca	10.4966	10.4509	10.3578	10.5332	n.a.	n.a.
Serbian Dinar	111.9205	113.9390	113.5140	112.6050	n.a.	n.a.
Vietnam Dong	27,476.6833	27,715.6000	27,345.8000	27,488.6000	n.a.	n.a.
Indonesian Rupiah	12,788.8667	12,980.4000	12,643.4000	12,714.0000	n.a.	n.a.
Turkish Lira	2.3873	2.5210	n.a.	n.a.	n.a.	n.a.

Subjective assessments

In applying the Group's accounting policies, the directors take decisions based on the following subjective assessments (excluding those involving estimates) which can have a significant impact on the figures in the financial statements.

Operating lease commitments (with the Group acting as lessor)

The Group has stipulated commercial lease agreements for the properties that it uses. Under these agreements, which are classified as operating leases, the Group is of the opinion that it retains all of the significant risks and rewards of ownership of the assets.

Estimates and assumptions

Drawing up financial statements and notes in compliance with IFRS requires management to make estimates and assumptions that can affect the value of the assets and liabilities in the balance sheet, including disclosures on contingent assets and liabilities at the balance sheet date. The estimates and assumptions used are based on experience and other relevant factors. Estimates and assumptions are revised periodically and the effects of each variation made to them are reflected in the income statement for the period when the estimate is revised.

In this context, it is worth pointing out that the current economic and financial crisis has created a situation where assumptions about future trends have had to be made in a state of considerable uncertainty; so one cannot exclude that the actual results over the coming months may differ from what has been forecast, and this in turn could lead to adjustments that obviously cannot be estimated or foreseen as of today. The items in the financial statements that are principally affected by these situations of uncertainty are: deferred tax assets, pension funds and other post-employment benefits, the provisions for obsolescence and slow-moving inventory and returns, provision for bad and doubtful accounts, asset impairment.

The following is a summary of the critical valuation processes and key assumptions used by management in the process of applying the accounting standards with regard to the future and which could have significant effects on the values shown in the financial statements.

Deferred tax assets

Deferred tax assets are booked on all carry-forward tax losses to the extent that it is probable that there will be adequate taxable income in the future to absorb them. The directors are required to make a significant subjective assessment to determine the amount of deferred tax assets that should be recognized. They have to assess the timing and amount of future taxable income and develop a tax planning strategy for the coming years. The book value of the tax losses that have been recognized is shown in note 13.

Pension funds and other post-employment benefits

The cost of defined-benefit pension plans and other post-employment benefits (healthcare) is determined by means of actuarial valuations. Actuarial valuations involve making assumptions about discount rates, the expected return on investment, future pay rises, mortality rates and the future increase in pensions. Because of the long-term nature of these plans, such estimates are subject to a high degree of uncertainty. Further details are provided in note 21.

Provision for returns

The Group has provided for the possibility that products already sold may be returned by customers. To this end, the Group has made certain assumptions based on the quantity of goods returned in the past and their estimated realizable value. Further details are provided in note 16.

Provision for obsolete and slow-moving inventory

The Group has set up provisions for products in inventory that may have to be sold at a discount, which means that they will have to be adjusted to their estimated realizable value. For this purpose, the Group has developed assumptions regarding the quantity of goods sold at a discount in the past and the possibility of selling them through the Group's own outlets. Further details are provided in note 15.

Provision for bad and doubtful accounts

The provision for bad and doubtful accounts is calculated on the basis of a specific analysis of items in dispute and of those balances which, even if not in dispute, show signs of delayed collection. Evaluating the overall amount of trade receivables that are likely to be paid requires the use of estimates regarding the probability of collecting such items, so it is an assessment that is subject to uncertainties. Further details are provided in note 16.

Asset Impairment

The Group has set up provisions against the possibility that the carrying amounts of tangible and intangible assets may not be recoverable from them by use. The directors are required to make a significant subjective assessment to determine the amount of asset impairment that should be recognized. They estimate the possible loss of value of assets in relation to future economic performance closely linked to them.

Accounting policies

The financial statements are prepared on a historical cost basis, amended as required for the valuation of certain financial instruments. They are also prepared on a going-concern basis. In fact, the Group is of the opinion that despite the difficult economic and financial context, there are no material uncertainties (as defined in paragraph 25 of IAS 1)

regarding the ability to continue operating as a going concern, also in virtue of its operating flexibility, constantly good profitability and financial/capital solidity.

The main accounting policies are outlined below:

Intangible assets

Intangible assets with a finite useful life are recorded at purchase or production cost, including directly-related charges, and amortized systematically over their residual useful lives, as required by IAS 36.

Amortization is applied systematically over the useful life of the assets based on the period that they are expected to be of use to the company. The residual value of intangible assets at the end of their useful life is assumed to be zero, unless there is a commitment on the part of third parties to purchase the asset at the end of their useful life or there is an active market for them. The directors review the estimated useful life of intangible assets at the end of each period.

Intangible assets with an indefinite useful life are not amortized; instead, they are subjected to impairment testing.

The following table summarizes the useful life (in years) of the various intangible assets:

Trademarks	10 years
Geox Patents	10 years
Other patents and intellectual property rights	3-5 years
Key money	Period of the rental contract
Other intangible assets	Period of the rental contract

Trademarks include the costs incurred to protect and disseminate them.

Similarly, Geox patents include the costs incurred to register, protect and extend new technological solutions in various parts of the world.

The other patents and intellectual property rights mainly relate to the costs of implementing and customizing software programs which are amortized in 3-5 years, taking into account their expected future use.

Key money includes:

- amounts paid to acquire businesses (shops) that are managed directly or leased to third parties under franchising agreements;
- amounts paid to access leased property by taking over existing contracts or persuading tenants to terminate their contracts so that new ones can be signed with the landlords. The premises were then fitted out as Geox shops.

Goodwill is initially recognized by capitalizing the excess cost of acquisition compared with the fair value of the net assets of the company recently acquired. Goodwill is not amortized; instead, it is subjected to impairment testing at least once a year, or more frequently if there is evidence of a loss in value, to verify whether its value has been impaired. The elements that satisfy the definition of "assets acquired in a business combination" are only accounted for separately if their fair value can be established with a reasonable degree of reliability.

Property, plant and equipment

Property, plant and equipment are booked at their purchase or construction cost, which includes the price paid for the asset (net of any discounts and allowances) and any directly-related purchasing and start-up costs. Property, plant and equipment are shown at cost, net of accumulated depreciation and writedowns/writebacks.

The residual value of the assets, together with their estimated useful life, is reviewed at least once a year at the end of each accounting period and written down if it is found to be impaired in accordance with IAS 36, regardless of the amount of depreciation already charged. The value is reinstated in subsequent years if the reasons for the write-down no longer apply.

Routine maintenance costs are charged in full to the income statement, whereas improvement expenditure is allocated to the assets concerned and depreciated over their residual useful life.

The following table shows the depreciation rates applied:

Plant and machinery	5-8 years
Industrial and commercial equipment	from 2 to 4 years
Moulds	2 years
Office furniture	8 years
Electronic machines	5 years
Motor vehicles	4 years
Internal transport and trucks	5 years
Leasehold improvements	Period of contract *
Shop equipment	Lower of contract period and 8 years
Shop fittings	4 years
Concept stores	4 years

* Depreciated over the lower of the useful life of the improvements and the residual duration of the lease.

Assets acquired under finance leases are shown in the consolidated financial statements at their nominal value at the start of the contract, at the same time recognizing the financial liability owed to leasing companies. These assets are depreciated using the depreciation schedules normally applied to similar types of fixed assets.

Impairment of property, plant and equipment and intangible assets

The book value of the Geox Group's property, plant and equipment and intangible assets is reviewed whenever there is internal or external evidence that the value of such assets, or group of assets (defined as a Cash Generating Unit or CGU), may be impaired. Goodwill, consolidation differences and intangible assets with an indefinite useful life have to be subjected to impairment testing at least once a year.

Impairment tests are performed by comparing the book value of the asset or of the CGU with its realizable value, represented by its fair value (net of any disposal costs) or, if greater, the present value of the net cash flows that the asset or CGU is expected to generate.

The Group's terms and conditions for reinstating the value of an asset that has previously been written down are those established by IAS 36. Writebacks of goodwill are not possible under any circumstances.

Financial instruments

Financial instruments held by the Group are presented in the financial statements as described in the following paragraphs:

- Other non-current financial assets comprise investments in unconsolidated companies, held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets;
- Current financial assets: include trade receivables, receivables from financing activities, current securities, and other current financial assets (which include derivative financial instruments stated at fair value as assets), as well as cash and cash equivalents;
- Cash and cash equivalents include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value;
- Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value as liabilities), trade payables and other payables.

Non-current financial assets other than investments, as well as current financial assets and financial liabilities, are accounted for in accordance with IAS 39.

Current financial assets and held-to-maturity securities are recognized on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs.

Subsequent to initial recognition, available-for-sale and held for trading financial assets are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques e.g. discounted cash flow analysis based on market information available at the balance sheet date.

Gains and losses on available-for-sale financial assets are recognized directly in equity until the financial asset is disposed or is determined to be impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in equity, are reclassified into the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement. Gains and losses arising from changes in fair value of held for trading financial instruments are included in the income statement for the period.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the course of business), held-to-maturity securities and all financial assets for which published price quotations in an active market are not available and whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is included in the income statement for the period.

Except for derivative instruments, financial liabilities are measured at amortized cost using the effective interest method.

Financial assets and liabilities hedged by derivative instruments are measured in accordance with hedge accounting principles applicable to fair value hedges: gains and losses arising from remeasurement at fair value, due to changes in relevant hedged risk, are recognized in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which the hedge is designated.

All derivative financial instruments are measured in accordance with IAS 39 at fair value.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge – Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the income statement;
- Cash flow hedge – Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognized asset or liability or a highly probable forecasted transaction and could affect income statement, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time as the economic effect arising from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the income statement.

Inventories

Inventories of finished products are measured at the lower of purchase or production cost and their estimated net realizable or replacement value. For raw materials, purchase cost is calculated at the weighted average cost for the period.

For finished products and goods, purchase or production cost is calculated at the weighted average cost for the period, including directly-related purchasing costs and a reasonable proportion of production overheads.

Obsolete and slow-moving goods are written down according to the likelihood of them being used or sold.

Employee benefits

Benefits paid to employees under defined-benefit plans on termination of employment (employee severance indemnities) are recognized over the period that the right to such benefits accrues.

The liability arising under defined-benefit plans, net of any assets servicing the plan, is determined using actuarial assumptions and recorded on an accruals basis in line with the work performed to earn the benefits. The liability is assessed by independent actuaries.

The amount reflects not only the liabilities accrued up to the balance sheet date, but also future pay rises and related statistical trends.

The benefits guaranteed to employees through defined-contribution plans (also in virtue of the recent changes in the Italian regulations on pensions) are recognized on an accruals basis; at the same time, they also give rise to the recognition of a liability at face value.

Share-based payments (stock options)

Group employees receive part of their compensation in the form of share-based payments. Employees therefore provide services in exchange for shares ("equity-based transactions").

The cost of equity-based transactions with employees is measured on the basis of the fair value at the grant date. The fair value is determined by an independent appraiser using an appropriate valuation method. Further details are provided in note 29.

The cost of the equity-based transactions and the corresponding increase in equity is accounted for from the time that the conditions for the attainment of the objectives and/or provision of the service are met, and ends on the date when the employees concerned have fully accrued the right to receive the compensation (the "maturity date").

The accumulated costs recorded for such transactions at the end of each accounting period up to the maturity date are compared with a best estimate of the number of equity securities that will effectively reach maturity at the end of the maturity period. The gain or loss posted to the income statement reflects the change in the accumulated cost recorded at the beginning and end of the accounting period.

No costs are booked for rights that do not reach full maturity, except in the case of rights whose granting is linked to market conditions. These are treated as if they had matured independently of the underlying market conditions, as long as all the other conditions are met.

If the initial conditions are changed, at the very least a cost has to be indicated, assuming that the conditions have remained the same. Moreover, a cost is recorded for each change implying an increase in the total fair value of the payment plan, or in any case when the change is favorable to the employees. This cost is measured taking into account the date on which the change takes place.

If rights are cancelled, they are treated as though they had reached maturity on the date of cancellation and any unrecorded costs relating to these rights are recognized immediately. However, if a cancelled right is replaced by a new right and the latter is recognized as a replacement on the date it is granted, the cancelled right and the new right are treated as though they were a change in the original right, as explained in the previous paragraph.

The dilutive effect of any vested options not yet exercised is reflected in the calculation of the dilution of earnings per share (see note 10).

Provisions for liabilities and charges

Provisions for liabilities and charges are recognized when there is an effective obligation (legal or implicit) deriving from a past event, providing there will probably be an outlay of resources to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions represent the best estimate of the amount that the business would have to pay to settle the obligation or transfer it to third parties at the balance sheet date. Provisions are determined by discounting the expected future cash flows if the effect of discounting the value of money is significant.

Revenue and income

Revenues are recognized on an accruals basis.

Revenues derive from the Company's ordinary operations and include sales revenues, commissions and fees, interest, dividends, royalties and lease installments. They are recognized net of any returns, discounts, allowances and bonuses.

Revenues from the sale of products are recognized when the Company transfers most of the risks and benefits of ownership of the goods and collection of the amount billed is reasonably certain.

Revenues deriving from services rendered are accounted for with reference to the stage of completion of the transaction at the balance sheet date.

Royalties are accounted for on an accruals basis in accordance with the substance of the contractual agreements. Interest income is accounted for on an accruals basis, in a way that takes into account the actual yield of the assets concerned.

Dividends are accounted for when the shareholders become entitled to receive the payment.

Costs and expenses

Costs and expenses are accounted for on an accruals basis.

Interest expense is recognized and booked to the income statement at the time that it is incurred.

Leasing

To be able to define a contractual arrangement as a lease (or as one containing a lease), one has to look at the substance of the arrangement. One also has to assess whether fulfillment of the contract depends on the use of one or more specific assets and if the arrangement transfers the right to use such assets. The situation can only be reviewed after the start of the contract if one of the following conditions is met:

- (a) there is a change in the contractual conditions, other than a renewal or extension of the contract;
- (b) a renewal option is exercised or an extension is granted, unless the terms of the renewal or extension were included in the terms of the lease from the start;
- (c) there is a change in the condition according to which fulfillment depends on a specific asset; or
- (d) there is a substantial change in the asset.

If a review is carried out, accounting for the lease will begin or end on the date of the change in the circumstances that gave rise to the review for scenarios a), c) or d) and at the date of the renewal or extension for scenario b).

Operating lease installments are treated as costs in the income statement on a straight-line basis over the life of the contract.

Income tax

Current income taxes

Current income taxes for the period are calculated on the basis of taxable income in accordance with the tax rules in force in the various countries.

Deferred taxes

Deferred tax assets and liabilities are recognized on temporary differences between the amounts shown in the balance sheet and their equivalent value for fiscal purposes. Deferred tax assets are also recognized on the tax losses carried forward by Group companies when they are likely to be absorbed by future taxable income earned by the same companies.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the various countries in which the Geox Group operates in the tax periods when the temporary differences reverse or expire.

Deferred tax assets are recorded to the extent that, according to future plans, there is likely to be sufficient taxable income to cover deductible temporary differences.

The book value of deferred tax assets is reviewed at each balance sheet date and if necessary reduced to the extent that future taxable income is no longer likely to be sufficient to recover all or part of the assets. These writedowns are reversed if the reasons for them no longer apply.

Income taxes on the amounts booked directly to equity are also charged directly to equity rather than to the income statement.

Earnings per share (EPS)

Basic EPS is calculated by dividing the net income attributable to the parent company's shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the net result attributable to the parent company's shareholders by the weighted average number of shares outstanding, taking into account the effects of all potentially dilutive ordinary shares (e.g. employee stock option plans).

3. Segment reporting

For management purposes, the Group runs and controls its business according to the type of products being supplied, and for disclosure purposes these consist of two operating segments: footwear and apparel.

The directors monitor the results of these two business units separately so that they can make decisions regarding the allocation of resources and check the return on investment. The yield of each segment is evaluated on the basis of the operating result, which is allocated to the various operating segments as follows:

- Net sales, cost of sales, direct selling costs and advertising are input directly to the segment concerned as they are clearly identifiable;
- General and administrative costs, including non-industrial depreciation and amortization, are input to the segment concerned to the extent that they are directly attributable. When such costs are common to various segments, they are allocated in proportion to their respective percentage of total cost of sales;
- The Group's financial activities (including financing costs and revenues) and income taxes are handled at Group level and not allocated to the individual segments;
- There are no problems of transfer pricing between segments as they are totally independent from each other.

The following table provides information on the Group's business segments:

		I half 2013	%	I half 2012	%
Footwear	Net sales	342,949		375,469	
	D&A	19,024		17,742	
	EBIT	2,099	0.6%	29,185	7.8%
Apparel	Net sales	43,846		53,624	
	D&A	2,754		1,937	
	EBIT	(1,928)	(4.4%)	5,733	10.7%
Total	Net sales	386,795		429,093	
	D&A	21,778		19,679	
	EBIT	171	0.0%	34,918	8.1%

Segment assets and liabilities are all managed at Group level, so they are not shown separately by segment. The only exception to this rule is the value of inventories, which amount to Euro 172,078 thousand for footwear (Euro 143,827 thousand in first half 2012) and Euro 32,373 thousand for apparel (Euro 32,120 thousand in first half 2012).

The following table provides information on the Group's geographical segments:

	I half 2013	I half 2012
Italy	122,485	156,640
Europe	172,667	183,052
North America	26,165	25,423
Other countries	65,478	63,978
Total	386,795	429,093

Non-current assets, which relate to property, plant and equipment and intangible assets, are split geographically as follows: in Italy Euro 78,390 thousand (in first half 2012 Euro 83,553 thousand), in Europe Euro 40,747 thousand (in first half 2012 Euro 41,536 thousand), in North America Euro 6,070 thousand (in first half 2012 Euro 7,070 thousand) and other countries Euro 6,576 thousand (in first half 2012 Euro 1,882 thousand).

4. General and administrative expenses

General and administrative expenses are analyzed in the following table:

	I half 2013	I half 2012	Change
Wages and salaries	44,968	46,145	(1,177)
Rental expenses	42,800	36,976	5,824
Other costs	58,286	52,151	6,135
Rental income	(7,557)	(7,827)	270
Other income	(1,826)	(2,389)	563
Total	136,671	125,056	11,615

Rental and lease expenses relate to the shops, offices and industrial property leased by the Group. The increase in the first half of 2013 is due to the opening of new stores (DOS) including conversion from franchising monobrand stores.

Rental income relates to the Geox Shops owned by the Group and leased to third parties under franchising agreements.

Other costs mainly include: depreciation and amortization, services and consulting, sample costs, utilities, insurance, maintenance and bank charges. The increase in the first half of 2013 was mainly due to the costs of opening and managing the new stores (DOS).

Other income mainly includes sales of miscellaneous goods and insurance compensation.

Research and the ongoing conception and implementation of innovative solutions is a significant factor in the Group's strategies because, as already explained in the directors' report on operations, product innovation is fundamental to maintain and strengthen the Group's competitive advantage. Research and development is a complex corporate process, which ranges from the study of technical solutions involving materials that are able to breathe while remaining waterproof, to the concession of new patents and the development of new product lines.

This process can be broken down into the following stages:

- pure research, which consists of verifying the performance of the materials used in Geox footwear and apparel. This activity's vocation is to create new patents and to implement solutions that use particular materials to make products that can breathe and at the same time remain waterproof;
- applied research, which consists of creating the collections, passing through the various phases of design, prototyping and modeling.

Research and development makes use of dedicated personnel, who transmit the results of their work to all those (designers, product managers, production technicians, etc.) who take part in the definition, industrialization and production of the Group's products. R&D costs are all written off to income during the period and amounted in total to Euro 7,193 thousand (in first half 2012 Euro 8,318 thousand).

The fees due to the directors, statutory auditors and executives with strategic responsibilities for 2012 are listed below. These amounts include the fees due for performing the same functions in Geox S.p.A. and in other companies included in the scope of consolidation.

Name Position	Period in office	Exp. Of Mand.	Emolument (Euro)	Non Cash Benefits (Euro) (*)	Bonus and other incent. (Euro)	Other Remun. (Euro)	Total
Mario Moretti Polegato <i>Chairman</i>	from 01-01 to 06-30-13	(1)	900,000 (2)	-	-	-	900,000
Enrico Moretti Polegato <i>Deputy Chairman</i>	from 01-01 to 06-30-13	(1)	75,000	4,012	-	-	79,012
Giorgio Presca <i>CEO and Executive Director</i>	from 01-01 to 06-30-13	(1)	81,096	1,836	-	453,864 (3)	536,440
Francesco Gianni <i>Independent Director</i>	from 01-01 to 04-17-13	(1)	10,259 (4)	-	-	-	10,259
Fabrizio Colombo <i>Independent Director</i>	from 04-18 to 06-30-13	(1)	13,178 (5)	-	-	-	13,178
Umberto Paolucci <i>Independent Director</i>	from 01-01 to 04-17-13	(1)	12,329 (6)	-	-	-	12,329
Lara Livolsi <i>Independent Director</i>	from 04-18 to 06-30-13	(1)	9,123 (7)	-	-	-	9,123
Alessandro Antonio Giusti <i>Independent Director</i>	from 01-01 to 06-30-13	(1)	39,329 (8)	-	-	-	39,329
Renato Alberini <i>Independent Director</i>	from 01-01 to 06-30-13	(1)	17,356 (9)	-	-	-	17,356
Roland Berger <i>Independent Director</i>	from 01-01 to 06-30-13	(1)	18,479 (10)	-	-	-	18,479
Claudia Baggio <i>Director</i>	from 01-01 to 06-30-13	(1)	12,397	-	-	-	12,397
Fabrizio Colombo <i>Chairman of the Board of St. Auditors</i>	from 01-01 to 04-17-13	(1)	21,987	-	-	-	21,987
Francesco Gianni <i>Chairman of the Board of St. Auditors</i>	from 04-18 to 06-30-13	(1)	15,205	-	-	-	15,205
Francesco Mariotto <i>Statutory Auditor</i>	from 01-01 to 04-17-13	(1)	14,658	-	-	-	14,658
Valeria Mangano <i>Statutory Auditor</i>	from 04-18 to 06-30-13	(1)	10,137	-	-	-	10,137
Francesca Meneghel <i>Statutory Auditor</i>	from 01-01 to 06-30-13	(1)	24,795	-	-	-	24,795
Executives with strategic responsibilities (**)			-	7,702 (11)	-	499,187 (12)	506,889 (13)

(*) Includes the use of transport for personal purposes.

(**) Includes 5 executives employees as at June 30, 2013

(1) Term of office expires at General Meeting held to approve the financial statements at December 31, 2015.

(2) Includes remuneration as member of the Ethics Committee.

(3) Includes remuneration as executive employees in Geox S.p.A. and as director of the subsidiaries

(4) Includes remuneration as member of the Audit Committee

(5) Includes remuneration as president of the Control and Risk Committee, as member of Compensation Committee and as member of Appointment Committee

(6) Includes remuneration as member of the Ethics Committee until April 17, 2013.

(7) Includes remuneration as president of the Compensation Committee.

(8) Includes remuneration as member of the Audit Committee, the Compensation Committee, the Supervisory Body until April 17, 2013; includes also remuneration as member of the Compensation Committee and as member of Control and Risk Committee since April 18, 2013.

(9) Includes remuneration as member of the Compensation Committee until April 17, 2013; includes also remuneration as member of Appointment Committee since April 18, 2013.

(10) Includes remuneration as member of the Control and Risk Committee, and as president of the Appointment Committee.

(11) Includes fringe benefits.

(12) Includes salary, amounts paid following termination of employment and compensation for offices held at subsidiaries.

(13) Social contributions paid by the company are not included

5. Depreciation, amortization and payroll costs included in the consolidated income statement

The following table shows all of the depreciation and amortization charges included in the consolidated income statement:

	I half 2013	I half 2012	Change
Industrial depreciation	3,507	3,079	428
Non-industrial depreciation and amortization	16,931	16,209	722
Industrial net asset impairment	(500)	391	(891)
Non-industrial net asset impairment	1,840	-	1,840
Total	21,778	19,679	2,099

Non industrial amortization expenses were substantially in line with previous half year and declined from Euro 16,209 thousand of first half 2012 to Euro 16,931 thousand of first half 2013.

Non industrial net asset impairment of Euro 1,840 thousand related to store assets that, given the current macroeconomic scenario, are not certain to be recovered.

Payroll costs amounted to Euro 56,618 thousand (in first half 2012 Euro 56,568 thousand).

6. Personnel

The average number of employees is shown below:

	I half 2013	I half 2012	Change
Managers	38	42	(4)
Middle managers	122	119	3
Office staff	739	679	60
Shop employees	2,119	1,903	216
Factory workers	43	44	(1)
Total	3,061	2,787	274

7. Special items

In the first half 2013, non-recurring expenses, special items, were recorded for Euro 4.8 million deriving from the implementation of a rationalization plan of the workforce. Moreover, the Group has registered Euro 1.8 million related to stores assets impairments that given the uncertain macroeconomic environment are not certain to be recovered.

8. Net interest

This item is made up as follows:

	I half 2013	I half 2012	Change
Interest income	4,427	3,436	991
Interest expense	(6,403)	(5,401)	(1,002)
Exchange differences	(112)	134	(246)
Total	(2,088)	(1,831)	(257)

Interest income is made up as follows:

	I half 2013	I half 2012	Change
Interest from banks	78	545	(467)
Interest from customers	7	10	(3)
Other interest income	4,342	2,881	1,461
Total	4,427	3,436	991

Other interest income mainly consists of the effect of accounting for financial derivatives as explained in note 30.

Interest expense is made up as follows:

	I half 2013	I half 2012	Change
Bank interest and charges	204	80	124
Interest on loans	143	1	142
Other interest expense	4,499	3,587	912
Financial discounts and allowances	1,557	1,733	(176)
Total	6,403	5,401	1,002

Other interest expense mainly consists of the effect of accounting for financial derivatives as explained in note 30.

Financial discounts and allowances relate to the discounts granted to customers who pay in advance, as is the practice in various European markets.

Exchange differences are made up as follows:

	I half 2013	I half 2012	Change
Exchange gains	23,187	20,599	2,588
Exchange losses	(23,299)	(20,465)	(2,834)
Total	(112)	134	(246)

9. Income taxes

Income taxes were equal to Euro 1,723 thousand, compared to Euro 11,779 thousand of first half 2012, with a tax rate of -90% (36% in first half 2012).

The following table shows a reconciliation between the Group's effective tax burden and its theoretical tax charge, based on the current tax rate in force during the period in Italy (the country of Geox S.p.A., the parent company).

	I half 2013	%	I half 2012	%
PBT	(1,917)	100.0%	33,087	100.0%
Theoretical income taxes (*)	(527)	27.5%	9,099	27.5%
Effective income taxes	1,723	(89.9%)	11,779	35.6%
Difference due to:	2,250	(117.4%)	2,680	8.1%
1) different tax rates applicable in other countries	(392)	20.4%	(534)	(1.6%)
2) permanent differences:				
i) IRAP and other local taxes	1,355	(70.7%)	2,026	6.1%
ii) other	1,287	(67.1%)	1,188	3.6%
Total difference	2,250	(117.4%)	2,680	8.1%

(*)Theoretical income taxes based on the tax rates applicable to Geox S.p.A.

10. Earning per share

EPS is calculated by dividing the net result for the period attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the net income for the period attributable to the parent company's shareholders by the weighted average number of shares outstanding during the period, taking into account the effects of all potentially dilutive ordinary shares (for example, vested options under a stock option plan that have not yet been exercised).

The following table shows the result and the number of ordinary shares used to calculate basic and diluted EPS in accordance with IAS 33:

	I half 2013	I half 2012	2012
Earning per share (Euro)	(0.01)	0.08	0.04
Diluted earnings per share (Euro)	(0.01)	0.08	0.04
Weighted average number of shares outstanding:			
- basic	259,207,331	259,207,331	259,207,331
- diluted	259,207,331	259,207,331	259,207,331

11. Intangible assets

Intangible assets are made up as follows:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Industrial patents and intellectual property rights	13,276	13,890	(614)
Trademarks, concessions and licenses	859	929	(70)
Key money	49,828	49,976	(148)
Assets in process of formation and payments on account	1,474	1,894	(420)
Goodwill	1,138	1,138	-
Total	66,575	67,827	(1,252)

The following table shows the changes in intangible assets during 2013:

	12-31-12	Purchases and capital.	Transla- tion Differen- ces	Amort./ write- down	Dispo- sals	Other Changes	06-30-13
<i>Intangible assets with finite useful life:</i>							
Industrial patents and intellectual property rights	13,890	1,769	(1)	(2,912)	(3)	533	13,276
Trademarks, concessions and licenses	929	42	-	(112)	-	-	859
Key money	49,976	2,741	(79)	(3,639)	(276)	1,105	49,828
Assets in process of formation and payments on account	1,894	1,218	-	-	-	(1,638)	1,474
<i>Intangible assets with an indefinite useful life:</i>							
Goodwill	1,138	-	-	-	-	-	1,138
Total intangible assets	67,827	5,770	(80)	(6,663)	(279)	-	66,575

Investments during the period mainly concern:

- personalization of the IT system for a total of Euro 1,273 thousand;
- the costs incurred for the registration, extension and protection of patents in various parts of the world (Euro 496 thousand);
- the costs incurred for the registration, protection and extension of the GEOX trademark in various parts of the world (Euro 42 thousand);
- key money costs (Euro 2,741 thousand) for the amounts paid to access leased properties by taking over existing contracts or persuading tenants to terminate their contracts so that new ones could be signed with the landlords. The premises were then fitted out as Geox shops;
- assets in process of formation for a total of Euro 1,218 thousand. Such amounts mainly include the sums paid to take over the leases of shops that will be fitted out as Geox Shops during the course of second half 2013 and the further implementations and customizing of the new IT system.

Each shop is considered a CGU and the current value of the forecast net cash flow (the so-called "value in use") is determined for each of them. If the value in use of a CGU is lower than its book value, its assets are written down

accordingly. The intangible assets impairment fund amounts to Euro 4,449 thousand as of June 30, 2013 (Euro 5,035 as of December 31, 2012).

12. Property, plant and equipment

Details of property, plant and equipment are shown in the following table:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Changes
Plant and machinery	7,634	7,630	4
Industrial and commercial equipment	4,480	4,731	(251)
Other assets	18,707	18,236	471
Leasehold improvements	33,235	36,128	(2,893)
Construction in progress and payments on account	1,152	1,365	(213)
Total	65,208	68,090	(2,882)

The following table shows the changes in property, plant and equipment during first half 2013:

	12-31-2012	Purchases and capital.	Translation Differences	Amort./ write-down	Dispo- sals	Other Changes	06- 30-13
Plant and machinery	7,630	1,077	-	(1,256)	(2)	185	7,634
Industrial and commercial equipment	4,731	1,582	1	(1,834)	-	-	4,480
Other assets	18,236	4,297	(63)	(4,078)	(100)	415	18,707
Leasehold improvements	36,128	4,871	(172)	(7,947)	(112)	467	33,235
Construction in progress and payments on account	1,365	868	(18)	-	-	(1,063)	1,152
Total property, plant and equipment	68,090	12,695	(252)	(15,115)	(214)	4	65,208

Investments during the period mainly concern:

- development of a photovoltaic plant for Euro 1,026 thousand and purchase of machinery for the molding for Euro 51 thousand;
- the purchase of industrial equipment (mainly moulds for shoe soles) by the parent company Geox S.p.A.;
- Geox shop fittings and hardware for Euro 3,666 thousand, office and show room fittings for Euro 255 thousand, office and head office hardware for Euro 376 thousand;
- leasehold improvements of Euro 4,871 thousand. These additions relate to industrial buildings and offices for Euro 384 thousand and to premises fitted out as Geox Shop for Euro 4,487 thousand;
- construction in progress of Euro 868 thousand. These additions relate to the design of the production plant in Serbia (Euro 753 thousand) and to the fitting out of shops due to be inaugurated in second half of 2013.

Each shop is considered a CGU and the current value of the forecast net cash flow (the so-called "value in use") is determined for each of them. If the value in use of a CGU is lower than its book value, its assets are written down accordingly. The tangible assets impairment fund amounts to Euro 6,220 thousand as of June 30, 2013 (Euro 3,912 as of December 31, 2012).

Other assets are made up as follows:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Electronic machines	2,266	2,357	(91)
Furniture and fittings	16,414	15,837	577
Motor vehicles and internal transport	27	42	(15)
Total	18,707	18,236	471

13. Deferred taxes

The following table analyses the change in deferred tax assets and the nature of the items and temporary differences that gave rise to them. The Group has offset the deferred tax assets and liabilities as the law permits the compensation of fiscal assets with fiscal liabilities.

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Carry-forward tax losses	2,665	488	2,177
Depreciation and amortization and impairment	11,172	10,490	682
Provision for obsolescence and slow-moving inventory and returns	13,903	11,839	2,064
Other Provision	6,217	9,352	(3,135)
Other	3,509	2,869	640
Deferred tax assets	37,466	35,038	2,428
Other	(670)	(689)	19
Deferred tax liabilities	(670)	(689)	19
Total deferred taxes	36,796	34,349	2,447

The deferred tax assets on carry-forward tax losses, which at June 30, 2013 amount to Euro 2,665 thousand mainly relate to Geox S.p.A.

Deferred tax assets included in "Other" are mainly related to provisions for liabilities and charges (note 26).

Deferred tax assets have been calculated at the tax rates applied in the various countries concerned.

14. Other non-current assets

Other non-current assets are made up as follows:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Accounts receivable from others in 1 to 5 years	14,521	13,159	1,362
Accounts receivable from others in more than 5 years	6,182	5,536	646
Total	20,703	18,695	2,008

Accounts receivable from others relate principally for Euro 9,141 thousand of guarantee deposits for utilities and shop leases (from 1 to 5 years: Euro 6,072 thousand; over 5 years: Euro 3,069 thousand) and accounts receivable, payable from 1 to 5 years, for Euro 821 thousand.

Prepaid expenses for lease payments made in advance for Euro 10,741 thousand (from 1 to 5 years: Euro 7,628 thousand; over 5 years: 3,113 thousand).

15. Inventories

The following table shows the breakdown of inventories:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Raw materials	12,210	11,249	961
Finished products and goods for resale	192,241	197,310	(5,069)
Furniture and fittings	709	690	19
Total	205,160	209,249	(4,089)

Inventories of finished products include goods in transit acquired from countries in the Far East.

The value of inventories at June 30, 2013 decreased slightly compared to December 31, 2012. This change is due to the previous season (Fall/Winter 2012) and the current season (Spring/Summer 2013) for sale in stores.

Furniture and fittings relate to furnishings that will be used or sold to franchisees for opening new Geox Shops.

The book value of inventories is not significantly different from their current cost at the end of the period.

Inventories are shown net of the provision for obsolete and slow-moving inventory, which is considered adequate for a prudent valuation of finished products from previous collections and raw materials that are no longer used.

The provision for obsolete and slow-moving inventory is analyzed below:

Balance at January 1	11,282
Provisions	12,349
Translation differences	(32)
Utilizations	(11,325)
Balance at June 30	12,274

The write-down mainly reflects the adjustment to market value based on statistical forecasts of discounted sales of products from previous collections.

16. Accounts receivable

Accounts receivable are made up as follows:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Gross value	183,973	185,421	(1,448)
Provision for bad and doubtful accounts	(7,974)	(7,035)	(939)
Provision for returns and credit notes	(35,137)	(32,936)	(2,201)
Net value	140,862	145,450	(4,588)

Accounts receivable amounted to Euro 184 million, in line with December 31, 2012.

As regards the sales made to individual customers, there are no situations of particular concentration as all are well under the threshold of 10% of total revenues.

The book value of trade receivables coincides with their fair value.

The Group continues to maintain tight control over credit. This management practice ensures that the investment in working capital is limited.

Accounts receivable are adjusted to their estimated realizable value by means of a provision for bad and doubtful accounts based on a review of individual outstanding balances. The provision at June 30, 2013 represents a prudent estimate of the current collection risk.

Changes in the provision during the year are as follows:

Balance at January 1	7,035
Provisions	1,312
Translation differences	(3)
Utilizations	(370)
Balance at June 30	7,974

The risk of customer insolvency is significantly mitigated as specific contracts with leading credit insurance companies cover credit risk on most of the turnover. The clauses provide that, initially, the insurance is configured solely as a request to accept the credit risk up to previously agreed credit limits. The insurance does become operating only after a formal communication of non-payment by the due date. The increase of the fund is relative to the prudent assessment of the risk on the portion of receivables not covered by insurance.

Changes in the provision for returns and credit notes during first half 2013 are as follows:

Balance at January 1	32,936
Provisions	31,540
Translation differences	(75)
Utilizations	(29,264)
Balance at June 30	35,137

17. Other non-financial current assets

This item is made up as follows:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Tax credits	8,459	9,443	(984)
VAT recoverable	7,328	5,017	2,311
Advances to vendors	2,876	3,327	(451)
Other receivables	7,533	8,522	(989)
Accrued income and prepaid expenses	10,787	8,994	1,793
Total	36,983	35,303	1,680

Note that as a result of Geox S.p.A. and its Italian subsidiaries opting to pay tax on a group basis, the amount of tax that they owe the Italian tax authorities is paid via LIR S.r.l., the ultimate parent company.

As at June 30, 2013 the Group has a tax credit for an amount of Euro 4,391 thousand (Euro 4,928 thousand as at December 31, 2012).

Other receivables mainly include:

- euro 2,574 thousand due from a credit insurance representing the value of claims assigned for which reimbursement has not yet been received;
- euro 1,128 thousand of customs duty paid in USA on the purchase of goods to be sent to Canada; the Group will obtain a rebate of this amount from the local tax authorities.

Accrued income and prepaid expenses are mainly related to lease and other Geox Shop operating cost paid in advance.

18. Financial assets and liabilities

The book value of the financial assets and liabilities shown below coincides with their fair value.

The following table shows the breakdown of this item:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Term bank deposits	1,475	1,309	166
Securities	42	42	-
Total non current financial assets	1,517	1,351	166
Fair value derivative contracts	3,100	2,291	809
Loans granted by Geox	72	75	(3)
Total current financial assets	3,172	2,366	806
Fair value derivative contracts	(1,819)	(5,937)	4,118
Other current financial liabilities	(13)	(4)	(9)
Total current financial liabilities	(1,832)	(5,941)	4,109

The term bank deposits of Euro 1,475 thousand include amounts lodged to guarantee rent contracts on foreign shops.

As regards the mark-to-market derivative contracts, see the comments in note 30.

19. Cash and cash equivalents

The amount of Euro 47,373 thousand relates to short term deposits for Euro 604 thousand, a current account in Euro for Euro 30,520 thousand, a current account in US Dollars for Euro 8,459 thousand, a current account in Chinese Renminbi for Euro 2,857 thousand, a current account in Hong Kong Dollars for Euro 1,460 thousand, a current account in Canadian Dollars for Euro 1,155 thousand, a current account in British Pounds for Euro 1,353 thousand, a current account in other currencies for the rest. The term deposits relate to investments of surplus cash remunerated at a rate better than Euribor. The cash on the current account in US Dollars is used to pay suppliers in the Far East when their invoices fall due; it has a yield substantially in line with the reference rate. The cash on the other current accounts relates to receipts from customers on June 30, 2013 and temporary cash surpluses waiting to be used to make payments.

The book value of the financial assets and liabilities shown below coincides with their fair value.

20. Equity

Share capital

The share capital of Euro 25,921 thousand is fully paid and is made up of 259,207,331 shares with a par value of Euro 0.10 each.

Other reserves

This item is made up as follows:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Legal reserve	5,184	5,184	-
Share premium reserve	37,678	37,678	-
Translation reserve	236	396	(160)
Reserve for cash flow hedges	459	(2,087)	2,546
Reserve for stock options	1,661	1,661	-
Retained earnings	318,336	324,044	(5,708)
Total	363,554	366,876	(3,322)

The legal reserve amounts to Euro 5,184 thousand. This reserve is not distributable.

The share premium reserve was set up for Euro 33,466 thousand in 2004 as a result of the public offering of shares which increased the share capital by Euro 850 thousand.

During 2005, this reserve was increased by Euro 1,548 thousand following the early exercise of a tranche of the stock option plans reserved for management; this involved an increase in capital of Euro 34 thousand.

During 2008, this reserve was increased by Euro 2,635 thousand following the early exercise of the stock option plans reserved for management; this involved an increase in capital of Euro 36 thousand.

During 2009, this reserve was increased by Euro 29 thousand following the early exercise of the stock option plans reserved for management; this involved an increase in capital of Euro 1 thousand.

The reserve for cash flow hedges, which shows a credit balance of Euro 459 thousand, originated as a result of valuing the financial instruments defined as cash flow hedges at June 30, 2013. Fair value valuation of cash flow hedges is stated net of the tax effect as explained in greater detail in note 30. This reserve is not distributable.

The stock option reserve has been established in accordance with the IFRS 2. The adoption of a stock option plan requires that the fair value of the options at the grant date be recognized as a cost. This cost is charged to the income statement over the vesting period, with the contra-entry going to a specific equity reserve.

Retained earnings consist of unallocated results earned in previous years. This item decreased by Euro 5,708 thousand even though dividends of Euro 15,552 thousand in first half 2013 were distributed to the shareholders.

Amounts are shown net of tax, where applicable.

21. Employee severance indemnities

Employee severance indemnities at June 30, 2013 amount to Euro 2,652 thousand, as shown in the following table:

Balance at Dec. 31, 2012	2,406
Amounts paid to leavers	(334)
Reversal of 0.50% withholding	(112)
Reversal of 11% flat-rate tax	(5)
Payments to supplementary pension schemes	(450)
Advances granted to employees	(34)
Provision for the period	1,718
Payments to supplementary pension schemes run by INPS	(755)
Change as a result of actuarial calculations	227
Exchange difference	(9)
Balance at June 30, 2013	2,652

Changes in the provision for severance indemnities during first half 2013 show a utilization of Euro 450 thousand for payments to supplementary pension funds and one of Euro 755 thousand for payments to supplementary pension schemes run by INPS. This is because, based on the legislative changes introduced by Law 296/06, with effect from June 30, 2007, severance indemnities accruing after January 1, 2007 have to be paid by companies (with more than 50 employees) to a special treasury fund set up by INPS or, if the employee prefers, to a supplementary pension fund that complies with Decree 252/05.

Instead, companies book a short-term payable which is then cancelled when the amount is paid over to INPS.

The actuarial valuation of the severance indemnities is carried out on the basis of the Projected Unit Credit Method in accordance with IAS 19. This method involves measurements that reflect the average present value of the pension obligations that have accrued on the basis of the period of service that each employee has worked up to the time that the valuation is carried out, without extrapolating the employee's pay according to the legislative amendments introduced by the recent Pension Reform. The various stages of the calculation can be summarized as follows:

- for each employee on the books at the date of the valuation, an extrapolation of the severance indemnity already accrued up to the time that it will probably be paid;
- for each employee, a calculation of the severance indemnity that will probably have to be paid by the Company when the employee leaves due to dismissal, resignation, disability, death and retirement, as well as if an advance is requested;
- discounting the probable payments to the date of the valuation;

The actuarial model used for the valuation of the provision for severance indemnities is based on various assumptions, some demographic, others economic and financial. The main assumptions used in the model are as follows:

- mortality rates: RG48 life expectancy table
- disability rates: INPS tables split by age and gender
- employee turnover rate: 2.00%
- discount rate: 3.30%
- rate of severance indemnities increase: 3.00%
- inflation rate: 2.00%

22. Provisions for liabilities and charges

This item is made up as follows:

	Balance at Dec. 31, 2012	Utilizations	Provisions	Translation differences	Actuarial adjustment	Balance at June 30, 2013
Provision for agents' severance indemnities	6,422	(3,003)	275	(12)	1,248	4,930
Other	3,426	(1,685)	2,196	-	-	3,937
Total	9,848	(4,688)	2,471	(12)	1,248	8,867

The "provision for agents' severance indemnities" is provided for on the basis of legislative rules and collective agreements that regulate situations in which agency mandates may be terminated. Provisions represent the best estimate of the amount that the business would have to pay to settle the obligation or transfer it to third parties at the balance sheet date. The cumulative effect of the actuarial valuation carried out in accordance with IAS 37 amounts to Euro 381 thousand.

"Other" reflect, mainly, an estimate of the risks involved in outstanding disputes.

23. Long-term loans

The long-term loans amount to Euro 62 thousand.

24. Other long-term payables

This item is made up as follows:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Guarantee deposits	1,232	1,208	24
Accrued expenses and deferred income	1,026	937	89
Total	2,258	2,145	113

The guarantee deposits received from third parties have to guarantee business lease contracts (for Geox Shops).

25. Accounts payable

Accounts payable at June 30, 2013 amount to Euro 133,188 thousand, with an decrease of Euro 29,418 thousand if compared with December 31, 2012. All amounts are due within the next 12 months.

Terms and conditions of the above financial liabilities:

- Trade payables are normally settled within 30-90 days and do not generate interest;
- The terms and conditions applied to related parties are the same as those applied to third parties.

The book value of accounts payable coincides with their fair value.

26. Other non-financial current liabilities

This item is made up as follows:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Social security institutions	2,886	4,025	(1,139)
Employees	12,140	12,053	87
Provisions for liabilities and charges	13,554	14,108	(554)
Other payables	7,199	6,013	1,186
Accrued expenses and deferred income	5,813	6,030	(217)
Total	41,592	42,229	(637)

The amounts due to social security institutions mainly relate to pension contributions for first half 2013, paid on second half 2013.

The amounts due to employees include payroll, bonuses and accrued vacation not yet taken as of June 30, 2013.

The provisions for liabilities and charges mainly include the estimated costs related to the change in strategy following the change of the CEO, and consequently of corporate governance (see Note 7).

Other payables are mainly advances received from customers.

Accrued expenses mainly relate to shop lease contracts for the period.

27. Taxes payable

This item is made up as follows:

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Income taxes for the period	4,049	4,384	(335)
VAT payable	3,782	2,367	1,415
Other	3,033	4,288	(1,255)
Total	10,864	11,039	(175)

The liability for income taxes at June 30, 2013 amounts to Euro 4,049 thousand.

28. Bank borrowings and current portion of long-term loans

	Balance at June 30, 2013	Balance at Dec. 31, 2012	Change
Bank borrowings			
- cash advances	7,099	7,238	(139)
- advances against orders	30,000	-	30,000
Other providers of funds			
- loans	100	98	2
Total	37,199	7,336	29,863

29. Share-based payments

Stock option plans

In accordance with IFRS 2, the adoption of a stock option plan requires that the fair value of the options at the grant date be recognized as a cost. This cost is charged to the income statement over the vesting period, with the contra-entry going to a specific equity reserve.

No cost recognized for the employee services received during first half 2013.

The fair value of these options has been determined by an independent expert using the binomial method. The principal assumptions for the calculation of the various plans are as follows:

	December 2011 Plan	December 2005 Plan	November 2004 Plan
Grant date	12-22-2011 and 12-20-2012	12-15-2005	11-30-2004
Vesting periods	3 years	3-5 years	3-5 years
Share price at grant date	Euro 2.20	Euro 9.17	Euro 4.60
Strike price	Euro 2.29 and Euro 2.08	Euro 9.17	Euro 4.60
Dividend yield (%)	6.00%	0.86%	1.43%
Volatility (%)	40.00%	33.43%	34.87%

No other characteristic of the stock option plans has been taken into consideration in determining their fair value. The ability to exercise the options, which is determined tranche by tranche, depends on the Company achieving certain cumulative targets during the vesting periods, based on EBIT (Earnings Before Interest and Tax) as shown in the Geox Group's consolidated business plan.

30. Risk management : objectives and criteria

Exchange risk

The Geox Group also carries on its activity in countries outside the Euro-zone, which means that exchange rate fluctuations are an important factor to be taken into consideration.

The principal exchange rates to which the Group is exposed are the following:

- EUR/USD, in relation to purchases of finished product in U.S. dollars, made by Geox S.p.A., typically in the Far East, where the U.S. dollar is the reference currency for trade;
- EUR/GBP, EUR/CHF, EUR/RUB, EUR/PLN in relation to sales in the British, Swiss, Russian and Polish territories;
- USD/CAD, in relation to sales in Canadian dollars made by the subsidiary of the Group in the U.S. to Canada.

The Group initially calculates the amount of exchange risk, from trading transactions forecast for the coming 12 months, that is involved in the budget for the coming period. It then gradually hedges this risk during the process of order acquisition to the extent that the orders match the forecasts. These hedges take the form of specific forward contracts and options for the purchase or sale of the foreign currency concerned. Group policy is not to arrange derivative transactions for speculative purposes.

The Board of Directors believes that the risk management policies adopted by the Geox Group are appropriate.

Group companies may find themselves with trade receivables or payables denominated in a currency different from the money of account of the company itself. In addition, it may be convenient from an economic point of view, for companies to obtain finance or use funds in a currency different from the money of account. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's money of account.

Certain of the Group's subsidiaries are located in countries which are not members of the European monetary union. As the Group's reference currency is the Euro, the income statements of those entities are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euros.

The assets and liabilities of consolidated companies whose money of account is different from the Euros may acquire converted values in Euros which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognised directly in the item Cumulative Translation Adjustments reserve, included in Other Comprehensive income.

There have been no substantial changes in first half 2013 in the nature or structure of exposure to currency risk or in the Group's hedging policies.

The Group's financial statements as at June 30, 2013, could be materially affected by fluctuations in the exchange rates, mainly referred to the US dollar. The impact on the Group's result at 30 June 2013 resulting from a hypothetical, unfavourable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately Euro 18 thousand (Euro 171 thousand at 31 December 2012). Receivables, payables and future trade flows whose hedging transactions have been analysed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Credit risk

Geox Group policy is to insure its trade receivables, thereby minimizing the risk of bad debts due to non-payment and/or significant payment delays on the part of customers. The policy of insuring against credit risk is applied to the main part of the Geox Group's accounts receivable from third parties.

The maximum risk involved in the Group's financial assets, which include cash and cash equivalents, derivative and other financial assets, is the book value of these assets in the event of counterparty insolvency (see note 16).

Liquidity risk

The sector in which the Group operates is very seasonal in nature. The year can be split into two collections (Spring/Summer and Fall/Winter), which more or less coincide with the first and second half. On the one hand, purchases

and production are concentrated in the three months prior to the half-year in question, leading to an increase in inventory and trade payables; on the other, sales are concentrated in the first three months of the half-year in question, transforming inventory into receivables. The same period sees the completion of payment of accounts payable. Most accounts receivable, on the other hand, are collected before the end of the half-year in question. These situations bring about very strong seasonal trends, also in the Group's financial cycle, which leads to peaks of absorption of financial resources in April and October, falling to lows in January and July.

The Group manages liquidity risk by maintaining tight control over the various components of working capital, especially accounts receivable and accounts payable. The Group's credit risk hedging policies guarantee short-term collection of all accounts receivable, even those from customers in financial difficulty, eliminating almost entirely the risk of insolvency. The length of the period when financial resources are absorbed is also reduced by negotiating better payment terms with suppliers.

The net financial position at the end of the period amounts to Euro 13.0 million that excludes any liquidity risk. The Group also has bank lines of credit to match its capital structure, but which are not used.

Fair value and related hierarchy

As at June 30, 2013 financial instruments are as follows:

	Notional value on 06-30-13	Fair value on 06-30-13 in EUR/ thousand (debit)	Fair value on 06-30-13 in EUR/ thousand (credit)	Notional value on 12-31-12	Fair value on 12-31-12 in EUR/ thousand (debit)	Fair value on 12-31-12 in EUR/ thousand (credit)
FX Forward buy agreements to hedge exch. rate risk	189,276	677	(1,500)	232,820	304	(4,661)
FX Forward sell agreements to hedge exch. rate risk	131,250	1,651	(319)	118,706	1,987	(863)
FX Currency Option agreem. to hedge exch. rate risk	99,771	772	-	57,450	-	(413)
Total financial assets/(liabilities)		3,100	(1,819)		2,291	(5,937)

IFRS 7 requires financial instruments recognised in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. The following levels are used in this hierarchy:

- Level 1 – quoted prices in active markets for the assets or liabilities being measured;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

All the financial assets and liabilities measured at fair value at June 30, 2013 are classified on Level 2. In first half 2013 there were no transfers from Level 1 to Level 2 or to Level 3 or vice versa.

The Group holds the following derivatives at 30 June 2013:

- FX forward exchange agreements to hedge future purchases and sales of foreign currency;
- FX Currency Option agreements for future purchases and sales of foreign currency.

These agreements hedge future purchases and sales planned for the Fall/Winter 2013 and Spring/Summer 2014 seasons.

The fair value mentioned above agrees with the amount shown in the balance sheet. The fair value measurement of the derivatives being analyzed was carried out by means of independent valuation models on the basis of the following market data posted on June 30, 2013:

- Short-term interest rates on the currencies in question as quoted on www.euribor.org and www.bba.org.uk;
- The spot exchange rates taken directly from the European Central Bank's website and the relative volatility posted by Bloomberg.

31. Related-party transactions

Pursuant to IAS 24, the Group's related parties are companies and people who are unable to exercise control or significant influence, associated companies. Finally, are considered related parties the members of the Board of Directors, the Statutory Auditors and Executives with Strategic roles of the Group and their families.

The Group has dealings with the ultimate parent company (LIR S.r.l.) and with third parties that are directly or indirectly linked by common interests to the majority shareholder. The commercial relations with these parties are based on the utmost transparency and normal market conditions. Net sales mainly relate to the sale of "Geox" products in monobrand shops owned by managers that work for the Group. General and administrative expenses principally relate to leases for buildings used by the Group.

The main effects on profit and loss of the transactions with these parties for first half 2013 and 2012 are summarized below:

	Total 1 half 2013	Parent company	Affiliates company	Other related parties	Total of which related parties	Effect on Total (%)
Net sales	386,795	-	223	2,339	2,562	0.7%
Cost of sales	(200,680)	-	110	-	110	(0.1%)
General and administrative expenses	(138,115)	(162)	(1,328)	158	(1,332)	1.0%
Advertising and promotion	(18,703)	(150)	(1)	45	(106)	0.6%

	Total 1 half 2012	Parent company	Affiliates company	Other related parties	Total of which related parties	Effect on Total (%)
Net sales	429,093	-	79	999	1,078	0.3%
Cost of sales	(220,314)	-	84	-	84	0.0%
General and administrative expenses	(125,056)	(56)	(1,256)	(242)	(1,554)	1.2%
Advertising and promotion	(23,542)	-	-	-	-	0.0%

The main effects on financial statement of the transactions with these parties at 30 June 2013 and at 31 December 2012 are summarized below:

	Balance at June 30, 2013	Parent company	Affiliates company	Other related parties	Total of which related parties	Effect on Total (%)
Other non-current assets	20,703	-	-	12	12	0.1%
Accounts receivable	140,862	15	831	3,776	4,622	3.3%
Other non-financial current assets	36,983	4,410	-	10	4,420	12.0%
Accounts payable	133,188	108	(22)	1,000	1,086	0.8%

	Balance at Dec. 31, 2012	Parent company	Affiliates company	Other related parties	Total of which related parties	Effect on Total (%)
Other non-current assets	18,695	-	-	17	17	0.1%
Accounts receivable	145,450	36	537	3,575	4,149	2.9%
Other non-financial current assets	35,303	4,945	-	15	4,960	14.0%
Accounts payable	162,606	71	13	534	618	0.4%

There is also the corporate income tax (IRES) payable by Geox S.p.A. and its Italian subsidiaries which will be paid to LIR S.r.l., the ultimate parent company, following the decision to file for tax in Italy on a Group basis. As at June 30, 2013 the Group has a tax credit for an amount of Euro 4,391 thousand (Tax credit for Euro 4,928 thousand as at December 31, 2012).

32. Dividends paid and proposed

	I half 2013	I half 2012
Dividends declared and paid during the year:	15,552	41,473
Dividends declared and paid during the year - per share:	0.06	0.16
Dividends proposed to the shareholders' meeting	n.a.	n.a.
Dividends proposed to the shareholders' meeting – per share:	n.a.	n.a.

33. Commitments and contingent liabilities

The Group has stipulated leases for a number of industrial and commercial premises with an average duration of 5-6 years in Italy and 10 years on average abroad. In certain cases, mainly in Italy, the contract provides for tacit renewal on expiry for another 6 years. These contracts can be index-based according to the annual trend in ISTAT's consumer-price index.

The future rental payments under these contracts, as of June 30, are as follows:

	06-30-2013
Within 1 year	74,662
Within 1-5 years	177,171
Beyond 5 years	87,050
Total	338,883

34. Significant subsequent events after June 30, 2013

Geox S.p.A. underwent a tax audit by the Veneto Tax Authorities (Large Taxpayers Office) for fiscal years 2007-2008-2009-2010 with regard to Transfer Pricing versus European companies. The audit was completed on July, 31 2012 with the notification of their tax audit report. On December 14, 2012 a tax demand has been issued for the year 2007 and in regards to this tax demand, on January, 24 2013 the company has filed a tax settlement (ex art.6, sub.2, D.Lgs June 19th 1997, no218). At the date of this report, the Company has decided to comply with the tax audit report, for all tax years covered by it, in a purely deflationary of litigation, stating again the correctness of its actions. The effect of this agreement has been fully reflected in this half-year financial statement.

Biadene di Montebelluna, July 30, 2013

for the Board of Directors
The Chairman
Mr. Mario Moretti Polegato

Attachment I

Biadene di Montebelluna, July 30, 2013

ATTESTATION

OF THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART- 154-BIS, PARAS. 5 AND 5-BIS OF LEGISLATIVE DECREE 58 OF FEBRUARY 24, 1998 "THE FINANCIAL INTERMEDIATION CODE"

The undersigned Giorgio Presca, Chief Executive Officer of Geox S.p.A. and Livio Libralesso, Financial Reporting Manager of Geox S.p.A., attest, bearing in mind the provisions of art. 154-bis, paras. 3 and 4 of Legislative Decree 58 of February 24, 1998:

- the adequacy in relation to the characteristics of the enterprise and
- the effective application,

of the administrative and accounting procedures for preparing the consolidated financial statements during first half 2013.

They also confirm that the half-year consolidated financial statements:

- a) agree with the books of account and accounting entries;
- b) are prepared in accordance with the International Financial Reporting Standards adopted by the European Union, as well as the provisions issued to implement art. 9 of Legislative Decree 38/2005, and to the best of their knowledge, they are able to give a true and fair view of the assets and liabilities, results and financial position of the Issuer and of the other enterprises included in the consolidation;
- c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company as of 30 June 2013;
- d) Director's report includes a reliable operating and financial review of the Company as well as a description of the main risks and uncertainties to which it is exposed.

Giorgio Presca
CEO

Livio Libralesso
Financial Reporting Manager

Attachment 2

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2013

Name	Location	Year end	Currency	Share capital	% held		Total
					Directly	Indirectly	
- Geox S.p.A.	Biadene di Montebelluna (TV), Italy	Dec. 31	EUR	25.920.733			
- Geox Deutschland Gmbh	Munich, Germany	Dec. 31	EUR	500.000	100,00%		100,00%
- Geox Respira SL	Barcelona, Spain	Dec. 31	EUR	1.500.000	100,00%		100,00%
- Geox Suisse SA	Lugano, Switzerland	Dec. 31	CHF	200.000	100,00%		100,00%
- Geox UK Ltd.	London, UK	Dec. 31	GBP	1.050.000	100,00%		100,00%
- Geox Japan K.K.	Tokyo, Japan	Dec. 31	JPY	495.000.000		100,00%	100,00%
- Geox Canada Inc.	Mississauga, Canada	Dec. 31	CAD	100		100,00%	100,00%
- S&A Distribution Inc.	New York, Usa	Dec. 31	USD	1		100,00%	100,00%
- Geox Holland B.V.	Amsterdam, Netherlands	Dec. 31	EUR	20.100	100,00%		100,00%
- Geox Retail S.r.l.	Biadene di Montebelluna (TV), Italy	Dec. 31	EUR	100.000	100,00%		100,00%
- Geox Retail Czech Sro	Praga, Czech Rep.	Dec. 31	CZK	12.000.000		100,00%	100,00%
- Geox Hungary Kft	Budapest, Hungary	Dec. 31	HUF	10.000.000	99,00%	1,00%	100,00%
- Geox Hellas S.A.	Athens, Greece	Dec. 31	EUR	220.000	100,00%		100,00%
- Geox do Brasil Participacoes Ltda	San Paolo, Brazil	Dec. 31	BRL	1.000.000 *	1,00%	99,00%	100,00%
- Geox Retail Slovakia Sro	Prievidza, Slovak Rep.	Dec. 31	EUR	6.639		100,00%	100,00%
- Geox France Sarl	Sallanches, France	Dec. 31	EUR	15.000.000	100,00%		100,00%
- S&A Retail Inc	New York, Usa	Dec. 31	USD	200		100,00%	100,00%
- Geox Asia Pacific Ltd.	Hong Kong, China	Dec. 31	USD	1.282		100,00%	100,00%
- XLog S.r.l.	Signoressa di Trevignano (TV), Italy	Dec. 31	EUR	110.000	100,00%		100,00%
- Geox Rus LLC	Moscow, Russian	Dec. 31	RUB	900.000	100,00%		100,00%
- Geox AT Gmbh	Wien, Austria	Dec. 31	EUR	35.000	100,00%		100,00%
- Geox Poland Sp. Z.o.o.	Warszawa, Poland	Dec. 31	PLN	5.000		100,00%	100,00%
- Geox Portugal S.U. LDA	Lisbon, Portugal	Dec. 31	EUR	300.000	100,00%		100,00%
- Technic Development D.O.O. Vranje	Belgrade, Serbia	Dec. 31	RSD	56.000.000	100,00%		100,00%
- Geox Macau Ltd	Macau, China	Dec. 31	MOP	5.000.000		100,00%	100,00%
- Geox Trading Shanghai Ltd	Shanghai, China	Dec. 31	CNY	26.240.835		100,00%	100,00%
- Dongguan Technic Footwear Apparel Design Ltd	Dongguan, China	Dec. 31	CNY	3.795.840		100,00%	100,00%
- Geox Turkey Ayakkabı ve Giyim Ticaret A.Ş.	Timisoara, Romania	Dec. 31	TRY	250.000 **	1,00%	99,00%	100,00%

* Share capital not paid.

** Share non completely paid.

***Company liquidated during the year 2012.



Company's data and information for Shareholders

Registered office

Via Feltrina Centro, 16
31044 Biadene di Montebelluna (TV)

Legal data

Share Capital: Euro 25,920,733.I i.v.
Economic and Administrative Database no. 265360
Treviso Commercial Register and Taxpayer's Code no. 03348440268

Investor Relations

Marina Cagnello
marina.cagnello@geox.com
tel. +39 0423 282476
Livio Libralesso - CFO

Documents for shareholders

www.geox.com
(investor relations section)

**AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**
(Translation from the original Italian text)

**To the Shareholders of
GEOX S.p.A.**

1. We have reviewed the interim condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes, of GEOX S.p.A. and its subsidiaries (the "GEOX Group") as of June 30, 2013. Directors of GEOX S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.
2. We conducted our review in accordance with review standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we expressed on the annual consolidated financial statements.

With respect to the consolidated financial statements of the prior year and the interim condensed consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, reference should be made to reports of other auditor issued on March 21, 2013 and on August 2, 2012, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of GEOX Group as of June 30, 2013 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Moretto, Partner

Treviso, Italy
August 6, 2013

*This report has been translated into the English language solely for the convenience of the
international readers*