GEOX

PRESS RELEASE

GEOX GROUP – NINE MONTHS 2014 RESULTS

GEOX SPEEDS UP IN THE THIRD QUARTER, WITH AN INCREASE OF 16.0%, BRINGING CONSOLIDATED REVENUES FOR THE FIRST NINE MONTHS TO A SATISFACTORY +8.1%. EXCELLENT RESULTS IN ITALY, WITH AN OVERALL INCREASE OF 13.6%.

SOLID PERFORMANCE, IN ALL COUNTRIES, OF COMPARABLE STORE SALES BY OUR DOS (9.4%) AND STRONG REBOUND OF THE MULTIBRAND CHANNEL, IN THE THIRD QUARTER, WHICH CONFIRMS THE STRENGTH OF THE BRAND AND THE CORRECTNESS OF THE STRATEGIC ACTIONS TAKEN.

- **Sales: Euro 668.4 million (Euro 618.1 million in the first nine months of 2013)**
- **EBITDA[1]: Euro 46.3 million, 6.9% margin (Euro 31.1 million in the first nine months of 2013, 5.0% margin)**
- **EBIT[2]: Euro 15.6 million, 2.3% margin (Euro -4.3 million in the first nine months of 2013, -0.7% margin)**

Biadene di Montebelluna, November 13, 2014 – The Board of Directors of Geox S.p.A., one of the leading brands worldwide in the classic and casual footwear market listed on the Milan Stock Exchange (MSE: GEO.MI), approved today the first nine months 2014 financial results.

Mario Moretti Polegato, Chairman and founder of Geox, had the following comments to make: "I am satisfied with the results for the first nine months, which show steady growth in revenues, up by 8.8% at constant exchange rates. The multi-brand channel is showing a rebound, as expected, with an increase of 13.1% in the third quarter and our direct stores have also put it an excellent performance with a comparable growth of 9.4% in the nine months.

These results, which have been achieved despite uncertain consumer spending in certain markets, allow us to confirm the targets that we laid down for 2014, namely turnover of 800 million and the expected profitability.

In addition, the positive trend in orders received in the multi-brand channel for upcoming 2015 Spring/Summer season is another important signal to confirm that we are on the right track towards a profitable and sustainable growth in the medium term, focusing on product innovation, solid development and specialization of our distribution network and supply chain".

THE GROUP'S ECONOMIC PERFORMANCE

Sales

Nine months 2014 consolidated net sales increased by 8.1% (+8.8% at constant exchange rates) to Euro 668.4 million. Footwear sales, which accounted for about 87.6% of consolidated sales, amounting to Euro 585.4 million, increased 8.7% compared to the first nine months of 2013. Apparel sales, which represented 12.4% of consolidated sales, equal to Euro 83.0 million, increased 4.6%.

[1] EBITDA in the nine months 2013 includes non recurring costs, equal to Euro 13.2 million
[2] EBIT in the nine months 2013 includes non recurring costs (highlighted in note 1) and asset impairment, equal to Euro 5.3 million

(Thousands of Euro)	9 Months 2014	%	9 Months 2013	%	Var. %
Footwear	585,384	87.6%	538,764	87.2%	8.7%
Apparel	83,005	12.4%	79,334	12.8%	4.6%
Net sales	**668,389**	**100.0%**	**618,098**	**100.0%**	**8.1%**

Sales in Italy, the Group's main market, which accounted for 33.8% of consolidated sales (32% in the nine months of 2013) amounted to Euro 225.9 million, showing an increase of 13.6% compared with the same period of the previous year.

Sales in Europe, which accounted for 44.1% of Group revenues (44% in the first nine months of 2013) increased by 8.5% to Euro 294.8 million, compared with Euro 271.8 million of the first nine months of 2013.

North American sales amounted to Euro 40.4 million, showing a decrease of 1.0% (+1.2% at constant exchange rates). Sales in the Other Countries increased by 0.6% (+3.6% at constant exchange rates) compared with the same period of previous year.

(Thousands of Euro)	9 Months 2014	%	9 Months 2013	%	Var. %
Italy	225,878	33.8%	198,910	32.2%	13.6%
Europe (*)	294,828	44.1%	271,750	44.0%	8.5%
North America	40,438	6.1%	40,852	6.6%	(1.0%)
Other countries	107,245	16.0%	106,586	17.2%	0.6%
Net sales	**668,389**	**100.0%**	**618,098**	**100.0%**	**8.1%**

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

In the nine months of 2014, sales of the DOS channel, which represent 37.8% of Group revenues, grew 24.1% to Euro 252.6 million. The improvement is mainly driven by new openings and by comparable store sales growth recorded on DOS channel (+9.4%). Comparable sales related to the Fall/Winter Collection (from August 25, 2014 to November 9, 2014) showing a 1.5% growth. Comparable sales year to date (from January 1, 2014 to November 9, 2014) are up 7.9%.

Sales of the franchising channel, which account for 18.8% of Group revenues, amount to Euro 125.6 million, with an increase of 2.4% (3.8% at constant exchange rates). This trend is due to the positive trend in comparable store sales at locations that have been open for at least 12 months; they turned in an increase of 4.4% and a better performance of deliveries in the third quarter compared with the previous period, which offset the effect of closing those shops that were not in line with the expected profitability standards.

Multibrand stores representing 43.4% of Group revenues (47.2% in the nine months of 2013) amount to Euro 290.1 million, in line with previous year (-0.6% at effective exchange rates, +0.1% at constant exchange rates), thanks to a good performance in the third quarter, showing an increase of 13.1%, which partially offset the weakness of the first half.

(Thousands of Euro)	9 Months 2014	%	9 Months 2013	%	Var. %
Multibrand	**290,140**	**43.4%**	**291,812**	**47.2%**	**(0.6%)**
Franchising	125,630	18.8%	122,670	19.8%	2.4%
DOS*	252,619	37.8%	203,616	32.9%	24.1%
Geox Shops	**378,249**	**56.6%**	**326,286**	**52.8%**	**15.9%**
Net sales	**668,389**	**100.0%**	**618,098**	**100.0%**	**8.1%**

* Directly Operated Store

As of September 30, 2014, the overall number of Geox Shops was 1,248 of which 467 DOS. During nine months 2014, 68 new Geox Shops were opened and 119 have been closed, mainly franchising stores, in line with the rationalization plan of the DOS network.

	09-30-2014		12-31-2013		9 Months 2014		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	423	172	465	169	(42)	7	(49)
Europe (*)	352	167	361	162	(9)	21	(30)
North America	43	43	40	40	3	5	(2)
Other countries (**)	430	85	433	79	(3)	35	(38)
Total	**1,248**	**467**	**1,299**	**450**	**(51)**	**68**	**(119)**

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.
(**) Includes Under License Agreement Shops (184 as of September 30 2014, 176 as of December 31 2013). 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 52.6% compared to 53.7% of the nine months of 2013, producing a gross margin of 47.4% (46.3% in the nine months of 2013).

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

GEOX

Operating Expenses and Operating Income (EBIT)

Selling and distribution expenses as a percentage of sales were 5.9% (6.3% in the nine months of 2013).

General and administrative expenses were equal to Euro 231.3 million, compared with Euro 205.4 million of the first nine months of 2013. General and administrative expenses, as a percentage of sales, were 34.6%, compared to 33.2% of the first nine months of 2013.

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 stores previously managed by some franchisees, occurred during 2013.

Advertising and promotions expenses were equal to 4.6% of sales compared to 4.5% of the first nine months of 2013.

For the purpose of comparison with the previous period, please note that non-recurring expenses of Euro 13.2 million were recorded in the first nine months of 2013, deriving from the implementation of a broad strategic and organizational review, which aimed to simplify and specialize Geox's activity on the basis of its core business, namely footwear and clothing. In addition, impairment write-downs of Euro 5.3 million were made on certain fixed assets, mainly because of store closures, but also in situations where it looked unlikely that our capital investment would be recovered in full because of the macroeconomic scenario.

The operating result is equal to 15.6 million (2.3% on sales) compared with Euro -4.3 million of the first nine months of 2013.

EBITDA

EBITDA was Euro 46.3 million, 6.9% of sales, compared to Euro 31.1 million (5.0% on sales) of the first nine months of 2013.

Income taxes and tax rate

Income taxes were equal to Euro 5.8 million, compared to Euro 0.7 million of the first nine months of 2013.

THE GROUP'S FINANCIAL PERFORMANCE

The Group balance sheet shows a negative financial position of Euro 71.6 million.

Net working capital shows an increase compared with the first nine months of 2013. This change is principally due to:

- an increase in the inventories of the 2014 Spring/Summer season and for stocks currently on sales in the shops;
- a slight increase in receivables, in line with the increase in sales to third parties during the quarter;
- trade payables which have decreased compared with September 30, 2013, due to advance deliveries of the 2014 Fall/Winter collections.

During the period capital expenditures were Euro 19.9 million (Euro 27.5 million in the nine months of 2013) of which 11.8 million for new store openings and store refurbishment.

FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

The 2014-2016 Business Plan presented to the financial community is based on steps designed to:

- focus on the core business and product innovation;
- simplify the business to obtain a drastic reduction of the complexity with consequent reduction in costs;
- rationalize the network of monobrand stores by closing those that are underperforming;
- open new stores only if strict profitability criteria are met;
- improve commercial structures in the countries of Northern and Eastern Europe and in Asia which will allow us, in the future, to take advantage of the significant growth potential of these countries where the Group's presence is still limited, but in rapid expansion, with positive results;
- improvement of gross profit.

Thanks to the results achieved in the first nine months and to expectations of a positive fourth quarter compared with the same period last year, Management confirms the objectives laid down in the Business Plan for 2014 with an increase in turnover to around Euro 800 million and a return to break-even in terms of EBIT.

These results depend on the following events taking place:

1. confirmation of the growth in the DOS channel, thanks to around 10 additional net openings and an increase in comparable sales by the existing stores;
2. stabilisation of the wholesale channel, which by now has already been achieved, thanks to the growth in orders for the 2014 Fall/Winter season, which compensates for the weakness seen in the first half of the year;
3. these positive performances by the wholesale channel and directly operated stores are sufficient to offset the slight decline expected in the franchising channel, mainly due to the slowdown in new openings envisaged in the Business Plan and an acceleration of the rationalisation process by closing non-performing stores. The Geox Group is implementing the techniques and processes that have already been applied to the network of directly operated stores also in the franchising channel and consequently management is assuming that the improvement in comparable sales already achieved in this channel, during the nine months, will continue in the fourth quarter as well;
4. confirmation, also in the fourth quarter, of the improvement in gross margins already reflected in the order book, thanks to a combination of pricing, fewer sales promotions and reduced operational complexity;
5. the current context of unfavourable exchange rates for Groups that consolidate their foreign sales in euro does not produce any significantly adverse translation effect as it did in the first nine months.

With regard to the first half of 2015, orders from the multibrand channel are confirming the expected growth in the EMEA region, which represents the Group's main market, and a strong performance of Eastern European countries, but are also showing a reduction in the visibility and performance, in the short term, in China and Hong Kong, that are experiencing a consumption slowdown. The order backlog for Spring/Summer 2015 season is confirming the expected increase of gross margin.

OTHER RESOLUTIONS

The Board of Directors of Geox S.p.A. has taken note of the resignation as director of Renato Alberini, who will continue to hold other positions within the Geox Group, and has co-opted Duncan Niederauer as an independent director.
The profile of Duncan Niederauer, former Chief Executive Officer of the New York Stock Exchange, is available on the Company's website (www.geox.biz).

NINE MONTHS RESULTS REPORT 2014

The Nine Months Results Report has been made available at the Company's registered office and may be viewed on the Company's website www.geox.biz in the Investor Relations section.

GEOX

Declaration by the Manager Responsible for the preparation of company accounting documents

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

For more informations

Investor Relations
Marina Cargnello: tel. +39 0423 282476; ir@geox.com
Livio Libralesso, CFO

Press Office
Juan Carlos Venti: tel: +39 0423 281914; cell. +39 335 470641; juancarlos.venti@geox.com

Geox Group

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

Disclaimer

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

Annexes

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

2014 and 2013 results are reported under IAS/IFRS. Fiscal year 2013 results have been audited, while nine months 2013 and nine months 2014 results have not been fully audited. Consolidated balance sheet and cash flow statement are reclassified with statements normally used by management and investors to assess the Group's results. The afore-mentioned reclassified financial statements do not meet the presentation standards set down by the IFRS and thus are not to be considered a replacement. However, since their contents are the same, they can be easily reconciled with those envisaged by the International Accounting Standards.

GEOX

CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	9 Months 2014	%	9 Months 2013	%	2013	%
Net sales	**668,389**	**100.0%**	**618,098**	**100.0%**	**754,191**	**100.0%**
Cost of sales	(351,619)	(52.6%)	(331,829)	(53.7%)	(402,701)	(53.4%)
Gross profit	**316,770**	**47.4%**	**286,269**	**46.3%**	**351,490**	**46.6%**
Selling and distribution costs	(39,137)	(5.9%)	(38,787)	(6.3%)	(46,634)	(6.2%)
General and administrative expenses	(231,280)	(34.6%)	(205,355)	(33.2%)	(281,960)	(37.4%)
Advertising and promotion	(30,738)	(4.6%)	(27,861)	(4.5%)	(38,750)	(5.1%)
Operating result	**15,615**	**2.3%**	**14,266**	**2.3%**	**(15,854)**	**(2.1%)**
Special items	-	0.0%	(13,225)	(2.1%)	(14,054)	(1.9%)
Net asset impairment	-	0.0%	(5,298)	(0.9%)	(4,725)	(0.6%)
EBIT	**15,615**	**2.3%**	**(4,257)**	**(0.7%)**	**(34,633)**	**(4.6%)**
Net interest	(5,275)	(0.8%)	(3,512)	(0.6%)	(3,846)	(0.5%)
PBT	**10,340**	**1.5%**	**(7,769)**	**(1.3%)**	**(38,479)**	**(5.1%)**
Income tax	(5,830)	(0.9%)	(703)	(0.1%)	8,730	1.2%
Tax rate	*56%*	0%	*-9%*	0%	*23%*	
Net result	**4,510**	**0.7%**	**(8,472)**	**(1.4%)**	**(29,749)**	**(3.9%)**
EPS (Earnings per shares)	**0.02**		**(0.03)**		**(0.11)**	
EBITDA	**46,338**	**6.9%**	**31,071**	**5.0%**	**10,684**	**1.4%**
Special items	-		(13,225)		(14,054)	
EBITDA adjusted	**46,338**	**6.9%**	**44,296**	**7.2%**	**24,738**	**3.3%**

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

GEOX

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Thousands of Euro)	Sept. 30, 2014	Dec. 31, 2013	Sept. 30, 2013
Intangible assets	57,506	64,023	64,866
Property, plant and equipment	61,573	65,291	62,749
Other non-current assets - net	54,565	67,338	58,976
Total non-current assets	**173,644**	**196,652**	**186,591**
Net operating working capital	**306,925**	**213,646**	**238,550**
Other current assets (liabilities), net	**(21,225)**	**(18,415)**	**(21,199)**
Net invested capital	**459,344**	**391,883**	**403,942**
Equity	378,933	355,429	377,000
Provisions for severance indemnities, liabilities and charges	8,818	8,228	9,924
Net financial position	71,593	28,226	17,018
Net invested capital	**459,344**	**391,883**	**403,942**

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	Sept. 30, 2014	Dec. 31, 2013	Sept. 30, 2013
Inventories	242,175	281,907	205,180
Accounts receivable	179,993	100,837	166,038
Accounts payable	(115,243)	(169,098)	(132,668)
Net operating working capital	**306,925**	**213,646**	**238,550**
% of sales for the last 12 months	***38.2%***	***28.3%***	***32.9%***
Taxes payable	(19,457)	(8,424)	(13,841)
Other non-financial current assets	46,710	32,072	32,632
Other non-financial current liabilities	(48,478)	(42,063)	(39,990)
Other current assets (liabilities), net	**(21,225)**	**(18,415)**	**(21,199)**

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENTS

(Thousands of Euro)	9 Months 2014	9 Months 2013	2013
Net result	**4,510**	**(8,472)**	**(29,749)**
Depreciation, amortization and impairment	30,665	35,328	45,318
Other non-cash items	15,377	10,885	(5,138)
	50,552	**37,741**	**10,431**
Change in net working capital	(105,941)	(72,462)	(40,065)
Change in other current assets/liabilities	3,244	7,996	7,924
Cash flow from operations	**(52,145)**	**(26,725)**	**(21,710)**
Capital expenditure	(22,716)	(28,063)	(40,112)
Disposals	2,786	552	649
Net capital expenditure	**(19,930)**	**(27,511)**	**(39,463)**
Free cash flow	**(72,075)**	**(54,236)**	**(61,173)**
Dividends	-	(15,552)	(15,552)
Change in net financial position	**(72,075)**	**(69,788)**	**(76,725)**
Initial net financial position - prior to fair value adjustment of derivatives	**(18,339)**	**57,792**	**57,792**
Change in net financial position	(72,075)	(69,788)	(76,725)
Translation differences	(1,708)	503	594
Final net financial position - prior to fair value adjustment of derivatives	**(92,122)**	**(11,493)**	**(18,339)**
Fair value adjustment of derivatives	20,529	(5,525)	(9,887)
Final net financial position	**(71,593)**	**(17,018)**	**(28,226)**