



GEOX S.P.A. BOARD OF DIRECTORS APPROVED FIRST QUARTER 2010 RESULTS

GEOX: SALES AT EURO 333 MILLION AND SOLID NET CASH POSITION AT EURO 69 MILLION

- Sales: Euro 333.1 million, -13% (-11% at the end of April)
- EBITDA: Euro 93.6 million, 28.1% margin (Euro 124.9 million in the First Quarter of 2009)
- EBIT: Euro 83.7 million, 25.1% margin (Euro 116.5 million in the First Quarter of 2009)
- Net Income: Euro 53.6 million, 16.1% margin (Euro 72.4 million in the First Quarter of 2009)
- Solid Net Cash Position: Euro 68.8 million (Euro 22.6 million in the First Quarter of 2009)

Biadene di Montebelluna, May 14, 2010 – The Board of Directors of Geox S.p.A., the Italian company leader in the *classic* and *casual* footwear market listed on the Milan Stock Exchange (MSE: GEO.MI), approved today the first quarter 2010 financial results.

Mario Moretti Polegato, Chairman and founder of Geox, commented: "As expected, this has been a challenging quarter because of the ongoing crisis worldwide. However, I am fairly relaxed about the Group's prospects given the encouraging signs that we have been getting from the performance of our flagship stores and, even more so, from the orders that we have been receiving for the fall/winter 2010 season, which sees Geox growing once again by more than 2% in world markets. In addition our solid net cash position and the healthy profitability confirm the strength of our business model."

THE GROUP'S ECONOMIC PERFORMANCE

Sales

Consolidated sales for the first quarter 2010 declined by 13% (at current and at constant exchange rates) to Euro 333.1 million. At the end of April net sales declined by 11% due to a different timing of deliveries of the Spring/Summer collections in comparison with the same period of 2009.

Footwear sales represented 88% of consolidated sales, amounting to Euro 293.7million, with a 16% decrease compared to the same period of 2009. Apparel sales accounted for 12% of consolidated sales equal to Euro 39.4 million, showing an encouraging 9% increase.

(Thousands of Euro)	I quarter 2010	%	I quarter 2009	%	Ch. %
Footwear	293,715	88.2%	348,060	90.6%	(15.6%)
Apparel	39,355	11.8%	36,116	9.4%	9.0%
Net sales	333,070	100.0%	384,176	100.0%	(13.3%)

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Sales in Italy, the Group's main market, which accounted for 38% of sales (36% in the same period of 2009) declined by 9% to Euro 125.8 million.

Sales in Europe, which accounted for 46% of sales (48% in the same period of 2009) declined by 18% to Euro 152.4 million.

North American sales declined by 14% (-17% at constant exchange rates) and sales in the Other Countries declined by 9% (-6% at constant exchange rates).

(Thousands of Euro)	I quarter 2010	%	I quarter 2009	%	Ch. %
Italy	125,805	37.8%	138,202	36.0%	(9.0%)
Europe (*)	152,403	45.8%	184,910	48.1%	(17.6%)
North America	14,555	4.4%	16,838	4.4%	(13.6%)
Other countries	40,307	12.1%	44,226	11.5%	(8.9%)
Net sales	333,070	100.0%	384,176	100.0%	(13.3%)

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

Analyzing sales by distribution, the Geox Shop channel (franchising and *Directly Operated Stores* - DOS) increased by 2%. In the first quarter of 2010 this channel represented 30% of sales (26% in the same period of 2009).

Multibrand shops, the Group's main distribution channel, which accounted for 70% of sales (74% in the same period of 2009) declined by 19%.

(Thousands of Euro)	I quarter 2010	%	I quarter 2009	%	Ch. %
Multibrand	232,173	69.7%	285,471	74.3%	(18.7%)
Franchising	60,814	18.3%	60,437	15.7%	0.6%
DOS*	40,083	12.0%	38,268	10.0%	4.7%
Geox Shops	100,897	30.3%	98,705	25.7%	2.2%
Net sales	333,070	100.0%	384,176	100.0%	(13.3%)

(*) Directly Operated Stores

Sales of DOS opened by at least 12 months (*comparable store sales*) declined by 5.7% in the first quarter of 2010. Comparable stores sales related to the Spring Summer collections only (ie. from March 1st to May 9th) decreased by 2%.

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As of March 31, 2010 the overall number of Geox Shops was 1,015 of which 251 DOS. During the first quarter of 2010, 29 new Geox Shops were opened and 22 have been closed. The new openings include, among the others, shops in Milan, Turin, Wien, Madrid.

	03-31-2010		12-31-2009		03-31-2009	
	Geox Shops	of which DOS	Geox Shops	of which DOS	Geox Shops	of which DOS
Italy	330	87	327	89	304	78
Europe (*)	307	102	306	87	279	70
North America	52	42	56	49	53	52
Other countries	154	20	146	19	168	20
Countries with licensing agreements (**)	172	-	173	-	149	-
Total	1,015	251	1,008	244	953	220

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

(**) Sales by the franchising channel do not include those of the shops in these countries.

Cost of sales and Gross Profit

Cost of sales, as a percentage of sales, was 49.5% compared to 48.3% of the same period of 2009, producing a gross margin of 50.5% (51.7% in the first quarter of 2009). The decline in gross profit compared with the first quarter of 2009 is principally due to a greater use of air transport. This became necessary because of the production postponements caused by a higher degree of flexibility in the receipt of orders.

Operating expenses and Operating income (EBIT)

Selling and distribution expense as a percentage of sales was 4.9%, substantially in line with the same period of the previous year (4.6%).

General and administrative expenses were Euro 60.1 million, compared to 56.0 million of the first quarter of 2009. This increase, in line with management expectations, is entirely due to:

- costs involved in the opening and running of directly operated stores (DOS) and in particular of Geox flagship stores;
- non industrial amortization expenses which rose to Euro 8.1 million of the first quarter of 2010 from Euro 7.2 million of the same period of 2009, mainly related to the investments in the stores network.

Excluding the above mentioned costs, the total amount of general and administrative expenses and labor costs are in line with those of the previous year.

Advertising and promotion expense was equal to 2.4% of sales compared to 2.3% of the same period of 2009.

In the first quarter of 2010, the Group's operating result was Euro 83.7 million (Euro 116.5 million in the same period of 2009) resulting in a 25.1% margin.

EBITDA

EBITDA was Euro 93.6 million, 28.1% of sales, compared to Euro 124.9 million in the first quarter of 2009.

Income taxes and tax rate

Income taxes were equal to Euro 28.1 million, compared 40.7 million of the same period of 2009, with a tax rate of 34% (36% of in the same period of 2009).



THE GROUP'S FINANCIAL PERFORMANCE

At the end of March the Group's shareholders' equity rose from Euro 428.8 million as of December 2009 to Euro 487.8 million mainly due to the net result of the period, while Geox net cash position was equal to Euro 68.8 million (Euro 102.6 million at the end of 2009).

Compared to December 31, 2009 is highlighted by a significant increase in net working capital, which passes from Euro 159.5 million to Euro 293.9 million due to normal seasonality of the sector in which the Group operates.

The ratio of net working capital to revenues showed a decline on the equivalent value of the first quarter of 2009, mainly thanks to the decrease of inventories which was related to:

- the reduction of raw materials, as a consequence of owned plants' closures in 2009;
- destocking activity of products related to previous seasons.

In the first three months of 2010, free cash flow was negative for Euro 40.8 million versus Euro 22.4 million in the same period of 2009.; net cash position equal to Euro 68.8 million (Euro 22.6 million at the end of first quarter of 2009).



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

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

FOR MORE INFORMATIONS

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The Geox Group operates in the classic, casual, and sport 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 leader in the Italian market in its own segment and is the second leading brand in the "International Lifestyle Casual Footwear Market" (Source: Shoe Intelligence, 2009). Geox technology is protected by over 50 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

2010 and 2009 results are reported under IAS/IFRS. Fiscal year 2009 results have been audited, while 2010 and 2009 first quarter results have not been audited. Consolidated balance sheet and cash flow statement are reclassified with statements normally used by management and investors to assess the Group's results. The afore-mentioned reclassified financial statements do not meet the presentation standards set down by the IFRS and thus are not to be considered a replacement. However, since their contents are the same, they can be easily reconciled with those envisaged by the International Accounting Standards.

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CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	I quarter 2010		I quarter 2009		2009	
		%		%		%
Net sales	333,070	100.0%	384,176	100.0%	865,010	100.0%
Cost of sales	(164,881)	(49.5%)	(185,370)	(48.3%)	(426,957)	(49.4%)
Gross profit	168,189	50.5%	198,806	51.7%	438,053	50.6%
Selling and distribution costs	(16,263)	(4.9%)	(17,612)	(4.6%)	(42,409)	(4.9%)
General and administrative expenses	(60,065)	(18.0%)	(55,991)	(14.6%)	(214,731)	(24.8%)
Advertising and promotion	(8,152)	(2.4%)	(8,700)	(2.3%)	(46,216)	(5.3%)
Operating result	83,709	25.1%	116,503	30.3%	134,697	15.6%
Special items	-	0.0%	-	0.0%	(5,306)	(0.6%)
Net asset impairment	-	0.0%	-	0.0%	(12,363)	(1.4%)
EBIT	83,709	25.1%	116,503	30.3%	117,028	13.5%
Net interest	(2,055)	(0.6%)	(3,396)	(0.9%)	(4,154)	(0.5%)
PBT	81,654	24.5%	113,107	29.4%	112,874	13.0%
Income tax	(28,086)	(8.4%)	(40,717)	(10.6%)	(46,168)	(5.3%)
<i>Tax rate</i>	<i>34%</i>		<i>36%</i>		<i>41%</i>	
Net Income	53,568	16.1%	72,390	18.8%	66,706	7.7%
EPS (Earnings per shares)	0.21		0.28		0.26	

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

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RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Thousands of Euro)	March 31, 2010	Dec. 31, 2009	March 31, 2009
Intangible assets	73,559	74,651	78,784
Property, plant and equipment	71,825	71,516	80,261
Other non-current assets - net	40,884	40,707	30,789
Total non-current assets	186,268	186,874	189,834
Net operating working capital	293,862	159,465	356,155
Other current assets (liabilities), net	(52,092)	(10,409)	(65,820)
Net invested capital	428,038	335,930	480,169
Equity	487,802	428,751	495,805
Provisions for severance indemnities, liabilities and charges	9,047	9,765	6,996
Net financial position	(68,811)	(102,586)	(22,632)
Net invested capital	428,038	335,930	480,169

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	March 31, 2010	Dec. 31, 2009	March 31, 2009
Inventories	107,636	152,387	135,200
Accounts receivable	276,452	128,803	291,374
Accounts payable	(90,226)	(121,725)	(70,419)
Net operating working capital	293,862	159,465	356,155
% of sales for the last 12 months	36.1%	18.4%	39.1%
Taxes payable	(42,596)	(8,428)	(62,939)
Other non-financial current assets	15,775	24,042	17,958
Other non-financial current liabilities	(25,271)	(26,023)	(20,839)
Other current assets (liabilities), net	(52,092)	(10,409)	(65,820)

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RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENTS

(Thousands of Euro)	I quarter		
	2010	2009	2009
Net income	53,568	72,390	66,706
Depreciation, amortization and impairment	9,863	8,383	49,348
Other non-cash items	3,001	19,354	23,205
	66,432	100,127	139,259
Change in net working capital	(140,649)	(161,207)	36,974
Change in other current assets/liabilities	41,549	49,423	(16,553)
Cash flow from operations	(32,668)	(11,657)	159,680
Capital expenditure	(8,864)	(11,487)	(41,995)
Disposals	702	748	2,957
Net capital expenditure	(8,162)	(10,739)	(39,038)
Free cash flow	(40,830)	(22,396)	120,642
Dividends	-	-	(62,210)
Increase in share capital	-	-	23
Change in net financial position	(40,830)	(22,396)	58,455
Initial net financial position - prior to fair value adjustment of derivatives	101,610	42,819	42,819
Change in net financial position	(40,830)	(22,396)	58,455
Translation differences	137	505	336
Final net financial position - prior to fair value adjustment of derivatives	60,917	20,928	101,610
Fair value adjustment of derivatives	7,894	1,704	976
Final net financial position	68,811	22,632	102,586