GEOX

GEOX S.P.A. BOARD OF DIRECTORS APPROVED NINE MONTHS 2012 RESULTS

SALES: EURO 701.5 MILLION, SOLID NET CASH POSITION AT EURO 60.4 MILLION

- **Sales: Euro 701.5 million (Euro 768.7 million in the nine months of 2011)**
- **EBITDA adj[1]: Euro 100.3 million, 14.3% margin (Euro 132.1 million in the nine months of 2011)**
- **EBIT adj[1]: Euro 70.9 million, 10.1% margin (Euro 103.6 million in the nine months of 2011)**
- **Solid Net Cash Position: Euro 60.4 million (Euro 56.9 million in the nine months of 2011)**

Biadene di Montebelluna, November 8, 2012 – 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 nine months 2012 financial results.

Mario Moretti Polegato, Chairman and founder of Geox, commented: "As expected 2012 is proving to be difficult due to the economic downturn of the Europe's Mediterranean countries where the contraction in consumption is most widespread and in the wholesale channel. However, the solidity of the Group, with 60 million cash at the end of September, the dynamic development of many countries such as Russia, Eastern Europe and the Far East, the new direct operated store openings in China and Hong Kong and the encouraging trend in sales at our direct stores in general, showing comparable growth of 9% in the Fall/Winter season, confirm the validity of our growth strategy focused on these emerging markets and on opening new retail stores".

THE GROUP'S ECONOMIC PERFORMANCE

Sales

Nine months 2012 consolidated net sales decreased by 9% (10% at constant exchange rates) to Euro 701.5 million. Footwear sales represented 86% of consolidated sales, amounting to Euro 601.8 million, with a 8% decrease compared to the same period of 2011. Apparel sales accounted for 14% of consolidated sales equal to Euro 99.7 million, with a 12% decrease.

(Thousands of Euro)	9 months 2012	%	9 months 2011	%	Ch. %
Footwear	601,788	85.8%	655,490	85.3%	(8.2%)
Apparel	99,673	14.2%	113,175	14.7%	(11.9%)
Net sales	**701,461**	**100.0%**	**768,665**	**100.0%**	**(8.7%)**

[1] EBITDA adj and EBIT adj exclude non recurring items for Euro 11.9 million (Euro 0.4 million in the same period of 2011).

Sales in Italy, the Group's main market, which accounted for 37% of sales (40% in the nine months of 2011) amounted to Euro 261.9 million showing a 14% decrease.

Sales in Europe, which accounted for 42% of sales (in line with the nine months of 2011) declined by 8% to Euro 295.9 million, compared with Euro 321.5 million in the nine months of 2011.

North American sales decreased by 1% at Euro 41.1 million (-9% at constant exchange rates). Sales in the Other Countries slightly increased (-3% at constant exchange rates).

(Thousands of Euro)	**9 months 2012**	**%**	**9 months 2011**	**%**	**Ch. %**
Italy	261,898	37.3%	303,645	39.5%	(13.7%)
Europe (*)	295,898	42.2%	321,536	41.8%	(8.0%)
North America	41,127	5.9%	41,701	5.4%	(1.4%)
Other countries	102,538	14.6%	101,783	13.3%	0.7%
Net sales	**701,461**	**100.0%**	**768,665**	**100.0%**	**(8.7%)**

(*) 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 5%. This channel represented 49% of sales (43% in the nine months of 2011).

The sales of directly operated stores (DOS), which accounted for 24% of sales, increased by 10% to Euro 171.5 million, thanks to new openings and to the positive performance (+5%) of the stores that have been open for at least 12 months (comparable stores sales).

Comparable store sales related to the Fall/Winter 2012 collections only (i.e. from the retail week 35 to week 42 – August 27th to October 21st) increased by 9%.

Franchising channel reported an increase of 1% in the nine months of 2012 to Euro 172.3 million, equal to 25% of sales.

Multibrand channel, which accounted for 51% of sales (57% in the nine months of 2011), declined by 19% to Euro 357.7 million.

(Thousands of Euro)	**9 months 2012**	**%**	**9 months 2011**	**%**	**Ch. %**
Multibrand	**357,675**	**51.0%**	**441,315**	**57.4%**	**(19.0%)**
Franchising	172,291	24.6%	171,064	22.3%	0.7%
DOS*	171,495	24.4%	156,286	20.3%	9.7%
Geox Shops	**343,786**	**49.0%**	**327,350**	**42.6%**	**5.0%**
Net sales	**701,461**	**100.0%**	**768,665**	**100.0%**	**(8.7%)**

**Directly Operated Stores.*

As of September 2012 the overall number of Geox Shops was 1,195 of which 273 DOS. During the nine months of 2012, 156 new Geox Shops were opened and 101 have been closed. New openings of the third quarter include shops in Moscow, Hong Kong, Shanghai, Beijing and Tianjin.

	09-30-2012		12-31-2011		9M 2012		
	Geox Shops	**of which DOS**	**Geox Shops**	**of which DOS**	**Net Openings**	**Openings**	**Closings**
Italy	420	80	392	79	28	44	(16)
Europe (*)	339	129	320	126	19	48	(29)
North America	39	38	44	40	(5)	3	(8)
Other countries (**)	397	26	384	17	13	61	(48)
Total	**1,195**	**273**	**1,140**	**262**	**55**	**156**	**(101)**

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

(**) Includes Under License Agreement Shops (147 as of September 30 2012, 171 as of December 31 2011) Under Licence Agreement are shops opened under license by partners in the Middle East and in the Far East. 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 52.9% compared to 54.4% of the nine months of 2011, producing a gross margin of 47.1% (45.6% in nine months of 2011). The increase in gross profit, compared with the nine months of 2011 is explained by the favorable trends of currencies, increased profitability in the directly operated stores, the steps taken in terms of product mix, channels, prices, which offset unfavorable trends in raw material prices and labour costs increases in supplier countries.

Operating expenses and Operating income (EBIT)

Selling and distribution expenses as a percentage of sales was 5.4%, substantially in line with the nine months of 2011 (5.1%).

General and administrative expenses were equal to Euro 187.1 million, compared with Euro 173.1 million of the nine months of 2011. General and administrative expenses, as a percentage of sales, were 26.7%, compared to 22.5% of the nine months of 2011.

The increase, in line with management expectations is mainly due to growth initiatives:

- costs of opening and running of directly operated stores (DOS);
- investments in management and operations for the start up of new subsidiaries.

Advertising and promotions expenses were equal to 4.9% of sales compared to 4.4% of the nine months of 2011.

Special items equals to Euro 11.9 million that is mainly due to costs related to contractual expenses for the closing of some non performing stores for Euro 1.8 million, charges related to the ongoing process of reorganization for Euro 0.8 million and the amounts paid as termination agreement with the former CEO, which includes a termination agreement and a non compete agreement.

The Group's operating result was Euro 59.0 million, 8.4% as a percentage of sales, compared with Euro 103.2 million of the nine months of 2011 (13.4% as a percentage of sales).

The operating results adjusted, excluding special items mentioned above, is equal to Euro 70.9 million (10.1% on sales) compared with Euro 103.6 million (13.5%) of the nine months of 2011.

EBITDA

EBITDA was Euro 88.4 million, 12.6% of sales, compared to Euro 131.7 million in the nine months of 2011.

EBITDA adjusted, excluding special items, is equal to Euro 100.3 million, 14.3% of sales, compared to Euro 132.1 million of the nine months of 2011 (17.2% of sales).

Income taxes and tax rate

Income taxes were equal to Euro 20.5 million, compared to Euro 36.0 million of nine months 2011, with a tax rate of 36% in line with nine months of 2011.

THE GROUP'S FINANCIAL PERFORMANCE

The Group balance sheet shows a solid net cash position of Euro 60.4 million.

The ratio of net working capital to sales comes to 30.4% compared with 32.2% for the first nine months of 2011. This improvement is due to our handling of payment terms with suppliers, which more than offset the slight increase in inventory and a reduction in the receivables compared with the same period last year.

Free cash flow was Euro 23.3 million, compared with Euro 7.3 million cash absorption of the nine months of 2011.

During the period Euro 41.5 million dividend (Euro 46.7 million in the nine months of 2011) were distributed. Capital expenditures were Euro 33.4 million of which Euro 24.1 million for new store openings and store refurbishment.

FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

In early 2012, 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 lower promotions during the sales period and 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, and bearing in mind that there are still products in stock with the distribution network in certain geographical areas, because of unsatisfactory sales during 2012, above all in the wholesale channel, management believes that it will have to take a very prudent look at the reorder forecasts for the last quarter of 2012 and at the order forecasts for the upcoming Spring/Summer 2013 collection. As a result, for the whole of 2012, management is expecting to see a decrease in sales of around 8% and is assuming that a similar decrease will continue in the first half of 2013.

Given the current situation, the Geox Group has reacted with measures aimed to generate cash and boost gross margins, which are confirmed by the orders book in terms of product mix, channels and prices. Furthermore, significant investments related to new shop openings, management hiring and commercial structure improvements in Russia, Eastern Europe and Asia will allow us to achieve the important potential growth opportunity in these markets, where the Group's presence is still limited, but rapidly growing. These investments will however lead to pressure on 2012 fiscal year operating margins (EBITDA).

On October 5, 2012 and November 8, 2012, the Board of Directors took note of the resignation of directors respectively Diego Bolzonello (former CEO) and Lodovico Mazzolari. On November 8, 2012 the Board of Directors has co-opted to replace them as new directors Roland Berger and Claudia Baggio.

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

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

FOR MORE INFORMATIONS

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GEOX GROUP

The Geox Group operates in the classic and casual footwear sector for men, women and children, with a medium/high price level, and in the apparel sector. The success of Geox is due to the constant focus on the application of innovative solutions and technologies on the product that guarantee both impermeability and breathability. Geox is one of the leading brand in the "International Lifestyle Casual Footwear Market" (Source: Shoe Intelligence, 2012). Geox technology is protected by over 60 different patents registered in Italy and extended internationally.

DISCLAIMER

ANNEXES

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

2012 and 2011 results are reported under IAS/IFRS. Fiscal year 2011 results have been audited, while first nine months 2011 and first nine months 2012 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 2012	%	9 months 2011	%	2011	%
Net sales	**701,461**	**100.0%**	**768,665**	**100.0%**	**887,272**	**100.0%**
Cost of sales	(371,195)	(52.9%)	(418,506)	(54.4%)	(478,140)	(53.9%)
Gross profit	**330,266**	**47.1%**	**350,159**	**45.6%**	**409,132**	**46.1%**
Selling and distribution costs	(37,574)	(5.4%)	(39,426)	(5.1%)	(45,581)	(5.1%)
General and administrative expenses	(187,115)	(26.7%)	(173,121)	(22.5%)	(234,521)	(26.4%)
Advertising and promotion	(34,645)	(4.9%)	(34,017)	(4.4%)	(45,935)	(5.2%)
Operating result	**70,932**	**10.1%**	**103,595**	**13.5%**	**83,095**	**9.4%**
Special items	(11,887)	(1.7%)	(369)	(0.0%)	(582)	(0.1%)
EBIT	**59,045**	**8.4%**	**103,226**	**13.4%**	**82,513**	**9.3%**
Net interest	(2,487)	(0.4%)	(4,054)	(0.5%)	(4,386)	(0.5%)
PBT	**56,558**	**8.1%**	**99,172**	**12.9%**	**78,127**	**8.8%**
Income tax	(20,511)	(2.9%)	(35,996)	(4.7%)	(27,959)	(3.2%)
Tax rate	*36%*		*36%*		*36%*	
Net Income	**36,047**	**5.1%**	**63,176**	**8.2%**	**50,168**	**5.7%**
EPS (Earnings per shares) [Euro]	**0.14**		**0.24**		**0.19**	
EBITDA	**88,367**	**12.6%**	**131,698**	**17.1%**	**121,514**	**13.7%**
Special items	(11,887)		(369)		(582)	
EBITDA adjusted	**100,254**	**14.3%**	**132,067**	**17.2%**	**122,096**	**13.8%**

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, 2012	Dec. 31, 2011	Sept. 30, 2011
Intangible assets	69,077	67,222	67,350
Property, plant and equipment	66,231	63,658	64,465
Other non-current assets - net	50,215	40,599	42,763
Total non-current assets	**185,523**	**171,479**	**174,578**
Net operating working capital	**249,360**	**217,768**	**283,770**
Other current assets (liabilities), net	**(49,220)**	**(23,331)**	**(51,718)**
Net invested capital	**385,663**	**365,916**	**406,630**
Equity	435,522	446,428	454,567
Provisions for severance indemnities, liabilities and charges	10,553	10,180	8,961
Net financial position	(60,412)	(90,692)	(56,898)
Net invested capital	**385,663**	**365,916**	**406,630**

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	Sept. 30, 2012	Dec. 31, 2011	Sept. 30, 2011
Inventories	142,782	196,610	130,458
Accounts receivable	236,224	154,171	255,042
Accounts payable	(129,646)	(133,013)	(101,730)
Net operating working capital	**249,360**	**217,768**	**283,770**
% of sales for the last 12 months	***30.4%***	***24.5%***	***32.2%***
Taxes payable	(31,044)	(11,818)	(41,294)
Other non-financial current assets	23,962	21,801	21,296
Other non-financial current liabilities	(42,138)	(33,314)	(31,720)
Other current assets (liabilities), net	**(49,220)**	**(23,331)**	**(51,718)**

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENTS

(Thousands of Euro)	9 months 2012	9 months 2011	2011
Net income	**36,047**	**63,176**	**50,168**
Depreciation, amortization and impairment	29,322	28,472	39,001
Other non-cash items	3,848	(698)	(785)
	69,217	**90,950**	**88,384**
Change in net working capital	(39,078)	(112,118)	(44,128)
Change in other current assets/liabilities	26,618	38,406	6,080
Cash flow from operations	**56,757**	**17,238**	**50,336**
Capital expenditure	(34,429)	(26,531)	(36,093)
Disposals	987	1,967	2,407
Net capital expenditure	**(33,442)**	**(24,564)**	**(33,686)**
Free cash flow	**23,315**	**(7,326)**	**16,650**
Dividends	(41,473)	(46,657)	(46,657)
Change in net financial position	**(18,158)**	**(53,983)**	**(30,007)**

Initial net financial position - prior to fair value adjustment of derivatives	**78,214**	**108,504**	**108,504**
Change in net financial position	(18,158)	(53,983)	(30,007)
Translation differences	338	(1,206)	(283)
Final net financial position - prior to fair value adjustment of derivatives	**60,394**	**53,315**	**78,214**
Fair value adjustment of derivatives	18	3,583	12,478
Final net financial position	**60,412**	**56,898**	**90,692**