

GEOX S.p.A.
Biadene di Montebelluna (TV) – Via Feltrina Centro, 16
Share Capital Euro 25,920,733.10 fully paid up
Fiscal Code and Treviso Companies' Register no. 03348440268

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE
SHAREHOLDERS' MEETING CALLED FOR APPROVAL OF THE
FINANCIAL STATEMENTS AS AT 31 DECEMBER 2011 (art. 153,
Italian Legislative Decree no. 58/98)

Dear Shareholders,
during the financial year ended 31 December 2011 we performed the supervisory activity laid down by the law, also taking into account the principles of conduct of the Board of Statutory Auditors recommended by the National Council of Accountants and Accounting Experts.

In particular, on the activities carried out during the financial year, also in observance of the instructions provided by CONSOB, with communication no. DEM/1025564 of 6 April 2001, amended and supplemented with communication no. DEM/3021582 of 4 April 2003 and then with communication no. DEM/6031329 of 7 April 2006, we refer the following:

1. We have supervised observance of the law and the articles of association;
2. We have attended the meetings of the Shareholders, the Board of Directors and the Committees within the Board itself and we have obtained from Directors periodic information on the general business performance and outlook, as well as the most significant economic, financial and equity-related transactions deliberated and implemented during the financial year, also via the subsidiaries, making sure that the same were not manifestly careless, risky, in conflict of interests, in contrast with the shareholders' resolutions and the articles of association or such as to jeopardise the integrity of corporate assets;
3. We did not discover the existence of atypical and/or unusual transactions with companies in the Group, third parties or related parties, as confirmed in the indications of the Board of Directors, the independent auditing firm and the individual in charge of internal auditing;
4. We supervised compliance of the Procedure for Related-Party Transactions – approved by the Company with Board of Directors' resolution of 28 October 2010,

following the favourable opinion of the Internal Auditing Committee, implementing CONSOB Regulations 17221 of 12 March 2010 and subsequent amendments and supplements – with the principles contained in the Regulations themselves as well as actual observance of this Procedure by the Company. The information provided by the Board of Directors, also with specific regard to intragroup transactions and related-party transactions, was considered adequate. In particular, these latter transactions are to be considered as connected to and regarding achievement of the corporate object and are considered fair and in line with the interests of the company. In its Report on operations and Note 32 to the company's financial statements, the Board of Directors provided a detailed description of the transactions, all of an ordinary nature, carried out with subsidiaries and related parties, explaining their economic and financial effects and stating that they were characterized by the utmost transparency and concluded under market conditions;

5. On 19 March 2012, in compliance with art. 14, Italian Legislative Decree no. 39 of 27 January 2010, the independent auditing firm Reconta Ernst & Young S.p.A. issued its own reports on the individual and consolidated financial statements as at 31 December 2011, both containing an unqualified opinion with no informative mentions. In more detail, in the above-mentioned reports, it was stated that the individual and consolidated financial statements as at 31 December 2011 comply with the International Financial Reporting Standards (IFRS) adopted by the European Union and the provisions issued in implementation of art. 9 of Italian Legislative Decree no. 38/2005, are drafted clearly and provide a true and fair presentation of the balance sheet and financial position, the income statement, and the cash flows of the Company and the Group. The independent auditing firm also believes that the report on operations and the information in compliance with paragraph 1, letters c), d), f), l) and m) and paragraph 2, letter b) of art. 123-*bis* of the Italian Legislative Decree no. 58/98 presented in the report on corporate governance and ownership set-ups are coherent with the individual financial statements of the Company and with the Group's consolidated financial statements;

6. During the financial year 2011 neither reports pursuant to art. 2408 of the Italian Civil Code nor any complaints were made by third parties;

7. In compliance with art. 19, paragraph one, Italian Legislative Decree no. 39, as mentioned above, we supervised the financial disclosure process; the efficacy of the internal auditing and risk management systems; the legal auditing of annual accounts and consolidated accounts and the independence of the legal auditing firm, in particular as far as the provision of non-auditing services to the Company were concerned;

8. We received from the legal auditing firm which audits the Company accounts, in compliance with art. 17, paragraph nine, Italian Legislative Decree no. 39, as mentioned above, confirmation of the independence of the same as well as

communication of the services other than legal auditing provided to the Company by the independent auditing firm as well as by bodies belonging to the network of the same company. In particular, as results from the information reported in Annex 2 of the consolidated financial statements, during the financial year 2011 the Company did not allocate to Reconta Ernst & Young S.p.A. any further assignments other than those of legal auditing of the financial statements, the consolidated financial statements, the half-yearly report and checks on correct keeping of the company accounts. The Company allocated fiscal consultancy services amounting to Euro 121,000 to entities belonging to the "net" of the independent auditing firm Reconta Ernst & Young S.p.A. Finally, additional duties other than legal auditing (i.e. fiscal consultancy services) were assigned by other companies in the Group to subjects linked by on-going relations to Reconta Ernst & Young S.p.A. and belonging to its international network, amounting to Euro 39,000.

Bearing in mind (i) the declaration of independence issued by Reconta Ernst & Young S.p.A. and (ii) the assignments granted to the same and to the companies belonging to its network by the Company and by the Group's companies, we do not feel that there are any critical aspects concerning the independence of Reconta Ernst & Young S.p.A;

9. During the financial year 2011, 7 Board of Directors meetings, 14 Executive Committee meetings, 5 Internal Auditing Committee meetings, 3 Emoluments Committee meetings and 11 Board of Statutory Auditors meetings were held;

10. We acquired information and supervised, within our area of competence, observance of the principles of correct administration, through direct observations, the gathering of information from those in charge of company functions and from the executive tasked with drawing up the company accounting documents, through meetings with representatives of the independent auditing firm Reconta Ernst & Young S.p.A. also for the purposes of reciprocal exchange of significant data and information, from which no aspects worthy of note emerged. In particular, with regard to the decision-making processes of the Board of Directors, we ascertained, also through direct participation at board meetings, the compliance with the law and the articles of association of the management decisions made by the Directors and we verified that the relevant resolutions were supported by analyses and opinions – produced within or, when necessary, by external professionals – with regard, above all, to the economic fairness of the transactions and their subsequent correspondence to the interests of the Company. The periodic management results and also all aspects regarding the most significant transactions were carefully analysed and were the object of detailed debate at the meetings of the Board of Directors;

11. We acquired information and supervised, to the extent of our responsibility, the adequacy of the organisational structure of the Company and its operations;

12. We assessed and supervised the adequacy of the internal auditing system and the administrative-accounting system, and also the reliability of the latter to correctly represent management operations. This was done through (i) examination of the reports with which the Managing Director and the executive tasked with drawing up the company accounting documents stated the adequacy and actual implementation of administrative accounting procedures, the compliance of the contents of the accounting documents with IAS/IFRS international accounting standards, correspondence of the documents themselves with the results of the registers and accounting entries and their suitability to correctly represent the balance sheet, income statement and financial situation of the Company; (ii) examination of the report of the Internal Auditing Committee on the internal auditing system of the Company; (iii) obtaining of information from those responsible for respective functions; (iv) examination and analysis of company documents and the results of the work carried out by the independent auditing firm; (v) participation in the works of the Internal Auditing Committee and the individual in charge of internal auditing, with whom we exchanged information about the results of the checks he had made. No critical situations or facts emerged from the activity carried out which made us believe that the Company's internal auditing system, as a whole, was not adequate;

13. We examined and obtained information about activities of an organisational and procedural nature carried out in compliance with Italian Legislative Decree 231/2001 and subsequent amendments and supplements, on the administrative responsibility of bodies for offences laid down by such provisions. The Supervisory Body, appointed to supervise the efficacy, observance and updating of the Model for Organisation, Management and Control, reported on the activities carried out during the financial year 2011 without indicating any significant critical aspects, facts or situations which had to be illustrated in this report;

14. During the financial year 2011 we had periodic meetings and exchanges of information with representatives of Reconta Ernst & Young S.p.A., from which no significant critical aspects, facts or situations emerged which had to be illustrated in this report. In particular, (i) we assessed the work plan drafted by Reconta Ernst & Young S.p.A. for the audit, reporting it as adequate for the characteristics and size of the Group, and (ii) we supervised the efficacy of the legal auditing process, reporting that the same had been carried out in observance of the auditing plan and according to International Standards on Auditing (ISA);

15. Although to date we still have not received, in compliance with art. 19, paragraph three, Italian Legislative Decree no. 39, as mentioned above, the report of the legal auditing firm, illustrating the fundamental matters which emerged during the legal audit and any significant shortcomings recorded in the internal auditing system concerning the financial disclosure process, we have reasonable grounds to believe that the same should not highlight any problems;

16. We supervised the procedures for positive implementation of the corporate governance rules laid down by the Code of Best Practice adopted by the Company – in compliance with that processed, according to the initiative of Borsa Italiana S.p.A., by the Corporate Governance Committee for listed companies (March 2006 edition) – according to what indicated in the Report on corporate governance drafted by the Directors. In particular, we verified, on an annual basis, (i) the correct implementation of the ascertainment criteria and procedures adopted by the Board of Directors in assessing the independence of its own “non executive” members, and (ii) observance of the criteria of independence by individual members of the Board;

17. We assessed and supervised the adequacy of the provisions issued to the subsidiaries. Such provisions allowed the latter to provide the parent company with immediate information necessary for fulfilling the reporting obligations laid down by the regulations;

18. With reference to the provision as per art. 36 of the Market Regulations issued by CONSOB, relating to significant subsidiaries established and governed by the law of States not belonging to the European Union, we note that the administrative-accounting and reporting systems existing in the Group allow the accounting situations drafted for the purposes of preparing the consolidated financial statements to be put at the disposal of the public and that they are suitable for providing the Company management and auditor, on a regular basis, with the balance sheet, income statement and financial data necessary for drafting the consolidated financial statements themselves. For these ends, the information flow towards the central auditor, structured on various levels of the corporate control chain, active along the whole period of the financial year and functional for the activity of verifying the annual and interim accounts of the Company, is considered to be efficacious;

19. Through information gathered by the independent auditing firm Reconta Ernst & Young S.p.A. and by the Company management, we have ascertained observance of IAS/IFRS standards, and also the other legislative and regulatory provisions relating to the presentation and layout of the individual financial statements, the consolidated financial statements as at 31 December 2011 and the respective reports on operations.

During the supervisory activity, as described above, no omissions, censurable facts or irregularities emerged to be reported to the competent external control and supervisory bodies or to be mentioned in this report.

On the basis of the above, the Board of Statutory Auditors, to the extent of its responsibility, cannot find any reasons to prevent approval of the financial statements for the financial year as at 31 December 2011 which ended with a net profit for the year of Euro 43,238 thousand and the proposal to distribute the dividend as formulated by the Board of Directors, also in consideration of the available capital reserves.

Milan, 20 March 2012

THE BOARD OF STATUTORY AUDITORS

Fabrizio Colombo

Francesco Mariotto

Francesca Meneghel