



PRESS RELEASE - REVENUES FOR THE FIRST NINE MONTHS OF 2016

+4.3% INCREASE IN REVENUES DRIVEN BY SOLID GROWTH OF THE WHOLESALE CHANNEL, UP 11.3%, AND ONLINE SALES, WHICH GREW BY MORE THAN 30%.

+9% INCREASE IN ORDER BACKLOG RECORDED BY THE WHOLESALE CHANNEL FOR THE 2017 SPRING/SUMMER SEASON, WITH SOLID GROWTH IN THE GROUP'S MAIN MARKETS COMBINED WITH VERY POSITIVE TRENDS IN OTHER GEOGRAPHIC AREAS, ESPECIALLY IN CHINA, RUSSIA AND THE UK.

Biadene di Montebelluna, 9th November 2016 – Geox S.p.A., a leading brand in classic and casual footwear, listed on the Milan Stock Exchange (MSE: GEO.MI), today analysed its consolidated revenues for the first nine months of 2016.

Mario Moretti Polegato, Chairman and founder of Geox, commented: “Geox has closed the first nine months of 2016 with a 4.3% increase in turnover, thanks to the excellent performance of the wholesale channel, up 11.3%, and online sales, which grew by more than 30%.

Great Britain, Russia and eastern European countries were the main drivers for this performance, recording double-digit growth, with positive sales trends also being recorded by our stores in China in the last weeks.

The wholesale channel has also reported excellent results in terms of order collection for the forthcoming 2017 Spring/Summer season, up 9%. This has been driven by solid overall performance in Italy and the Group's main markets, combined with very positive trends across other geographic areas, including China.

These results have been achieved thanks to the ongoing implementation of our strategic development plan - focusing above all on product innovation - and are even more significant when considering the particularly volatile market conditions.

We are therefore even more focused on achieving maximum levels of efficiency, particularly with regard to manufacturing and retail management, in order to further boost performance and generate sustainable, profitable growth”.

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NINE MONTHS 2016 SALES

Nine months 2016 consolidated net sales increased by 4.3% to Euro 739.3 million (+4.7% at constant forex). Footwear sales, which accounted for about 90% of consolidated sales, amounting to Euro 668.9 million, increased 4.6% compared to nine months of 2015 (+4.9% at constant forex). Apparel sales, which represented 10% of consolidated sales, equal to Euro 70.4 million, compared to Euro 69.3 million of the nine months 2015 (+1.6%; +2.4% at constant forex).

(Thousands of Euro)	9 Months 2016	%	9 Months 2015	%	Var. %
Footwear	668,954	90.5%	639,612	90.2%	4.6%
Apparel	70,376	9.5%	69,262	9.8%	1.6%
Net sales	739,330	100.0%	708,874	100.0%	4.3%

Revenues generated in Italy, representing 31% of the Group's total revenues (34% in the first nine months of 2015), amounted to Euro 231.2 million, compared to Euro 238.1 million in the same period last year. This performance is a result of the planned rationalization of a number of mono-brand stores, which was offset by the positive performance of the wholesale channel, up +3.7% in the first nine months of the year.

Sales in Europe, which accounted for 44% of sales increased by 6.3% (6.4% at constant forex) to Euro 322.8 million, compared with Euro 303.5 million in the same period of 2015.

North American sales amounted to Euro 46.8 million, showing an increase of 1.6% (+5.2% at constant exchange rates). Sales in Other Countries increased by 14.4% compared to the nine months of 2015 (+15.2% at constant forex).

(Thousands of Euro)	9 Months 2016	%	9 Months 2015	%	Var. %
Italy	231,174	31.3%	238,147	33.6%	(2.9%)
Europe (*)	322,758	43.7%	303,527	42.8%	6.3%
North America	46,801	6.3%	46,077	6.5%	1.6%
Other countries	138,597	18.7%	121,123	17.1%	14.4%
Net sales	739,330	100.0%	708,874	100.0%	4.3%

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

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Revenues generated by directly-operated stores, DOS, representing 37% of Group revenues, recorded a slight reduction at Euro 273.8 million (-0.4% at constant exchange rates). This performance is due to the planned rationalization of stores and the stable like-for-like sales of stores in the nine months that have been open for at least 12 months (*comparable store sales*) (+4.1% in the first nine months of 2015).

Sales of the franchising channel, which account for 16% of Group revenues, amount to Euro 119.7 million, with a decrease of 1.5% (-1.3% at constant forex). As explained for Dos channel, this trend is due to the planned rationalization of the stores and to a slightly decrease on comparable store sales in the nine months (+4.5% in the nine months of 2015).

Wholesale stores representing 47% of Group revenues (44% in the first nine months of 2015) amount to Euro 345.8 million, with an increase of 11.3% (+11.6% at constant forex).

(Thousands of Euro)	9 Months 2016	%	9 Months 2015	%	Var. %
Wholesale	345,796	46.8%	310,762	43.8%	11.3%
Franchising	119,690	16.2%	121,504	17.1%	(1.5%)
DOS*	273,844	37.0%	276,608	39.0%	(1.0%)
Geox Shops	393,534	53.2%	398,112	56.2%	(1.1%)
Net sales	739,330	100.0%	708,874	100.0%	4.3%

* Directly Operated Store

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As of September 30, 2016, the overall number of Geox Shops was 1,148 of which 452 DOS. During the nine months of 2016, 68 new Geox Shops were opened and 81 have been closed, in line with the rationalization plan of the mono-brand network.

	09-30-2016		12-31-2015		9 Months 2016		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	351	129	360	131	(9)	8	(17)
Europe (*)	346	174	348	179	(2)	9	(11)
North America	46	46	47	47	(1)	3	(4)
Other countries (**)	405	103	406	119	(1)	48	(49)
Total	1,148	452	1,161	476	(13)	68	(81)

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

(**) Includes Under License Agreement Shops (146 as of September 30 2016, 142 as of December 31 2015). Sales from these shops are not included in the franchising channel.

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FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

Over the first nine months of 2016, macro conditions remained volatile, both in Europe, considered to be our domestic market, and across our other reference markets.

The Group's growth was driven by both the wholesale channel, which recorded excellent overall performance across all geographic areas, and by online sales, with comparable sales generated by directly-operated stores to date (week 1 – week 44) remaining stable.

Retail dynamics can be explained by the reduction in footfall in stores being compensated for by a significant improvement in the conversion rate and by the challenging basis for comparison, which, however, is expected to be less demanding over the last two months of 2016.

In a context in which retail performance is not generating the level of growth originally expected, Management considered it necessary to implement a number of incisive actions to improve efficiency, reduce costs and limit business risk. These actions include:

- measures to rationalize the retail network;
- the renegotiation of store rents;
- a reduction in structural costs;
- marketing initiatives mainly aimed at increasing the sales conversion rate in stores.

Management therefore believes that, even if comparable retail sales remain stable towards the end of the year, both operating profitability (EBIT) and net profit for the entire year will be supported by the measures undertaken to improve operating efficiency and make savings. These measures are generating better results than originally expected, meaning that operating profitability (EBIT) and net profit are expected to be substantially in line with last year.

With regard to business outlook for the first half of 2017, Management would like to highlight the solid growth in orders collected by the wholesale channel, in line with expectations, with order backlog for the 2017 Spring/Summer season up 9%, driven by excellent performance across all main geographic areas. These results confirm the effectiveness of the strategic decisions made in terms of products, sales channel specialization and pricing.



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: ph. +39 0423 282476; mobile: +39 334 6535536; ir@geox.com
Livio Libralesso, CFO

UFFICIO STAMPA

Juan Carlos Venti: ph: +39 0423 281914; mobile +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 brands 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.