



**INTERIM REPORT
FIRST QUARTER OF 2010**

Geox S.p.A.

Registered Offices in Italy - Via Feltrina Centro 16, Biadene di Montebelluna (Treviso)

Share Capital - Euro 25,920,733.1 fully paid

Tax Code and Treviso Companies Register No. 03348440268

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Company officers

Board of Directors

Name	Position and independent status (where applicable)
Mario Moretti Polegato	Chairman and Executive Director
Enrico Moretti Polegato	Vice Chairman and Executive Director
Diego Bolzonello (*)	Director and CEO
Lodovico Mazzolari	Executive Director
Umberto Paolucci	Independent Director
Francesco Gianni	Independent Director
Alessandro Antonio Giusti	Independent Director
Bruno Barel	Independent Director
Renato Alberini	Independent Director

(*) Powers and responsibilities for ordinary and extraordinary administration, within the limits indicated by law and the Articles of Association, in compliance with the powers of the Shareholders' Meeting, the Board of Directors and the Executive Committee, in accordance with the Board of Directors' resolution of April 21, 2010.

Board of Statutory Auditors

Name	Position
Fabrizio Colombo	Chairman
Francesca Meneghel	Statutory Auditor
Francesco Mariotto	Statutory Auditor
Laura Gualtieri	Alternate Auditor
Davide Attilio Rossetti	Alternate Auditor

Independent Auditors

Reconta Ernst & Young S.p.A.

Directors' report

Introduction

The market in which the Geox Group operates is characterized by seasonal phenomena, typical of the sector, leading to differences in the flow of costs and revenues in the various months of the year. In particular, the invoicing of products in the first six months, corresponding to the Spring/Summer sales period, is characterized by a concentration in the months of January, February and March, while the operating costs showed a more linear trend throughout the first six months.

It is important to remember, therefore, that the Income Statement relating to the First Quarter cannot be considered as a proportionate part of the whole financial period and the quarterly results of the period ending on March 31 are not comparable with those as of June 30 and December 31.

From a financial point of view, the quarterly figures are also affected by the same seasonal phenomena. The figures as of March 31, in fact, compared to the figures as of June 30 and December 31 highlight a significantly higher net working capital.

The Group's Economic Performance

Economic results summary

The main results are outlined below:

- Net sales of Euro 333.1 million, with a decrease of 13% (- 13% constant exchange rates) compared with Euro 384.2 million in the first three months of 2009;
- EBITDA of Euro 93.6 million, compared to Euro 124.9 million in the first three months of 2009, with a 28.1% margin;
- EBIT of Euro 83.7 million, compared to Euro 116.5 million in the first three months of 2009, with a 25.1% margin;
- Net income of Euro 53.6 million, compared to Euro 72.4 million of the first three months of 2009, with a 16.1% margin.

In the following table a comparison is made between the consolidated income statement for first quarter of 2010, first quarter of 2009 and the full year 2009:

(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	93,572	28.1%	124,886	32.5%	166,375	19.2%

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

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 the decrease in the Spring/Summer backlog orders already announced, and 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 a 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%)

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%.

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

The following table summarizes the 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

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 following table shows the mix and changes in net 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)

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.

The following table gives a reclassified consolidated cash flow statement:

(Thousands of Euro)	I quarter 2010	I quarter 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

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).

The following table gives a breakdown of the net financial position:

(Thousands of Euro)	March 31, 2010	Dec. 31, 2009	March 31, 2009
Cash and cash equivalents	67,020	107,470	58,502
Current financial assets - excluding derivatives	341	163	164
Bank borrowings and current portion of long-term loans	(7,232)	(6,315)	(37,951)
Current financial liabilities - excluding derivatives	(1)	(6)	(20)
Net financial position - current portion	60,128	101,312	20,695
Non-current financial assets	1440	1,047	1,083
Long-term loans	(651)	(749)	(850)
Net financial position - non-current portion	789	298	233
Net financial position - prior to fair value adjustment of derivatives	60,917	101,610	20,928
Fair value adjustment of derivatives	7,894	976	1,704
Net financial position	68,811	102,586	22,632

Significant events during the quarter

No particularly significant events occurred during the quarter other than those already mentioned in the preceding paragraphs.

Forecast for operations and significant subsequent events

On the basis of the turnover reached in the first quarter and the outstanding orders for the current Spring/Summer season, the management believes that the first six-month might close with the same trend of the first quarter.

Regarding the second half of 2010, Autumn/Winter season orders backlog, for the wholesale and franchising channels, show an increase of 2% compared to the same period of 2009.

Consolidated Financial Statements

Consolidated income statement

(Thousands of Euro)	I quarter 2010	I quarter 2009	2009
Net sales	333,070	384,176	865,010
Cost of sales	(164,881)	(185,370)	(426,957)
Gross profit	168,189	198,806	438,053
Selling and distribution costs	(16,263)	(17,612)	(42,409)
General and administrative expenses	(60,065)	(55,991)	(214,731)
Advertising and promotion	(8,152)	(8,700)	(46,216)
Special items	-	-	(5,306)
Net asset impairment	-	-	(12,363)
EBIT	83,709	116,503	117,028
Net interest	(2,055)	(3,396)	(4,154)
PBT	81,654	113,107	112,874
Income tax	(28,086)	(40,717)	(46,168)
Net income	53,568	72,390	66,706
Earnings per share [Euro]	0.21	0.28	0.26
Diluted earnings per share [Euro]	0.21	0.28	0.26

Consolidated statement of comprehensive income

(Thousands of Euro)	I quarter 2010	I quarter 2009	2009
Net income	53,568	72,390	66,706
Net gain (loss) on Cash Flow Hedge, net of tax	5,058	(2,959)	(3,567)
Currency translation	(209)	(121)	1,076
Net comprehensive income	58,417	69,310	64,215

Consolidated statement of financial position

(Thousands of Euro)	March 31, 2010	Dec. 31, 2009	March 31, 2009
ASSETS:			
Intangible assets	73,559	74,651	78,784
Property, plant and equipment	71,825	71,516	80,261
Deferred tax assets	26,397	26,076	25,248
Non-current financial assets	1,440	1,047	1,083
Other non-current assets	16,885	16,947	10,692
Total non-current assets	190,106	190,237	196,068
Inventories	107,636	152,387	135,200
Accounts receivable	276,452	128,803	291,374
Other non-financial current assets	15,775	24,042	17,958
Current financial assets	10,227	4,402	3,511
Cash and cash equivalents	67,020	107,470	58,502
Current assets	477,110	417,104	506,545
Total assets	667,216	607,341	702,613
LIABILITIES AND EQUITY:			
Share capital	25,921	25,921	25,920
Reserves	408,313	336,124	397,495
Net income	53,568	66,706	72,390
Equity	487,802	428,751	495,805
Employee severance indemnities	2,402	2,509	2,898
Provisions for liabilities and charges	6,645	7,256	4,098
Long-term loans	651	749	850
Other long-term payables	2,398	2,316	5,151
Total non-current liabilities	12,096	12,830	12,997
Accounts payable	90,226	121,725	70,419
Other non-financial current liabilities	25,271	26,023	20,839
Taxes payable	42,596	8,428	62,939
Current financial liabilities	1,993	3,269	1,663
Bank borrowings and current portion of long-term loans	7,232	6,315	37,951
Current liabilities	167,318	165,760	193,811
Total liabilities and equity	667,216	607,341	702,613

Consolidated statement of cash flows

(Thousands of Euro)	I quarter 2010	I quarter 2009	2009
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	53,568	72,390	66,706
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation and amortization and impairment	9,863	8,383	49,348
Increase in (use of) deferred taxes and other provisions	2,364	11,205	13,238
Provision for employee severance indemnities, net	(109)	(409)	(783)
Other non-cash items	746	8,558	10,750
	12,864	27,737	72,553
Change in assets/liabilities:			
Accounts receivable	(153,676)	(178,853)	(8,549)
Other assets	6,070	4,610	(6,382)
Inventories	45,242	97,114	72,625
Accounts payable	(32,215)	(79,468)	(27,102)
Other liabilities	1,284	(893)	961
Taxes payable	34,195	45,706	(11,132)
	(99,100)	(111,784)	20,421
Operating cash flow	(32,668)	(11,657)	159,680
CASH FLOW USED IN INVESTING ACTIVITIES:			
Capital expenditure on intangible assets	(1,929)	(3,553)	(12,030)
Capital expenditure on property, plant and equipment	(6,935)	(7,934)	(29,965)
	(8,864)	(11,487)	(41,995)
Disposals	702	748	2,957
(Increase) decrease in financial assets	(567)	408	447
Cash flow used in investing activities	(8,729)	(10,331)	(38,591)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES:			
Increase (decrease) in short-term bank borrowings, net	670	561	(332)
Loans:			
- Proceeds	-	23,280	21,865
- Repayments	(202)	(12,237)	(41,630)
Dividends	-	-	(62,210)
Increase in share capital	-	-	23
Cash flow from financing activities	468	11,604	(82,284)
Increase in cash and cash equivalents	(40,929)	(10,384)	38,805
Cash and cash equivalents, beginning of the period	107,470	68,672	68,672
Effect of translation differences on cash and cash equivalents	479	214	(7)
Cash and cash equivalents, end of the period	67,020	58,502	107,470
Supplementary information to the cash flow statement:			
- Interest paid during the period	131	1,631	2,791
- Interest received during the period	166	295	1,436
- Taxes paid during the period	680	806	61,748

Consolidated statements of changes in equity

(Thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Translation reserve	Other reserves	Retained earnings	Net income for the period	Group equity
Balance at December 31, 2008	25,920	5,183	37,649	(1,612)	9,722	230,751	118,174	425,787
Allocation of 2008 result	-	1	-	-	-	118,173	(118,174)	-
Distribution of dividends	-	-	-	-	-	(62,210)	-	(62,210)
Translation differences	-	-	-	1,076	-	-	-	1,076
Recognition of cost stock option plans	-	-	-	-	936	-	-	936
Valuation of <i>cash flow hedge</i>	-	-	-	-	(3,567)	-	-	(3,567)
Increase in share capital	1	-	29	-	(7)	-	-	23
Subsidiaries' move to Euro	-	-	-	(208)	-	208	-	-
Net income	-	-	-	-	-	-	66,706	66,706
Balance at December 31, 2009	25,921	5,184	37,678	(744)	7,084	286,922	66,706	428,751
Allocation of 2009 result	-	-	-	-	-	66,706	(66,706)	-
Translation differences	-	-	-	(209)	-	-	-	(209)
Recognition of cost stock option plans	-	-	-	-	634	-	-	634
Valuation of <i>cash flow hedge</i>	-	-	-	-	5,058	-	-	5,058
Net income	-	-	-	-	-	-	53,568	53,568
Balance at March 31, 2010	25,921	5,184	37,678	(953)	12,776	353,628	53,568	487,802

Explanatory Notes

The economic/financial results of the Group as at March 31, 2010 and for the periods of comparison were prepared on the basis of Annex 3D to the Issuers' Regulations no. 11971 of May 14, 1999, and subsequent amendments and additions.

The quarterly statement as at March 31, 2010, which is not subject to auditing by the Auditing firm, was prepared in accordance with the *International Financial Reporting Standards* (IFRS) issued by the *International Accounting Standards Board* (IASB) and the relative standards of interpretation (IFRIC) in force at the time the Statement was drawn up.

The accounting standards and valuation criteria adopted are the same as those used for the preparation of the annual consolidated financial statements.

Statement by the manager responsible for the preparation of the company's financial 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.

Biadene di Montebelluna, May 14, 2010

On behalf of the Board of Directors
Chairman
Dr. Mario Moretti Polegato