



PRESS RELEASE – REVENUES FOR THE FIRST QUARTER OF 2016

+4.7% INCREASE IN REVENUES THANKS TO POSITIVE PERFORMANCE RECORDED ACROSS ALL SALES CHANNELS AND IN PARTICULAR IN THE MULTI-BRAND CHANNEL, UP 7.1%

+14% INCREASE IN ORDER BACKLOG RECORDED BY THE MULTI-BRAND CHANNEL FOR THE 2016 FALL/WINTER SEASON

Biadene di Montebelluna, 12th May 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 quarter of 2016.

Mario Moretti Polegato, Chairman and founder of Geox, commented: “I am satisfied with the revenues generated by Geox Group in the first quarter, which recorded a 5% increase thanks to the positive performance recorded across all sales channels. In particular, the multi-brand channel reported a growth of 7% and sales also increased for both our directly operated and franchised mono-brand stores, by 2.5% and 2.2% respectively.

These results, achieved amid a challenging industry environment, are confirmation of the effectiveness of our strategic development plan and of our sales and marketing initiatives. I’m particularly referring to our product innovation, which has always allowed us to stand out in the market. We’ve launched technically innovative projects, such as the Amphibiox and Nebula ranges, successfully combining modern design with high levels of comfort, guaranteed by great breathability.

However, macro conditions remain volatile, presenting us with a number of challenges that we must transform into opportunities. In addition to our ongoing focus on revenues, we must remain vigilant in the management of costs, margins and channel specialization.

Finally, with respect to the second half of the year, the orders already collected by the multi-brand channel for the 2016 Fall/Winter season, show a solid growth of 14%, thanks to excellent overall performance across all geographical areas, channels, categories and product lines.”

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FIRST QUARTER 2016 SALES

First quarter 2016 consolidated net sales increased by 4.7% to Euro 294.3 million (+5.0% at constant forex). Footwear sales, which accounted for about 90% of consolidated sales, amounting to Euro 265.2 million, increased 4.9% compared to first quarter of 2015 (+5.1% at constant forex). Apparel sales, which represented 10% of consolidated sales, equal to Euro 29.2 million, compared to Euro 28.2 million of the first quarter 2015 (+3.2%; +3.8% at constant forex).

(Thousands of Euro)	I Quarter 2016	%	I Quarter 2015	%	Var. %
Footwear	265,191	90.1%	252,777	90.0%	4.9%
Apparel	29,147	9.9%	28,235	10.0%	3.2%
Net sales	294,338	100.0%	281,012	100.0%	4.7%

Sales in Italy, which accounted for 34% of sales (36% in the first quarter 2015), amounted to Euro 99.7 million broadly aligned with first quarter 2015 sales (Euro 100.5 million). This performance is driven by the closure of some monobrand stores, which was partially offset by the wholesale growth (+7%) and the like for like performance of retail channel (DOS and Franchising) +3%.

Sales in Europe, which accounted for 44% of sales increased by 7.3% (7.4% at constant forex) to Euro 128.5 million, compared with Euro 119.7 million in the first quarter of 2015.

North American sales amounted to Euro 15.7 million, showing an increase of 10.4% (+14.6% at constant exchange rates). Sales in Other Countries increased by 8.3% compared to the first quarter of 2015 (+8.3% at constant forex).

(Thousands of Euro)	I Quarter 2016	%	I Quarter 2015	%	Var. %
Italy	99,728	33.9%	100,475	35.8%	(0.7%)
Europe (*)	128,462	43.6%	119,713	42.6%	7.3%
North America	15,681	5.3%	14,205	5.1%	10.4%
Other countries	50,467	17.1%	46,619	16.6%	8.3%
Net sales	294,338	100.0%	281,012	100.0%	4.7%

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

Sales of the DOS channel, which represent 30% of Group revenues, grew 2.5% to Euro 87.8 million compared to the first quarter of 2015 (+3.0% at constant forex). The improvement is mainly driven by

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comparable store sales growth recorded on DOS channel (+3.2% against +4.8% from the first quarter last year). Like for like performance is positive in all countries excluding France and Belgium, following the terrorists attacks and in China, HK and Japan reflecting a low footfall.

Like for like performance year to date (week 1- week 18) is up 1.1% (+5.4% last year). After a solid start of the year, March and April experienced a slowdown in foot traffic not completely offset by a better conversion rate.

Sales of the franchising channel, which account for 19% of Group revenues, amount to Euro 57.5 million, with an increase of 2.2% (+2.5% at constant forex).

Multi-brand stores representing 51% of Group revenues (50% in the first quarter of 2015) amount to Euro 149.0 million, with an increase of 7.1% (7.2% at constant forex).

(Thousands of Euro)	I Quarter 2016	%	I Quarter 2015	%	Var. %
Multi-brand	149,006	50.6%	139,087	49.5%	7.1%
Franchising	57,536	19.5%	56,277	20.0%	2.2%
DOS*	87,796	29.8%	85,648	30.5%	2.5%
Geox Shops	145,332	49.4%	141,925	50.5%	2.4%
Net sales	294,338	100.0%	281,012	100.0%	4.7%

* Directly Operated Store

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As of March 31, 2016, the overall number of Geox Shops was 1,149 of which 468 DOS. During the first quarter of 2016, 14 new Geox Shops were opened and 26 have been closed, in line with the rationalization plan of the DOS network.

	03-31-2016		12-31-2015		First quarter 2016		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	357	132	360	131	(3)	4	(7)
Europe (*)	346	178	348	179	(2)	2	(4)
North America	45	45	47	47	(2)	-	(2)
Other countries (**)	401	113	406	119	(5)	8	(13)
Total	1,149	468	1,161	476	(12)	14	(26)

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

(**) Includes Under License Agreement Shops (144 as of March 31, 2016, 142 as of December 31, 2015). Sales from these shops are not included in the franchising channel.



FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

The 2016-2018 Strategic Plan, presented to the financial community on 26th February 2016, is based on the following key principles that characterise the Group's strategic vision:

- Product development characterised by an enhanced breathability, sustainable innovation, comfort and Italian design;
- Continued channel specialisation to capitalize on the opportunities created by integration of the Multi-brand, Retail and Online channels;
- Driving revenues by reinforcing our leadership in core markets and managing significant growth in emerging markets as well as developed markets with high potential such as the UK, US, Russia and China;
- Margin expansion through specific measures targeting product, sales channel and price mix, and efficiencies arising from streamlining the international sourcing strategy;
- Cost management efforts focused on making retail management as efficient as possible and improving company processes in order to reduce structural costs.

The Strategic Plan forecasts a growth in revenues at an average annual rate of 6.5% (2015-2018), with turnover expected to reach Euro 1,025-1,100 million in 2018. The Business Plan also forecasts an improvement in profitability (EBITDA), which is expected to reach approximately 10-11% of turnover in 2018.

With regard to the current financial year, the results achieved in the first quarter, combined with increasing visibility on the second quarter, lead Management to confirm that 2016 will be a year of transition as stated in the Strategic Plan. In fact:

- the order backlog for the multi-brand channel exceeds expectations, reporting a solid growth thanks to excellent overall performance across all geographical areas, channels, genders and categories for both the 2016 Spring/Summer season (+10%), and the 2016 Fall/Winter season (+14%). These results confirm the effectiveness of the strategic decisions made in terms of products, sales channel specialisation, pricing and significant investments in advertising during order collection;
- the improved order backlog does not change our previous guidance regarding the 200-250 basis point expected reduction in gross margin, included in the Strategic Plan for 2016. This dilution has been caused by the increase in product costs as a result of the euro's depreciation against the dollar;
- LFL generated by DOS to date (Week 1 to Week 18), show a slight increase of 1.1% (compared to the expected growth of +5%).

Furthermore, in order to face the impacts on profitability of this temporary slowdown in retail business, the Management has already implemented a number of measures and is planning further actions, with the following objectives:

- strict control and efficiency of G&A also through the renegotiation of store rents;
- marketing initiatives mainly aimed at increasing footfall in the stores.

Looking at full year performance, the management is therefore confident in the company's ability to recover from the effects of this weakness in the market relating to the Spring-Summer season. Management also estimates that profitability will reach the levels expected over the course of 2016, provided that market conditions improve in the second half of the year, and comparable sales are able to reach the levels of growth forecast in the Strategic plan.



2016 FINANCIAL REPORTING CALENDAR

As already announced, Geox S.p.A. will no longer publish interim financial reports for the first and third quarters following recent legislative changes. From May 12th, 2016, Geox S.p.A., on an ongoing, voluntary basis, will nonetheless continue to publish press releases with information on sales revenues for the first and third quarters together with order backlog performance for the following six-month period. The Board of Directors of Geox S.p.A. is in favour of this EU directive being implemented and believes that Geox's business performance will be better represented by reporting on quarterly revenues and full half year results, considering the strong seasonal fluctuations that are typical of this sector and which can only be properly interpreted on a six-monthly basis.

Forthcoming news flows:

July 28, 2016 - Half Year Report for the six months period ended June 30, 2016
November 9, 2016 – Nine Months 2016 net sales

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 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.