GEOX

INTERIM REPORT
FIRST NINE MONTHS OF 2012

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
Giorgio Presca (*)	Director and CEO (**)
Umberto Paolucci	Independent Director
Francesco Gianni	Independent Director
Alessandro Antonio Giusti	Independent Director
Renato Alberini	Independent Director
Roland Berger (***)	Independent Director
Claudia Baggio (***)	Director

(*) The Board of Directors of Geox S.p.A. held on September 28, 2012 has coopted Giorgio Presca onto the Board to replace Bruno Barel, and subsequently appointed him as new Chief Executive Officer of the Company.

(**) 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 September 28, 2012 and October 5, 2012.

(***) The Board of Directors of Geox S.p.A. held on November 8, 2012 appointed the Directors Roland Berger and Claudia Baggio to replace Diego Bolzonello, resigned on October 5, 2012, and Lodovico Mazzolari, resigned on October 17, 2012.

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 second six months, corresponding to the Fall/Winter sales period, is characterized by a concentration in the months of July, August and September, while the operating costs showed a more linear trend throughout the second six months.

It is important to remember, therefore, that the Income Statement relating to the first nine months cannot be considered as a proportionate part of the whole financial period and the quarterly results of the period ending on September 30 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 September 30, 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 701.5 million, with a decrease of 9% (10% constant exchange rates) compared to Euro 768.7 million in the first nine months of 2011;
- EBITDA of Euro 88.4 million, compared to Euro 131.7 million in the first nine months of 2011, with a 12.6% margin;
- EBIT of Euro 59.0 million, compared to Euro 103.2 million in the first nine months of 2011, with a 8.4% margin;
- Net income of Euro 36.0 million, compared to Euro 63.2 million of the first nine months of 2011, with a 5.1% margin.

In the following table a comparison is made between the consolidated income statement for first nine months of 2012, first nine months of 2011 and the full year 2011:

(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.

Disclaimer

This Report, and in particular the section entitled "Outlook for operation and significant subsequent events", contains forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: volatility and deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulation (in each case, in Italy or abroad), and many other factors, most of which are outside of the Group's control.

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%)**

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 following table summarizes the 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**

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

The following table shows the mix and changes in net 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)**

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.

The following table gives a reclassified consolidated cash flow statement:

(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**

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.

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

(Thousands of Euro)	Sept. 30, 2012	Dec. 31, 2011	Sept. 30, 2011
Cash and cash equivalents	67,185	84,794	60,653
Current financial assets - excluding derivatives	836	64	79
Bank borrowings and current portion of long-term loans	(8,685)	(7,573)	(8,278)
Current financial liabilities - excluding derivatives	(6)	-	(1)
Net financial position - current portion	**59,330**	**77,285**	**52,453**
Non-current financial assets	1,323	1,287	1,220
Long-term loans	(259)	(358)	(358)
Net financial position - non-current portion	**1,064**	**929**	**862**
Net financial position - prior to fair value adjustment of derivatives	**60,394**	**78,214**	**53,315**
Fair value adjustment of derivatives	18	12,478	3,583
Net financial position	**60,412**	**90,692**	**56,898**

Outlook for operation 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.

Biadene di Montebelluna, November 8, 2012

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

Consolidated Financial Statements

Consolidated income statement

(Thousands of Euro)	9 months 2012	9 months 2011	2011
Net sales	**701,461**	**768,665**	**887,272**
Cost of sales	(371,195)	(418,506)	(478,140)
Gross profit	**330,266**	**350,159**	**409,132**
Selling and distribution costs	(37,574)	(39,426)	(45,581)
General and administrative expenses	(187,115)	(173,121)	(234,521)
Advertising and promotion	(34,645)	(34,017)	(45,935)
Special items	(11,887)	(369)	(582)
EBIT	**59,045**	**103,226**	**82,513**
Net interest	(2,487)	(4,054)	(4,386)
PBT	**56,558**	**99,172**	**78,127**
Income tax	(20,511)	(35,996)	(27,959)
Net income	**36,047**	**63,176**	**50,168**
Earnings per share [Euro]	0.14	0.24	0.19
Diluted earnings per share [Euro]	0.14	0.24	0.19

Consolidated statement of comprehensive income

(Thousands of Euro)	9 months 2012	9 months 2011	2011
Net income	**36,047**	**63,176**	**50,168**
Net gain (loss) on Cash Flow Hedge, net of tax	(7,452)	11,495	17,738
Currency translation	1,703	252	(1,122)
Net comprehensive income	**30,298**	**74,923**	**66,784**

Consolidated statement of financial position

(Thousands of Euro)	Sept. 30, 2012	Dec. 31, 2011	Sept. 30, 2011
ASSETS:			
Intangible assets	69,077	67,222	67,350
Property, plant and equipment	66,231	63,658	64,465
Deferred tax assets	32,787	24,975	27,468
Non-current financial assets	1,323	1,287	1,220
Other non-current assets	19,887	17,873	17,387
Total non-current assets	**189,305**	**175,015**	**177,890**
Inventories	142,782	196,610	130,458
Accounts receivable	236,224	154,171	255,042
Other non-financial current assets	23,962	21,801	21,296
Current financial assets	5,018	16,305	8,178
Cash and cash equivalents	67,185	84,794	60,653
Current assets	**475,171**	**473,681**	**475,627**
Total assets	**664,476**	**648,696**	**653,517**
LIABILITIES AND EQUITY:			
Share capital	25,921	25,921	25,921
Reserves	373,554	370,339	365,470
Net income	36,047	50,168	63,176
Equity	**435,522**	**446,428**	**454,567**
Employee severance indemnities	1,970	2,119	2,237
Provisions for liabilities and charges	8,583	8,061	6,724
Long-term loans	259	358	358
Other long-term payables	2,459	2,249	2,092
Total non-current liabilities	**13,271**	**12,787**	**11,411**
Accounts payable	129,646	133,013	101,730
Other non-financial current liabilities	42,138	33,314	31,720
Taxes payable	31,044	11,818	41,294
Current financial liabilities	4,170	3,763	4,517
Bank borrowings and current portion of long-term loans	8,685	7,573	8,278
Current liabilities	**215,683**	**189,481**	**187,539**
Total liabilities and equity	**664,476**	**648,696**	**653,517**

Consolidated statement of cash flows

(Thousands of Euro)	9 months 2012	9 months 2011	2011
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	**36,047**	**63,176**	**50,168**
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation and amortization and impairment	29,322	28,472	39,001
Increase in (use of) deferred taxes and other provisions	1,626	3,820	3,951
Provision for employee severance indemnities, net	(149)	(140)	(261)
Other non-cash items	2,371	(4,378)	(4,475)
	33,170	27,774	38,216
Change in assets/liabilities:			
Accounts receivable	(89,648)	(140,901)	(34,876)
Other assets	(2,767)	4,729	1,980
Inventories	54,091	44,564	(23,968)
Accounts payable	(3,521)	(15,781)	14,716
Other liabilities	10,198	2,264	2,124
Taxes payable	19,187	31,413	1,976
	(12,460)	(73,712)	(38,048)
Operating cash flow	**56,757**	**17,238**	**50,336**
CASH FLOW USED IN INVESTING ACTIVITIES:			
Capital expenditure on intangible assets	(12,477)	(8,544)	(12,040)
Capital expenditure on property, plant and equipment	(21,952)	(17,987)	(24,053)
	(34,429)	(26,531)	(36,093)
Disposals	987	1,967	2,407
(Increase) decrease in financial assets	(808)	67	2
Cash flow used in investing activities	**(34,250)**	**(24,497)**	**(33,684)**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES:			
Increase (decrease) in short-term bank borrowings, net	1,115	1,271	490
Loans:			
- Repayments	(98)	(98)	(195)
Dividends	(41,473)	(46,657)	(46,657)
Cash flow used in financing activities	**(40,456)**	**(45,484)**	**(46,362)**
Increase in cash and cash equivalents	**(17,949)**	**(52,743)**	**(29,710)**
Cash and cash equivalents, beginning of the period	**84,794**	**114,200**	**114,200**
Effect of translation differences on cash and cash equivalents	340	(804)	304
Cash and cash equivalents, end of the period	**67,185**	**60,653**	**84,794**
Supplementary information to the cash flow statement:			
- Interest paid during the period	2,090	1,056	1,673
- Interest received during the period	1,285	1,487	1,698
- Taxes paid during the period	11,192	8,092	20,988

Consolidated statements of changes in equity

(Thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Translation reserve	Cash flow hedge reserve	Stock option reserve	Retained earnings	Net income for the period	Group equity
Balance at December 31, 2010	**25,921**	**5,184**	**37,678**	**(188)**	**(7,924)**	**5,840**	**301,787**	**58,003**	**426,301**
Allocation of 2010 result	-	-	-	-	-	-	58,003	(58,003)	-
Distribution of dividends	-	-	-	-	-	-	(46,657)	-	(46,657)
Net comprehensive income	-	-	-	252	11,495	-	-	63,176	74,923
Balance at September 30, 2011	**25,921**	**5,184**	**37,678**	**64**	**3,571**	**5,840**	**313,133**	**63,176**	**454,567**

(Thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Translation reserve	Cash flow hedge reserve	Stock option reserve	Retained earnings	Net income for the period	Group equity
Balance at December 31, 2010	**25,921**	**5,184**	**37,678**	**(188)**	**(7,924)**	**5,840**	**301,787**	**58,003**	**426,301**
Allocation of 2010 result	-	-	-	-	-	-	58,003	(58,003)	-
Distribution of dividends	-	-	-	-	-	-	(46,657)	-	(46,657)
Net comprehensive income	-	-	-	(1,122)	17,738	-	-	50,168	66,784
Balance at December 31, 2011	**25,921**	**5,184**	**37,678**	**(1,310)**	**9,814**	**5,840**	**313,133**	**50,168**	**446,428**
Allocation of 2011 result	-	-	-	-	-	-	50,168	(50,168)	-
Distribution of dividends	-	-	-	-	-	-	(41,473)	-	(41,473)
Recognition of cost stock option plans	-	-	-	-	-	269	-	-	269
Net comprehensive income	-	-	-	1,703	(7,452)	-	-	36,047	30,298
Balance at September 30, 2012	**25,921**	**5,184**	**37,678**	**393**	**2,362**	**6,109**	**321,828**	**36,047**	**435,522**

Explanatory Notes

The economic/financial results of the Group as at September 30, 2012 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 September 30, 2012, 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. In particular, the Group has decided not to make any provisions for liabilities that are only considered "possible", in accordance with IAS 37.
Geox S.p.A. recently underwent a tax audit by the Veneto Tax Authorities (Large Taxpayers Office) for fiscal years 2007-2008-2009-2010 with regard to Transfer Pricing versus European companies. The audit was completed on 31 July 2012 with notification of their tax audit report. The Company has, as usual, reserved the right to provide the necessary clarifications, depositing appropriate counter-arguments as it considers the points made by Tax Authorities to be highly questionable, being convinced that Geox S.p.A. operated within the law. With the support of its tax advisors, the Company is currently of the opinion that there is little or no risk of this claim resulting in a liability, so there is no need to make any provision in the financial statements, also in light of existing regulations and instruments for the avoidance of double taxation at European Community level. No tax assessment has been issued as yet.

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.