



## **GEOX ANNOUNCES ITS NEW STRATEGIC PLAN 2014-2016**

**Milan, 15 November 2013** - The Board of Directors of Geox S.p.A., a company listed on the Milan Stock Exchange (GEO.MI) and a leader in the classic and casual footwear sector, has reviewed and approved the Strategic Plan 2014-2016 of the Geox Group. The guidelines of the Plan will be illustrated by the CEO Giorgio Presca and by senior management during a meeting with the financial community to be held today in Milan from 9 am and which can be followed via webcast from the company's website [www.geox.com](http://www.geox.com).

Giorgio Presca, CEO of the Geox Group, commented: "Over the last year, in a particularly difficult Italian and European market context, Geox faced up to important challenges and implemented significant changes that today allow us to be ready for the future. We have taken strong measures to reorganize, rationalize and focus the business so as to reduce the complexity of the company, boost profit margins and generate cash flow right from the start of the plan. With a new organizational and management structure in all key business areas, we are pursuing a type of development that is sustainable and profitable, focused on consolidation in mature markets and a geographic balancing of sales to take advantage of important growth opportunities, particularly in markets such as China, Hong Kong, Eastern Europe and the Scandinavian countries, where the Group's presence is still limited but in rapid and successful expansion."

### **MAIN DEVELOPMENT GUIDELINES**

The three-year plan 2014-2016 is based on some key elements that underpin the strategic vision of the Geox Group, including:

1. Recovery of competitive advantage given by the uniqueness of the product and innovation both in footwear and clothing, focusing on the strengths that have always distinguished the Group, such as the physical benefits of transpiration;
2. Geographic balancing of sales by focusing on core markets to start growing again and to gain market share and development in new markets with high growth potential, such as China, Hong Kong, Eastern Europe and Scandinavia;
3. Focus and specialization by distribution channel: sustainable growth in the wholesale market, rationalization and development of the retail channel and growth in the online channel;
4. Implementation of projects to improve efficiency in the supply chain in order to reduce the cost of good sold;
5. Reduction of the complexity of the offer, both in footwear and clothing, and development of new products;
6. Improvement of business processes in order to reduce structural costs and increase the profitability of the Group.

### **MAIN FINANCIAL AND ECONOMIC TARGETS**

The 2014-2016 plan can be split into the following main areas:

1. Growth in net sales at an average annual rate of 9% (2013-2016). The Group is expected to achieve a turnover of around 805 million in 2014, 887 million in 2015 and 985 million in 2016;
2. A steady improvement in profitability that will come to around 110 million in 2016 in terms of EBITDA, approximately 11% of turnover and around 7% of sales in terms of EBIT;
3. Over the three years of the plan capital expenditures, mainly for the development and maintenance of the retail network, of about 45 million in 2014, 42 million in 2015 and 42 million in 2016;
4. The plan provides for the closure of shops that are not in line with the expected profitability standards (68 closures scheduled in 2014, 10 in 2015, and 3 in 2016) and the opening of new stores with strict profitability criteria (96 openings scheduled in 2014, 82 in 2015 and 76 in 2016) to build a network of approximately 1500 stores by the end of 2016.



For further information on the Strategic Plan 2014-2016, see the "Investor Day 2013" presentation that can be found in the Investor Relations section of the website [www.geox.biz](http://www.geox.biz).

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#### **FOR MORE INFORMATIONS**

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#### **GEOX GROUP**

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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 brand in the "International Lifestyle Casual Footwear Market". Geox technology is protected by over 60 different patents registered in Italy and extended internationally.

#### **DISCLAIMER**

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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.

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