GEOX

GEOX S.P.A. BOARD OF DIRECTORS APPROVED NINE MONTHS 2013 RESULTS

- **Sales: Euro 618.1 million (Euro 701.5 million in the nine months of 2012)**
- **EBITDA adj[1]: Euro 44.3 million, 7.2% margin (Euro 100.3 million in the nine months of 2012, 14,3% margin)**
- **EBIT adj[2]: Euro 14.3 million, 2.3% margin (Euro 70.9 million in the nine months of 2012, 10,1% margin)**

Milan, November 14, 2013 – The Board of Directors of Geox S.p.A., one of the leading brands worldwide in the classic and casual footwear market listed on the Milan Stock Exchange (MSE: GEO.MI), approved today the nine months 2013 financial results.

The nine months of 2013 ended with a result affected by the difficult macroeconomic situation of Mediterranean countries.
So, as already mentioned, 2013 will be a transition year. Thanks to its financial strength and solidity, the Group will continue to invest resolutely in the development of new products and in balancing sales from a geographical point of view.
The target is to catch the important growth opportunities particularly in markets such as China, Honk Kong, Northern and Eastern Europe where the Group's presence is still limited but in rapid and positive expansion. These factors have prompted the Management to take strong actions focusing on Groups' core business in order to build a solid base for the elaboration of a Business Plan 2014-2016, which has been approved today by the Board of Directors of Geox SpA and will be presented tomorrow to the financial community, to pursue a return to growth, profitability and cash generation.

THE GROUP'S ECONOMIC PERFORMANCE

Sales

Nine months 2013 consolidated net sales decreased by 11.9% (-11.5% at constant exchange rates) to Euro 618.1 million. Footwear sales, which accounted for about 87% of consolidated sales, amounting to Euro 538.8 million, declined 10.5% compared to nine months of 2012. Apparel sales, which represented 13% of consolidated sales, equal to Euro 79.3 million, declined 20.4%.

(Thousands of Euro)	9 Months 2013	%	9 Months 2012	%	Var. %
Footwear	538,764	87.2%	601,788	85.8%	(10.5%)
Apparel	79,334	12.8%	99,673	14.2%	(20.4%)
Net sales	**618,098**	**100.0%**	**701,461**	**100.0%**	**(11.9%)**

[1] Excluding non recurring costs, equal to Euro 13.2 million (Euro 11.9 million in the nine months of 2012).
[2] Excluding non recurring costs (highlighted in note 1) and asset impairments, equal to Euro 5.3 million (no asset impairment in the nine months of 2012), on investments made in the stores' network.

Sales in Italy, the Group's main market, which accounted for 32% of consolidated sales (37% in the nine months of 2012) amounted to Euro 198.9 million showing a decrease of 24.1% compared with the same period of the previous year.

Sales in Europe, which accounted for 44% of Group revenues (42% in the nine months of 2012) declined by 8.2% to Euro 271.8 million, compared with Euro 295.9 million of the nine months of 2012.

North American sales amounted to Euro 40.9 million, showing a decrease of 0.7%. Sales in the Other Countries increased by 3.9% (+6.0% at constant exchange rates) compared with the same period of previous year.

(Thousands of Euro)	**9 Months 2013**	**%**	**9 Months 2012**	**%**	**Var. %**
Italy	198,910	32.2%	261,898	37.3%	(24.1%)
Europe (*)	271,750	44.0%	295,898	42.2%	(8.2%)
North America	40,852	6.6%	41,127	5.9%	(0.7%)
Other countries	106,586	17.2%	102,538	14.6%	3.9%
Net sales	**618,098**	**100.0%**	**701,461**	**100.0%**	**(11.9%)**

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

In the nine months of 2013, sales of the DOS channel, which represent 33% of Group revenues, grew 18.7% to Euro 203.6 million.

Nine months results have been characterized by a tough macro-economic environment which particularly affects the Mediterranean area. Comparable store sales of the DOS channel decreased by 5.7% in the nine months of 2013 versus the same period of prior year. The improvement, compared with the negative trend of -7.6% of the first half, is mainly driven by comparable same store sales of the Fall/Winter collection which are substantially stable (also in October) compared with the same period of previous year.

Sales of the franchising channel, which account for 19.8% of Group revenues, amount to Euro 122.7 million, with a decrease of 28.8%. This trend is due to three factors:

- the reduced sell in concerning initial orders according to the new model (adopted from the current season) to manage franchisees in favor of replenishment and reorders;
- the Group's decision to operate directly 55 shops which were previously run by agents whose contracts have terminated;
- the decision to close stores with a performance not in line with the expected profitability.

Multibrand stores representing 47.2% of Group revenues (51% in the nine months of 2012) amount to Euro 291.8 million. The change compared with the previous year is equal to -18.4% and is mainly due to the difficult market conditions in Mediterranean countries with the consequent prudent business approach and selective cancellations of orders.

(Thousands of Euro)	9 Months 2013	%	9 Months 2012	%	Var. %
Multibrand	**291,812**	**47.2%**	**357,675**	**51.0%**	**(18.4%)**
Franchising	122,670	19.8%	172,291	24.6%	(28.8%)
DOS*	203,616	32.9%	171,495	24.4%	18.7%
Geox Shops	**326,286**	**52.8%**	**343,786**	**49.0%**	**(5.1%)**
Net sales	**618,098**	**100.0%**	**701,461**	**100.0%**	**(11.9%)**

* Directly Operated Store

As of September 2013, the overall number of Geox Shops was 1,270 of which 434 DOS. During nine months 2013, 158 new Geox Shops were opened and 100 have been closed. New openings of nine months 2013 include shops in Beijing, Shanghai and Hong Kong.

	09-30-2013		12-31-2012		9 Months 2013		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	464	164	432	84	32	59	(27)
Europe (*)	357	157	350	135	7	26	(19)
North America	40	40	40	40	0	1	(1)
Other countries (**)	409	73	390	41	19	72	(53)
Total	**1,270**	**434**	**1,212**	**300**	**58**	**158**	**(100)**

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

(**) Includes Under License Agreement Shops (137 as of September 30 2013, 125 as of December 31 2012). Sales from these shops are not included in the franchising channel.

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Cost of sales and Gross Profit

Cost of sales, as a percentage of sales, was 53.7% compared to 52.9% of the nine months of 2012, producing a gross margin of 46.3% (47.1% in the nine months of 2012). The decrease in gross profit is explained by unfavorable trend of currencies, raw material prices and labour costs increases in supplier countries and higher promotional sales experienced during the nine months.

Operating expenses and Operating income (EBIT)

Selling and distribution expenses as a percentage of sales was 6.3%. (5.4% in the nine months of 2012).

General and administrative expenses were equal to Euro 205.4 million, compared with Euro 187.1 million of the nine months of 2012. General and administrative expenses, as a percentage of sales, were 33.2%, compared to 26.7% of the nine months of 2012.

The increase is mainly due to costs of opening and running of new directly operated stores (DOS) including the conversion to directly operated stores of 55 stores previously managed by some franchisees during the nine months of 2013.

Advertising and promotions expenses were equal to 4.5% of sales compared to 4.9% of the nine months of 2012.

In the nine months 2013, non-recurring expenses, special items, were recorded for Euro 13.2 million deriving from the implementation of a wide rationalization plan aimed at specialization and focalization to the footwear business, which is the company's core business. Furthermore, the specialization of the apparel line will be focused on outerwear.
In particular, special items include Euro 5.6 million for the rationalization of the workforce and sales force in countries, which are more impacted by the difficult macro economic situation, in favor of investments in countries experiencing growth and development. Euro 7.6 million of special items refer to closure and rationalization of some DOS and franchise stores which are strategic for the improvement of the Geox know-how in the retail network management. The main objectives of the company include the extension of the know-how gained in the retail network also to the franchise channel and the increase of the network profitability and efficiency.

Moreover, the Group has registered Euro 5.3 million related mainly to stores which are planned to be closed and stores asset impairment that given the uncertain macro economic environment are not certain to be recovered.

The operating result is equal to -4.3 compared with Euro 59.0 million (8.4% on sales) of the nine months of 2012.

The operating result adjusted, excluding special items mentioned above and asset impairment, is equal to 14.3 (2.3% as a percentage of sales) compared with Euro 70.9 million (10.1% on sales) of the nine months of 2012.

EBITDA

EBITDA was Euro 31.1 million, 5.0% of sales, compared to Euro 88.4 million (12.6% on sales) of the nine months of 2012.

EBITDA adjusted excluding special items, is equal to Euro 44.3 million, 7.2% of sales, compared to Euro 100.3 million of the nine months of 2012 (14.3% on sales).

Income taxes and tax rate

Income taxes were equal to Euro 0.7 million, compared to Euro 20.5 million of the nine months of 2012.

THE GROUP'S FINANCIAL PERFORMANCE

The Group balance sheet shows a negative financial position of Euro 17.0 million.

The ratio of net working capital to sales comes to 32.9% compared with 30.4% of the nine months of 2012. This change is due to:

- the extending payment terms granted to some clients;
- the increase in inventory mainly caused by the increase of inventories of next season Spring/Summer 2014, the previous season (Spring/Summer 2013) and the season currently on sales (Fall/Winter 2013) currently on sales.
- the improvement of our handling of payment terms with suppliers.

During the period Euro 15.6 million dividend were distributed (Euro 41.5 million in the nine months of 2012). Capital expenditures were Euro 27.5 million (Euro 33.4 million in the nine months of 2012) of which 17.3 million for new store openings and store refurbishment.

FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

In the first nine months of 2013, 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 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, management is assuming that, in the second half, the wholesale channel, which is focused on Europe, will still show signs of weakness and comparable same store sales of DOS stores could be slightly lower compared to the same period of prior year.

Given the current situation, the Geox Group has reacted with significant investments related to new shop openings, commercial structure improvements in Asia, Eastern Europe and Russia which will allow us to achieve the important potential growth opportunities in these markets, where the Group's presence is still limited, but in rapid and positive development.

These factors, combined with the need of implementing promotional initiatives to support sales, and in particular the continuing weakness of the wholesale channel and the consequent greater importance of the DOS channel will however lead to pressure on operating margins in the second half of 2013 compared with the same period of prior year.

The management has therefore implemented strong actions to focus on core business aimed at simplifying operations and has consequently reorganized and rationalized the structure of the Group in order to achieve cost reduction. Furthermore, it has accelerated specific actions to optimize the retail network with the closure of no performing stores.

Given these assumptions, the Management assumes a decline in sales year-end, compared to the previous year, in the order of 6.5-7%, depending largely on the actual performance of comparable sales and re-orders in the fourth quarter.
In terms of profitability, the management assumes an EBITDA% at about 3-3.5%. The actual trend of sales, D&A estimated at about euro 42 million for the full year 2013 and non-recurring extraordinary expenses, already fully recorded in the first nine months of operations related to reorganization, rationalization and impairment of fixed assets (asset impairment) will lead to an operating loss for the year-end of about 4.5-5% which will decrease in term of net loss with a percentage on sales of about 4%.

Nine Months Results Report 2013

The Nine Months Results Report has been made available at the Company's registered office and may be viewed on the Company's website www.geox.biz in the Investor Relations section.

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 brand 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.

ANNEXES

- Consolidated income statement
- Reclassified Consolidated balance sheet
- Reclassified Consolidated cash flow statement

2013 and 2012 results are reported under IAS/IFRS. Fiscal year 2012 results have been audited, while nine months 2012 and nine months 2013 results have not been fully audited. Consolidated balance sheet and cash flow statement are reclassified with statements normally used by management and investors to assess the Group's results. The afore-mentioned reclassified financial statements do not meet the presentation standards set down by the IFRS and thus are not to be considered a replacement. However, since their contents are the same, they can be easily reconciled with those envisaged by the International Accounting Standards.

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CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	9 Months 2013	%	9 Months 2012	%	2012	%
Net sales	**618,098**	**100.0%**	**701,461**	**100.0%**	**807,615**	**100.0%**
Cost of sales	(331,829)	(53.7%)	(371,195)	(52.9%)	(419,522)	(51.9%)
Gross profit	**286,269**	**46.3%**	**330,266**	**47.1%**	**388,093**	**48.1%**
Selling and distribution costs	(38,787)	(6.3%)	(37,574)	(5.4%)	(43,379)	(5.4%)
General and administrative expenses	(205,355)	(33.2%)	(187,115)	(26.7%)	(251,907)	(31.2%)
Advertising and promotion	(27,861)	(4.5%)	(34,645)	(4.9%)	(45,777)	(5.7%)
Operating result	**14,266**	**2.3%**	**70,932**	**10.1%**	**47,030**	**5.8%**
Special items	(13,225)	(2.1%)	(11,887)	(1.7%)	(24,425)	(3.0%)
Net asset impairment	(5,298)	(0.9%)	-	0.0%	(2,640)	(0.3%)
EBIT	**(4,257)**	**(0.7%)**	**59,045**	**8.4%**	**19,965**	**2.5%**
Net interest	(3,512)	(0.6%)	(2,487)	(0.4%)	(2,251)	(0.3%)
PBT	**(7,769)**	**(1.3%)**	**56,558**	**8.1%**	**17,714**	**2.2%**
Income tax	(703)	(0.1%)	(20,511)	(2.9%)	(7,675)	(1.0%)
Tax rate	*-9%*	0%	*36%*	0%	*43%*	
Net result	**(8,472)**	**(1.4%)**	**36,047**	**5.1%**	**10,039**	**1.2%**
EPS (Earnings per shares)	**(0.03)**		**0.14**		**0.04**	
EBITDA	**31,071**	**5.0%**	**88,367**	**12.6%**	**61,557**	**7.6%**
Special items	(13,225)		(11,887)		(24,425)	
EBITDA adjusted	**44,296**	**7.2%**	**100,254**	**14.3%**	**85,982**	**10.6%**

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

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RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Thousands of Euro)	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Intangible assets	64,866	67,827	69,077
Property, plant and equipment	62,749	68,090	66,231
Other non-current assets - net	58,976	50,899	50,215
Total non-current assets	**186,591**	**186,816**	**185,523**
Net operating working capital	**238,550**	**192,093**	**249,360**
Other current assets (liabilities), net	**(21,199)**	**(17,965)**	**(49,220)**
Net invested capital	**403,942**	**360,944**	**385,663**
Equity	377,000	402,836	435,522
Provisions for severance indemnities, liabilities and charges	9,924	12,254	10,553
Net financial position	17,018	(54,146)	(60,412)
Net invested capital	**403,942**	**360,944**	**385,663**

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Inventories	205,180	209,249	142,782
Accounts receivable	166,038	145,450	236,224
Accounts payable	(132,668)	(162,606)	(129,646)
Net operating working capital	**238,550**	**192,093**	**249,360**
% of sales for the last 12 months	***32.9%***	***23.8%***	***30.4%***
Taxes payable	(13,841)	(11,039)	(31,044)
Other non-financial current assets	32,632	35,303	23,962
Other non-financial current liabilities	(39,990)	(42,229)	(42,138)
Other current assets (liabilities), net	**(21,199)**	**(17,965)**	**(49,220)**

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RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENTS

(Thousands of Euro)	9 Months 2013	9 Months 2012	2012
Net result	**(8,472)**	**36,047**	**10,039**
Depreciation, amortization and impairment	35,328	29,322	41,592
Other non-cash items	10,885	3,848	10,907
	37,741	**69,217**	**62,538**
Change in net working capital	(72,462)	(39,078)	19,661
Change in other current assets/liabilities	7,996	26,618	(15,208)
Cash flow from operations	**(26,725)**	**56,757**	**66,991**
Capital expenditure	(28,063)	(34,429)	(48,146)
Disposals	552	987	1,408
Net capital expenditure	**(27,511)**	**(33,442)**	**(46,738)**
Free cash flow	**(54,236)**	**23,315**	**20,253**
Dividends	(15,552)	(41,473)	(41,473)
Change in net financial position	**(69,788)**	**(18,158)**	**(21,220)**
Initial net financial position - prior to fair value adjustment of derivatives	**57,792**	**78,214**	**78,214**
Change in net financial position	(69,788)	(18,158)	(21,220)
Translation differences	503	338	798
Final net financial position - prior to fair value adjustment of derivatives	**(11,493)**	**60,394**	**57,792**
Fair value adjustment of derivatives	(5,525)	18	(3,646)
Final net financial position	**(17,018)**	**60,412**	**54,146**