GEOX

GEOX S.P.A. BOARD OF DIRECTORS APPROVED FIRST QUARTER 2013 RESULTS

- **Sales: Euro 262.5 million (Euro 330.0 million in the first quarter of 2012)**
- **EBITDA : Euro 40.5 million, 15.4% margin (Euro 72.3 million in the first quarter of 2012)**
- **EBIT: Euro 30.7 million, 11.7% margin (Euro 62.9 million in the first quarter of 2012)**
- **Net Cash Position: Euro 3.6 million (Euro 67.4 million in the first quarter of 2012)**

Biadene di Montebelluna, May 15, 2013 – The Board of Directors of Geox S.p.A., one of the leading brands world-wide in the *classic* and *casual* footwear market listed on the Milan Stock Exchange (MSE: GEO.MI), approved today the first quarter 2013 financial results.

Mario Moretti Polegato, Chairman and founder of Geox, commented: "The first quarter of 2013, due to the difficult macroeconomic situation of Mediterranean countries and in particular in Italy and Spain, ended with a result affected, in terms of sales, by these difficulties. So, as already mentioned, 2013 will be a transition year.
However, despite the uncertainty of the timing of the consumption recovery in Europe, we are confident that our strategy focused on investments in new products and on the gradual shift of our commercial activities towards emerging markets such as Asia Pacific and Russia, where our expansion is in rapid and positive evolution, represents the base for future development of the Group and the relaunch of its growth".

THE GROUP'S ECONOMIC PERFORMANCE

Sales

First quarter 2013 consolidated net sales decreased by 20.4% (-20.3% at constant exchange rates) to Euro 262.5 million. Footwear sales, which accounted for about 87% of consolidated sales, amounting to Euro 229.7 million, declined 19.7% compared to first quarter of 2012. Apparel sales, which represented 13% of consolidated sales, equal to Euro 32.9 million, declined 25.2%.

(Thousands of Euro)	**I quarter 2013**	**%**	**I quarter 2012**	**%**	**Var. %**
Footwear	229,650	87.5%	286,004	86.7%	(19.7%)
Apparel	32,895	12.5%	44,006	13.3%	(25.2%)
Net sales	**262,545**	**100.0%**	**330,010**	**100.0%**	**(20.4%)**

Sales in Italy, the Group's main market, which accounted for 34% of consolidated sales (40% in the first quarter of 2012) amounted to Euro 89.9 million showing a decrease of 31.7% compared with the same period of the previous year.

Sales in Europe, which accounted for 44% of Group revenues (42% in the first quarter of 2012) declined by 16.5% to Euro 115.9 million, compared with Euro 138.7 million of the first quarter of 2012.

North American sales amounted to Euro 13.5 million, substantially in line with the same period of previous year (+ 0.2% at constant exchange rates). Sales in the Other Countries declined by 6.2% (-5.3% at constant exchange rates) compared with the same period of previous year.

(Thousands of Euro)	I quarter 2013	%	I quarter 2012	%	Var. %
Italy	89,924	34.3%	131,633	39.9%	(31.7%)
Europe (*)	115,867	44.1%	138,706	42.0%	(16.5%)
North America	13,464	5.1%	13,513	4.1%	(0.4%)
Other countries	43,290	16.5%	46,158	14.0%	(6.2%)
Net sales	**262,545**	**100.0%**	**330,010**	**100.0%**	**(20.4%)**

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

In the first quarter of 2013, sales of the DOS channel, which represent 20% of Group revenues, grew 1.1% to Euro 53.2 million.

First quarter results have been characterized by a tough macro-economic climate which particularly affects the Mediterranean area. Furthermore during March, Group revenues have been negatively impacted by unfavorable weather conditions in Europe, which have delayed the beginning of the Spring/Summer season. The sales development in March should also be seen in light of very strong comparable sales development in the same months last year. As a result, comparable store sales of the DOS channel decreased by 17.8% in the first quarter of 2013 versus the same period of prior year.

During April, comparable store sales were substantially stable compared with the same period of the previous year. Comparable store sales of the DOS channel from January 1 to May 12 2013 were down 12.5%.

Sales by the franchising channel, which account for 24% of Group revenues, amount to Euro 62.8 million, with a decrease of 27.9%. This trend is due to three factors:

- the new openings offset the closures of unprofitable marginal stores;
- 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 to occur in the second quarter;
- the Group's decision to operate directly around 40 shops which were previously run by agents whose contracts have terminated.

Multibrand stores representing 56% of Group revenues (58% in the first quarter of 2012) amount to Euro 146.5 million. The change compared with the previous year is equal to -23.0% 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)	I quarter 2013	%	I quarter 2012	%	Var. %
Multibrand	**146,543**	**55.8%**	**190,234**	**57.6%**	**(23.0%)**
Franchising	62,846	23.9%	87,178	26.4%	(27.9%)
DOS*	53,156	20.2%	52,598	15.9%	1.1%
Geox Shops	**116,002**	**44.2%**	**139,776**	**42.4%**	**(17.0%)**
Net sales	**262,545**	**100.0%**	**330,010**	**100.0%**	**(20.4%)**

**Directly Operated Stores*.

As of March 2013, the overall number of Geox Shops was 1,210 of which 355 DOS. During first quarter 2013, 34 new Geox Shops were opened and 36 have been closed. New openings of first quarter 2013 include shops in Budapest, Valencia, Hong Kong, Beijing and Shanghai. As of April 30, 2013 the overall number of Geox Shops was 1,218.

	03-31-2013		12-31-2012		I quarter 2013		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	422	115	432	84	(10)	3	(13)
Europe (*)	344	144	350	135	(6)	6	(12)
North America	40	40	40	40	-	-	-
Other countries (**)	404	56	390	41	14	25	(11)
Total	**1,210**	**355**	**1,212**	**300**	**(2)**	**34**	**(36)**

(*) Europe includes: Austria, Benelux, France, Germany, UK, Iberia, Scandinavia, Switzerland.
(**) Includes Under License Agreement Shops (123 as of March 31 2013, 125 as of December 31 2012). 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 53.2% of the first quarter of 2012, producing a gross margin of 47.1% (46.8% in the first quarter of 2012). The increase in gross profit is explained by steps taken in terms of product mix, channels and prices, which offset unfavorable trend of currencies, 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 5.8%. (4.9% in the first quarter of 2012).

General and administrative expenses were equal to Euro 68.3 million, compared with Euro 62.0 million of the first quarter of 2012. General and administrative expenses, as a percentage of sales, were 26.0%, compared to 18.8% of the first quarter 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 41 stores previously managed by some franchisees during the first quarter 2013.

Advertising and promotions expenses were equal to 3.7% of sales compared to 4.0% of the first quarter of 2012.

The Group's operating result was Euro 30.7 million, 11.7% as a percentage of sales, compared with Euro 62.9 million of the first quarter of 2012 (19.0% as a percentage of sales).

EBITDA

EBITDA was Euro 40.5 million, 15.4% of sales, compared to Euro 72.3 million (21.9%) of the first quarter of 2012.

Income taxes and tax rate

Income taxes were equal to Euro 10.0 million, compared to Euro 19.9 million of the first quarter of 2012, with a tax rate of 34% compared with 32% of the first quarter of 2012.

THE GROUP'S FINANCIAL PERFORMANCE

The Group balance sheet shows a net cash position of Euro 3.6 million.

The ratio of net working capital to sales comes to 36.5% compared with 33.9% of the first quarter of 2012. This increase is due to:

- the extending payment terms granted to some clients;
- the increase in inventory mainly caused by the previous season (Fall/Winter 2012) and the Spring/Summer 2013 season currently on sales;
- the improvement of our handling of payment terms with suppliers.

In the first quarter of 2013, capital expenditures were equal to Euro 11.8 million (Euro 13.9 million in the first quarter of 2012) of which Euro 8.6 million for new store openings and store refurbishment.

FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

In first quarter 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 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, management believes that it has to take a very prudent view of what overall turnover is likely to be in the first half, with the result that sales are now expected to decline by around 10%.

As for the second half of 2013, management is assuming that the wholesale channel, which is focused on Europe, will still show signs of weakness. The target, set by the management, of maintaining the sales in the second half of the year is therefore strictly linked to the new openings program of monobrand stores, both directly operated and in franchising and on the assumption of comparable same store sales at least equal to those of the same period of previous year. However, opening new stores, not yet be up to speed, will have an impact on operating margin during the year.

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 2013 fiscal year operating margins.

On April 17, the Shareholder's Meeting of Geox SpA approved the 2012 financial statements and distribution of a dividend of 0.06 Euro per share, appointed the Board of Directors, the Board of Statutory Auditors who will remain in office for the period 2013-2015 and the Independent Auditors for the period 2013-2021.

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 INFORMATION

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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" (Source: Shoe Intelligence, first quarter 2013). 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 first quarter 2012 and first quarter 2013 results have not been 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.

CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	I quarter 2013	%	I quarter 2012	%	2012	%
Net sales	**262,545**	**100.0%**	**330,010**	**100.0%**	**807,615**	**100.0%**
Cost of sales	(138,800)	(52.9%)	(175,658)	(53.2%)	(419,522)	(51.9%)
Gross profit	**123,745**	**47.1%**	**154,352**	**46.8%**	**388,093**	**48.1%**
Selling and distribution costs	(15,118)	(5.8%)	(16,115)	(4.9%)	(43,379)	(5.4%)
General and administrative expenses	(68,339)	(26.0%)	(62,004)	(18.8%)	(251,907)	(31.2%)
Advertising and promotion	(9,610)	(3.7%)	(13,237)	(4.0%)	(45,777)	(5.7%)
Operating result	**30,678**	**11.7%**	**62,996**	**19.1%**	**47,030**	**5.8%**
Special items	-	0.0%	(130)	(0.0%)	(24,425)	(3.0%)
Net asset impairment	-	0.0%	-	0.0%	(2,640)	(0.3%)
EBIT	**30,678**	**11.7%**	**62,866**	**19.0%**	**19,965**	**2.5%**
Net interest	(1,674)	(0.6%)	(1,492)	(0.5%)	(2,251)	(0.3%)
PBT	**29,004**	**11.0%**	**61,374**	**18.6%**	**17,714**	**2.2%**
Income tax	(10,006)	(3.8%)	(19,887)	(6.0%)	(7,675)	(1.0%)
Tax rate	*34%*		*32%*		*43%*	
Net income	**18,998**	**7.2%**	**41,487**	**12.6%**	**10,039**	**1.2%**
EPS (Earnings per shares)	**0.07**		**0.16**		**0.04**	
EBITDA	**40,470**	**15.4%**	**72,262**	**21.9%**	**61,557**	**7.6%**
Special items	-		(130)		(24,425)	
EBITDA adjusted	**40,470**	**15.4%**	**72,392**	**21.9%**	**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.

GEOX

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Thousands of Euro)	March 31, 2013	Dec. 31, 2012	March 31, 2012
Intangible assets	67,530	67,827	72,056
Property, plant and equipment	70,042	68,090	63,098
Other non-current assets - net	51,836	50,899	34,209
Total non-current assets	**189,408**	**186,816**	**169,363**
Net operating working capital	**270,379**	**192,093**	**295,938**
Other current assets (liabilities), net	**(27,693)**	**(17,965)**	**(39,604)**
Net invested capital	**432,094**	**360,944**	**425,697**
Equity	424,836	402,836	483,306
Provisions for severance indemnities, liabilities and charges	10,850	12,254	9,748
Net financial position	(3,592)	(54,146)	(67,357)
Net invested capital	**432,094**	**360,944**	**425,697**

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	March 31, 2013	Dec. 31, 2012	March 31, 2012
Inventories	170,135	209,249	127,033
Accounts receivable	227,845	145,450	274,519
Accounts payable	(127,601)	(162,606)	(105,614)
Net operating working capital	**270,379**	**192,093**	**295,938**
% of sales for the last 12 months	***36.5%***	***23.8%***	***33.9%***
Taxes payable	(21,530)	(11,039)	(38,392)
Other non-financial current assets	34,921	35,303	30,016
Other non-financial current liabilities	(41,084)	(42,229)	(31,228)
Other current assets (liabilities), net	**(27,693)**	**(17,965)**	**(39,604)**

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENTS

(Thousands of Euro)	I quarter 2013	I quarter 2012	2012
Net income	**18,998**	**41,487**	**10,039**
Depreciation, amortization and impairment	9,792	9,396	41,592
Other non-cash items	3,781	2,431	10,907
	32,571	**53,314**	**62,538**
Change in net working capital	(83,237)	(80,001)	19,661
Change in other current assets/liabilities	6,637	28,377	(15,208)
Cash flow from operations	**(44,029)**	**1,690**	**66,991**
Capital expenditure	(11,764)	(13,943)	(48,146)
Disposals	367	83	1,408
Net capital expenditure	**(11,397)**	**(13,860)**	**(46,738)**
Free cash flow	**(55,426)**	**(12,170)**	**20,253**
Dividends	-	-	(41,473)
Change in net financial position	**(55,426)**	**(12,170)**	**(21,220)**
Initial net financial position - prior to fair value adjustment of derivatives	**57,792**	**78,214**	**78,214**
Change in net financial position	(55,426)	(12,170)	(21,220)
Translation differences	880	592	798
Final net financial position - prior to fair value adjustment of derivatives	**3,246**	**66,636**	**57,792**
Fair value adjustment of derivatives	346	721	(3,646)
Final net financial position	**3,592**	**67,357**	**54,146**