



GEOX S.P.A. BOARD OF DIRECTORS APPROVED FIRST HALF 2010 RESULTS

SALES AT EURO 435 MILLION AND SOLID NET CASH POSITION AT EURO 100 MILLION

- Sales: Euro 435.5 million (Euro 482.9 million in first half 2009)
- EBITDA: Euro 79.4 million, 18.2% margin (Euro 119.6 million in first half 2009)
- EBIT: Euro 59.0 million, 13.5% margin (Euro 96.5 million in first half 2009)
- Net Income: Euro 37.9 million, 8.7% margin (Euro 56.6 million in first half 2009)
- Solid Net Cash Position: Euro 99.9 million (Euro 75.9 million in first half 2009)

Biadene di Montebelluna, July 29, 2010 – The Board of Directors of Geox S.p.A., the Italian company leader in the *classic* and *casual* footwear market listed on the Milan Stock Exchange (MSE: GEO.MI), approved today the first half 2010 financial results.

Mario Moretti Polegato, Chairman and founder of Geox, commented: "Net sales in the second quarter, which are 4% up on the same period of 2009, are reflecting an encouraging performance on our shops which in May and June show comparable growth of 3%. Moreover, the positive trend in sales that our shops have also achieved in July and the order backlog for the coming season (Fall/Winter), up 2% in the wholesale and franchising channels, make me confident about the market recovery, about the effectiveness of the actions we have taken and about the strength of our brand."

THE GROUP'S ECONOMIC PERFORMANCE

Sales

Consolidated sales for the first half 2010 declined by 9.8% (-10.3% at constant exchange rates) to Euro 435.5 million; second quarter sales increased by 4% compared to second quarter 2009.

Footwear sales represented 89% of consolidated sales, amounting to Euro 387.4 million, with a 12% decrease compared to the same period of 2009. Apparel sales accounted for 11% of consolidated sales equal to Euro 48.1 million, showing an 8% increase.

(Thousands of Euro)	I half 2010	%	I half 2009	%	Ch. %
Footwear	387,431	89.0%	438,338	90.8%	(11.6%)
Apparel	48,054	11.0%	44,564	9.2%	7.8%
Net sales	435,485	100.0%	482,902	100.0%	(9.8%)

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Sales in Italy, the Group's main market, which accounted for 38% of sales (36% in the same period of 2009) declined by 5% to Euro 165.9 million.

Sales in Europe, which accounted for 43% of sales (46% in the same period of 2009) declined by 15% to Euro 189.0 million.

North American sales declined by 9% (-16% at constant exchange rates) and sales in the Other Countries declined by 5% (-5% at constant exchange rates).

(Thousands of Euro)	I half 2010	%	I half 2009	%	Ch. %
Italy	165,898	38.1%	175,005	36.2%	(5.2%)
Europe (*)	189,000	43.4%	222,294	46.0%	(15.0%)
North America	25,852	5.9%	28,312	5.9%	(8.7%)
Other countries	54,735	12.6%	57,291	11.9%	(4.5%)
Net sales	435,485	100.0%	482,902	100.0%	(9.8%)

(*) Europa 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 3.5%. In first half this channel represented 38% of sales (33% in the same period of 2009).

The sales of directly operated stores (DOS) that have been open for at least 12 months (comparable stores sales) declined by 2% during the period. Comparable store sales related to the Spring/Summer collections only (i.e. from 1 March to 4 July) increased by 1% thanks to a positive performance in May and June (+3% growth). It is worth pointing out the performance of the flagship stores which turned in growth of 6% in comparable sales of just the Spring/Summer collections. The sales of these flagship stores in the first half of 2010 accounted for 13% of the total DOS sales.

The increase in DOS net sales of 12% is due to new openings, as well as to the conversion of a number of stores owned by the Group that were leased to third parties under franchising agreements in first half 2009 and which are now DOS.

Net of such conversions, franchising sales, which show a decline of 5% on the first half of 2009, show a decline of 2%.

Multibrand shops, the Group's main distribution channel, which accounted for 62% of sales (67% in the same period of 2009) declined by 17%.

(Thousands of Euro)	I half 2010	%	I half 2009	%	Ch. %
Multibrand	268,836	61.7%	321,834	66.6%	(16.5%)
Franchising	72,629	16.7%	76,748	15.9%	(5.4%)
DOS*	94,020	21.6%	84,320	17.5%	11.5%
Geox Shops	166,649	38.3%	161,068	33.4%	3.5%
Net sales	435,485	100.0%	482,902	100.0%	(9.8%)

*Directly Operated Stores.

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As of June 30, 2010 the overall number of Geox Shops was 1,032 of which 251 DOS. In the half 61 new Geox Shops were opened and 37 have been closed. The new openings include, among the others, shops in Rome, Milan, Turin, Madrid, Nancy, Wien.

	06-30-2010		12-31-2009		06-30-2009	
	Geox Shops	of which DOS	Geox Shops	of which DOS	Geox Shops	of which DOS
Italy	335	84	327	89	322	82
Europe (*)	310	106	306	87	288	71
North America	51	42	56	49	55	54
Other countries	158	19	146	19	176	20
Countries with licensing agreements (**)	178	-	173	-	156	-
Total	1,032	251	1,008	244	997	227

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

(**) Sales by the franchising channel do not include those of the shops in these countries.

Cost of sales and Gross Profit

Cost of sales, as a percentage of sales, was 49.3% compared to 47.7% of the same period of 2009, producing a gross margin of 50.7% (52.3% in the same period of 2009). The decline in gross profit compared with first half 2009 is mainly explained by two reasons: 1) the greater use of air transport, as mentioned in the first quarter 2010, due to production postponements attributable to a higher degree of flexibility in the receipt of orders and 2) the higher promotional selling activities.

Operating expenses and Operating income (EBIT)

Selling and distribution expense as a percentage of sales was 5.1%, substantially in line with the same period of the previous year (4.9%).

General and administrative expenses were Euro 113.8 million, compared to 107.9 million of the same period of 2009. This increase is entirely due to:

- costs involved in the opening and running of directly operated stores (DOS) and in particular of Geox flagship stores;
- amortization expenses which rose to Euro 16.5 million of first half 2010 from Euro 14.7 million of the same period of 2009, mainly related to the investments in the stores network.

Excluding the above mentioned costs, the total amount of general and administrative expenses and labor costs decreased by 4% compared to the previous year.

Advertising and promotion expense was equal to 5.8% of sales compared to 4.1% of the same period of 2009.

In the first half the Group's operating result was Euro 59.0 million (Euro 96.5 million in the same period of 2009) resulting in a 13.5% margin.

EBITDA

EBITDA was Euro 79.4 million, 18.2% of sales, compared to Euro 119.6 million in first half 2009.

Income taxes and tax rate

Income taxes were equal to Euro 19.4 million, compared 37.1 million of the same period of 2009, with a tax rate of 34% (40% in the same period of 2009). The decrease is primarily due to the write-down of deferred tax assets of previous



years (equal to Euro 2.7 million) taken in the first half of 2009. The adjusted tax rate of the first half 2009 was equal to 35%, in line with 34% of the first half 2010.

THE GROUP'S FINANCIAL PERFORMANCE

The Group balance sheet shows a solid net cash position, equal to Euro 99.9 million (Euro 102.6 million at the end of 2009).

The ratio of net working capital on last twelve months' sales shows a decline on the equivalent value of first half 2009, from 22.5% to 20.8% mainly due to:

- a different timing of deliveries of the Spring/Summer collections in comparison with the same period of 2009, with customer payments being shifted accordingly;
- a decrease of inventories related to the reduction in raw materials, as a consequence of own plant closures in 2009 and to the destocking of products related to previous seasons;
- different timing of payments to suppliers due to later receipt of finished products.

In the period, free cash flow was positive for Euro 45.8 million versus Euro 99.1 million in the same period of 2009. Net cash position is equal to Euro 99.9 million (Euro 75.9 million in the first half 2009).



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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The Geox Group operates in the classic, casual, and sport 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 leader in the Italian market in its own segment and is the second leading brand in the "International Lifestyle Casual Footwear Market" (Source: Shoe Intelligence, 2009). Geox technology is protected by over 50 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

2010 and 2009 results are reported under IAS/IFRS. Fiscal year 2009 results have been audited, while 2010 and 2009 first half 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)	I half 2010		I half 2009		2009	
		%		%		%
Net sales	435,485	100.0%	482,902	100.0%	865,010	100.0%
Cost of sales	(214,895)	(49.3%)	(230,336)	(47.7%)	(426,957)	(49.4%)
Gross profit	220,590	50.7%	252,566	52.3%	438,053	50.6%
Selling and distribution costs	(22,341)	(5.1%)	(23,444)	(4.9%)	(42,409)	(4.9%)
General and administrative expenses	(113,810)	(26.1%)	(107,948)	(22.4%)	(214,731)	(24.8%)
Advertising and promotion	(25,474)	(5.8%)	(19,755)	(4.1%)	(46,216)	(5.3%)
Operating result	58,965	13.5%	101,419	21.0%	134,697	15.6%
Special items	-	0.0%	-	0.0%	(5,306)	(0.6%)
Net asset impairment	-	0.0%	(4,917)	(1.0%)	(12,363)	(1.4%)
EBIT	58,965	13.5%	96,502	20.0%	117,028	13.5%
Net interest	(1,689)	(0.4%)	(2,860)	(0.6%)	(4,154)	(0.5%)
PBT	57,276	13.2%	93,642	19.4%	112,874	13.0%
Income tax	(19,359)	(4.4%)	(37,055)	(7.7%)	(46,168)	(5.3%)
Tax rate	34%		40%		41%	
Net Income	37,917	8.7%	56,587	11.7%	66,706	7.7%
EPS (Earnings per shares)	0.15		0.22		0.26	
EBITDA	79,364	18.2%	119,568	24.8%	166,375	19.2%
Special items	-		-		(5,306)	
EBITDA adjusted	79,364	18.2%	119,568	24.8%	171,681	19.8%

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)	June 30, 2010	Dec. 31, 2009	June 30, 2009
Intangible assets	72,704	74,651	78,136
Property, plant and equipment	68,902	71,516	75,928
Other non-current assets - net	38,470	40,707	34,267
Total non-current assets	180,076	186,874	188,331
Net operating working capital	169,656	159,465	205,317
Other current assets (liabilities), net	(19,989)	(10,409)	(49,235)
Net invested capital	329,743	335,930	344,413
Equity	419,867	428,751	412,736
Provisions for severance indemnities, liabilities and charges	9,825	9,765	7,594
Net financial position	(99,949)	(102,586)	(75,917)
Net invested capital	329,743	335,930	344,413

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	June 30, 2010	Dec. 31, 2009	June 30, 2009
Inventories	131,295	152,387	153,130
Accounts receivable	158,041	128,803	145,442
Accounts payable	(119,680)	(121,725)	(93,255)
Net operating working capital	169,656	159,465	205,317
% of sales for the last 12 months	20.8%	18.4%	22.5%
Taxes payable	(11,610)	(8,428)	(41,268)
Other non-financial current assets	17,966	24,042	17,704
Other non-financial current liabilities	(26,345)	(26,023)	(25,671)
Other current assets (liabilities), net	(19,989)	(10,409)	(49,235)

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RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENTS

(Thousands of Euro)	I half 2010	I half 2009	2009
Net income	37,917	56,587	66,706
Depreciation, amortization and impairment	20,399	23,066	49,348
Other non-cash items	5,593	10,786	23,205
	63,909	90,439	139,259
Change in net working capital	(11,941)	(1,611)	36,974
Change in other current assets/liabilities	7,524	30,933	(16,553)
Cash flow from operations	59,492	119,761	159,680
Capital expenditure	(15,817)	(22,010)	(41,995)
Disposals	2,095	1,364	2,957
Net capital expenditure	(13,722)	(20,646)	(39,038)
Free cash flow	45,770	99,115	120,642
Dividends	(51,841)	(62,210)	(62,210)
Increase in share capital	-	23	23
Change in net financial position	(6,071)	36,928	58,455
Initial net financial position - prior to fair value adjustment of derivatives	101,610	42,819	42,819
Change in net financial position	(6,071)	36,928	58,455
Translation differences	403	308	336
Final net financial position - prior to fair value adjustment of derivatives	95,942	80,055	101,610
Fair value adjustment of derivatives	4,007	(4,138)	976
Final net financial position	99,949	75,917	102,586