GEOX

GEOX S.P.A. BOARD OF DIRECTORS APPROVED FIRST HALF 2011 RESULTS

SALES: EURO 448 MILLION, UP 3% IN THE 1H 2011, FALL/WINTER 2011 ORDER BACKLOG UP 8%

- **Sales: Euro 448.3 million (Euro 435.5 million in the first half of 2010)**
- **EBITDA: Euro 60.9 million, 13.6% margin (Euro 79.4 million in the first half of 2010)**
- **EBIT: Euro 41.6 million, 9.3% margin (Euro 59.0 million in the first half of 2010)**
- **Net Income: Euro 24.3 million, 5.4% margin (Euro 37.9 million in the first half of 2010)**
- **Solid Net Cash Position: Euro 65.7 million**
- **Fall/Winter Order Backlog 2011: + 8%**

Biadene di Montebelluna, August 4, 2011 – 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 2011 financial results.

Mario Moretti Polegato, Chairman and founder of Geox, commented: "Geox closes the first six months of the year with a solid net cash position of 66 million Euro with sales up by 3%, boosted by double-digit growth in emerging markets, especially Russia, China and Eastern Europe, but also by a positive trend in more mature markets. The plan to expand the network of monobrand shops is continuing. More than 100 new stores will be inaugurated during the current year, most of them run by franchising partners, which confirms yet again the strength of the Geox brand. I am also satisfied with the prospects for the second half of the year as the Fall/Winter order backlog from our multibrand and franchising customers has gone up by 8%".

THE GROUP'S ECONOMIC PERFORMANCE

Sales

First half 2011 consolidated net sales increased by 3% (3.1% at constant exchange rates) to Euro 448.3 million. Footwear sales represented 88% of consolidated sales, amounting to Euro 393.7 million, with a 2% increase compared to the same period of 2010. Apparel sales accounted for 12% of consolidated sales equal to Euro 54.6 million, showing a 14% increase.

(Thousands of Euro)	I half 2011	%	I half 2010	%	Ch. %
Footwear	393,724	87.8%	387,431	89.0%	1.6%
Apparel	54,612	12.2%	48,054	11.0%	13.6%
Net sales	**448,336**	**100.0%**	**435,485**	**100.0%**	**3.0%**

Sales in Italy (38% of sales), increased by 3%, to Euro 170.2 million (165.9 million in the first half of 2010).

Sales in Europe (43% of sales in the first half of 2011, versus 43% in the first half of 2010) increased by 2% to Euro 192.2 million, compared to Euro 189.0 million in the first half of 2010.

North American sales increased by 2% to Euro 26.5 million (up 5% at constant exchange rates). Sales in the Other Countries increased by 9% (11% at constant exchange rates).

(Thousands of Euro)	**I half 2011**	**%**	**I half 2010**	**%**	**Ch. %**
Italy	170,168	38.0%	165,898	38.1%	2.6%
Europe (*)	192,237	42.9%	189,000	43.4%	1.7%
North America	26,457	5.9%	25,852	5.9%	2.3%
Other countries	59,474	13.2%	54,735	12.6%	8.7%
Net sales	**448,336**	**100.0%**	**435,485**	**100.0%**	**3.0%**

(*) 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 16%. This channel represented 43% of sales (38% in the first half of 2010).

The sales of directly operated stores (DOS) that have been open for at least 12 months (comparable stores sales) increased by 8% during the first half of 2011. Comparable store sales related to the Spring/Summer 2011 collections only (i.e. from February 28th to July 3rd) were stable compared to last year. It is worth pointing out the performance of the flagship stores whose comparable sales related to the Spring/Summer collections increased by 6%. The sales of these flagship stores in the first half of 2011 accounted for 14% of the total DOS sales.

Franchising channel reported an increase of 21% in the first half of 2011.

Multibrand, the Group's main distribution channel, which accounted for 57% of sales (62% in the first half of 2010) declined by 5%.

(Thousands of Euro)	**I half 2011**	**%**	**I half 2010**	**%**	**Ch. %**
Multibrand	**255,454**	**57.0%**	**268,836**	**61.7%**	**(5.0%)**
Franchising	87,895	19.6%	72,629	16.7%	21.0%
DOS*	104,987	23.4%	94,020	21.6%	11.7%
Geox Shops	**192,882**	**43.0%**	**166,649**	**38.3%**	**15.7%**
Net sales	**448,336**	**100.0%**	**435,485**	**100.0%**	**3.0%**

**Directly Operated Stores.*

As of June 2011 the overall number of Geox Shops was 1,077 of which 262 directly operated stores (DOS). During first half 2011, 82 new Geox Shops were opened and 44 have been closed. We confirm the target of 100 net openings during 2011, 60 of these related to the second half.

	06-30-2011		12-31-2010		I half 2011		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	367	82	344	85	23	34	(11)
Europe (*)	304	122	302	107	2	15	(13)
North America	47	41	50	41	(3)	2	(5)
Other countries	187	17	174	19	13	28	(15)
Countries with licensing agreements (**)	172	-	169	-	3	3	-
Total	**1,077**	**262**	**1,039**	**252**	**38**	**82**	**(44)**

(*) 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 54.1% compared to 49.3% in the first half of 2010, producing a gross margin of 45.9% (50.7% in the first half of 2010). The expected decline in gross margin, compared to the first half of 2010, is explained by unfavorable trends in currencies, raw material prices and labor cost increases in supplier countries. Also due to the higher promotional selling activities in the first quarter of 2011, within the group's directly operated stores.

Operating Expenses and Operating Income (EBIT)

Selling and distribution expenses as a percentage of sales were 5.3%, substantially in line with the first half of 2010 (5.1%).

General and administrative expenses increased from 2.2 million to Euro 116.0 million (113.8 million of the first half of 2010) but, as a percentage of sales, they decreased to 25.9% (26.1% in the first half of 2010). The increase is entirely due to the costs of opening and running directly operated stores (DOS) while the "core" G&A expenses and the personnel costs declined by 1%.

Advertising and promotion expenses, as a percentage of sales, were 5.4% (compared to 5.8% of the first half of 2010).

The Group's operating result was Euro 41.6 million, 9.3% as a percentage of sales, compared to Euro 59.0 million of the first half of 2010 (13.5% as a percentage of sales).

EBITDA

EBITDA was equal to Euro 60.9 million, 13.6% of sales, compared to Euro 79.4 million in the first half of 2010.

Income Taxes and Tax Rate

Income taxes were equal to Euro 14.9 million, compared to Euro 19.4 million in first half 2010, with a tax rate of 38% (34% in the first half of 2010). The increase in the tax rate is principally due to a higher proportion of IRAP and other local taxes on the profit before tax.

GEOX

THE GROUP'S FINANCIAL PERFORMANCE

The Group balance sheet shows a solid net cash position. Before the fair value adjustment of derivatives, net cash position was Euro 108.5 million at December 31, 2010, compared to Euro 81.0 million as of June 30, 2011. After fair value adjustment of derivatives, which negatively affected first half 2011 for Euro 15.3 million (Euro 16.4 million as of December 31, 2010), net cash position was equal to Euro 65.7 million as of June 30, 2011 (compared to Euro 92.1 million at the end of December 2010).

The ratio of net working capital on sales was 22.8% compared to 20.8% in the first half of 2010 mainly due to different timing of receipt of Fall/Winter 2011 collection compared to the same period of 2010.

During the first six months capital expenditures were Euro 14.3 million of which Euro 7.5 million for new store openings and store refurbishments.

SIGNIFICANT EVENTS AND OUTLOOK

For the Fall/Winter 2011 season, management confirmed an 8% growth of the orders backlog from third parties, wholesale and franchising.

Trends in currencies, raw material prices and labor costs in supplier countries suggest that gross margin will be under pressure in the second half of 2011. Nevertheless, thanks to the steps taken in terms of product mix, channels, prices and cost reductions, management is confident that the gross margin of the second half of 2011 will be substantially in line with the gross margin of the same period of 2010.

GEOX

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

INVESTOR RELATIONS
Marina Cargnello: tel. +39 0423 282476; mobile +39 334 6535536; ir@geox.com
Livio Libralesso, CFO
Massimo Stefanello, Corporate Managing Director

PRESS OFFICE
Marco Bianchin: tel. +39 0423 282958; mobile +39 335 1515668

GEOX GROUP

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 the 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, 2010). 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 2011 results are reported under IAS/IFRS. Fiscal year 2010 results have been audited, while first half 2010 and first half 2011 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.

GEOX

CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	I half 2011	%	I half 2010	%	2010	%
Net sales	**448,336**	**100.0%**	**435,485**	**100.0%**	**850,076**	**100.0%**
Cost of sales	(242,755)	(54.1%)	(214,895)	(49.3%)	(435,146)	(51.2%)
Gross profit	**205,581**	**45.9%**	**220,590**	**50.7%**	**414,930**	**48.8%**
Selling and distribution costs	(23,593)	(5.3%)	(22,341)	(5.1%)	(44,730)	(5.3%)
General and administrative expenses	(115,992)	(25.9%)	(113,810)	(26.1%)	(228,977)	(26.9%)
Advertising and promotion	(23,995)	(5.4%)	(25,474)	(5.8%)	(47,420)	(5.6%)
Operating result	**42,001**	**9.4%**	**58,965**	**13.5%**	**93,803**	**11.0%**
Special items	(370)	(0.1%)	-	0.0%	(396)	(0.0%)
EBIT	**41,631**	**9.3%**	**58,965**	**13.5%**	**93,407**	**11.0%**
Net interest	(2,381)	(0.5%)	(1,689)	(0.4%)	(3,168)	(0.4%)
PBT	**39,250**	**8.8%**	**57,276**	**13.2%**	**90,239**	**10.6%**
Income tax	(14,926)	(3.3%)	(19,359)	(4.4%)	(32,236)	(3.8%)
Tax rate	*38%*		*34%*		*36%*	
Net Income	**24,324**	**5.4%**	**37,917**	**8.7%**	**58,003**	**6.8%**
EPS (Earnings per shares)	**0.09**		**0.15**		**0.22**	
EBITDA	**60,895**	**13.6%**	**79,364**	**18.2%**	**132,313**	**15.6%**
Special items	(370)		-		(396)	
EBITDA adjusted	**61,265**	**13.7%**	**79,364**	**18.2%**	**132,709**	**15.6%**

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

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Thousands of Euro)	June 30, 2011	Dec. 31, 2010	June 30, 2010
Intangible assets	65,450	68,621	72,704
Property, plant and equipment	63,392	67,306	68,902
Other non-current assets - net	46,110	42,802	38,470
Total non-current assets	**174,952**	**178,729**	**180,076**
Net operating working capital	**196,648**	**178,788**	**169,656**
Other current assets (liabilities), net	**(28,499)**	**(12,887)**	**(19,989)**
Net invested capital	**343,101**	**344,630**	**329,743**
Equity	399,780	426,301	419,867
Provisions for severance indemnities, liabilities and charges	8,977	10,463	9,825
Net financial position	(65,656)	(92,134)	(99,949)
Net invested capital	**343,101**	**344,630**	**329,743**

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	June 30, 2011	Dec. 31, 2010	June 30, 2010
Inventories	189,543	172,085	131,295
Accounts receivable	135,952	124,525	158,041
Accounts payable	(128,847)	(117,822)	(119,680)
Net operating working capital	**196,648**	**178,788**	**169,656**
% of sales for the last 12 months	***22.8%***	***21.0%***	***20.8%***
Taxes payable	(19,333)	(9,814)	(11,610)
Other non-financial current assets	21,402	25,818	17,966
Other non-financial current liabilities	(30,568)	(28,891)	(26,345)
Other current assets (liabilities), net	**(28,499)**	**(12,887)**	**(19,989)**

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENTS

(Thousands of Euro)	I half 2011	I half 2010	2010
Net income	**24,324**	**37,917**	**58,003**
Depreciation, amortization and impairment	19,264	20,399	38,906
Other non-cash items	(7,091)	5,593	9,509
	36,497	**63,909**	**106,418**
Change in net working capital	(22,116)	(11,941)	(21,398)
Change in other current assets/liabilities	18,058	7,524	3,939
Cash flow from operations	**32,439**	**59,492**	**88,959**
Capital expenditure	(14,257)	(15,817)	(31,805)
Disposals	1,497	2,095	2,107
Net capital expenditure	**(12,760)**	**(13,722)**	**(29,698)**
Free cash flow	**19,679**	**45,770**	**59,261**
Dividends	(46,657)	(51,841)	(51,841)
Change in net financial position	**(26,978)**	**(6,071)**	**7,420**

Initial net financial position - prior to fair value adjustment of derivatives	**108,504**	**101,610**	**101,610**
Change in net financial position	(26,978)	(6,071)	7,420
Translation differences	(529)	403	(526)
Final net financial position - prior to fair value adjustment of derivatives	**80,997**	**95,942**	**108,504**
Fair value adjustment of derivatives	(15,341)	4,007	(16,370)
Final net financial position	**65,656**	**99,949**	**92,134**