GEOX

PRESS RELEASE

GEOX GROUP – 2014 RESULTS

GEOX ACCELERATES AGAIN AND CLOSES 2014 WITH GROWTH IN TURNOVER OF 9.3%. EXCELLENT RESULTS IN ITALY, FRANCE AND SPAIN THAT HAVE DRIVEN EXPANSION WITH INCREASES OF RESPECTIVELY 13.7%, 16.1% AND 16.5%.

SOLID PERFORMANCE, AT INTERNATIONAL LEVEL, BY ALL DISTRIBUTION CHANNELS, WITH COMPARABLE SALES ACHIEVED BY OWNED STORES OF 7.9% AND, ABOVE ALL, A RETURN TO GROWTH BY THE MULTI-BRAND CHANNEL, WHICH, IN THE SECOND HALF OF THE YEAR, POSTED SALES UP BY 15.9%, BEARING WITNESS TO THE STRENGTH OF THE BRAND AND CORRECT IMPLEMENTATION OF STRATEGY.

- **Sales: Euro 824.2 million (Euro 754.2 million in 2013)**
- **EBITDA[1]: Euro 42.6 million, 5.2% margin (Euro 10.7 million in 2013, 1.4% margin)**
- **EBIT[2]: Euro 4.9 million, 0.6% margin (Euro -34.6 million in 2013, -4.6% margin)**
- **Net financial position: Euro -13 million, thanks to a strong cash generation in the fourth quarter**

Biadene di Montebelluna, March 5, 2015 – 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 2014 financial results.

Mario Moretti Polegato, Chairman and founder of Geox, commented: "I am satisfied with the results achieved by Geox Group in 2014 that confirm the positive path to renewal and growth that commenced with the presentation of the strategic plan in November 2013.

Overall, turnover grew by 9.3%, thanks, in particular, to a very positive second half, which showed a strong recovery in both the multi-brand channel that grew by 15.9% with a complete reversal of the trend recorded in the first half, and in the franchising channel, the comparable sales of which grew by 10.4% in the same period. Our directly operated stores have also performed extremely positively with an increase in comparable turnover of 7.9% in 2014.

The overall results are in line with our medium/long-term strategic objectives, which aim for sustainable, durable and profitable growth of our business by combining the competitive advantage of our technology and patents, which are the essence and the main strength of Geox, with the ability to offer the market a contemporary product that customers want, with a focus on distribution while seeking to achieve maximum operational efficiency.

For 2015 I expect a positive but also challenging year due to an international macroeconomic environment still difficult and to political tensions in some regions of the world that could impact the performance of these areas. However, we are confident that the trend of solid growth achieved in our main markets, such as Italy, France, Spain, Germany and

[1] EBITDA in 2013 includes non recurring costs, equal to Euro 14.1 million
[2] EBIT in 2013 includes non recurring costs (highlighted in note 1) and asset impairment, equal to Euro 4.7 million

other European countries, positive developments in other geographical areas, confirmation of the growth trend in gross margin and the steps taken for rationalisation and improvements in efficiency, will allow the Group to grow even further in 2015 both in terms of turnover and earnings."

THE GROUP'S ECONOMIC PERFORMANCE

Sales

2014 consolidated net sales increased by 9.3% (10.1% at constant exchange rates) to Euro 824.2 million. Footwear sales represented 88% of consolidated sales, amounting to Euro 721.7 million, with a 10.3% increase compared to 2013. Apparel sales accounted for 12% of consolidated sales amounting to Euro 102.5 million, with a 2.5% increase.

(Thousands of Euro)	**2014**	**%**	**2013**	**%**	**Var. %**
Footwear	721,686	87.6%	654,151	86.7%	10.3%
Apparel	102,557	12.4%	100,040	13.3%	2.5%
Net sales	**824,243**	**100.0%**	**754,191**	**100.0%**	**9.3%**

Sales in Italy, the Group's main market, which accounted for 33% of sales (32% in 2013) amounted to Euro 272.7 million showing a 13.7% increase compared with 2013.

Sales in Europe, which accounted for 44% of sales increased by 9.3% to Euro 359.3 million, compared with Euro 328.8 million in 2013.

North American sales amounted to Euro 55.5 million, showing an increase of 3.4% (+7.7% at constant exchange rates). Sales in Other Countries increased by 3.8% compared to 2013 (+6.8% at constant exchange rates).

(Thousands of Euro)	**2014**	**%**	**2013**	**%**	**Var. %**
Italy	272,666	33.1%	239,867	31.8%	13.7%
Europe (*)	359,273	43.6%	328,817	43.6%	9.3%
North America	55,512	6.7%	53,704	7.1%	3.4%
Other countries	136,792	16.6%	131,803	17.5%	3.8%
Net sales	**824,243**	**100.0%**	**754,191**	**100.0%**	**9.3%**

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

In 2014, sales of the DOS channel, which represent 42% of Group revenues, grew 21.0% to Euro 345.7 million. The improvement is mainly driven by new openings and by comparable store sales growth recorded on DOS channel (+7.9%).

Sales of the franchising channel, which account for 18% of Group revenues, amount to Euro 148.6 million, with an increase of 2.3%. This trend is due to the positive trend in comparable store sales at locations that have been open for at least 12 months (+5.6%) and, in particular, to a better performance of same stores sales in the second half (+10.4%) compared with the same period of last year, which offset the effect of closing of shops not in line with the expected profitability standards.

Multibrand stores representing 40% of Group revenues (43% in 2013) amount to Euro 329.9 million, with an increase of 2.0%, thanks to a good performance in the second half, showing an increase of 15.9%, which offset the weakness of the first half.

(Thousands of Euro)	**2014**	**%**	**2013**	**%**	**Var. %**
Multibrand	**329,920**	**40.0%**	**323,327**	**42.9%**	**2.0%**
Franchising	148,575	18.0%	145,199	19.3%	2.3%
DOS*	345,748	42.0%	285,665	37.9%	21.0%
Geox Shops	**494,323**	**60.0%**	**430,864**	**57.1%**	**14.7%**
Net sales	**824,243**	**100.0%**	**754,191**	**100.0%**	**9.3%**

* Directly Operated Store

As of December 31, 2014, the overall number of Geox Shops was 1,225 of which 477 DOS. During 2014, 91 new Geox Shops were opened and 165 have been closed, mainly franchising stores, in line with the rationalization plan of the DOS network.

	12-31-2014		**12-31-2013**		**2014**		
	Geox Shops	**of which DOS**	**Geox Shops**	**of which DOS**	**Net Openings**	**Openings**	**Closings**
Italy	421	173	465	169	(44)	8	(52)
Europe (*)	350	167	361	162	(11)	27	(38)
North America	44	44	40	40	4	6	(2)
Other countries (**)	410	93	433	79	(23)	50	(73)
Total	**1,225**	**477**	**1,299**	**450**	**(74)**	**91**	**(165)**

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

(**) Includes Under License Agreement Shops (161 as of December 31 2014, 176 as of December 31 2013). 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 51.0% compared to 53.4% of 2013, producing a gross margin of 49.0% (46.6% in 2013).

The increase in gross profit, in line with management expectations, is explained by the increased profitability in sales and the steps taken in terms of product mix, channels, prices.

Operating expenses and Operating income (EBIT)

Selling and distribution expenses as a percentage of sales were 5.9% (6.2% in 2013).

General and administrative expenses were equal to Euro 308.3 million, compared with Euro 282.0 million of 2013. General and administrative expenses, as a percentage of sales, were 37.4%, in line with 2013 figures.

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 stores previously managed by some franchisees, occurred during 2014.

Advertising and promotions expenses were equal to 5.1% of sales, in line with 2013.

For the purpose of comparison with the previous period, please note that non-recurring expenses of Euro 14.1 million were recorded in 2013, deriving from the implementation of a broad strategic and organizational review, which aimed to simplify and specialize Geox's activity on the basis of its core business, namely footwear and clothing. In addition, impairment write-downs of Euro 4.7 million were made on certain fixed assets, mainly because of store closures, but also in situations where it looked unlikely that our capital investment would be recovered in full because of the macroeconomic scenario.

The operating result (EBIT) is equal to Euro 4.9 million (0.6% on sales) compared with Euro -34.6 million of 2013.

EBITDA

EBITDA was Euro 42.6 million, 5.2% of sales, compared to Euro 10.7 million (1.4% on sales) of 2013.

Income taxes and tax rate

Income taxes were equal to Euro 1.5 million, compared to Euro -8.7 million of 2013.

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THE GROUP'S FINANCIAL PERFORMANCE

The Group balance sheet shows a negative financial position of Euro 13.0 million.

The ratio of net working capital on sales comes to 27.5% compared with 28.3% of 2013. This change is due to:

- a 5.7 million increase in account receivables which recorded an improvement in the ratio on sales;
- a 5.8 million increase in inventory due to:
  - inventories of the 2014 Spring/Summer season, for our outlet channel, and the stocks currently on sale in the shops (Fall/Winter 2014);
  - a different timing in deliveries of 2015 Spring/Summer season compared to previous year;
- a 1.5 million decrease in trade payables, in line with the timing of finished goods purchases.

Before the fair value adjustment of derivatives, net financial position was Euro -41.0 million, compared to Euro -18.3 million of 2013. After fair value adjustment of derivatives, which positively affected 2014 for Euro 28.0 million but negatively affected 2013 for Euro -9.9 million of 2013, net financial position was equal to Euro -13.0 million (Euro -28.2 million at the end of 2013).

FINANCIAL STATEMENT OF THE PARENT COMPANY, GEOX S.P.A.

The Board of Directors also approved the financial results of Geox S.p.A., the group's parent company, for the year ending December 31, 2014 and the annual corporate governance report.

Sales equal to Euro 559.4 million, from Euro 511.0 million in 2013. Net result was Euro -7.6 million (Euro -29.6 million in 2013), -1.4% on sales.

Shareholders' equity at the end of December 2014 amounted to Euro 392.4 million from Euro 377.7 million at the end of 2013. Net financial position was positive for Euro 46.2 million.

The Board of Directors has agreed to convene the General Meeting of Shareholders on April 16 to approve the 2014 Statutory Financial Statements.

FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

The 2014-2016 Business Plan presented to the financial community is based on steps designed to:

- focus on the core business and product innovation;
- simplify the business to obtain a drastic reduction in its complexity and a consequent reduction in costs;
- rationalisation of the network of mono-brand stores by closing those that are underperforming;
- open new stores only after strict profitability criteria have been met;
- improve commercial structures in Northern and Eastern European countries, in the United States and in Asia to take advantage in the future of the important growth opportunities that these countries have and where the Group's presence is still limited.

The results achieved in 2014 have confirmed the correctness of the strategy and the actions taken.
In particular, the majority of the performance indicators has exceeded expectations: the Wholesale channel not only stabilised itself but it recorded slight growth (+2%); the gross margin grew by 240 basis points versus the forecast of 190; comparable sales of directly operated stores and franchised stores grew by +7.9% and +5.6%, respectively; the countries in which the Group has leadership positions, such as Italy, France, Spain and the main European countries, achieved growth rates that exceeded those envisaged by the Business Plan; other geographical areas, where the Group's presence is still limited, are beginning to show interesting signs of growth. These very positive elements have more than compensated for certain specific and limited negative factors, such as: a certain weakness in the number of stores in the franchising channel due to the rationalisation of the network that has only been partially offset by the opening of new stores; difficulties in certain geographical areas subjected to geopolitical tensions; weakness in Asia, particularly Hong Kong and Macao, which have seen a substantial slowdown in consumer spending and in China with the first signs of financial difficulties being experienced by our partner, which has not taken delivery of part of the winter orders.
Overall, the excellent performance by the Business has led to the achievement of turnover of Euro 824 million (versus 805 as per the Business Plan) and EBIT of Euro 5 million (versus the break-even result forecast by the Business Plan).

With regards to the year 2015, management expects a positive year in terms of growth and profitability, but also challenging due to an international macroeconomic environment still difficult, to political tensions in some regions of the world and due to a difficulty of our partner in China for which it is appropriate to make a specific reference.
For this country, the Group's strategy envisages, on one hand, directly operated stores in the cities of Shanghai and Beijing, with the opening of around one hundred stores within the period covered by the Business Plan, in order to have full control over the brand and product positioning and, on the other hand, the development of the country's other provinces via distribution agreements. The opening of these stores is in line with plan and also the performance of comparable sales is extremely positive. Accordingly, in 2015 the Group will proceed with the planned opening of direct stores.
As far as the rest of China is concerned, management would like to point out that some specific issues encountered by our partner, mainly of financial nature linked to its size, various breaches of the contract, partial reduction in orders for the Fall/Winter collection, and, in the end, the request for a drastic downsizing of its investment in planned store openings, led the group to apply the arbitration clause provided for under the agreement so as to certify the breaches of contract and the consequent revocation of the contract and of exclusivity in order to redefine the entire relationship to the extent possible, also in light of expressions of interest from Chinese and international groups with regard to Geox's future development in China.
The ongoing arbitration with the current partner and negotiations being held with the new partners will not allow this area to bring, in 2015, the expected contribution.

However, management is confident that the trend of solid growth achieved in our main markets, such as Italy, France, Spain, Germany and other European countries and the positive developments in other geographical areas, will allow the Group to achieve, even in 2015, a good growth rate of turnover. Furthermore, management assumes that, based upon the confirmed trend of growth in the gross margin, the steps of rationalization already in place, the material improvement in the cash flows and some recent positive tax advantages granted in Italy, there is also an operating margin expansion and even more in the net profit although there is, as of today, not enough visibility on the full confirmation of the published targets.

These positive expectations, as far as the first half of 2015 is concerned, are confirmed by: (i) the order backlog for the multi-brand channel for the Spring/Summer season that has grown in total by 5% and thus the performance in the EMEA region has more than compensated for the weakness in Asia in the wholesale channel; (ii) this order backlog confirms growth in gross margin in line with expectations; (iii) comparable sales, as of today, of both directly operated stores and franchised stores have grown in comparison to prior year and are in line with management's expectations.

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 brands 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

2014 and 2013 results are reported under IAS/IFRS and have 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.

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CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	**2014**	**%**	**2013**	**%**
Net sales	**824,243**	**100.0%**	**754,191**	**100.0%**
Cost of sales	(420,451)	(51.0%)	(402,701)	(53.4%)
Gross profit	**403,792**	**49.0%**	**351,490**	**46.6%**
Selling and distribution costs	(48,519)	(5.9%)	(46,634)	(6.2%)
General and administrative expenses	(308,257)	(37.4%)	(281,960)	(37.4%)
Advertising and promotion	(42,126)	(5.1%)	(38,750)	(5.1%)
Operating result	**4,890**	**0.6%**	**(15,854)**	**(2.1%)**
Special items	-	0.0%	(14,054)	(1.9%)
Net asset impairment	-	0.0%	(4,725)	(0.6%)
EBIT	**4,890**	**0.6%**	**(34,633)**	**(4.6%)**
Net interest	(6,335)	(0.8%)	(3,846)	(0.5%)
PBT	**(1,445)**	**(0.2%)**	**(38,479)**	**(5.1%)**
Income tax	(1,496)	(0.2%)	8,730	1.2%
Tax rate	*-104%*	0%	*23%*	
Net result	**(2,941)**	**(0.4%)**	**(29,749)**	**(3.9%)**
EPS (Earnings per shares)	**(0.01)**		**(0.11)**	
EBITDA	**42,643**	**5.2%**	**10,684**	**1.4%**
Special items	-		(14,054)	
EBITDA adjusted	**42,643**	**5.2%**	**24,738**	**3.3%**

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)	Dec. 31, 2014	Dec. 31, 2013
Intangible assets	60,150	64,023
Property, plant and equipment	64,497	65,291
Other non-current assets - net	54,802	67,338
Total non-current assets	**179,449**	**196,652**
Net operating working capital	**226,651**	**213,646**
Other current assets (liabilities), net	**(10,625)**	**(18,415)**
Net invested capital	**395,475**	**391,883**
Equity	373,680	355,429
Provisions for severance indemnities, liabilities and charges	8,813	8,228
Net financial position	12,982	28,226
Net invested capital	**395,475**	**391,883**

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	Dec. 31, 2014	Dec. 31, 2013
Inventories	287,732	281,907
Accounts receivable	106,517	100,837
Accounts payable	(167,598)	(169,098)
Net operating working capital	**226,651**	**213,646**
% of sales for the last 12 months	***27.5%***	***28.3%***
Taxes payable	(6,439)	(8,424)
Other non-financial current assets	40,958	32,072
Other non-financial current liabilities	(45,144)	(42,063)
Other current assets (liabilities), net	**(10,625)**	**(18,415)**

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	**2014**	**2013**
Net result	**(2,941)**	**(29,749)**
Depreciation, amortization and impairment	37,753	45,318
Other non-cash items	(1,483)	(5,138)
	33,329	**10,431**
Change in net working capital	(15,434)	(40,065)
Change in other current assets/liabilities	(6,842)	7,924
Cash flow from operations	**11,053**	**(21,710)**
Capital expenditure	(35,754)	(40,112)
Disposals	2,912	649
Net capital expenditure	**(32,842)**	**(39,463)**
Free cash flow	**(21,789)**	**(61,173)**
Dividends	-	(15,552)
Change in net financial position	**(21,789)**	**(76,725)**
Initial net financial position - prior to fair value adjustment of derivatives	**(18,339)**	**57,792**
Change in net financial position	(21,789)	(76,725)
Translation differences	(884)	594
Final net financial position - prior to fair value adjustment of derivatives	**(41,012)**	**(18,339)**
Fair value adjustment of derivatives	28,030	(9,887)
Final net financial position	**(12,982)**	**(28,226)**