

GEOX

GEOX S.P.A. BOARD OF DIRECTORS APPROVED 2011 FINANCIAL RESULTS

SALES: EURO 887 MILLION (+5% AT CONSTANT EXCHANGE RATES)

SOLID NET CASH POSITION: 91 MILLION

- Sales: Euro 887.3 million, +4%, +5% at constant exchange rates
- EBITDA: Euro 121.5 million, 13.7% margin (Euro 132.3 million in 2010)
- EBIT: Euro 82.5 million, 9.3% margin (Euro 93.4 million in 2010)
- Net Income: Euro 50.2 million, 5.7% margin (Euro 58.0 million in 2010)
- Solid Net Cash Position: Euro 90.7 million
- Dividend: Euro 0.16 per share

Biadene di Montebelluna, March 8, 2012 – 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 2011 financial results.

Mario Moretti Polegato, Chairman and founder of Geox, commented: "2011 ended positively, with sales up 5%, supported by double-digit growth in emerging markets and a positive performance in Europe. In 2012 we will continue to invest in marketing, product innovation and in distribution, with the opening of an additional 100 Geox monobrand stores mainly in franchising. The good results achieved and our solid net cash position, which at the end of 2011 exceeded euro 90 million, allow us to propose to the forthcoming AGM a dividend of Euro 0.16 per share."

THE GROUP'S ECONOMIC PERFORMANCE

Sales

Net sales increased by 4% (5% at constant exchange rates) to Euro 887.3 million.

Footwear sales represented 85% of sales, amounting to Euro 754.8 million, with a 3% increase compared to 2010. Apparel sales accounted for 15% of sales equal to Euro 132.5 million, showing a 12% increase.

(Thousands of Euro)	2011	%	2010	%	Ch. %
Footwear	754,777	85.1%	731,908	86.1%	3.1%
Apparel	132,495	14.9%	118,168	13.9%	12.1%
Net sales	887,272	100.0%	850,076	100.0%	4.4%

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Sales in Italy (38% of sales compared to 39% of 2010), increased by 2%, to Euro 337.4 million.

Sales in Europe (42% of sales, in line with 2010) increased by 4% to Euro 371.6 million, compared to Euro 355.9 million in 2010.

North American sales were substantially stable (+1% at constant exchange rates). Sales in the Other Countries increased by 13% (15% at constant exchange rates).

(Thousands of Euro)	2011	%	2010	%	Ch. %
Italy	337,375	38.0%	329,527	38.8%	2.4%
Europe (*)	371,625	41.9%	355,867	41.9%	4.4%
North America	53,595	6.0%	54,184	6.4%	(1.1%)
Other countries	124,677	14.1%	110,498	13.0%	12.8%
Net sales	887,272	100.0%	850,076	100.0%	4.4%

(*) 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 13%. This channel represented 45% of sales (42% in 2010).

The sales of directly operated stores (DOS) that have been open for at least 12 months (comparable stores sales) increased by 2% during 2011.

Franchising channel reported an increase of 24% in 2011 to Euro 187.6 million (21% of sales).

Multibrand channel, which accounted for 55% of sales (59% in 2010) declined by 2%.

(Thousands of Euro)	2011	%	2010	%	Ch. %
Multibrand	486,861	54.9%	496,875	58.5%	(2.0%)
Franchising	187,571	21.1%	150,866	17.7%	24.3%
DOS*	212,840	24.0%	202,335	23.8%	5.2%
Geox Shops	400,411	45.1%	353,201	41.5%	13.4%
Net sales	887,272	100.0%	850,076	100.0%	4.4%

*Directly Operated Stores

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Geox ended the fiscal year 2011 with 1,140 Geox Shops of which 262 directly operated stores (DOS). Year to date the Group opened 177 new Geox Shops and closed 76 locations. The new openings include, among the others, shops in Rome, Bruxelles, Copenhagen, London and Moscow.

	12-31-2011		12-31-2010		2011		
	Geox Shops	of which DOS	Geox Shops	of which DOS	Net Openings	Openings	Closings
Italy	392	79	344	85	48	69	(21)
Europe (*)	320	126	302	107	18	33	(15)
North America	44	40	50	41	(6)	2	(8)
Other countries	213	17	174	19	39	63	(24)
Countries with licensing agreements (**)	171	-	169	-	2	10	(8)
Total	1,140	262	1,039	252	101	177	(76)

(*) 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 53.9% compared to 51.2% of 2010, producing a gross margin of 46.1% (48.8% in 2010). The decline in gross profit reflects the negative impact of unfavorable trends in currencies, raw material prices and labor costs in supplier countries of the first half of 2011. Those negative factors, which affected also the second half, were mostly offset by the steps taken in terms of product mix, channels, prices and cost reductions. Second half gross profit was, in fact, substantially in line with the same period of 2010.

Operating expenses and Operating income (EBIT)

Selling and distribution expenses as a percentage of sales improved compared to last year (5.1% of sales versus 5.3% of 2010).

General and administrative expenses increased to euro 234.5 million from euro 229.0 million. As a percentage of sales they improved compared to last year (26.4% of sales versus 26.9% of 2010). The increase is due to:

- the costs of opening and running directly operated stores (DOS) and in particular of Geox flagship stores;
- slight increase of the "core" G&A expenses and the personnel costs compared to 2010 but decreasing as a percentage on sales.

Advertising and promotion expenses, as a percentage of sales, was 5.2% (compared to 5.6% of 2010).

EBIT was Euro 82.5 million, 9.3% of sales, compared to Euro 93.4 million in 2010.

EBITDA

EBITDA was Euro 121.5 million, 13.7% of sales, compared to Euro 132.3 million in 2010 (15.6% of sales). The decline in EBITDA reflects the above mentioned dilution of gross profit of the first half of 2011. EBITDA margin in the second half, instead, increased of 100 basis points from 12.8% to 13.8%, thanks to the recovery of gross margin and the decrease of the other expenses, as a percentage of sales.

Income taxes and tax rate

Income taxes were equal to Euro 28 million, with a tax rate of 36%, in line with 2010.

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THE GROUP'S FINANCIAL PERFORMANCE

The Group balance sheet shows a solid net cash position of Euro 90.7 million, substantially in line with the previous year.

The ratio of net working capital on sales was 24.5% compared to 21.0% of 2010. The increase is due to:

- the increase of receivable mainly due to the increase of franchising sales and to the extending payment terms granted to some clients;
- the increase of inventories, mainly due to different timing of receipt of Spring/Summer 2012 collection compared to the same period of 2010 and to the Fall/Winter 2011 stock season currently on sales.

Free cash flow at December 2011 was Euro 16.6 million compared to Euro 59.3 million of 2010. The decrease is driven by a lower net income and by the above mentioned increase of working capital.

In the fiscal year 2011 the Group distributed Euro 46.7 million dividend (51.8 million in 2010). During 2011 capital expenditures were Euro 36.1 million of which 19.3 million for new store openings and store refurbishment.

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, 2011 and the annual corporate governance report.

Sales reached Euro 702.4 million, from Euro 701.6 million in 2010. Net Income was Euro 43.2 million (Euro 49.7 million in 2010) with a 6.2% margin.

Shareholders' equity at the end of December 2011 amounted to Euro 464.4 million from Euro 451.6 million at the end of 2010. Net cash was Euro 98.8 million, from Euro 88.6 million at the end of 2010.

The Board of Directors has agreed to convene the General Meeting of Shareholders on April 20 on first call and April 23 on second call to approve the 2011 Statutory Financial Statements.

PROPOSED DIVIDEND

The Board of Directors has decided to propose to the Shareholders' Meeting the distribution of a dividend of Euro 0.16 per share (equal to a payout of approximately 83% of the consolidated net income of the Group). The cash dividend will be payable on May 24, 2012 (with record date of May 21, 2012).

FORECAST FOR OPERATIONS AND SIGNIFICANT SUBSEQUENT EVENTS

The Group achieved a slight growth in 2011 despite a challenging macroeconomic and financial situation in Europe especially in the Mediterranean area. These difficulties have been continuing in the first months of the current year. Even though third-party customers (i.e. multibrand stores and franchisees) have substantially confirmed their Spring/Summer 2012 orders compared to the previous season, the management opinion is to look at the revenue forecast of the first half of 2012 with caution and prudence. This is due to the persistence of the market stabilization, declining consumption, restrictions on access to credit and customers inventory reduction that are affecting some geographical areas.

Given this situation, the Geox Group has reacted with measures aimed to recover gross margins, which is being confirmed by the order book in terms of product mix, channels, prices and cost reductions. The Group has also made significant investments in terms of management and company structures to capture the market potential in emerging countries and markets with higher growth where the Group's presence is still limited, but rapidly improving. These investments could lead to pressure on operating margins if sales do not turn out to be increasing or stable.



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, 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, 2011). 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

2010 and 2011 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)	2011	%	2010	%
Net sales	887,272	100.0%	850,076	100.0%
Cost of sales	(478,140)	(53.9%)	(435,146)	(51.2%)
Gross profit	409,132	46.1%	414,930	48.8%
Selling and distribution costs	(45,581)	(5.1%)	(44,730)	(5.3%)
General and administrative expenses	(234,521)	(26.4%)	(228,977)	(26.9%)
Advertising and promotion	(45,935)	(5.2%)	(47,420)	(5.6%)
Operating result	83,095	9.4%	93,803	11.0%
Special items	(582)	(0.1%)	(396)	(0.0%)
EBIT	82,513	9.3%	93,407	11.0%
Net interest	(4,386)	(0.5%)	(3,168)	(0.4%)
PBT	78,127	8.8%	90,239	10.6%
Income tax	(27,959)	(3.2%)	(32,236)	(3.8%)
Tax rate	36%		36%	
Net Income	50,168	5.7%	58,003	6.8%
EPS (Earnings per shares)	0.19		0.22	
EBITDA	121,514	13.7%	132,313	15.6%
Special items	(582)		(396)	
EBITDA adjusted	122,096	13.8%	132,709	15.6%

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)	Dec. 31, 2011	Dec. 31, 2010
Intangible assets	67,222	68,621
Property, plant and equipment	63,658	67,306
Other non-current assets - net	40,599	42,802
Total non-current assets	171,479	178,729
Net operating working capital	217,768	178,788
Other current assets (liabilities), net	(23,331)	(12,887)
Net invested capital	365,916	344,630
Equity	446,428	426,301
Provisions for severance indemnities, liabilities and charges	10,180	10,463
Net financial position	(90,692)	(92,134)
Net invested capital	365,916	344,630

OPERATING WORKING CAPITAL AND OTHER CURRENT ASSETS (LIABILITIES)

(Thousands of Euro)	Dec. 31, 2011	Dec. 31, 2010
Inventories	196,610	172,085
Accounts receivable	154,171	124,525
Accounts payable	(133,013)	(117,822)
Net operating working capital	217,768	178,788
% of sales for the last 12 months	24.5%	21.0%
Taxes payable	(11,818)	(9,814)
Other non-financial current assets	21,801	25,818
Other non-financial current liabilities	(33,314)	(28,891)
Other current assets (liabilities), net	(23,331)	(12,887)

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RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENTS

(Thousands of Euro)		
	2011	2010
Net income	50,168	58,003
Depreciation, amortization and impairment	39,001	38,906
Other non-cash items	(785)	9,509
	88,384	106,418
Change in net working capital	(44,128)	(21,398)
Change in other current assets/liabilities	6,080	3,939
Cash flow from operations	50,336	88,959
Capital expenditure	(36,093)	(31,805)
Disposals	2,407	2,107
Net capital expenditure	(33,686)	(29,698)
Free cash flow	16,650	59,261
Dividends	(46,657)	(51,841)
Change in net financial position	(30,007)	7,420
Initial net financial position - prior to fair value adjustment of derivatives	108,504	101,610
Change in net financial position	(30,007)	7,420
Translation differences	(283)	(526)
Final net financial position - prior to fair value adjustment of derivatives	78,214	108,504
Fair value adjustment of derivatives	12,478	(16,370)
Final net financial position	90,692	92,134