

FY 2014 Results Presentation

March 5, 2015



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FY 2014 key facts

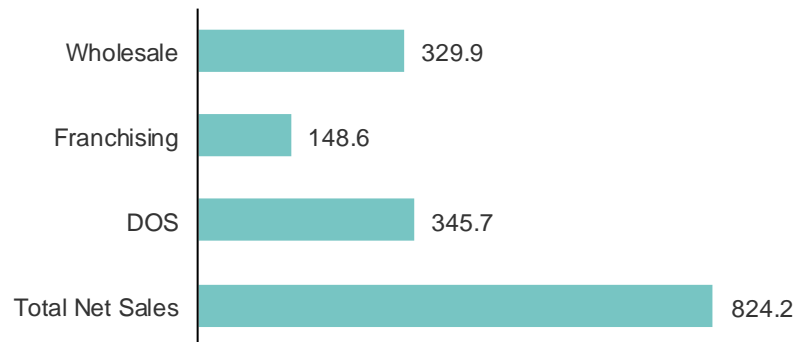
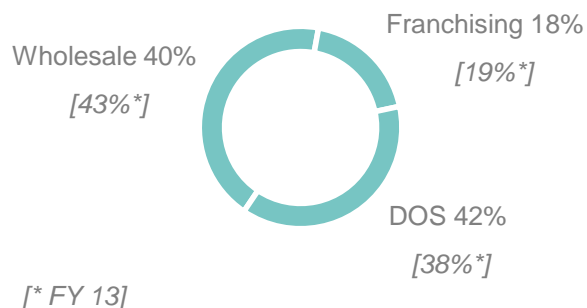
- Sales: Euro 824.2 million +9.3% (+10.1% constant FX)
- Directly Operated Stores Same Store Sales: +7.9% (vs -3.0% in FY 13)
- EBITDA: Euro 42.6 million, 5.2% on sales (Euro 10.7 million in FY 13*)
- EBIT: Euro 4.9 million (Euro -34.6 million in FY 13**)
- Net Result: Euro -2.9 million (Euro -29.7 million in FY 13)
- Net Financial Position: Euro -13.0 million
- 1,225 Geox Shops at the end of December



* FY 2013 EBITDA includes non recurring costs, special items, equal to Euro 14.1 million

** FY 2013 EBIT includes special items (highlighted in the above note) and asset impairments (Euro 4.7 million)

Net sales breakdown by channel

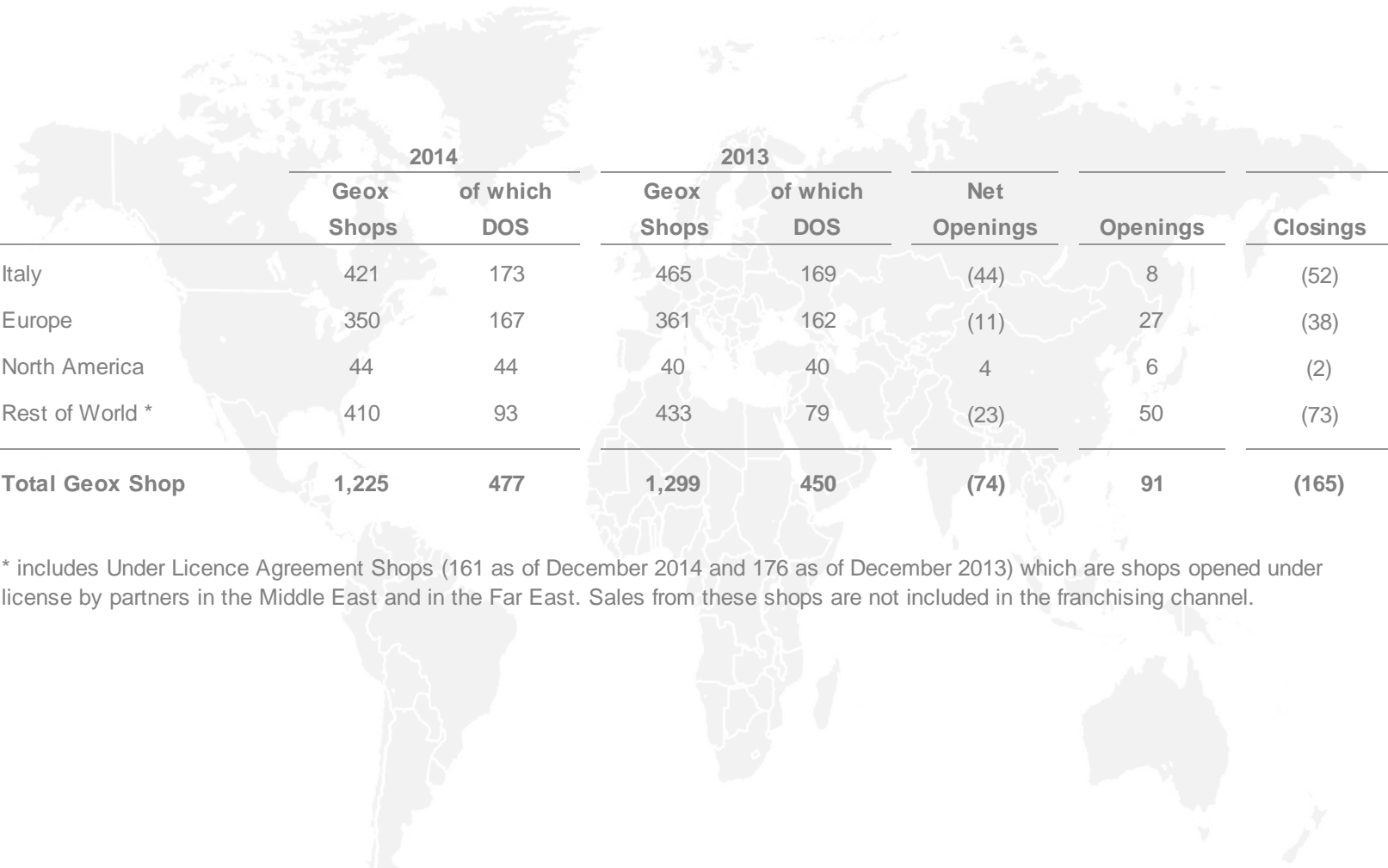


| Δ % FY 2014 | Current FX | Constant FX |
|------------------------|---------------|----------------|
| Wholesale | +2.0% | +2.4% |
| Franchising | +2.3% | +3.9% |
| DOS | +21.0% | +22.0% |
| Total Net Sales | +9.3% | +10.1% |

- **Wholesale: +2.0% (+2.4% at Constant FX) showing a strong performance of 2H 2014 (+15.9%) with a complete reversal of the trend recorded in 1H 2014**
- **Franchising: +2.3% (+3.9% at Constant FX).** The expected closures of non performing stores and the conversions of Franchising locations to DOS has been offset by a positive **comparable stores sales growth of 5.6% with a strong 2H (LFL: + 10.4%)**
- **DOS: +21.0% (+22.0% at Constant FX) due to space growth and comparable stores sales of +7.9%**
- Fall/Winter 2014 season comparable store sales (from September 25 to December 28) +4.1%. However the **LFL STD of the Footwear products** (excluding the Apparel one which have been discontinued) is **up 10%**

DOS: Directly Operated Stores

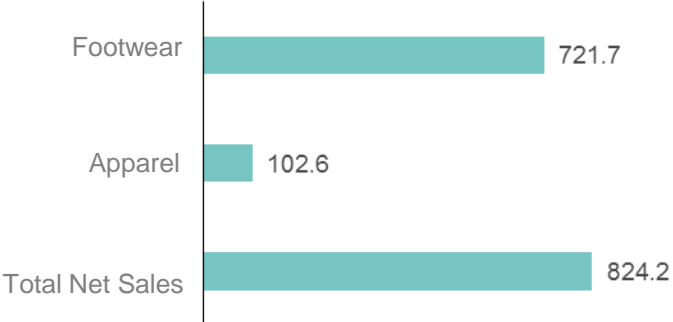
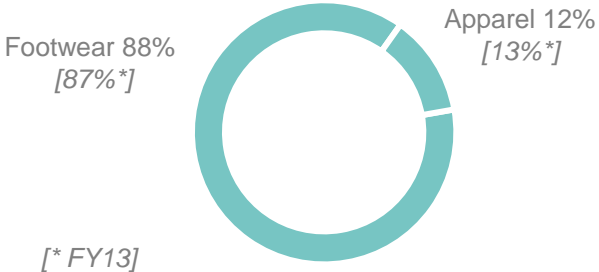
Geox shops network



| | 2014 | | 2013 | | Net Openings | Openings | Closings |
|------------------------|---------------|-----------------|---------------|-----------------|-----------------|-----------|--------------|
| | Geox Shops | of which DOS | Geox Shops | of which DOS | | | |
| 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) |
| Rest of World * | 410 | 93 | 433 | 79 | (23) | 50 | (73) |
| Total Geox Shop | 1,225 | 477 | 1,299 | 450 | (74) | 91 | (165) |

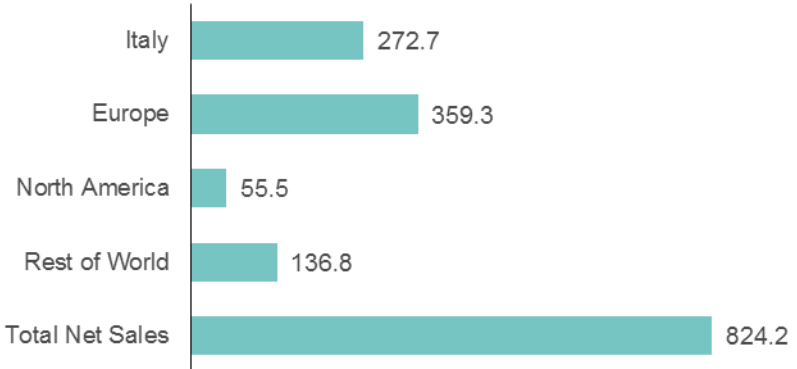
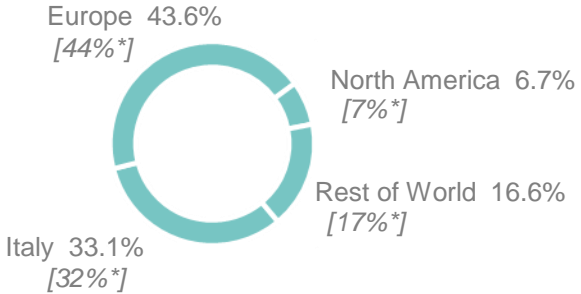
* includes Under Licence Agreement Shops (161 as of December 2014 and 176 as of December 2013) which are shops opened under license by partners in the Middle East and in the Far East. Sales from these shops are not included in the franchising channel.

Net sales breakdown by product



| | Δ % FY 2014 | Current FX | Constant FX |
|------------------------|--------------------|-------------------|--------------------|
| Footwear | | +10.3% | +11.3% |
| Apparel | | +2.5% | +2.4% |
| Total Net Sales | | +9.3% | +10.1% |

Net sales breakdown by region



[* FY 13]

| | Δ % FY 2014 | Current FX | Constant FX |
|------------------------|-------------|--------------|---------------|
| Italy | | +13.7% | +13.7% |
| Europe | | +9.3% | +9.2% |
| North America | | +3.4% | +7.7% |
| Rest of World | | +3.8% | +6.7% |
| Total Net Sales | | +9.3% | +10.1% |

Rest of World:

- Weak performance of Ukraine
- The APAC region, which represents 7% of FY 14 Total Net Sales, reported a 3.6% growth (+4.7% in constant currency)

Europe includes: Germany, France, Spain, Portugal, Benelux, Austria, Switzerland, UK, Scandinavia

Summary income statement

| (Euro.m) | FY14 | % | FY13 | % |
|------------------------|--------------|---------------|---------------|---------------|
| Net Sales | 824.2 | 100% | 754.2 | 100% |
| <i>YoY growth</i> | 9.3% | | (6.6%) | |
| Cost of sales | (420.5) | (51.0%) | (402.7) | (53.4%) |
| Gross Profit | 403.8 | 49.0% | 351.5 | 46.6% |
| Selling & Distribution | (48.5) | (5.9%) | (46.6) | (6.2%) |
| G&A | (308.3) | (37.4%) | (282.0) | (37.4%) |
| A&P | (42.1) | (5.1%) | (38.8) | (5.1%) |
| EBIT adj | 4.9 | 0.6% | (15.9) | (2.1%) |
| Special items | - | 0.0% | (14.1) | (1.9%) |
| Asset Impairment | - | 0.0% | (4.7) | (0.6%) |
| EBIT | 4.9 | 0.6% | (34.6) | (4.6%) |
| Net Interest | (6.3) | (0.8%) | (3.8) | (0.5%) |
| EBT | (1.4) | (0.2%) | (38.5) | (5.1%) |
| Income Taxes | (1.5) | (0.2%) | 8.7 | 1.2% |
| <i>Tax rate</i> | (104%) | | 23% | |
| NET INCOME | (2.9) | (0.4%) | (29.7) | (3.9%) |
| EBITDA | 42.6 | 5.2% | 10.7 | (1.4%) |

- G&A increase mainly reflects the costs for the new Geox store openings and the conversions to directly operated stores of store locations previously managed by some franchisees

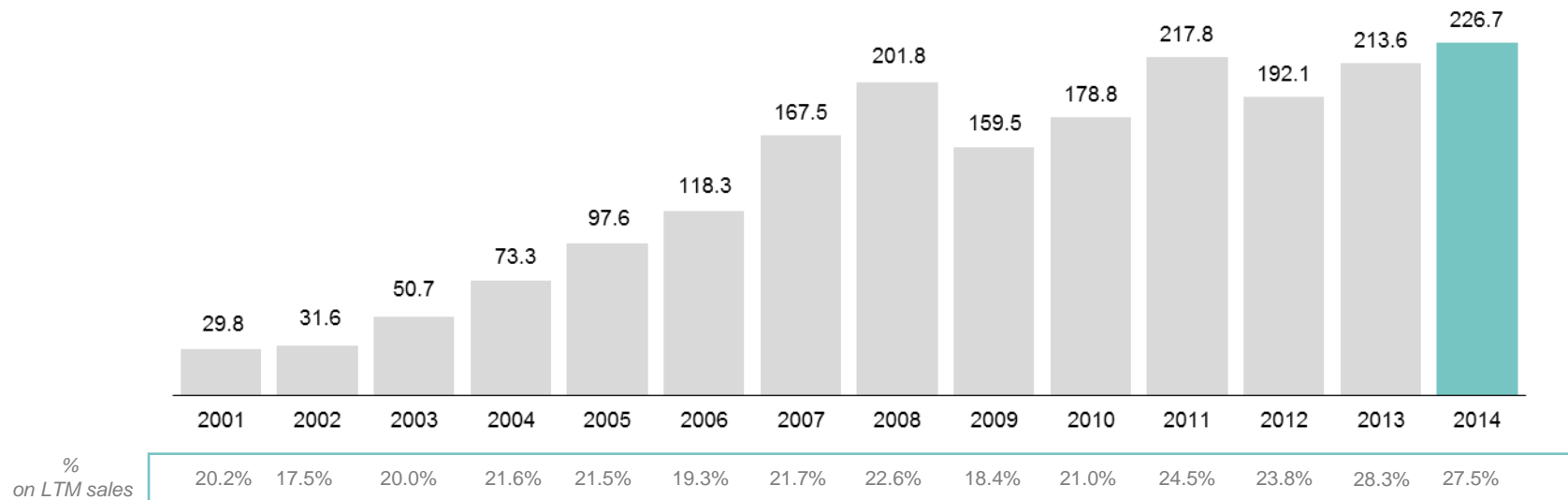
Summary balance sheet

| (Euro.m) | Dec, 2014 | Dec, 2013 |
|---|------------------|------------------|
| Intangible Assets | 60.2 | 64.0 |
| Tangible Assets | 64.5 | 65.3 |
| Other Fixed Assets, net | 54.8 | 67.3 |
| Total Fixed Assets | 179.4 | 196.7 |
| Operating Working Capital | 226.7 | 213.6 |
| Other current assets (liabilities), net | (10.6) | (18.4) |
| Invested Capital | 395.5 | 391.9 |
| Net Financial Position (Cash) | 13.0 | 28.2 |
| Staff Severance and Risk Fund | 8.8 | 8.2 |
| Shareholders' Equity | 373.7 | 355.4 |
| Invested Capital | 395.5 | 391.9 |

Net Financial Position

| | 31/12/2014 | 30/09/2014 | 31/12/2013 |
|--|-------------------|-------------------|-------------------|
| Net Financial Position prior to fair value adj | (41) | (92) | (18) |
| Fair Value adjustment of derivative contracts | 28 | 20 | (10) |
| Net Financial Position | (13) | (72) | (28) |

Operating working capital



| (Euro.m) | <u>FY2013</u> | <u>FY2014</u> | <u>Δ</u> | <u>Δ %</u> |
|----------------------------------|---------------|---------------|-------------|-------------|
| Inventories | 281.9 | 287.7 | 5.8 | 2.1% |
| Account receivables | 100.8 | 106.5 | 5.7 | 5.6% |
| Account payables | (169.1) | (167.6) | 1.5 | -0.9% |
| Operating Working Capital | 213.6 | 226.7 | 13.0 | 6.1% |
| <i>% on LTM sales</i> | <i>28.3%</i> | <i>27.5%</i> | | |

Summary Cash Flow Statement

| (Euro.m) | 2014 | 2013 |
|---|---------------|---------------|
| Net result | (2.9) | (29.7) |
| Depreciation & Amortization | 37.8 | 45.3 |
| Other Non-Cash Items | (1.5) | (5.1) |
| Funds from Operations | 33.3 | 10.4 |
| Change in Operating Working Capital | (15.4) | (40.1) |
| Change in Other Current Assets, net | (6.8) | 7.9 |
| Operating Cash Flow | 11.1 | (21.7) |
| Capital Expenditures | (35.8) | (40.1) |
| Disposals | 2.9 | 0.6 |
| Capital expenditures, Net | (32.8) | (39.5) |
| Free Cash Flow | (21.8) | (61.2) |
| Dividends | 0.0 | (15.6) |
| Change in Net Financial Position | (21.8) | (76.7) |
| Net Financial Position prior to fair value adj, beg. of the period | (18.3) | 57.8 |
| Changes in Net Financial Position | (21.8) | (76.7) |
| Effect of translation differences | (0.9) | 0.6 |
| Net Financial Position prior to fair value adj, end of the period | (41.0) | (18.3) |
| Fair value adjustment of derivative contracts | 28.0 | (9.9) |
| Net Financial Position | (13.0) | (28.2) |

Includes CAPEX for new stores and store refurbishment (17.5 million in FY14)

Outlook – Summary 2014

- The **2014-2016 business plan** was designed to:
 - ✓ focus the company on Geox core brand identity and on enhancing the customers' experience
 - ✓ focus the company on Geox core business: business shoes, leisure shoes and outerwear
 - ✓ continue the investment in market-leading product innovation that is at the heart of Geox
 - ✓ streamline the company's product and supply chain
 - ✓ re-align the company's channel strategy
 - ✓ rationalize the monobrand store network in EMEA while expanding it in APAC
 - ✓ simplify the business model to improve the gross margin and net results

- The results achieved in **2014** have confirmed the correctness of the strategy and the actions taken.
In fact **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** 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.

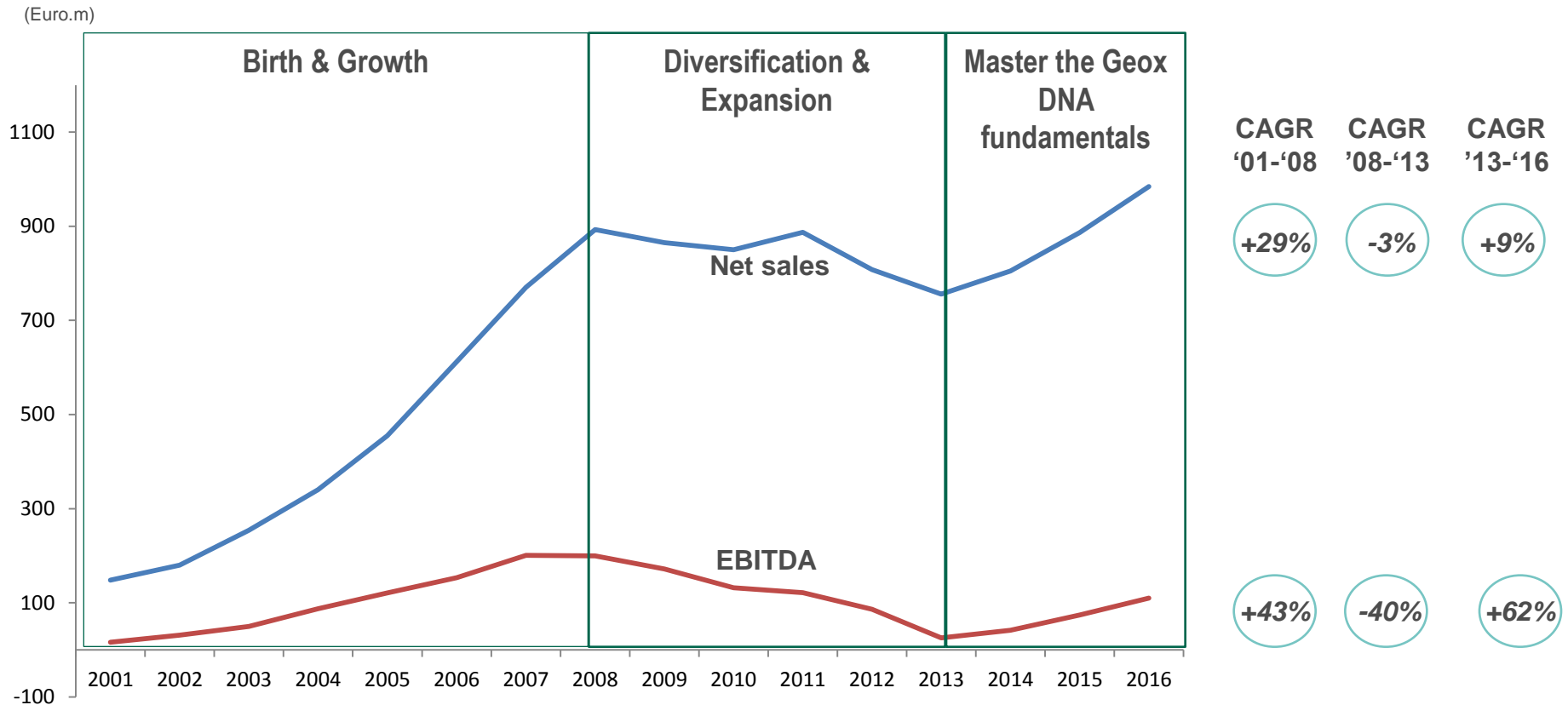
These very positive elements have more than compensated for certain specific and limited negative factors, such as: a certain weakness in the number of stores in the franchising channel due to the rationalisation of the network that has only been partially offset by the opening of new stores; difficulties 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).

Outlook – Summary 2015

- 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:
 - ✓ 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;
 - ✓ this order backlog confirms **growth in gross margin** in line with expectations;
 - ✓ 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.

2014-2016 Geox business plan



Financial targets

| (Euro.m) | 2013 | 2014E | 2015E | 2016E |
|----------------------|-------|------------|-------|-------|
| Net Sales | 754 | ~805 | ~887 | ~985 |
| Growth Rate % | | ~+6% | ~+10% | ~+11% |
| EBITDA% | 3.3% | ~ 5% | ~ 8% | ~ 11% |
| EBIT% | -2.1% | ~ b.e. (*) | ~ 4% | ~ 7% |
| CAPEX | 40 | ~45 | ~42 | ~42 |

* Break even

Annex



GEOX

Key assumptions to achieve financial targets

Retail Key Assumptions

Net new openings

| | 2014 | 2015 | 2016 | Total |
|--------------|-----------|-----------|-----------|------------|
| DOS | 17 | 34 | 36 | 87 |
| FRA | 4 | 37 | 36 | 77 |
| OUTLET | 7 | 1 | 1 | 9 |
| Total | 28 | 72 | 73 | 173 |

→ Space effect
Margin effect

Like for like

| | 2014 | 2015 | 2016 | Total | CAGR 2013-2016 |
|--------|------|------|------|-------|-------------------|
| DOS | 4% | 5% | 6% | 16% | 5% |
| FRA | 3% | 2% | 4% | 9% | 3% |
| OUTLET | 5% | 5% | 4% | 14% | 4% |

→ Full price sell-through increase

Markdown reduction

| | 2014 | 2015 | 2016 | Total |
|-----|------|------|------|-------|
| DOS | -1% | -1% | -1% | -3% |
| FRA | -2% | -2% | -1% | -5% |

→ Retail margin increase

Key assumptions to achieve financial targets

Wholesale Growth rates

| | 2014 | 2015 | 2016 | TOTAL | CAGR 2013-2016 |
|-----------|------|------|------|-------|-------------------|
| EMEA + NA | -4% | 9% | 11% | 17% | 5% |
| APAC | 27% | 32% | 29% | 117% | 29% |
| TOTAL | -1% | 12% | 14% | 25% | 8% |

→ Operating leverage effect

Gross Margin Increase

| | 2014 | 2015 | 2016 | TOTAL | AVERAGE |
|--------------------------------------|------|-------|------|-------|---------|
| Commercial Policy and COGS reduction | 1.1% | 1.6% | 0.6% | 3.3% | 1.1% |
| Channel mix effect | 0.8% | -0.1% | 0.0% | 0.7% | 0.2% |
| Total | 1.9% | 1.5% | 0.6% | 4.0% | 1.3% |

| Shareholders | | Board of Directors | |
|--------------------------------|-------------|----------------------|-------------------------|
| Lir S.r.l. (**) | 71% | Chairman | Mario Moretti Polegato |
| Market | 29% | CEO | Giorgio Presca |
| | | Deputy Chairman | Enrico Moretti Polegato |
| | | Director | Claudia Baggio |
| | | Director | A. Antonio Giusti |
| Total N° of Shares | 259,207,331 | Independent Director | Roland Berger |
| | | Independent Director | Fabrizio Colombo |
| | | Independent Director | Lara Livolsi |
| (**) Moretti Polegato's family | | Independent Director | Duncan L. Niederauer |

| 2015 Financial Calendar | | Investor Relations Contacts | |
|-------------------------|--------------------------------|--|--|
| March 5 | BoD - FY2014 | Marina Cargnello - IR | ir@geox.com |
| April 16 | Shareholders' meeting - FY2014 | Tel: +39 0423 282476 | Mobile: +39 334 6535536 |
| May 14 | BoD - 1Q2015 | Livio Libralesso - CFO | |
| July 30 | BoD - 1H2015 | | |
| November 12 | BoD - 9M2015 | | |
| | | Geox S.p.A. | www.geox.biz |
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Note and Disclaimer

2014-2004 figures are reported under IAS/IFRS; 2003-2001 figures under Italian GAAP. Certain statements made in this presentation are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward looking statements. This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Geox S.p.A. shares. Any reference to past performance is not a guide to future performance.

GEOX

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