

GEOX

1H 2013

Results Presentation

July 30, 2013

1H 2013 Key Facts

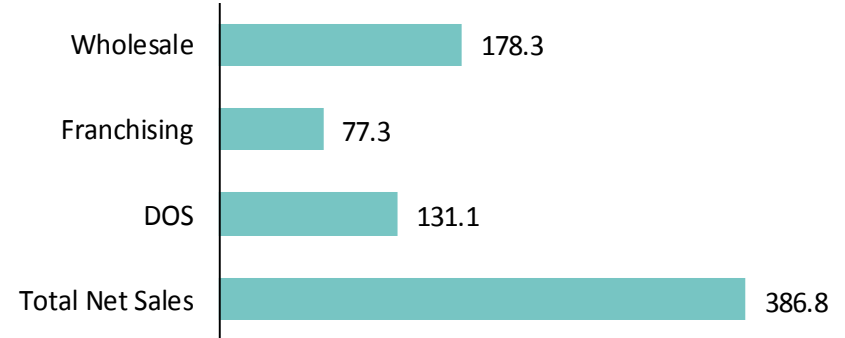
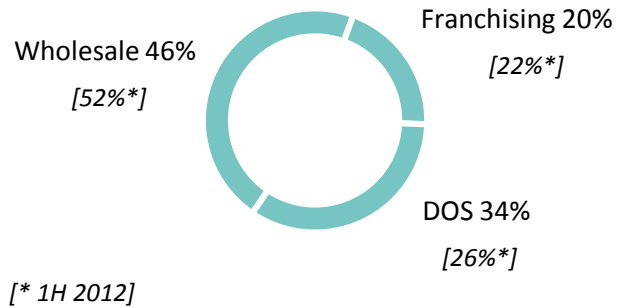
- Sales: Euro 386.8 million -9.9% (-9.6% constant FX)
- Directly Operated Stores Same Store Sales: -7.6% (vs +3% in 1H12)
 - Spring/Summer season Same Store Sales: -5.1% (week 9 – week 29)
- EBITDA adj⁽¹⁾: Euro 26.8 million, 6.9% margin (Euro 56.7 million in 1H 2012)
- EBIT adj⁽²⁾: Euro 6.8 million, 1.8% margin (Euro 37.0 million in 1H 2012)
- Net Result: Euro -3.6 million, -0.9% margin (Euro 21.3 million in 1H 2012)
- Net Cash Position: Euro 13.0 million (Euro 80.1 million in 1H 2012)
- 1,219 Geox Shops at the end of June (+ 7 net openings)



¹ Excluding non recurring costs, special items, equal to Euro 4.8 million (Euro 2.1 million in 1H2012)

² Excluding non recurring costs (highlighted in note 1) and asset impairments, equal to Euro 1.8 million, on investments made in the stores' network

Net Sales Breakdown by Channel



Δ % 1H 2013	Current FX	Constant FX
Wholesale	-19.2%	-18.9%
Franchising	-18.8%	-18.7%
DOS	+16.0%	+16.0 %
Total Net Sales	-9.9%	-9.6%

DOS: Directly Operated Stores

WHOLESALE: down -19% due to weak performance of Italy, Spain, Portugal and Greece

- Selective cancellation of orders of customers in financial difficulty
- Orders reduction due to a wide de-stocking process

FRANCHISING: down -19% mainly explained by:

- Geox strategy: 45 closures and around 50 conversions to DOS of stores previously managed by independent agents (-12%)
- New business model strictly connected to LFL (-7%)

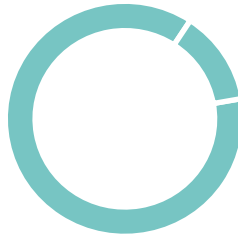
DOS: +16%

- Sales up **16%** in 1H2013. Same Store Sales: **-7.6%** vs +3% in 1H2012;
- Spring/Summer 2013 season (weeks 9 - 29) Same Store Sales: **-5.1%**
- New DOS openings: 25
- 50 conversions of franchise stores to DOS

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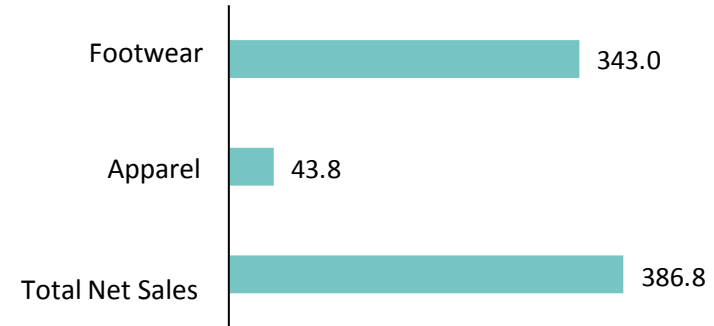
Net Sales Breakdown by Product

Footwear 89%
[87%*]



Apparel 11%
[13%*]

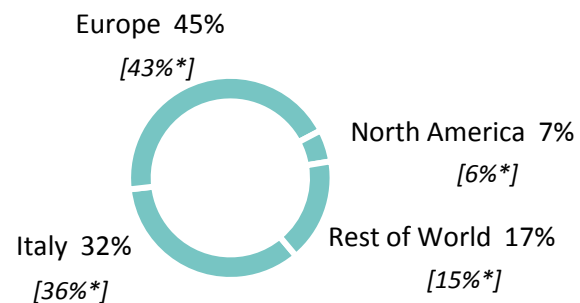
[* 1H 2012]



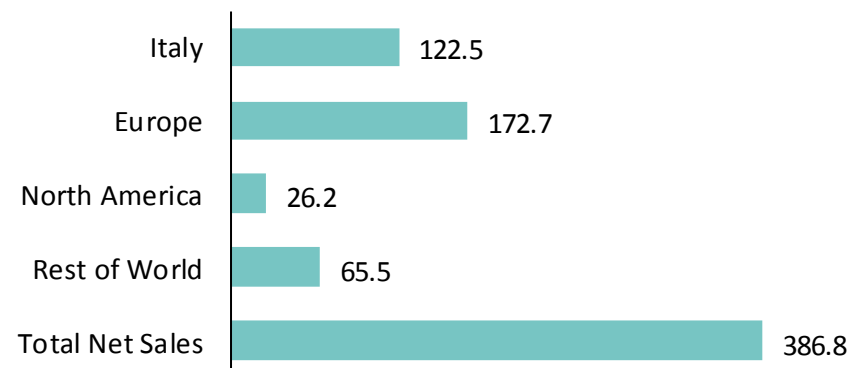
	Δ % 1H 2013	Current FX	Constant FX
Footwear		-8.7%	-8.4%
Apparel		-18.2%	-18.1%
Total Net Sales		-9.9%	-9.6%

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Net Sales Breakdown by Region



[* 1H 2012]



	Δ % 1H 2013	Current FX	Constant FX
Italy		-21.8%	-21.8%
Europe		-5.7%	-5.6%
North America		+3.0%	+3.6%
Rest of World		+2.3%	+3.6%
Total Net Sales		-9.9%	-9.6 %

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

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Geox Shops Network

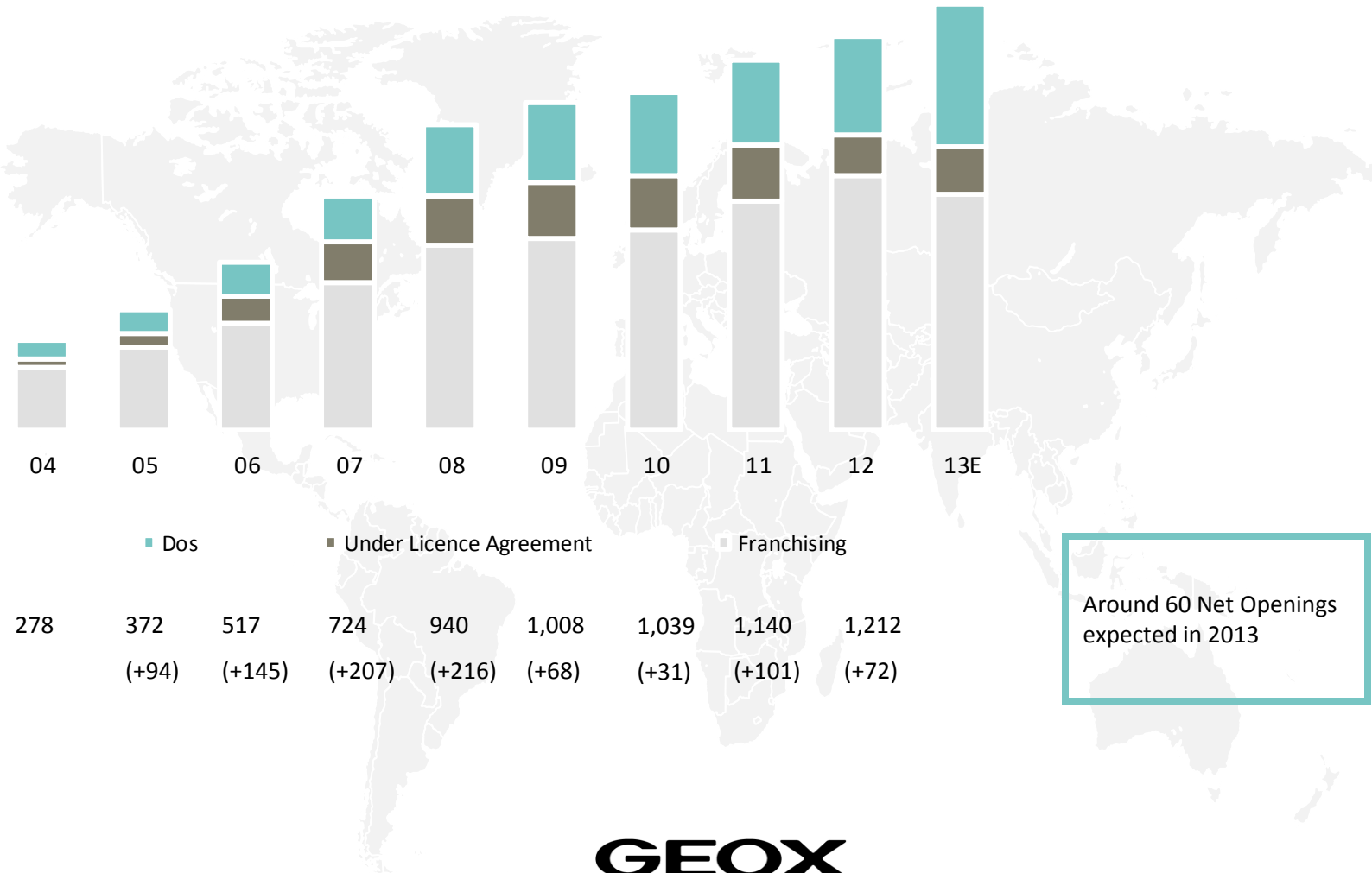
	1H 2013		2012		Net Openings	Openings	Closings
	Geox Shops	of which DOS	Geox Shops	of which DOS			
Italy	425	117	432	84	(7)	10	(17)
Europe	348	146	350	135	(2)	14	(16)
North America	41	41	40	40	1	1	-
Rest of World *	405	62	390	41	15	41	(26)
Total Geox Shop	1,219	366	1,212	300	7	66	(59)

* includes Under Licence Agreement Shops (134 as of June 2013, 125 as of December 2012) 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.



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Geox Shops Network



Summary Income Statement

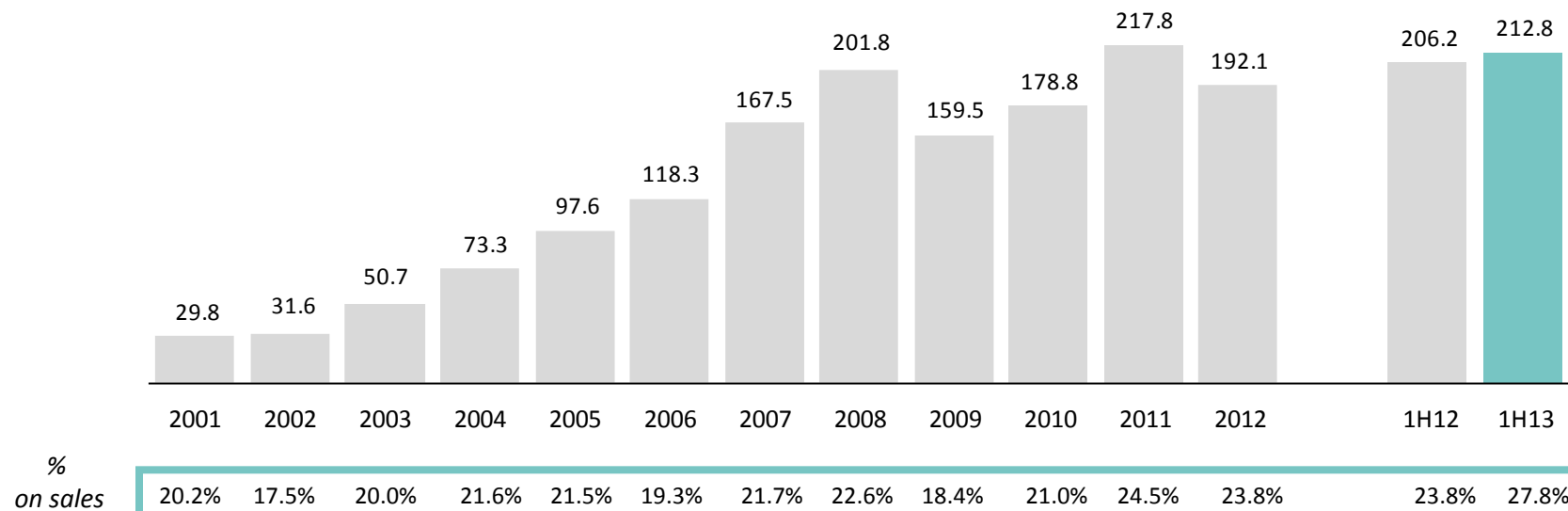
(Euro.m)	1H 2013	%	1H 2012	%	FY 12	%
Net Sales	386.8	100%	429.1	100%	807.6	100%
<i>YoY growth</i>	<i>(9.9%)</i>		<i>(4.3%)</i>		<i>(9.0%)</i>	
Cost of sales	(200.7)	(51.9%)	(220.3)	(51.3%)	(419.5)	(51.9%)
Gross Profit	186.1	48.1%	208.8	48.7%	388.1	48.1%
Selling & Distribution	(23.9)	(6.2%)	(23.2)	(5.4%)	(43.4)	(5.4%)
G&A	(136.7)	(35.3%)	(125.1)	(29.1%)	(251.9)	(31.2%)
A&P	(18.7)	(4.8%)	(23.5)	(5.5%)	(45.8)	(5.7%)
EBIT adj	6.8	1.8%	37.0	8.6%	47.0	5.8%
Special items	(4.8)	(1.2%)	(2.1)	(0.5%)	(24.4)	(3.0%)
Asset Impairment	(1.8)	(0.5%)			(2.6)	(0.3%)
EBIT	0.2	0.0%	34.9	8.1%	20.0	2.5%
Net Interest	(2.1)	(0.5%)	(1.8)	(0.4%)	(2.3)	(0.3%)
EBT	(1.9)	(0.5%)	33.1	7.7%	17.7	2.2%
Income Taxes	(1.7)	(0.4%)	(11.8)	(2.7%)	(7.7)	(1.0%)
<i>Tax rate</i>	<i>(90%)</i>		<i>36%</i>		<i>43%</i>	
NET RESULT	(3.6)	(0.9%)	21.3	5.0%	10.0	1.2%
EBITDA	21.9	5.7%	54.6	12.7%	61.6	7.6%
EBITDA adj	26.8	6.9%	56.7	13.2%	86.0	10.6%

- G&A increase mainly reflects :
 - ✓ new Geox shop openings
 - ✓ the conversion to directly operated stores of about 46 store locations previously managed by some franchisees
- Special items include non recurring costs related to strategic organization and restructuring charges
- Asset impairments are related to investments made in the store's network

Summary Balance Sheet

(Euro.m)	June, 2013	June, 2012	Dec, 2012
Intangible Assets	66.6	70.1	67.8
Tangible Assets	65.2	64.0	68.1
Other Fixed Assets, net	55.2	41.2	50.9
Total Fixed Assets	187.0	175.2	186.8
Operating Working Capital	212.8	206.2	192.1
Other current assets (liabilities), net	(15.5)	(22.5)	(18.0)
Invested Capital	384.4	358.9	360.9
Net Financial Position (Cash)	(13.0)	(80.1)	(54.1)
Staff Severance and Risk Fund	11.5	10.6	12.3
Shareholders' Equity	385.8	428.4	402.8
Invested Capital	384.4	358.9	360.9

Operating Working Capital



(Euro.m)	<u>FY 2012</u>	<u>1H 2012</u>	<u>1H 2013</u>
Inventories	209.2	176.8	205.2
Account receivables	145.5	160.0	140.9
Account payables	<u>(162.6)</u>	<u>(130.6)</u>	<u>(133.2)</u>
Operating Working Capital	<u>192.1</u>	<u>206.2</u>	<u>212.8</u>
<i>% on last 12 months sales</i>	23.8%	23.8%	27.8%

Summary Cash Flow Statement

(Euro.m)	1H 2013	1H 2012	2012
Net result	(3.6)	21.3	10.0
Depreciation & Amortization	21.8	19.7	41.6
Other Non-Cash Items	0.3	1.9	10.9
Funds from Operations	18.4	42.8	62.5
Change in Operating Working Capital	(27.8)	11.4	19.7
Change in Other Current Assets, net	(4.1)	0.6	(15.2)
Operating Cash Flow	(13.4)	54.8	67.0
Capital Expenditures	(18.5)	(23.3)	(48.1)
Disposals	0.5	0.8	1.4
Capital expenditures, Net	(18.0)	(22.5)	(46.7)
Free Cash Flow	(31.4)	32.3	20.3
Dividends	(15.6)	(41.5)	(41.5)
Change in Net Financial Position	(47.0)	(9.1)	(21.2)
Net Financial Position prior to fair value adj, beg. of the period	57.8	78.2	78.2
Changes in Net Financial Position	(47.0)	(9.1)	(21.2)
Effect of translation differences	0.9	0.4	0.8
Net Financial Position prior to fair value adj, end of the period	11.7	69.4	57.8
Fair value adjustment of derivative contracts	1.3	10.7	(3.6)
Net Financial Position	13.0	80.1	54.1

Outlook 2013

- **SECOND HALF Consolidated Sales almost in line-down low single (depending on LFL) PROVIDED THAT:**
 - **For WHOLESALE channel we confirm the expectation of a low teens decline**
 - **For FRANCHISING channel we expect a low teens decline based on the following assumptions:**
 - **around 35 new openings** (versus 30 previously announced)
 - **around 20 closures** (vs 5 p.a.)
 - **7 Conversions** to DOS shifted from 1H. However 2H sales will be affected by 1H conversions and closures as well
 - **a mid single digit negative LFL** (vs substantially flat p.a.)
 - **For DOS channel we assume a mid twenties growth due to:**
 - **around 30 new openings**
 - **around 5 closures**
 - **the 55 conversions** occurred in the FY.
 - **a low single digit negative LFL** (versus substantially flat previously announced)
- **A FULL YEAR Gross Margin expected dilution of 100 bps** mainly due to the fact that the positive effect of the channel mix (+170 bps) is assumed to be more than offset by the reduction in the Gross Margin induced by promotional activities in DOS and by the higher margin granted to the wholesale and franchising network to support them in this adverse retail market environment in some European Countries
- **As far as Operating margin is concerned:**
 - Sales show a reduction in wholesale and franchising channels balanced by an increase in the DOS
 - The Group is doing significant investments related to new shop openings and commercial structure improvements in Asia, Eastern Europe and Russia that will allow us to achieve the important potential growth opportunity in these markets where the Group's presence is still limited, but rapidly growing

The combined effects of these factors will drive also in the second half to a material pressure on the operating margin compared to the same period of last year with the same dynamics shown in the first half and, consequently, the Management is implementing an aggressive cost cutting program at the HQ that will be extended also to the subsidiaries

Simplification and Rationalization

PRODUCT FOCUS

PRODUCT INNOVATION

PRODUCT DEVELOPMENT PROCESS

GO TO MARKET STRATEGY AND PROCESS

PROFIT PROTECTION PLAN

GEOX 2014-2016 STRATEGIC BUSINESS PLAN

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Product Focus

GEOX IS **INNOVATION**

GEOX IS A BRAND FOCUSED ON **BREATHABLE AND NATURALLY THERMOREGULATING** TECHNOLOGIES APPLIED TO **COMFORTABLE, MULTIFUNCTIONAL, WELL DESIGNED** HIGH TECH **FOOTWEAR, APPAREL** AND ACCESSORIES THOUGHT FOR THE **EVERYDAY USE** OF A **CONTEMPORARY USER**

SHOES

1. LESS BUT PERFECTED LINES:
 - SS14: -15% VS SS13
 - NEW LINES -60% VS SS13
2. LESS STYLES IN TOTAL, MORE STYLES BY LINE:
 - TOT STYLES SS14: -10% VS SS13
 - STYLES/LINE SS14: + 12,5%
3. LESS CUSTOMER CHOICES: SS14 – 12% VS SS13
4. SAMPLES RATIONALIZATION: SS14 -20% VS SS13

APPAREL

1. FOCUS ON SPECIALIZED JACKETS AND OUTERWEAR CATEGORY WITH DISTINCTIVE BREATHING TECHNOLOGY
2. DRASTIC TOTAL LOOK AND KIDS RANGE RATIONALIZATION

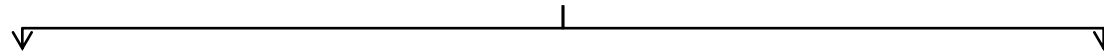
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Product Innovation

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GEOX IS A BRAND FOCUSED ON **BREATHABLE AND NATURALLY THERMOREGULATING** TECHNOLOGIES APPLIED TO **COMFORTABLE, MULTIFUNCTIONAL, WELL DESIGNED** HIGH TECH **FOOTWEAR, APPAREL AND ACCESSORIES** THOUGHT FOR THE **EVERYDAY USE** OF A **CONTEMPORARY USER**

SPECIFIC SEASONAL INNOVATION OF GEOX UNIQUE TECHNOLOGY



FALL WINTER

SPRING SUMMER



EXPANDED **AMPHIBIOX** RANGE



EXPANDED **NET** RANGE

GEOX

NET: THE SUMMER TECHNOLOGY

THE OFFER

XENSE

ULTRA LIGHT & FLEXIBLE



5 NEW PROJECTS



XAND

ULTRA COMFORTABLE, CUSHIONING



3 NEW PROJECTS



GEOX

Product Development Process

DURING THE SS14 WE INTRODUCED

1. NEW PLANNING SYSTEM AND PROCESS
2. DESIGN TO COST APPROACH
3. STRATEGIC SUPPLIERS COOPERATIONS

EARLY RESULTS:

- **REDUCED BY 5 WEEKS IN ONE SEASON THE LEAD TIME FROM MERCHANDISING PLAN THROUGH SAMPLE DELIVERIES**
- **SS14 PREBOOKING CAMPAIGN BEGINNING ADVANCED BY 2 TO 3 WEEKS, DEPENDING ON COUNTRY SALES CAMPAIGN CALENDAR, COMPARED TO SS13**

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Go To Market Strategy and Process

KEY PILLARS:

- SS14 COLLECTION DIVIDED IN **SPECIFIC ON SHELVES DELIVERY FLOWS** ACCORDING TO THE CONTRY SPECIFIC RETAIL CALENDAR:
 1. **PREVIEW** => ON SHELVES STARTING FROM **NOVEMBER 2013**
 2. **SPRING** => ON SHELVES STARTING FROM **JANUARY 2014**
 3. **SUMMER** => ON SHELVES STARTING FROM END OF **JANUARY 2014**
- **ANTICIPATED PREBOOKING CAMPAIGN**
- THE AIM OF THIS STRATEGY IS TO PROPERLY SERVE THE MARKET, BOTH THROUGH THE WHOLESALE AS WELL AS THE RETAIL CHANNEL, AS «FIRST IN» WITH A **SELL-THRU DRIVEN APPROACH**

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PROFIT PROTECTION PLAN

1. MONOBRAND STORES NETWORK RATIONALIZATION AND OPTIMIZATION

- AGGRESSIVE CLOSURE OF NON PROFITABLE STORES
- NEW OPENINGS RELATED ONLY TO PROVEN SUCCESSFUL CLUSTERS

2. GEOX SPA RESTRUCTURING: TO BETTER FOCUS, SPECIALIZE AND STREAMLINE OUR OPERATIONS

- NOVEMBER TO DATE: MANAGEMENT STREAMLINE
- IN ORDER TO BETTER SIMPLIFY OUR OPERATIONS AND REDUCE OUR COSTS WE ARE CURRENTLY NEGOTIATING WITH THE ITALIAN UNIONS THE RESTRUCTURING PROCESS
- FRONT AND BACK END GLOBAL OPERATIONS UNDER REVIEW TO MATCH PROFITABILITY AND GROWTH TARGETS

3. FOCUSED ACTIONS TO

- **GAIN** RELEVANCE AND SHARE **IN THE WHOLESALE CHANNEL** THROUGH KEY ACCOUNT ALLIANCES
- RETAIL ACTIVITIES TO **IMPROVE LIKE FOR LIKE PERFORMANCE** INCREASING CONVERSION RATE, FULL PRICE RESULTS AND SELL-THRU:
 - NEW VISUAL «ZONING» APPROACH TO BE TESTED IN 200 STORES DURING FW13
 - NEW WINDOW «TECHNOLOGY RELATED» SCREEN CONCEPT TO BE TESTED IN 100 STORES DURING FW13
- **CHINA, HK AND MACAO DEVELOPMENT ACCELERATION**

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2014-2016 STRATEGIC BUSINESS PLAN

- WE ARE COMPLETING OUR 2014-2016 BUSINESS PLAN
- THE PLAN WILL SHOWCASE OUR EXPECTATION AND STRATEGIES TO RETURN TO A SOLID AND SUSTAINABLE PROFIT AND GROWTH PATTERN FOR THE DEFINED YEARS
- THE PLAN WILL BE PRESENTED TO THE FINANCIAL COMMUNITY ON NOVEMBER, 14, 2013

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Annex



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Capital Expenditures Breakdown

(Euro.m)	<u>1H 13</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Patents and trademarks	0.5	1.4	1.3	0.9	0.9	1.3
Geox Shop	11.7	32.0	19.3	19.5	23.8	77.3
Moulds, machinery	1.5	4.5	5.0	4.1	4.4	5.3
Logistic	0.1	1.3	2.2	0.1	5.9	4.1
IT	2.4	6.7	5.7	5	4.3	4.8
Photovoltaic plant	1.0					
Other	1.2	2.2	2.6	2.2	2.7	3.5
Total Capital Expenditures	18.5	48.1	36.1	31.8	42.0	96.3

Includes CAPEX for new stores and store refurbishment

Shareholders		Board of Directors	
Lir S.r.l. (**)	71%	Chairman	Mario Moretti Polegato
Market	29%	CEO	Giorgio Presca
		Deputy Chairman	Enrico Moretti Polegato
		Director	Renato Alberini
		Director	Claudia Baggio
Total N° of Shares	259,207,331	Director	A. Antonio Giusti
		Independent Director	Roland Berger
		Independent Director	Fabrizio Colombo
		Independent Director	Lara Livolsi
(**) Moretti Polegato's family			
2013 Financial Calendar		Investor Relations Contacts	
March 6	BoD - FY2012	Marina Cargnello - IR	ir@geox.com
April 17	Shareholders' meeting - FY2012	Tel: +39 0423 282476	Mobile: +39 334 6535536
May 15	BoD - 1Q2013	Livio Libralesso - CFO	
July 30	BoD - 1H2013		
November 14	BoD - 9M2013		
		Geox S.p.A.	www.geox.biz
		Via Feltrina Centro, 16	
		31044 Biadene di Montebelluna, Treviso (Italy)	

Note and Disclaimer

2013-2004 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.

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