GEOX S.P.A. BOARD OF DIRECTORS APPROVED RESULTS FOR NINE MONTHS 2006

Geox: Consolidated sales up 30% to Euro 548.9 million

- **EBITDA: Euro 157.1 million compared to Euro 125.8 million in the same period of 2005 (+25%), 28.6% of sales;**
- **EBIT: Euro 143.2 million compared to Euro 112.6 million in the same period of 2005 (+ 27%), 26.1% of sales;**
- **Net income: Euro 92.0 million compared to Euro 80.5 million in the same period of 2005 (+14%), 16.8% of sales;**
- **Free cash flow: Euro 40,5 million (vs. Euro 7,9 million in the same period of 2005);**
- **Positive net financial position: Euro 65.9 million (Euro 48.4 million in 2005)**

London, 14 November 2006 – 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 financial results for the first nine months 2006. Consolidated financial results are fully reported under IAS/IFRS.

THE GROUP'S ECONOMIC PERFORMANCE

Consolidated Sales

Footwear represents approximately 94% of the consolidated sales amounting to Euro 515.6 million, with a 29% increase compared to the same period of 2005. Apparel represents 5% of the consolidated sales for a total of Euro 30.4 million, with an increase of 63%.

(Thousands of Euro)	9 months 2006	%	9 months 2005	%	Ch. %
Footwear	515,568	94.0%	399,037	94.7%	29.2%
Apparel	30,383	5.5%	18,601	4.4%	63.3%
Other revenues	2,981	0.5%	3,801	0.9%	n.m.
Total	**548,932**	**100.0%**	**421,439**	**100.0%**	**30.3%**

Italy remains the main market accounting for 40% of footwear sales (48% in the same period of 2005) for a total of Euro 204.5 million, 6% increase.

International markets generated Euro 311.0 million of sales with an overall growth of 51%. Europe in particular (excluding Italy) generated 48% of the footwear sales (43% in the same period of 2005) amounting to Euro 247.2 million, a 46% increase.

(Thousands of Euro)	9 months 2006	%	9 months 2005	%	Ch. %
Italy	**204,533**	**39.7%**	**193,289**	**48.4%**	**5.8%**
Germany	78,301	15.2%	55,333	13.9%	41.5%
Iberian peninsula	60,998	11.8%	38,183	9.6%	59.8%
France	41,253	8.0%	30,032	7.5%	37.4%
BeNeLux	32,815	6.4%	24,882	6.2%	31.9%
Austria	20,737	4.0%	13,014	3.3%	59.3%
Switzerland	13,100	2.5%	7,975	2.0%	64.3%
Total Europe	**247,204**	**47.9%**	**169,419**	**42.5%**	**45.9%**
USA	14,587	2.8%	8,441	2.1%	72.8%
Other countries	49,244	9.6%	27,888	7.0%	76.6%
Total International	**311,035**	**60.3%**	**205,748**	**51.6%**	**51.2%**
Total Footwear	**515,568**	**100.0%**	**399,037**	**100.0%**	**29.2%**

All Geox distribution channels, multibrand and “Geox Shops” (franchising and DOS) showed a significant growth.

(Thousands of Euro)	9 months 2006	%	9 months 2005	%	Ch. %
Multibrand	**396,491**	**76.9%**	**314,391**	**78.8%**	**26.1%**
Franchising	74,762	14.5%	57,963	14.5%	29.0%
DOS	44,315	8.6%	26,683	6.7%	66.1%
Total Geox Shop	**119,077**	**23.1%**	**84,646**	**21.2%**	**40.7%**
Total Footwear	**515,568**	**100.0%**	**399,037**	**100.0%**	**29.2%**

Multibrand stores still constitute the main distribution channel accounting for 77% of the footwear sales, compared to 79% in the same period of 2005, with a 26% growth.

In Italy the multibrand channel generated 67% of the footwear sales for a total of Euro 136.8 million, a 2% increase. The Geox Shop channel (franchising and DOS) represents the remaining 33% of domestic sales for a total of Euro 67.8 million, with a 14% increase.

With regard to the international markets, the multibrand channel represents 84% of footwear sales for a total of Euro 259.7 million up 44%. The Geox Shop channel (franchising and DOS) recorded sales of Euro 51.3 million, with a 105% increase.

At the end of September the sales of Geox DOS (Directly Operated Stores) opened by at least twelve months (comparable store sales) increased by 6% (9% at the end of October).

At the end of September Geox stores network included 481 “Geox Shops”, 385 of them in franchising and 96 DOS.

	Sept. 30, 2006		Dec. 31, 2005		Sept. 30, 2005	
	Geox Shops	of which DOS	Geox Shops	of which DOS	Geox Shops	of which DOS
Italy	**203**	**56**	**192**	**43**	**184**	**41**
Germany	16	2	10	1	10	1
Iberian Peninsula	34	7	22	7	16	6
France	32	10	20	8	20	7
BeNeLux	14	2	10	2	9	2
Austria	20	1	10	-	7	-
Switzerland	7	-	4	-	4	-
Total Europe	**123**	**22**	**76**	**18**	**66**	**16**
USA	10	10	7	7	2	2
Other nations	79	8	58	6	58	6
Nations with license agreements (*)	66	-	39	-	33	-
Total International	**278**	**40**	**180**	**31**	**159**	**24**
Total	**481**	**96**	**372**	**74**	**343**	**65**

(*) Sales from the franchising channel do not include those from shops in these nations

The new store openings in the third quarter of 2006 include: San Francisco, Atlantic City, Tokyo, Hamburg, Leipzig, Amsterdam, Paris, Vienna and Milan.

Operating and net income results

The main results are outlined below:

- EBITDA reached Euro 157.1 million up from Euro 125.8 million in the same period of 2005 (+25%) with a 28.6% margin.
- EBIT reached Euro 143.2 million compared to Euro 112.6 million in the same period of 2005 (+27%) with a 26.1% margin.
- Net Income was of Euro 92.0 million compared to Euro 80.5 million in the same period of 2005 (+14%), with a 16.8% margin.

The operating and net results as a percentage of sales are slightly lower than those recorded in the same period of last year due to factors linked to the cost of sold goods described below, and to the extraordinary positive results recorded in 2005 caused by the first application of IAS 39 (relating to the measuring and assessment of financial assets and liabilities) which must be excluded to ensure a proper comparison between the two periods.

With regards to the most important cost items the following are worth highlighting:

- Direct cost of goods sold rose to Euro 258.7 million from Euro 188.7 million (+37%) with a margin on sales of 47.1% (44.8% in 2005). The difference stems from events which have been already highlighted in the Group’s interim report (quality control investments) and from an increase in production costs mainly related to the effect of the recent changes in the legislation concerning customs duties on products from China and Vietnam (antidumping).

- Selling and distribution costs rose to Euro 28.2 million from Euro 22.2 million (+27%), with a margin on sales of 5.1% compared to 5.3% for the same period of 2005. Such improvement has been largely driven by the group's operating leverage.
- Overheads rose to Euro 69.0 million from Euro 56.4 million (+22%) with a margin on sales of 12.6%, as compared to 13.4% in the same period of 2005.
- Advertising and promotion costs increased to Euro 35.9 million from Euro 29.3 million (+22%) with a margin on sales of 6.5% (7,0% in 2005).
- Tax charges increased to Euro 49.8 million compared to Euro 35.3 million in the same period of 2005 with a 35% tax rate. Accrued expenses have been negatively impacted (Euro 2.5 million) by Legislative Decree No. 223 dated July 4, 2006 which brings the trademark amortisation period from 10 to 18 years. Such change has led to a 180 bp tax rate increase.

THE GROUP'S FINANCIAL PERFORMANCE

The Group's financial performance highlights a considerable growth in the shareholders' equity due to the results achieved during this period, to Euro 273.8 million from Euro 203.8 million and a positive net financial position which increases to Euro 65.9 million from Euro 48.4 million on December 31, 2005.

As compared to December 31, 2005 there has been a considerable increase in the net operating working capital to Euro 180.8 million from Euro 97.6 million, due to the seasonality factor of the sector in which the Group operates. The increase in the net operating working capital as of September 30, 2006 compared to December 31, 2005 is mainly due to the increase of accounts receivable to Euro 196.4 million from Euro 74.6 million as a result of the concentration of shipments for the Fall/Winter sales season. The working capital is in line with the objectives set and confirms, also for 2006, the trend towards its reduction as a percentage of the overall turnover.

The free cash flow generated in the first nine months of 2006 amounted to Euro 40.5 million. This represents a significant improvement as compared to the same period of 2005 (Euro 7.9 million).

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Mario Moretti Polegato, chairman and founder of Geox has thus commented: "Nine months 2006 results are in line with our expectations: based on these results and the current orders backlog for F/W we are confident to reach Euro 600 million sales by year end, with a growth of about 30%.
Regarding the first semester 2007, the current orders backlog for S/S 2007 is showing a 28% growth".

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Geox actively creates, produces, promotes and distributes footwear worldwide with unique patents aiming to guarantee breathability and impermeability. Geox operates in the segment of classic, casual and sport footwear for men, women, and children, priced in the medium to medium-high price range. Geox is leader in the Italian market in its own segment (AC Nielsen SITA ranking, 1H 2004) and is the leading Italian brand and the third leading brand in the lifestyle casual footwear market internationally for 2004 (Shoeintelligence ranking, Year 2004). Geox technology is protected by 30 different patents registered in Italy and extended internationally.

For more information:

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Annexes:*
Reclassified consolidated income statement
Reclassified consolidated balance sheet
Reclassified consolidated cash flow statement

**Several reclassified financial statements are used by Geox in this document. Such statements are those 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 are thus 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.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT[(A)]

(Thousands of Euro)		9 months 2006	%	9 months 2005	%	2005	%
NET SALES		**548,932**	**100.0%**	**421,439**	**100.0%**	**454,963**	**100.0%**
% growth		*30%*		*34%*		*34%*	
DIRECT COST OF GOODS SOLD	(3)	(258,721)	(47.1%)	(188,707)	(44.8%)	(196,595)	(43.2%)
Non recurring income due to the first application of IAS 39		-	0.0%	980	0.2%	292	0.1%
GROSS MARGIN		**290,211**	**52.9%**	**233,712**	**55.5%**	**258,660**	**56.9%**
SELLING AND DISTRIBUTION COSTS		(28,219)	(5.1%)	(22,152)	(5.3%)	(23,998)	(5.3%)
OVERHEADS	(1)	(69,023)	(12.6%)	(56,415)	(13.4%)	(74,599)	(16.4%)
ADVERTISING AND PROMOTION		(35,868)	(6.5%)	(29,309)	(7.0%)	(39,022)	(8.6%)
EBITDA		**157,101**	**28.6%**	**125,836**	**29.9%**	**121,041**	**26.6%**
DEPRECIATION AND AMORTIZATION	(2)	(13,928)	(2.5%)	(13,228)	(3.1%)	(18,103)	(4.0%)
EBIT		**143,173**	**26.1%**	**112,608**	**26.7%**	**102,938**	**22.6%**
NET INTEREST		(1,306)	(0.2%)	(2,996)	(0.7%)	(3,324)	(0.7%)
Non recurring income due to the first application of IAS 39		-	0.0%	6,140	1.5%	6,527	1.4%
EBT		**141,867**	**25.8%**	**115,752**	**27.5%**	**106,141**	**23.3%**
INCOME TAXES		(49,849)	(9.1%)	(35,252)	(8.4%)	(30,888)	(6.8%)
Tax rate		*35.1%*		*30.5%*		*29.1%*	
NET INCOME		**92,018**	**16.8%**	**80,500**	**19.1%**	**75,253**	**16.5%**
EPS (earnings per share, Euro)		0.36		0.31		0.29	

	9 months 2006	9 months 2005	2005
(1) Of which:			
- industrial	(9,658)	(8,720)	(12,044)
- general & administrative	(59,365)	(47,695)	(62,555)
(2) Of which:			
- industrial	(4,477)	(4,764)	(6,152)
- general & administrative	(9,451)	(8,464)	(11,951)

(3) Direct cost of goods sold: it represents the direct manufacturing and/or sourcing cost of goods sold. It includes:
- *Consumption of raw material and finished products*
- *Processing*
- *Wages of direct production personnel*
- *Other direct production costs*

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RECLASSIFIED CONSOLIDATED BALANCE SHEET[A]

(Thousands of Euro)	Sept. 30, 2006	Dec. 31, 2005	Sept. 30, 2005
Intangible fixed assets	37,567	33,908	35,951
Tangible fixed assets	30,028	29,029	24,335
Other fixed assets, net	19,078	14,428	20,401
Total fixed assets, net	**86,673**	**77,365**	**80,687**
Operating working capital [1]	**180,792**	**97,644**	**157,915**
Other assets (liabilities), net [1]	**(54,406)**	**(15,611)**	**(45,238)**
Invested capital	**213,059**	**159,398**	**193,364**
Shareholders' equity	273,788	203,800	207,278
Severance indemnities, provisions for liabilities and charges	5,166	3,999	3,560
Net financial position	(65,895)	(48,401)	(17,474)
Invested capital	**213,059**	**159,398**	**193,364**

[1] Operating working capital and other current assets (liabilities)

(Thousands of Euro)	Sept. 30, 2006	Dec. 31, 2005	Sept. 30, 2005
Inventories	72,821	107,756	44,983
Accounts receivable	196,445	74,553	173,609
Accounts payable	(88,474)	(84,665)	(60,677)
Operating working capital	**180,792**	**97,644**	**157,915**
% on sales	***32.9%***	***21.5%***	***37.5%***
Taxes payable	(52,740)	(15,190)	(41,799)
Other current assets	13,147	10,828	10,798
Other current liabilities	(14,813)	(11,249)	(14,237)
Other assets (liabilities), net	**(54,406)**	**(15,611)**	**(45,238)**

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT[(A)]

(Thousands of Euro)	9 months 2006	9 months 2005	2005
Net income	**92,018**	**80,500**	**75,253**
Depreciation and amortization	13,928	13,228	18,104
Other non-cash items	(3,825)	(4,048)	(612)
Other non-cash items due to adoption of IAS/IFRS	219	(3,817)	(4,601)
Change in operating working capital	(82,015)	(84,917)	(24,426)
Change in other current assets/liabilities	39,228	35,153	7,843
Taxes paid following cancellation of IPO tax incentive (*)	-	(6,281)	(6,281)
Operating Cash flow	**59,553**	**29,818**	**65,280**
Capital expenditure	(19,377)	(23,632)	(31,779)
Disposals	360	1,730	2,415
Capital expenditure, net	**(19,017)**	**(21,902)**	**(29,364)**
Free cash flow	**40,536**	**7,916**	**35,916**
Dividends	(22,001)	(15,510)	(15,510)
Increase in share capital	-	-	1,582
Change in net financial position	**18,535**	**(7,594)**	**21,988**
Net financial position, beginning of the year	**48,401**	**24,368**	**24,368**
Effect of translation differences	(307)	252	425
Effect of the change in assets and liabilities relating to derivative contracts	(734)	448	1,620
Net financial position, end of the period	**65,895**	**17,474**	**48,401**

(*) The Company calculated its 2004 tax charge as if the tax benefit granted to newly-listed companies did not exist, recording for this purpose a tax provision equal to the higher taxes expected. This provision was used in 2005 at the time of paying such higher taxes, following the European Commission's ruling against this benefit.

[(A)] *Nine months results have not been audited. 2005 full year results have been audited.*