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SKECHERS Footwear to Expand Business Through Launch of Central Eastern Europe Subsidiary

MANHATTAN BEACH, Calif.--(BUSINESS WIRE)-- [SKECHERS USA, Inc.](#) (NYSE:SKX), a global leader in the lifestyle and performance footwear industry, today announced that the Company is transitioning its business in Central Eastern Europe (CEE) from third-party distributors to a new wholly-owned subsidiary, Skechers CEE, Kft.

SKECHERS plans to double its CEE sales in the next three to five years through an expanded offering of men's, women's and kids' product and a growing distribution base in new and existing markets that includes department, specialty and SKECHERS retail stores.

"For nearly two decades, we've successfully marketed our product to consumers in Central Eastern Europe through several distributors, but in the last few years we have seen a growing demand and increased potential for [SKECHERS](#) in the region," began Michael Greenberg, president of SKECHERS. "With the strength of our diverse product worldwide, we believe the time is right to further grow our brand – and that transitioning to a wholly-owned subsidiary will allow us to leverage our capital, product, logistics and business model to achieve this growth."

Footwear industry veteran Petar Dulic has been appointed as the new territory manager of Skechers CEE, Kft. Dulic previously served as the general manager and partner of SKECHERS distributor Office Shoes, launching the brand in 1997 and overseeing its business in Serbia, Bosnia-Herzegovina, Montenegro, and other neighboring countries. His experience includes the opening of more than 130 Office Shoes stores in 13 countries across the region, as well as brand negotiation, real estate, retail, wholesale, marketing, distribution and strategic planning for a wide range of international brands.

"With the right infrastructure, expertise and unparalleled marketing support, there is great opportunity to grow [SKECHERS](#) across Eastern Europe," said Dulic. "Our distribution partners planted solid roots for SKECHERS' growth in this region with the opening of seven retail stores and a strong network of established retailers. I look forward to building this new chapter for SKECHERS, and continuing to work with these great partners including my former company Office Shoes and the Croatian SKECHERS distributor v.o.o.d.o.o."

"For nearly 20 years, Petar (Dulic) has been a part of the [SKECHERS](#) family – helping to establish and build our business in Serbia and the surrounding countries, and later opening stores and expanding the brand into more markets," said Marvin Bernstein, managing partner of SKECHERS S.à.r.l. "He understands our business model, our diverse product range, and, importantly, the many countries that comprise the new CEE subsidiary. With Petar at the helm, we believe we can substantially build this region into an impactful segment of our PanEuropean business."

Skechers CEE, Kft. is comprised of Albania, Bosnia-Herzegovina, Bulgaria, Croatia, the

Czech Republic, Hungary, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovakia and Slovenia. The Company plans to have its headquarters in Budapest and regional showrooms in each country.

About SKECHERS USA, Inc.

SKECHERS USA, Inc. (NYSE:SKX), based in Manhattan Beach, California, designs, develops and markets a diverse range of lifestyle footwear for men, women and children, as well as performance footwear for men and women. SKECHERS footwear is available in the United States via department and specialty stores, Company-owned SKECHERS retail stores and its e-commerce website, and in over 100 countries and territories through the Company's international network of 12 subsidiaries in Canada, Brazil, Chile, Japan, and across Western and Central Eastern Europe, as well as through joint ventures in Asia and distributors around the world. For more information, please visit skechers.com, and follow us on Facebook (facebook.com/SKECHERS) and Twitter (twitter.com/SKECHERSUSA).

This announcement contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, the Company's future growth, financial results and operations, its development of new products, future demand for its products and growth opportunities, its planned opening of new stores, advertising and marketing initiatives, and the expansion and automation plans for the Company's European Distribution Center. Forward-looking statements can be identified by the use of forward looking language such as "believe," "anticipate," "expect," "estimate," "intend," "plan," "project," "will be," "will continue," "will result," "could," "may," "might," or any variations of such words with similar meanings. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements. Factors that might cause or contribute to such differences include international, national and local general economic, political and market conditions including the ongoing global economic slowdown and market instability; entry into the highly competitive performance footwear market; sustaining, managing and forecasting costs and proper inventory levels; losing any significant customers, decreased demand by industry retailers and cancellation of order commitments due to the lack of popularity of particular designs and/or categories of products; maintaining brand image and intense competition among sellers of footwear for consumers; anticipating, identifying, interpreting or forecasting changes in fashion trends, consumer demand for the products and the various market factors described above; sales levels during the spring, back-to-school and holiday selling seasons; and other factors referenced or incorporated by reference in the Company's annual report on Form 10-K for the year ended December 31, 2013, and its Form 10-Q for the quarter ended September 30, 2014. The risks included here are not exhaustive. The Company operates in a very competitive and rapidly changing environment. New risks emerge from time to time and the companies cannot predict all such risk factors, nor can the companies assess the impact of all such risk factors on their respective businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. Moreover, reported results should not be considered an indication of future performance.

SKECHERS USA, Inc.

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