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SKECHERS Expands European Distribution Center

98,500 m² facility to support increased sales across Europe

LIÈGE, Belgium--(BUSINESS WIRE)-- [SKECHERS USA, Inc.](#) (NYSE:SKX), a global lifestyle and performance footwear company, announces the completion of the 4th phase of an expansion to its European Distribution Center (EDC) in Belgium by an additional 26,500 m² to a total size of approximately 98,500 m²—making it the largest company-operated DC in southern Belgium.



SKECHERS European Distribution Center in Liege, Belgium (Photo: Business Wire)

“To meet the increased demand, we are investing in our infrastructure, including improved efficiencies in our European Distribution Center, which allowed us to achieve a record 3 million pairs shipped in a month during February and 8.1 million pairs for the first quarter of 2016,” began David Weinberg, chief operating officer and chief financial officer of SKECHERS. “With the completion of our European Distribution Center expansion and with the automation

to be fully completed later this year, we expect to be even more efficient in our largest market outside of the United States and prepared for continued growth in Europe.”

In April, [SKECHERS](#) reported its highest first quarter net sales in the Company's history of \$978.8 million which was primarily the result of a 47.1 percent increase in our international wholesale business over the first quarter 2015. Demand for the SKECHERS brand is at an all-time high across nearly every region where the Company distributes its product and Europe in particular has seen strong business with double digit net sales increases in the first quarter for every subsidiary with a comparable period. Highlights include Spain among the top three globally with gains on a percentage basis and the United Kingdom and Germany having the largest dollar gains.

“After outgrowing our storage capacity, we had to manage overflow beyond our facility and this new building will allow us to consolidate storage into the EDC and stabilize our logistics to meet growing needs of the European market over the longer term,” began Sophie Houtmeyers, SKECHERS EDC Vice President of Distribution Operations. “This added storage capacity also opens up space in one of our adjoining buildings for the installation of new automation technologies that have improved efficiency elsewhere in our facility. We expect these upgrades to be online by November of this year and when combined with the expansion will prepare us for the future.”

The SKECHERS EDC was opened in 2002 over a surface area of 22,500 m². Continued growth of SKECHERS in the European market resulted in an extension of the building in 2009 with 23,000 m² of additional space. In 2013, the volume of goods was four times higher than in 2002. The facility expanded again in 2014 to 72,000 m² and currently employs 250 full-time equivalent workers. Prior automation technologies installed in Q1 2015 have increased efficiency and additional automation upgrades will be operating by the end of 2016. Over time it is expected that today’s announced expansion to 98,500 m² will lead to additional hires in both white collar and blue collar positions as new capacity is utilized.

The EDC distributes product to SKECHERS’ subsidiary-managed businesses throughout Europe including wholesale accounts, more than 160 SKECHERS retail stores, e-commerce in the United Kingdom and Germany, and to a lesser extent to the Company’s distribution partners in the region.

[SKECHERS](#) also operates a 170,000 m² LEED-Gold certified distribution center in Rancho Belago, California that serves North and South America, as well as additional smaller distribution centers around the world.

About SKECHERS USA, Inc.

SKECHERS USA, Inc., 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 and over 160 countries and territories worldwide via department and specialty stores, more than 1,410 SKECHERS retail stores, and the Company’s e-commerce website. The Company manages its international business through a network of global distributors, joint venture partners in Asia, and wholly-owned subsidiaries in Brazil, Canada, Chile, Japan, Latin America and throughout Europe. 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 domestic and international growth, financial results and operations including expected net sales and earnings, its development of new products, future demand for its products, its planned domestic and international expansion and opening of new stores, the completion of the expansion and upgrade of the Company’s European distribution center, and advertising and marketing initiatives. 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 economic, political and market conditions including the uncertainty of sustained recovery in Europe; 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, 2015 and its quarterly report on Form 10-Q for the quarter ended March 31, 2016. 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.

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