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SKECHERS Launches Joint Venture in South Korea

MANHATTAN BEACH, Calif.--(BUSINESS WIRE)-- [SKECHERS USA, Inc.](#) (NYSE: SKX), a global leader in lifestyle and performance footwear, today announced that the Company is transitioning its business in South Korea from a third-party distributor to a new joint venture with Luen Thai Enterprises. The new Korean joint venture, SKECHERS Korea Co., Ltd., will enable SKECHERS to use its proven sales and marketing strategies to further expand the brand in one of our key international markets.

“Skechers footwear has been available in South Korea for more than 15 years. In that time, we have developed a great footprint with a network of more than 55 Skechers stores and built the brand through strong marketing campaigns, including utilizing the talents of exceptionally popular endorsees like K-Pop stars Sistar and EXO in Skechers marketing campaigns,” said David Weinberg, chief operating officer and chief financial officer of SKECHERS. “With a dedicated team from our previous distributor, LS Networks, and the knowledge and acumen of our Skechers China team, we believe we can profitably grow our business in South Korea and truly penetrate the region with a strong presentation from our vast collection of men’s, women’s and kids’ footwear.” LS Networks distributed SKECHERS in South Korea from 2009 year to 2016.

“We’ve been very pleased with the consumer response to the Skechers product in South Korea,” added Sung Hun “Scott” Lee, previous Senior General Manager of Skechers’ Korean distribution partner and now president of SKECHERS Korea Co., Ltd. “Through my time with LS Networks, I’ve seen firsthand how Skechers has grown in Korea, most recently through the Skechers D’Lites craze that started here in 2015 and spread through Asia and then around the globe. Now as part of the Skechers global team and with key members of my previous team transitioning with me, we’ll have the direct resources, support and insight to really take the business to the next level. The future is very bright for Skechers in South Korea!”

“By forming a joint venture with Skechers that combines our global expertise with their unique insight in this market we’ll be able to more efficiently build the brand and more effectively directly target merchandising to the unique tastes of consumers across South Korea,” said Willie Tan, chief executive officer of Skechers Asia joint ventures. “We expect this will strengthen our business not only in South Korea but further synergize the business across Asia.” Mr. Tan will provide oversight to ensure the continuity of the region.

The network of SKECHERS retail locations in South Korea currently includes 57 concept and outlet stores—13 of which are owned by the Company. Consumers can also find the brand’s lifestyle and performance footwear for men, women and kids in major retailers throughout South Korea. Skechers Korea Co., Ltd. offices are based in Seoul.

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 1,710 SKECHERS Company-owned and third-party retail stores, and the Company's e-commerce websites. The Company manages its international business through a network of global distributors, joint venture partners in Asia and the Middle East, and wholly-owned subsidiaries in Canada, Japan, throughout Europe and Latin America. 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 three months ended September 30, 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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