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SKECHERS Scores Major Legal Victory in Patent Suit

MANHATTAN BEACH, Calif.--(BUSINESS WIRE)-- Skechers USA, Inc. announced today that it scored a major victory in a patent lawsuit filed against it in the United States District Court for the Central District of California. The lawsuit, *Cancaribe Limited v. Cobra International Inc.*, Case No. 07-CV-4182-GAF, involved allegations by defendant and cross-claimant Cobra International, Inc. alleging that the circuit used in Skechers lighted footwear infringed Cobra's patent on sequential lighting.

On June 6, 2012, Cobra and Skechers entered into a settlement agreement. Cobra agreed to dismiss its lawsuit against Skechers with prejudice and release all claims against Skechers. Skechers did not pay any money and is free to continue using its lighted footwear technology without modification and without any payment or obligations to Cobra.

The case settled after Skechers filed a summary judgment motion to invalidate Cobra's patent. The terms of the settlement amounts to a complete victory for Skechers. The settlement agreement is publicly available on the Court's database.

Skechers was represented in this case by Morgan Chu, Gary Frischling, Chris Vanderlaan, and Anthony Falcone of Irell & Manella in Los Angeles.

"We believe this settlement is a total victory for Skechers," stated Philip G. Paccione, General Counsel of Skechers USA, Inc. "We have maintained that this lawsuit was frivolous since it was filed in 2007. Our message is clear: if someone asserts an overbroad and questionable patent against Skechers, they will not only lose their case but possibly their patent as well."

Paccione continued, "We also believe that, had the Court issued a ruling invalidating Cobra's patent, we would have been entitled to recover attorneys' fees from Cobra and sanctions against counsel for failure to conduct an adequate pre-filing investigation of the claims asserted against Skechers. Nonetheless, after five years of litigation, we thought it was an opportune time to avoid the cost and distraction of further litigation and of defending a possible appeal."

In an earlier development relating to this case, Skechers initiated reexamination proceedings before the United States Patent and Trademark Office, which resulted in the Patent and Trademark Office issuing a Final Office Action finding the patent invalid in September 2009. The patent was allowed only after Cobra made amendments to certain claims.

ABOUT SKECHERS USA, INC.

SKECHERS USA, Inc. ([SKX](#)), based in Manhattan Beach, California, designs, develops and markets a diverse range of footwear for men, women and children under the SKECHERS name. SKECHERS footwear is available in the United States via department and specialty stores, Company-owned SKECHERS retail stores and its e-commerce website, and over

100 countries and territories through the Company's global network of distributors and subsidiaries in Brazil, Canada, Chile, Japan, and across Europe, as well as through joint ventures in Asia. For more information, please visit www.skechers.com, and follow us on Facebook (www.facebook.com/SKECHERS) and Twitter (<https://twitter.com/SKECHERSUSA>).

This announcement may contain forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or simply state future results, performance or achievements, and 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, 2011 and its quarterly report on Form 10-Q for the three months ended June 30, 2012. 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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