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SKECHERS Launches Joint Venture in Israel

MANHATTAN BEACH, Calif.--(BUSINESS WIRE)-- [SKECHERS USA, Inc.](#) (NYSE: SKX), a global leader in lifestyle and performance footwear, today announced that the Company has signed a new joint venture partnership for Israel with its current regional distributor, MGS Sport Trading Ltd. The joint venture, Skechers Footwear, Ltd., will enable SKECHERS to use its proven sales strategies and global infrastructure to aggressively expand the brand.

“As our distribution partner for 15 years, MGS Sport Trading has played a key role in our brand’s development throughout this region,” said Michael Greenberg, president of SKECHERS. “Over the years, they’ve built strong relationships with a network of accounts and have established our brand in the market. It’s a great time to take our business to the next level and discover the full scope of our brand’s potential.”

Added Adi Moliov, previous brand manager of MGS Sport Trading and now general manager of Skechers Footwear, Ltd., “International footwear brands are more popular than ever in Israel – in particular, stylish comfort footwear is in high demand – and we have a wonderful opportunity to boost SKECHERS’ presence. With SKECHERS’ increased investment in this region, solid infrastructure and extensive product offering for every age and activity, we can make a larger-than-ever impact. We’re thrilled to offer Israeli consumers a new generation of styles, retail destinations and campaigns showcasing their many brands.”

“We’ve had great success building our existing joint ventures, which have enabled us to pair decades of brand knowledge and infrastructure support with market insight in regions as diverse as India, China, Hong Kong and Southeast Asia,” said David Weinberg, chief operating officer and chief financial officer of SKECHERS. “Through these joint ventures, our business in these markets has grown, increasing the combined joint venture sales by approximately 80 percent in the first half of 2016 over the same period last year. We’re confident that this new joint venture will have an impact on our total sales in the next few years.”

Israel’s SKECHERS retail network will be run as joint venture stores, and currently includes six destinations, including locations in Tel Aviv and Jerusalem. Consumers can also find the brand’s lifestyle and performance footwear for men, women and kids in major retailers across Israel.

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 1,545 SKECHERS Company-owned and third-party 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 Israel, 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 June 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 Company cannot predict all such risk factors, nor can the Company assess the impact of all such risk factors on its 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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