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Skechers India to Become Wholly-Owned Subsidiary of Skechers Footwear

MANHATTAN BEACH, Calif.--(BUSINESS WIRE)-- Skechers U.S.A., Inc. (NYSE: SKX), a global leader in the footwear industry, today announced that the Company has purchased the minority share of its joint venture in India, transitioning the business to a new wholly-owned subsidiary of Skechers U.S.A., Inc.

Already one of the fastest growing and largest international markets for Skechers, the Company believes that combining the experienced team and Skechers' proven sales and marketing capabilities will allow it to grow the brand and its presence in a faster, more efficient manner, ultimately meeting its fullest potential.

"Skechers is still a relatively young brand in this country, having been in India for less than a decade, yet in the last five years, we have seen significant growth through our joint venture," began Michael Greenberg, president of Skechers. "The substantial existing retail network of over 200 stores, a strong wholesale business and a recently launched e-commerce site is a solid foundation that we can build upon. These accomplishments, as well as opportunities we see to increase the brand's exposure and drive sales, give us great optimism and confidence for the growth of Skechers in India."

"Skechers in India has achieved great success over the past few years," said Rahul Vira, CEO, Skechers South Asia Pvt. Ltd. "As we look into the future, we are delighted to be a wholly-owned subsidiary of Skechers. This development will enable us to amplify our growth plans, accelerate expansion of our operations and build a stronger network to further gain market share in India."

"Few markets match the potential for growth of India, which is why we entered the market initially, and why we recently decided to purchase the minority stake in our joint venture," said David Weinberg, chief operating officer of Skechers. "The effort of our team has resulted in significant growth as illustrated in our year-over-year numbers—2018 saw double digit increases in wholesale and retail sales and an 80 percent increase in pairs sold, reaching 2.7 million. We believe the strength of our diverse product and our marketing insight will help expand our product offering in India. As a subsidiary, we will be able to leverage our capital, product, logistics and business model to better maximize our brand exposure to the 1.3 billion consumers in this country. We expect this change to be accretive to our earnings."

The network of Skechers retail locations in India currently includes 223 retail stores—61 of which will be Skechers owned and operated while the remaining are third-party owned. An additional 80 to 100 stores are planned for 2019—of which approximately 20 will be company-owned, company-operated. Consumers can also find the brand's lifestyle and performance footwear and apparel for men, women and kids online at www.skechers.in as well as in major retailers throughout India. The Skechers India subsidiary will continue operating under its existing structure and from its existing headquarters location in Mumbai.

About Skechers U.S.A., Inc.

Based in Manhattan Beach, California, Skechers 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 170 countries and territories worldwide via department and specialty stores, more than 2,990 Skechers Company-owned and third-party-owned 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, India, throughout Europe and Latin America. For more information, please visit about.skechers.com and follow us on [Facebook](#), [Instagram](#), and [Twitter](#).

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, Skechers' 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, opening of new stores and additional expenditures, 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 challenging consumer retail markets in the United States; 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, especially in the highly competitive performance footwear market; 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, 2017, and its quarterly report on Form 10-Q for the three months ended September 30, 2018. The risks included here are not exhaustive. Skechers 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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