

September 11, 2018



Skechers Claims Shareholder Lawsuit and Allegations Without Merit

Footwear Company Plans to Vigorously Defend Lawsuit

MANHATTAN BEACH, Calif.--(BUSINESS WIRE)-- Skechers USA, Inc. (NYSE:SKX), a global footwear leader, denies the allegations in the recent alleged shareholder class actions filed by Laborers Local 235 Benefit Fund as frivolous and without merit, and plans on defending them vigorously.

David Weinberg, Skechers chief operating officer, commented: “This shareholder lawsuit (Laborers Local 235 Benefit Fund) is without merit. Between October 2017 and July 2018, the Company announced four consecutive quarters of record net sales, including our highest quarterly net sales in the first quarter of 2018, and record annual sales for the full-year 2017. ([See referenced earnings announcements.](#)) During that time, the Company was—and still is—focused on efficiently and strategically growing our business on a global scale. This includes investing in our infrastructure, diligently managing our balance sheet and bringing expenses in line with growth. The lawsuit at best shows a complete misunderstanding of the challenges facing both the international footwear industry and our growth-oriented global business. We will vigorously defend the Company and our officers against this frivolous lawsuit in court.”

On September 4, 2018, Laborers Local 235 Benefit Fund filed a securities class action against the Company and certain of its officers, in the United States District Court for the Southern District of New York, case 1:18-cv-08039. The lawsuit alleges that between October 20, 2017 and July 19, 2018, the Company made materially false statements or omissions of material facts to investors about its operations and prospects.

Skechers will be represented in the lawsuit by Seth Aronson and Abby Rudzin of O’Melveny & Myers in New York and Los Angeles.

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 170 countries and territories worldwide via department and specialty stores, 2,715 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, throughout Europe and Latin America. For more information, please visit www.skechers.com and follow us on Facebook (facebook.com/SKECHERS), Instagram (Instagram.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, 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 June 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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Source: Skechers USA, Inc.