

## **SKECHERS Sues Britney Spears for Millions of Dollars in a Fraud and Breach of Contract Suit**

MANHATTAN BEACH, Calif. - March 12, 2003 - Footwear Company Claims Pop Princess Reneged on Roller Skate Licensing Agreement, Rebuffing Approval Requests to Meet Selling Season

SKECHERS USA, Inc. (NYSE:SKX), a global leader in the lifestyle footwear industry, announced that the Company filed suit today against singer Britney Spears and her companies, Britney Brands, Inc. and Britney Touring, Inc. for fraud and breach of contract. The suit, which was filed in federal court in Los Angeles, also charges Ms. Spears with unjust enrichment and negligent misrepresentation, and seeks rescission of all agreements between SKECHERS and Ms. Spears, return of all advances paid, reimbursement of millions of dollars in costs, and compensatory and punitive damages in excess of ten million dollars.

The suit alleges that the singer breached her obligations to SKECHERS under a merchandise license agreement by unreasonably delaying and failing to approve manufacturers, product designs and advertising for Britney 4 Wheelers roller skates and apparel.

"When we entered into the Britney 4 Wheelers license with Ms. Spears, we were enthusiastic about the numerous possibilities that would be available to consumers with Britney-branded roller skates and the accompanying apparel and skate accessories," stated a SKECHERS spokesperson. "But when the design, approval and advertising process began, we were continuously shut down, rejected or ignored, making it nearly impossible to create and market the skate merchandise concept in time for key selling seasons."

The complaint also alleges that Ms. Spears and her company fraudulently induced SKECHERS into entering into a tour sponsorship agreement as a condition to obtaining the merchandise license.

In January 2002, SKECHERS signed an exclusive three-year worldwide licensing agreement with Britney Spears for a line of Britney-branded 4 Wheelers roller skates, known as Britney 4 Wheelers, and a line of accompanying apparel and skate accessories.

SKECHERS is being represented in the lawsuit by Daniel Petrocelli of O'Melveny & Myers in Los Angeles.

SKECHERS USA, Inc., based in Manhattan Beach, California, designs, develops and markets branded footwear for men, women and children. The Company offers a balanced assortment of basic and fashionable merchandise, which is sold to department stores and specialty retailers, as well as directly to consumers through company-owned SKECHERS retail stores and e-commerce. A global concept, the Company sells its product in more than 100 countries and territories throughout the

world. For further information on SKECHERS, please visit the Company's web site at [www.skechers.com](http://www.skechers.com) or call the Company's information line at 877-INFO-SKX.

This announcement may contain forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, which can be identified by the use of forward-looking terminology such as "may," "will," "believe," "belief," or other comparable terminology. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements and reported results shall not be considered an indication of the Company's future performance. Factors that might cause or contribute to such differences include, among others, a decrease in sales during the back-to-school or holiday selling season, change in consumer demands and fashion trends, current political and economic conditions in the world, potential disruptions in manufacturing related to overseas sourcing, cancellation of order commitments and decreased demand by industry retailers, and other factors affecting retail market conditions, including the factors addressed in the Company's annual report on form 10K for the year ended December 31, 2001 and the Company's report on form 10Q for the quarter ended September 30, 2002.