
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

February 17, 2010

SKECHERS U.S.A., INC.

(Exact name of registrant as specified in its charter)

Delaware

001-14429

95-4376145

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

228 Manhattan Beach Boulevard, Manhattan
Beach, California

90266

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(310) 318-3100

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On February 17, 2010, the Company issued a press release announcing its results of operations and financial condition for the three months and twelve months ended December 31, 2009. A copy of the press release is attached hereto as exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is furnished as part of this report:

99.1 Press Release dated February 17, 2010.

The information in this current report and the exhibit attached hereto is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The Information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended. The furnishing of the Information in this Current Report is not intended to, and does not, constitute a representation that such furnishing is required by Regulation FD or that the Information this Current Report contains is material investor information that is not otherwise publicly available.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SKECHERS U.S.A., INC.

February 17, 2010

By: /s/ David Weinberg

*Name: David Weinberg
Title: Chief Operating Officer*

Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Press Release dated February 17, 2010. |

FOR IMMEDIATE RELEASE

Company Contact:

David Weinberg
Chief Operating Officer
Chief Financial Officer
SKECHERS USA, Inc.
(310) 318-3100

Investor Relations:

Andrew Greenebaum
Addo Communications
(310) 829-5400

**SKECHERS ANNOUNCES FOURTH QUARTER AND
FISCAL YEAR 2009 FINANCIAL RESULTS**

- **Record Fourth Quarter 2009 Net Sales of \$388.6 Million,
an Increase of 30.4 Percent Over 2008, and Net Earnings of \$27.9 Million**
- **Fiscal Year 2009 Net Sales of \$1.436 Billion,
and Net Earnings of \$54.7 Million**

MANHATTAN BEACH, CA. – February 17, 2010 – SKECHERS USA, Inc. (NYSE:SKX), a global leader in lifestyle footwear, today announced financial results for the fourth quarter and fiscal year ended December 31, 2009.

Net sales for the fourth quarter of 2009 increased 30.4 percent to \$388.6 million as compared to \$298.1 million in the fourth quarter of 2008. Income from operations in the fourth quarter of 2009 was \$41.7 million, an increase of \$76.8 million over the operating loss of \$35.1 million in the fourth quarter of 2008. Net earnings for the fourth quarter of 2009 were \$27.9 million versus a net loss of \$20.4 million in the fourth quarter of 2008. Net earnings per diluted share in the fourth quarter of 2009 were \$0.58 based on 48,344,000 weighted average shares outstanding as compared to a net loss per diluted share of \$0.44 based on 46,123,000 weighted average shares outstanding in the fourth quarter of 2008. Gross profit for the fourth quarter of 2009 was \$189.3 million compared to \$95.0 million in the fourth quarter of 2008. Gross margin in the fourth quarter 2009 was 48.7 percent versus 31.9 percent for the fourth quarter of 2008.

“We ended 2009 with a record fourth quarter – a 30 percent sales increase over the fourth quarter 2008, a significant achievement in a difficult economic environment,” began David Weinberg, chief operating officer and chief financial officer. “Our strong margins are a result of our ability to manage our expenses, the strength of our SKECHERS retail business, more in-line goods selling through and less close-out product, which was primarily liquidated in the first half of the year.”

Fiscal year 2009 net sales were \$1.436 billion as compared to net sales of \$1.441 billion in 2008. Income from operations for 2009 was \$72.6 million versus \$57.9 million in 2008. Net earnings for 2009 were \$54.7 million versus net earnings of \$55.4 million in 2008. For fiscal year 2009, diluted earnings per share were \$1.16 based on 47,105,000 weighted average shares outstanding versus diluted earnings per share of \$1.19 based on 46,708,000 weighted average shares outstanding in the prior year. Gross profit for 2009 was \$621.0 million compared to \$595.9 million in 2008. Gross margin for 2009 was 43.2 percent versus 41.4 percent for 2008.

Mr. Weinberg continued: “We also believe that achieving a 25 percent increase in annual operating profit on essentially flat sales is a meaningful accomplishment. While the economy remains a factor, SKECHERS experienced strong momentum in the second half of the year, and saw strong sales and gross margin improvement in the United States and in select countries around the world, with double digit growth in many markets. ”

Robert Greenberg, SKECHERS chief executive officer, commented: “We are all aware of the global economic challenges in 2009, but for SKECHERS, the year was a particularly exciting one as we successfully took advantage of new opportunities to grow our business with fresh styles and product lines that brought our brand into new stores and increased our shelf space in many others. We believe our record third and fourth quarters in such difficult economic times is a true testament to the strength of our brand and our product. Consumers embraced our 2009 product offering, and retailers are energized about our Spring and Fall 2010 collections. We continue to develop more unique and compelling product, and support our brands with our integrated approach to marketing. We are keenly focused on growing our international business, and believe our newly added international subsidiaries in South America and distributors in Mexico and India have strong potential as we have only scratched the surface in these countries. We will also build on our meaningful retail base with more new stores in the United States and markets in Europe, and we are taking a proactive approach to our e-commerce business through redesign and an increased presence on social media sites. We believe we are in a strong position from a product, marketing, distribution and financial standpoint as we

begin the new year, and we are confident that we will continue to grow in 2010.”

“For SKECHERS, all indicators are pointing to growth in 2010,” stated Mr. Weinberg. “Our backlog is up 40 percent as of December 31, 2009 over the prior year; combined domestic and international store comps increased 17.4 percent for the fourth quarter; and we are just completing five weeks of pre-lines with key accounts, which reacted very positively to our new product. Our infrastructure is already in place in Europe to support our continued growth, and we will be breaking ground for our new 1.8 million square foot distribution center in Rancho Belago, California, in the first or second quarter of 2010 – creating a much more efficient distribution operation. With a cash and short-term investment position of \$296 million, clean inventory, strong product that is checking well at retail and marketing to support it, we believe we are especially well-positioned to grow in 2010.”

SKECHERS USA, Inc., based in Manhattan Beach, California, designs, develops and markets a diverse range of footwear for men, women and children under the SKECHERS name, as well as under several uniquely branded names. SKECHERS footwear is available in the United States via department and specialty stores, Company-owned SKECHERS retail stores and its e-commerce website, as well as in over 100 countries and territories through the Company’s global network of distributors and subsidiaries in Canada, Brazil, Chile, and across Europe, as well as through joint ventures in Asia. For more information, please visit www.skechers.com.

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 global economic slowdown and the ongoing financial crisis and market instability; 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 Form 10-K for the year ended December 31, 2008 and the Company’s Form 10-Q for the quarter ended September 30, 2009. 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 the business 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.

(tables to follow)

SKECHERS U.S.A., INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands)

| | December 31, 2009 | December 31, 2008 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 265,675 | \$ 114,941 |
| Short-term investments | 30,000 | — |
| Trade accounts receivable, net | 219,924 | 175,064 |
| Other receivables | 12,177 | 7,816 |
| Total receivables | 232,101 | 182,880 |
| Inventories | 224,050 | 261,209 |
| Prepaid expenses and other current assets | 28,233 | 31,022 |
| Deferred tax assets | 8,950 | 11,955 |
| Total current assets | 789,009 | 602,007 |
| Property and equipment, at cost less accumulated depreciation and amortization | 171,667 | 157,757 |

| | | |
|--|-------------------|-------------------|
| Intangible assets, less applicable amortization | 9,011 | 5,407 |
| Deferred tax assets | 13,660 | 18,158 |
| Long-term investments | — | 81,925 |
| Other assets, at cost | 12,205 | 11,062 |
| TOTAL ASSETS | \$ 995,552 | \$ 876,316 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities: | | |
| Current installments of long-term borrowings | \$ 529 | \$ 572 |
| Short-term borrowings | 2,006 | — |
| Accounts payable | 196,163 | 164,643 |
| Accrued expenses | 31,843 | 23,021 |
| Total current liabilities | 230,541 | 188,236 |
| Long-term borrowings, excluding current installments | 15,641 | 16,188 |
| Total liabilities | 246,182 | 204,424 |
| Equity: | | |
| Skechers U.S.A., Inc. equity | 745,922 | 668,693 |
| Noncontrolling interest | 3,448 | 3,199 |
| Total equity | 749,370 | 671,892 |
| TOTAL LIABILITIES AND EQUITY | \$ 995,552 | \$ 876,316 |

SKECHERS U.S.A., INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)
(In thousands, except per share data)

| | <u>Three Months Ended December 31,</u> | | <u>Twelve Months Ended December 31,</u> | |
|---|--|--------------------|---|------------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Net sales | \$ 388,620 | \$ 298,088 | \$ 1,436,440 | \$ 1,440,743 |
| Cost of sales | 199,368 | 203,062 | 815,430 | 844,821 |
| Gross profit | 189,252 | 95,026 | 621,010 | 595,922 |
| Royalty income | 633 | 800 | 1,655 | 2,461 |
| | <u>189,885</u> | <u>95,826</u> | <u>622,665</u> | <u>598,383</u> |
| Operating expenses: | | | | |
| Selling | 31,421 | 21,853 | 128,989 | 126,890 |
| General and administrative | 116,754 | 109,060 | 421,094 | 413,601 |
| | <u>148,175</u> | <u>130,913</u> | <u>550,083</u> | <u>540,491</u> |
| Income (loss) from operations | 41,710 | (35,087) | 72,582 | 57,892 |
| Other income (expense): | | | | |
| Interest, net | (643) | 436 | (975) | 2,731 |
| Other, net | (2,700) | 200 | (497) | 120 |
| | <u>(3,343)</u> | <u>636</u> | <u>(1,472)</u> | <u>2,851</u> |
| Earnings (loss) before income taxes | 38,367 | (34,451) | 71,110 | 60,743 |
| Income tax expense (benefit from) | 11,992 | (12,917) | 20,228 | 7,258 |
| Net income (loss) | 26,375 | (21,534) | 50,882 | 53,485 |
| Less: Net income (loss) attributable to noncontrolling interest | (1,571) | (1,156) | (3,817) | (1,911) |
| Net earnings (loss) attributable to Skechers U.S.A., Inc. | <u>\$ 27,946</u> | <u>\$ (20,378)</u> | <u>\$ 54,699</u> | <u>\$ 55,396</u> |
| Net earnings (loss) per share attributable to Skechers U.S.A., Inc.: | | | | |
| Basic | \$ 0.60 | \$ (0.44) | \$ 1.18 | \$ 1.20 |
| Diluted | \$ 0.58 | \$ (0.44) | \$ 1.16 | \$ 1.19 |
| Weighted average shares used in calculating earnings per share attributable to Skechers U.S.A., Inc.: | | | | |
| Basic | 46,448 | 46,123 | 46,341 | 46,031 |
| Diluted | <u>48,344</u> | <u>46,123</u> | <u>47,105</u> | <u>46,708</u> |