

## **WEYCO REPORTS FIRST QUARTER SALES AND EARNINGS**

(Milwaukee, Wisconsin---April 29, 2008) Weyco Group, Inc. (NASDAQ:WEYS), today announced financial results for the quarter ended March 31, 2008.

Net earnings declined approximately 10% to \$5.1 million, down from \$5.7 million in 2007. Diluted earnings per share were \$.43 per share in 2008 down 8.5% from \$.47 per share in 2007.

Net sales were \$61.3 million, a decrease of 4% from 2007 sales of \$63.9 million. Sales in the wholesale division, which include wholesale sales and licensing revenues, were \$54.2 million compared with \$56.6 million in 2007. Wholesale sales were \$53.1 million in 2008, down 4% from \$55.5 million in 2007. Licensing revenues were \$1.1 million in 2008 and 2007.

In the wholesale division, sales of the Company's Nunn Bush and Stacy Adams brands were down 1% each, while sales of the Florsheim brand were down 13%. In addition to the challenging current retail environment, Florsheim sales were also impacted by the timing of new programs. In 2007, Florsheim had rolled out a number of new shoe programs with two large retailers. In 2008, there were no new product introductions of a similar scale.

Retail sales were \$7.1 million for the first quarter of 2008, down 2% from \$7.25 million in 2007. Same store sales were down 5%. Retail sales include four new stores which were opened in the second half of 2007.

Operating earnings were \$7.6 million, down from \$8.7 million in 2007. Operating earnings as a percent of sales fell from 13.6% in 2007 to 12.4% in 2008, reflecting the lower sales volume.

"While our brands remain solid performers within our industry, our financial results reflect the overall challenging retail climate and a pullback in consumer spending on apparel and footwear," stated Tom Florsheim, Jr., Chairman and CEO of Weyco Group.

The Company's Board of Directors declared a quarterly cash dividend on April 29, 2008 of \$.14 per share to all shareholders of record on June 2, 2008, payable July 1, 2008. This represents an increase of 27% above the previous quarterly dividend rate of \$.11. The impact of this will be to increase cash dividends paid annually by approximately \$1.4 million.

Weyco Group will host a conference call on April 30, 2008, at 11:00 a.m. Eastern Time to discuss the first quarter financial results in more detail. To participate in the call please dial 888-713-4214 or 617-213-4866, referencing passcode #57609202, five minutes before the start of the call. A replay will be available for one week beginning about one hour after the completion of the call by dialing 888-286-8010 or 617-801-6888, referencing passcode #97489580. Alternatively, the conference call and replay will be available by visiting the investor relations section of Weyco Group's website at [www.weycogroup.com](http://www.weycogroup.com).

Weyco Group, Inc., designs and markets moderately priced and better-grade men's branded footwear for casual, fashion, and dress lifestyles. The principal brands of shoes sold by the Company are Florsheim, Nunn Bush, and Stacy Adams. The Company also operates a number of retail stores in the U.S. and Europe.

This press release contains certain forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Various factors could cause the results of Weyco Group to be materially different from any future results expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the Company's ability to: (i) successfully market and sell its products in a highly competitive industry and in view of changing consumer trends, consumer acceptance of products and other factors affecting retail market conditions; (ii) procure its products from independent manufacturers; and (iii) other factors, including those detailed from time to time in Weyco Group's filings made with the SEC. Weyco Group undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

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**WEYCO GROUP, INC.****CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS** (Unaudited)

For the three months ended March 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
	(in thousands, except per share amounts)	
NET SALES.....	\$61,278	\$63,858
COST OF SALES.....	<u>39,012</u>	<u>40,807</u>
Gross earnings.....	22,266	23,051
SELLING AND ADMINISTRATIVE EXPENSES.....	<u>14,671</u>	<u>14,373</u>
Earnings from operations.....	7,595	8,678
INTEREST INCOME.....	509	508
INTEREST EXPENSE.....	(10)	(123)
OTHER INCOME AND EXPENSE, net.....	<u>7</u>	<u>2</u>
Earnings before provision for income taxes.....	8,101	9,065
PROVISION FOR INCOME TAXES.....	<u>2,975</u>	<u>3,370</u>
Net earnings.....	<u>\$ 5,126</u>	<u>\$ 5,695</u>
WEIGHTED AVERAGE SHARES		
Basic.....	11,461	11,664
Diluted.....	11,860	12,120
EARNINGS PER SHARE		
Basic.....	<u>\$ .45</u>	<u>\$ .49</u>
Diluted.....	<u>\$ .43</u>	<u>\$ .47</u>
CASH DIVIDENDS PER SHARE.....	<u>\$ .11</u>	<u>\$ .09</u>

**CONSOLIDATED CONDENSED BALANCE SHEETS (Unaudited)**

	March 31, 2008	December 31, 2007
	(Dollars in thousands)	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents . . . . .	\$ 8,934	\$ 7,859
Marketable securities, at amortized cost . . . . .	3,606	5,604
Accounts receivable, net . . . . .	41,457	35,965
Inventories . . . . .	40,798	44,632
Deferred income tax benefits . . . . .	476	475
Prepaid expenses and other current assets . . . . .	<u>2,907</u>	<u>3,301</u>
Total current assets . . . . .	98,178	97,836
MARKETABLE SECURITIES, at amortized cost . . . . .	44,350	43,331
OTHER ASSETS . . . . .	9,568	9,440
PLANT AND EQUIPMENT, net . . . . .	29,077	28,677
TRADEMARK . . . . .	<u>10,868</u>	<u>10,868</u>
	<u>\$192,041</u>	<u>\$190,152</u>
<b>LIABILITIES &amp; SHAREHOLDERS' INVESTMENT</b>		
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings . . . . .	\$ 3,000	\$ 550
Accounts payable . . . . .	8,455	10,541
Dividend payable . . . . .	1,265	1,270
Accrued liabilities . . . . .	6,116	8,026
Accrued income taxes . . . . .	<u>1,960</u>	<u>716</u>
Total current liabilities . . . . .	20,796	21,103
LONG-TERM PENSION LIABILITY . . . . .	6,209	6,043
DEFERRED INCOME TAX LIABILITIES . . . . .	2,080	2,248
<b>SHAREHOLDERS' INVESTMENT:</b>		
Common stock . . . . .	11,506	11,534
Capital in excess of par value . . . . .	12,944	10,788
Reinvested earnings . . . . .	142,496	142,775
Accumulated other comprehensive loss . . . . .	<u>(3,990)</u>	<u>(4,339)</u>
Total shareholders' investment . . . . .	<u>162,956</u>	<u>160,758</u>
	<u>\$192,041</u>	<u>\$190,152</u>

**CONSOLIDATED CONDENSED STATEMENTS  
OF CASH FLOWS (Unaudited)**

For the three months ended March 31, 2008 and 2007

2008                      2007  
(Dollars in thousands)

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net earnings . . . . .	\$ 5,126	\$ 5,695
Adjustments to reconcile net earnings to net cash provided by operating activities –		
Depreciation . . . . .	634	615
Amortization . . . . .	27	21
Deferred income taxes . . . . .	(215)	(253)
Stock-based compensation . . . . .	145	74
Pension expense . . . . .	338	332
Increase in cash surrender value of life insurance . . . . .	(134)	(130)
Changes in operating assets and liabilities -		
Accounts receivable . . . . .	(5,492)	(10,068)
Inventories . . . . .	3,834	12,112
Prepays and other current assets . . . . .	400	183
Accounts payable . . . . .	(2,087)	(7,138)
Accrued liabilities and other . . . . .	(1,698)	(1,389)
Accrued income taxes . . . . .	<u>1,236</u>	<u>2,680</u>
Net cash provided by operating activities . . . . .	<u>2,114</u>	<u>2,734</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of marketable securities . . . . .	(1,115)	(380)
Proceeds from maturities of marketable securities . . . . .	2,067	46
Purchase of plant and equipment . . . . .	(1,023)	(515)
Proceeds from sales of plant and equipment . . . . .	<u>--</u>	<u>60</u>
Net cash used for investing activities . . . . .	<u>(71)</u>	<u>(789)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Cash dividends paid . . . . .	(1,270)	(1,054)
Shares purchased and retired . . . . .	(4,285)	(1,880)
Proceeds from stock options exercised . . . . .	1,212	325
Borrowings (repayments) under revolving credit agreement . . . . .	2,450	(2,166)
Income tax benefit from the exercise of stock options . . . . .	<u>925</u>	<u>160</u>
Net cash used for financing activities . . . . .	<u>(968)</u>	<u>(4,615)</u>

Net increase (decrease) in cash and cash equivalents . . . . .	1,075	(2,670)
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CASH AND CASH EQUIVALENTS at beginning of period . . . . .	<u>\$ 7,859</u>	<u>\$15,314</u>
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CASH AND CASH EQUIVALENTS at end of period . . . . .	<u>\$ 8,934</u>	<u>\$12,644</u>
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**SUPPLEMENTAL CASH FLOW INFORMATION:**

Income taxes paid, net of refunds . . . . .	<u>\$ 1,003</u>	<u>\$ 722</u>
Interest paid . . . . .	<u>\$ 5</u>	<u>\$ 171</u>