

WEYCO REPORTS SECOND QUARTER SALES AND EARNINGS

(Milwaukee, WI --- August 4, 2008) Weyco Group, Inc. (NASDAQ: WEYS) today announced financial results for the quarter ended June 30, 2008.

Net sales for the second quarter were \$53.0 million, up 9.6% from \$48.4 million in 2007. Net earnings and diluted earnings per share for the quarter were level with last year at \$4.1 million and \$.34, respectively.

Sales in the wholesale division, which include wholesale sales and licensing revenues, were \$45.7 million, compared with \$40.7 million in 2007. Wholesale sales were \$44.7 million in 2008, up from \$39.9 million in 2007. Licensing revenues in 2008 were \$969,000, compared with \$835,000 in 2007.

Wholesale net sales of the Company's Stacy Adams, Nunn Bush and Florsheim brands were up 35%, 3% and 6%, respectively. The growth in Stacy Adams' sales was driven by an increase in sales of contemporary footwear to national accounts. Nunn Bush products continue their solid performance at retail, and the recent introduction of the new Dynamic Comfort slip resistant line helped increase overall sales. Florsheim's sales increase was primarily due to increased shipments of its Comfortech shoes.

Retail sales for the second quarter were \$7.4 million, down 4% from \$7.7 million in 2007. Same store sales were down 6% for the quarter. The Company had four additional stores in the second quarter of this year as compared with the same period last year.

Operating earnings for the second quarter were \$5.9 million in both 2008 and 2007. This resulted from an increase in operating earnings of approximately \$900,000 from the Company's wholesale and licensing businesses, offset by a decrease in earnings in the retail division.

"While our retail division struggled this quarter, our wholesale business performed well, and we were pleased with the sales increases in each of our brands, especially in light of the overall challenging retail environment," stated Thomas Florsheim Jr., Chairman and Chief Executive Officer.

Weyco Group will host a conference call on Tuesday, August 5, 2008, at 11:00 a.m. Eastern Time to discuss the second quarter financial results in more detail. To participate in the call, please dial 888-713-4213 or 617-213-4865, referencing passcode #53228186, 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 #34642952. Alternatively, the conference call and replay will be available by visiting the investor relations section of Weyco Group's website at 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 small number of retail stores in the United States 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.

For more information, contact:

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WEYCO GROUP, INC. AND SUBSIDIARIES

**CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008 AND 2007 (UNAUDITED)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(In thousands, except per share amounts)			
Net sales	\$ 53,017	\$ 48,371	\$ 114,295	\$ 112,229
Cost of sales	33,284	29,677	72,296	70,484
Gross earnings	19,733	18,694	41,999	41,745
Selling and administrative expenses	13,848	12,787	28,519	27,159
Earnings from operations	5,885	5,907	13,480	14,586
Interest income	491	555	999	1,062
Interest expense	(20)	(85)	(30)	(208)
Other income	1	2	8	4
Earnings before provision for income taxes	6,357	6,379	14,457	15,444
Provision for income taxes	2,300	2,330	5,275	5,700
Net earnings	\$ 4,057	\$ 4,049	\$ 9,182	\$ 9,744
Weighted average shares outstanding				
Basic	11,443	11,566	11,452	11,615
Diluted	11,786	12,015	11,823	12,068
Earnings per share				
Basic	<u>\$0.35</u>	<u>\$0.35</u>	<u>\$0.80</u>	<u>\$0.84</u>
Diluted	<u>\$0.34</u>	<u>\$0.34</u>	<u>\$0.78</u>	<u>\$0.81</u>
Cash dividends per share	<u>\$0.14</u>	<u>\$0.11</u>	<u>\$0.25</u>	<u>\$0.20</u>

WEYCO GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)

	June 30, 2008	December 31, 2007
	(Dollars in thousands)	
ASSETS:		
Cash and cash equivalents	\$ 14,506	\$ 7,859
Marketable securities, at amortized cost	1,718	5,604
Accounts receivable, net	31,266	35,965
Accrued income tax receivable	442	-
Inventories	41,939	44,632
Deferred income tax benefits	108	475
Prepaid expenses and other current assets	2,959	3,301
Total current assets	92,938	97,836
Marketable securities, at amortized cost	45,493	43,331
Other assets	9,694	9,440
Property, plant and equipment, net	29,241	28,677
Trademark	10,868	10,868
Total assets	\$ 188,234	\$ 190,152
LIABILITIES & SHAREHOLDERS' INVESTMENT:		
Short-term borrowings	\$ 2,000	\$ 550
Accounts payable	6,360	10,541
Dividend payable	1,608	1,270
Accrued liabilities	6,313	8,026
Accrued income taxes	-	716
Total current liabilities	16,281	21,103
Long-term pension liability	6,388	6,043
Deferred income tax liabilities	1,835	2,248
Common stock	11,436	11,534
Capital in excess of par value	13,154	10,788
Reinvested earnings	143,056	142,775
Accumulated other comprehensive loss	(3,916)	(4,339)
Total shareholders' investment	163,730	160,758
Total liabilities and shareholders' investment	\$ 188,234	\$ 190,152

WEYCO GROUP, INC. AND SUBSIDIARIES

**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND 2007 (UNAUDITED)**

	<u>2008</u>	<u>2007</u>
	<u>(Dollars in thousands)</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 9,182	\$ 9,744
Adjustments to reconcile net earnings to net cash provided by operating activities -		
Depreciation	1,283	1,237
Amortization	54	42
Deferred income taxes	(138)	(179)
Stock-based compensation	293	148
Pension expense	676	670
Loss on disposal of fixed assets	131	-
Increase in cash surrender value of life insurance	(112)	(259)
Change in operating assets and liabilities -		
Accounts receivable	4,699	2,669
Inventories	2,693	11,239
Prepays and other current assets	357	422
Accounts payable	(4,181)	(5,262)
Accrued liabilities and other	(1,673)	(231)
Accrued income taxes	(1,166)	(915)
Net cash provided by operating activities	<u>12,098</u>	<u>19,325</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of marketable securities	(1,799)	(2,963)
Proceeds from maturities of marketable securities	3,468	176
Life insurance premiums paid	(155)	-
Purchase of property, plant and equipment	(1,835)	(1,221)
Proceeds from sales of property, plant and equipment	-	62
Net cash used for investing activities	<u>(321)</u>	<u>(3,946)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash dividends paid	(2,535)	(2,108)
Shares purchased and retired	(6,247)	(7,271)
Proceeds from stock options exercised	1,261	1,390
Borrowings (repayments) under revolving credit agreement	1,450	(5,405)
Income tax benefits from share-based compensation	941	896
Net cash used for financing activities	<u>(5,130)</u>	<u>(12,498)</u>
Net increase in cash and cash equivalents	6,647	2,881
CASH AND CASH EQUIVALENTS at beginning of period	<u>\$ 7,859</u>	<u>\$ 15,314</u>
CASH AND CASH EQUIVALENTS at end of period	<u>\$ 14,506</u>	<u>\$ 18,195</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid, net of refunds	<u>\$ 5,603</u>	<u>\$ 5,798</u>
Interest paid	<u>\$ 30</u>	<u>\$ 241</u>