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## **Lakeland Industries, Inc. Announces Implementation of E-Commerce Strategy with Amazon Distribution Platform**

*Benefits Include Domestic & International Market Deployments, Improved Inventory Utilization, and Profit Margin Contributions; Company's Fiscal Third Quarter to Reflect Impact of New IT/ERP System Installation*

RONKONKOMA, NY -- August 29, 2018 -- Lakeland Industries, Inc. (NASDAQ: LAKE) (the "Company" or "Lakeland"), a leading global manufacturer of protective clothing for industry, healthcare and to first responders on the federal, state and local levels, today announced its comprehensive e-commerce strategy with the implementation of sales and distribution on Amazon.com (Nasdaq: AMZN).

"Amazon.com represents an essential component to our long term revenue growth strategy," stated Christopher J. Ryan, President and Chief Executive Officer of Lakeland Industries. "Our e-commerce strategy utilizes Amazon.com as the cornerstone of our cloud-based platform for online distribution. While we are presently experimenting to determine the ideal product mix, our efforts thus far confirm that this strategy serves as an ideal complement to our longstanding practices of sales and marketing on a business-to-business basis and through third party distributors. We are in effect leveraging alternative distribution channels, principally with Amazon, for retail and small business customer sales.

"We believe our e-commerce strategy and Amazon distribution platform enables expansion into new and existing territories while improving the quality of our earnings to deliver sustainable long term improvements in financial performance. Our e-commerce sales which have been smaller quantity orders are being pulled from our traditional product lines where we can gain leverage in inventory management. These efforts contribute to diversifying our revenue streams, penetrating and generating increased market share and presence in our core operating regions around the world, and capitalizing on our resources for improvements in long term operational performance."

As previously disclosed, Lakeland began distributing a limited set of products earlier this year on Amazon.com in the United States. This followed investments made by the Company last year for development of fulfillment capabilities for same day/next day delivery in connection with Amazon. The Company has made additional information technology investments to accommodate its e-commerce strategy as part of a complete global management information, enterprise resource planning and inventory system installation that began in 2017 and recently commenced.

The Company's global IT infrastructure implementation uses the SAGE X3 platform to aid in the digital evolution of Lakeland by leveraging cloud technologies. With SAGE X3, Lakeland staff around the world will be able to increase efficiency by accelerating all core business processes with one business management solution and gain visibility across the business with real time information which will assist in management decision-making. In addition to inventory and supply chain management enhancements,

there will be simplified compliance and automated reporting as the system supports global laws and restrictions across currencies, regions and regulations when the system is fully implemented.

The implementation and inventory change-over in the USA for the new system took full effect toward the end of the Company's fiscal 2019 second quarter ended July 31, 2018 and into the third quarter. For the second quarter financial results which will be announced on September 10, 2018, Lakeland expects to report revenue growth from the prior year period even though there were several days in which shipments were delayed and not recorded as sales. This delay as well as other related factors adversely impacted gross profits as a percentage of sales and operating profits as a percent of sales. In this regard, the Company incurred elevated expenses associated with the inventory and ERP transition.

With the completion of the USA portion of the Company's global inventory and IT system installation, distribution on the Amazon platform will be rolled out by Lakeland in multiple subsidiaries during the fiscal year ending January 31, 2019. From a standing still position approximately 9 months ago, Lakeland has completed the investment in marketing and fulfillment capabilities for its US launch on Amazon. Twenty pages of Lakeland branded products have been populated on the Amazon website in the US. The Company launched Amazon distribution in Canada with a limited number of products during the fiscal second quarter ended July 31, 2018.

Most recently, Lakeland initiated sales on Amazon in Mexico, where the company has existing manufacturing and sales operations for coverage of that country as well as serving as a regional touch point for many markets throughout South America. Amazon currently has a total of 13 marketplaces worldwide, including UK, Germany, France, Italy, Spain, Japan, China, India, Australia and Brazil. Lakeland intends to extend its e-commerce strategy to select markets where it has existing operational overlap. Lakeland can quickly and efficiently grow its e-commerce business with Amazon and other similar platforms, such as Alibaba in certain markets, which is preferred over developing or replicating the infrastructures that these companies already have in place. Lakeland has scheduled its next launches on Amazon in Australia and Europe.

### **“Innovation Meets Protection”**

Lakeland has hired an e-commerce specialist to help drive its online growth strategy. The Company's global e-commerce activities will be managed from its primary US operations center in Decatur, AL. The current process involves building and growing Lakeland's online sales through the use of established global and regional platforms such as Amazon. Additional regional e-commerce platforms in various parts of the world may be added as needed to accelerate Lakeland's online presence in a particular global market.

For these online efforts, the Company is also developing new marketing campaigns and product specific images, info-graphics, and videos, among other media for use on its Amazon product listings. “Innovation meets protection” is the branding that has been created for use online and is modeled after the Company's global reputation for high quality manufacturing, multi-sourced materials and safeguarding advantages of its garments. Content will be available for use on other e-commerce platforms and for use with the Company's traditional distribution partners for their online needs.

As part of this rollout process, Lakeland has been building out its IT operations and marketing infrastructure to integrate with Amazon in multiple countries as well as Jet, TMALL and JD.com. Essentially, Lakeland intends to make online marketing a core competency that complements its traditional direct and indirect sales channels. Greater emphasis is being placed on digital marketing strategies, including inbound marketing campaigns. To this end, Lakeland has been making great strides to be an even more recognizable and branded player, with new online training and webinars.

**About Lakeland Industries, Inc.:**

Lakeland Industries, Inc. (NASDAQ: LAKE) manufactures and sells a comprehensive line of safety garments and accessories for the industrial protective clothing market. The Company's products are sold by a direct sales force and through independent sales representatives to a network of over 1,200 safety and mill supply distributors. These distributors in turn supply end user industrial customers such as chemical/petrochemical, automobile, steel, glass, construction, smelting, janitorial, pharmaceutical and high technology electronics manufacturers, as well as hospitals and laboratories. In addition, Lakeland supplies federal, state, and local government agencies, fire and police departments, airport crash rescue units, the Department of Defense, the Centers for Disease Control and Prevention, and many other federal and state agencies. For more information concerning Lakeland, please visit the Company online at [www.lakeland.com](http://www.lakeland.com).

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