

MOVADO GROUP INC.

Movado Group, Inc. Announces Second Quarter and First Half Results

September 4, 2003

~ Company Posts Q2 EPS of \$0.46 vs. EPS of \$0.44 LY ~ ~ First Half Net Income Increases 15.8% ~

PARAMUS, N.J., Sep 4, 2003 /PRNewswire-FirstCall via COMTEX/ -- Movado Group, Inc. (NYSE: MOV), today announced second quarter fiscal 2004 results for the period ended July 31, 2003.

Second Quarter Fiscal 2004

- * Net sales increased 6.0% to \$76.5 million compared to net sales of \$72.2 million last year. On a constant dollar basis, sales increased 4.4%.
- * Comparable store sales increased 26.5% at the Company's Movado boutiques.
- * Gross margin increased to 61.7% from 61.4% in the year-ago period.
- * Operating profit increased 3.1% to \$8.8 million versus \$8.5 million last year.
- * Net income increased 7.1% to \$5.8 million compared to \$5.4 million last year.
- * Earnings per diluted share increased 4.5% to \$0.46 from \$0.44 last year, with a 2.6% increase in diluted shares outstanding.

Six-Month Results

- * Net sales increased 5.6% to a record \$136.7 million versus \$129.5 million last year. On a constant dollar basis, sales increased 3.6%.
- * Comparable store sales increased 25.7% at the Company's Movado boutiques.
- * Gross margin remained strong at 61.2%.
- * Operating profit increased 8.5% to \$10.8 million.
- * Net income increased 15.8% to \$6.6 million, or \$0.53 per fully diluted share, compared to net income of \$5.7 million, or \$0.47 per fully diluted share, in the comparable period last year.

Efraim Grinberg, President and Chief Executive Officer, stated, "We are pleased with our performance in the second quarter, as top and bottom line results slightly exceeded our expectations. During the quarter, we continued to deliver excitement to the marketplace with innovative new products and compelling advertising campaigns. Sales were primarily driven by the domestic growth of our Movado brand, international expansion of the Tommy Hilfiger watch business and strong sales of our Coach watch brand. We also continue to build upon the Movado image as we evolve into a lifestyle brand through our boutique retail strategy."

Rick Cote, Executive Vice President and Chief Operating Officer, commented, "As we highlighted earlier this year, our operating structure is efficient and our balance sheet is strong, allowing us to focus on driving top-line growth through appropriate investments in our brands, inventory and infrastructure. Both our retail customers and core brands -- Movado, Concord, ESQ and Coach -- will benefit from strong advertising along with increased selling support and training. We are also appropriately investing in our accelerated growth initiatives, as we expand our Tommy Hilfiger business geographically and increase the number of Movado boutiques."

Mr. Grinberg concluded, "As we enter the second half of this year, we believe our company is poised for growth. We continue to invest in our most important assets -- our brands -- with innovative products such as the new Movado automatic museum watch being introduced this fall, enhanced marketing programs and powerful advertising campaigns including national television advertising this holiday season. Initiatives such as these will enable us to continue to introduce excitement and newness to the marketplace."

The Company continues to estimate diluted earnings per share for the full year to range between \$1.75 and \$1.78.

The Company's management will host a conference call today, September 4, 2003 at 10:00 a.m. Eastern Time. A live broadcast of the call will be

available on the Company's website: www.movadogroupinc.com. This call will be archived online within one hour of the completion of the conference call.

Movado Group, Inc. designs, manufactures, and distributes Movado, Concord, ESQ, Coach and Tommy Hilfiger watches worldwide, and operates Movado boutiques and Company stores in the United States.

This press release contains certain forward-looking statements with respect to the future performance of Movado Group that involve risks and uncertainties. Movado's actual results could differ materially from those expressed or indicated by forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the Company's ability to successfully introduce and sell new products, changes in consumer demand for the Company's products, risks relating to the retail industry, import restrictions, competition, seasonality and other factors discussed in Movado's filings with the Securities and Exchange Commission.

MOVADO GROUP, INC.
Consolidated Statements of Operations
(in thousands, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	July 31,		July 31,	
	2003	2002	2003	2002
Net sales	\$76,545	\$72,244	\$136,715	\$129,515
Cost of sales	29,306	27,871	53,036	49,963
Gross profit	47,239	44,373	83,679	79,552
Selling, general and administrative expenses	38,426	35,825	72,894	69,616
Operating profit	8,813	8,548	10,785	9,936
Interest expense	825	1,087	1,608	2,014
Income before taxes	7,988	7,461	9,177	7,922
Income tax	2,237	2,089	2,570	2,218
Net income	\$5,751	\$5,372	\$6,607	\$5,704
Net income per share	\$0.46	\$0.44	\$0.53	\$0.47
Shares used in per share computation	12,570	12,248	12,453	12,194

MOVADO GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(Unaudited)

	July 31,	January 31,	July 31,
	2003	2003	2002
ASSETS			
Cash and cash equivalents	\$47,737	\$38,365	\$29,355
Trade receivables, net	99,192	94,438	102,120
Inventories	125,325	111,736	119,858
Other	24,114	36,646	32,970
Total current assets	296,368	281,185	284,303
Property, plant and equipment, net	39,127	39,939	38,250
Other assets	26,284	24,030	26,171
	\$361,779	\$345,154	\$348,724

LIABILITIES AND SHAREHOLDERS' EQUITY

Loans payable to banks	\$14,000	\$0	\$32,000
Current portion of long-term debt	5,000	0	5,000
Accounts payable	21,836	22,712	22,037
Accrued liabilities	23,812	22,735	24,639
Deferred and current taxes payable	14,962	16,318	12,851
Total current liabilities	79,610	61,765	96,527
Long-term debt	30,000	35,000	35,000
Deferred and non-current income taxes	2,835	4,229	1,708
Other liabilities	9,568	7,948	7,844
Shareholders' equity	239,766	236,212	207,645
	\$361,779	\$345,154	\$348,724

SOURCE Movado Group, Inc.

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