MOVADO GROUP INC.

Movado Group, Inc. Reports Strong Third Quarter Results

December 8, 2004

- Company Delivers Double Digit Sales & Profit Growth in Q3 and YTD Period -

PARAMUS, N.J., Dec. 8 /PRNewswire-FirstCall/ -- Movado Group, Inc. (NYSE: MOV), today announced third quarter results for the period ended October 31, 2004. These results include the Ebel business, which was acquired on March 1, 2004. All share data has been adjusted to reflect a two-for-one stock split distributed to shareholders on June 25, 2004.

Third Quarter Fiscal 2005

* Net sales increased 26.1% to $127.0 million from $100.8 million last year. The acquisition of Ebel accounted for net sales of $15.7 million.

* Comparable store sales increased 12.8% at the Company's Movado boutiques.

* Gross margin remained strong at 60.7% this year compared to 60.9% last year.

* Operating profit was $16.0 million versus $14.8 million in the year-ago period

* Net income increased 12.5% to $11.3 million, or $0.44 per diluted share, compared to net income of $10.1 million, or $0.40 per diluted share, in the prior year period. Third quarter net income includes the slightly dilutive impact of Ebel of $0.1 million, or less than $0.01 per diluted share.

Nine-Month Results

* Net sales increased 25.9% to $299.0 million from $237.5 million last year. The acquisition of Ebel accounted for net sales of $28.6 million.

* Comparable store sales increased 16.7% at the Company's Movado boutiques.

* Gross margin was 59.7% compared to 61.1%.

* Operating profit was $26.4 million versus $25.5 million in the year-ago period.

* Net income rose 14.7% to $19.1 million, or $0.75 per diluted share, compared to net income of $16.7 million, or $0.67 per diluted share, in the prior year period. Net income for the nine-month period includes the dilutive impact of Ebel, which was partially offset by a legal settlement gain recorded in the second quarter of fiscal 2005. The combined effect of these two items reduced net income in the nine-month period by approximately, $2.4 million, or $0.09 per diluted share.

Efraim Grinberg, President and Chief Executive Officer, commented, "Our company delivered a strong performance in the third quarter with year-over-year sales increases recorded in each of our brands and businesses. The results were driven by the steadfast execution of our strategy to develop and support our distinctive portfolio of brands through strong product development, compelling advertising campaigns, and consistent marketing support. We are also very pleased with the performance of our Movado boutiques, demonstrating consumers continued appreciation and desire for luxury jewelry and accessories with signature Movado styling."

Rick Cote, Executive Vice President and Chief Operating Officer, stated, "In our seasonally strongest quarter, we are very pleased that Ebel delivered an attractive sales level driven by the recently launched global advertising campaign featuring Claudia Schiffer and certain new product introductions such as the Sportwave. We expect this momentum to continue as we enhance and accelerate new product introductions beginning next year. Given the restructuring actions taken to-date, we are pleased that Ebel neared the breakeven mark to the bottom line in the third quarter. The appropriate cost structure is in place and we anticipate this business will be modestly accretive to the bottom line next year, with the potential for significant

operating leverage in the future."

Mr. Grinberg concluded, "We believe our company is well positioned for the important holiday season. Our market presence is strong with significant merchandising and marketing initiatives in place to support our diverse brand portfolio and drive sales. At the same time, we remain focused on our business fundamentals and operating disciplines to further enhance our bottom line results."

The Company projects diluted earnings per share for the fiscal year ending January 31, 2005 to range between $0.98 and $1.02, compared to management's previously issued financial projections for full year earnings per share to range between $0.96 and $1.00. These projections include the anticipated dilutive impact of Ebel and a legal settlement gain recorded in the second quarter of fiscal 2005.

The Company's management will host a conference call today, December 8th at 10:00 a.m. Eastern Time. A live broadcast of the call will be available on the Company's website: http://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, Ebel, 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 within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as "expects," "anticipates," "believes," "targets," "goals," "projects," "intends," "plans," "seeks," "estimates," "projects," "may," "will," "should" and similar expressions. Similarly, statements in this press release that describe the Company's business strategy, outlook, objectives, plans, intentions or goals are also forward-looking statements. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the Company's actual results, performance or achievements and levels of future dividends to differ materially from those expressed in, or implied by, these statements. These risks and uncertainties may include, but are not limited to: the Company's ability to successfully introduce and sell new products, the Company's ability to successfully integrate the operations of Ebel without disruption to its other business activities, changes in consumer demand for the Company's products, risks relating to the retail industry, import restrictions, competition, seasonality and the other factors discussed in the Company's Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. These statements reflect the Company's current beliefs and are based upon information currently available to it. Be advised that developments subsequent to this press release are likely to cause these statements to become outdated with the passage of time.

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2004	2003	2004	2003
Net sales	$127,023	$100,767	$298,998	$237,482
Cost of sales	49,882	39,428	120,494	92,464
Gross profit	77,141	61,339	178,504	145,018
Selling, general and administrative expenses	61,157	46,584	152,065	119,478
Operating profit	15,984	14,755	26,439	25,540
Interest expense	872	764	2,380	2,372
Income before litigation settlement	15,112	13,991	24,059	23,168
Litigation settlement	-	-	1,444	-
Income before taxes	15,112	13,991	25,503	23,168
Income tax	3,778	3,917	6,376	6,487
Net income	$11,334	$10,074	$19,127	16,681
Net income per diluted share	$0.44	$0.40	$0.75	$0.67
Shares used in per share computation	25,621	25,257	25,497	25,007

CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(Unaudited)

	October 31, 2004	January 31, 2004	October 31, 2003
ASSETS			
Cash and cash equivalents	$35,870	$82,083	$60,957
Trade receivables, net	137,861	88,800	120,706
Inventories	192,811	121,678	123,074
Other	40,359	26,693	20,341
Total current assets	406,901	319,254	325,078
Property, plant and equipment, net	50,105	42,112	40,744
Other assets	41,641	29,601	29,052
	$498,647	$390,967	$394,874
LIABILITIES AND SHAREHOLDERS' EQUITY			
Loans payable to banks	$16,300	$0	$22,000
Current portion of long-term debt	5,000	10,000	5,000
Accounts payable	41,928	23,631	22,115
Accrued liabilities	47,180	25,781	31,084
Deferred and current taxes payable	20,911	18,111	17,868
Total current liabilities	131,319	77,523	98,067
Long-term debt	45,000	25,000	30,000
Deferred and non-current income taxes	3,291	2,282	2,406
Other liabilities	12,826	11,449	10,518
Shareholders' equity	306,211	274,713	253,883
	$498,647	$390,967	$394,874

SOURCE Movado Group, Inc. -0- 12/08/2004 /CONTACT: Rick Cote, Executive Vice President and Chief Operating Officer, or Investor Relations, Suzanne Michalek, Director of Corporate Communications, both of Movado Group, Inc., +1-201-267-8000; or Melissa Myron of Financial Dynamics, +1-212-850-5600, for Movado Group, Inc./ /Web site: http://www.movadogroupinc.com / (MOV)