MOVADO GROUP INC.

Movado Group, Inc. Announces First Quarter Results

June 2, 2005

- EPS Increases to $0.04 from $0.03 LY -

PARAMUS, N.J., June 2 /PRNewswire-FirstCall/ -- Movado Group, Inc. (NYSE: MOV), today announced first quarter results for the period ended April 30, 2005. These results include the Ebel business, which was acquired on March 1, 2004.

First Quarter Fiscal 2006

- Net sales increased 18.3% to $87.8 million from $74.2 million last year. Ebel accounted for net sales of $6.6 million in the first quarter of fiscal 2006 compared to net sales of $2.3 million in the year-ago period. Excluding Ebel, first quarter fiscal 2006 net sales grew 13.0% from last year.
- Comparable store sales at the Company's Movado boutiques increased 3.2% on top of an 18.2% gain in the year-ago period.
- Gross margin improved to 60.2% compared to 58.5% last year.
- Operating profit increased 25.3% to $2.1 million versus $1.7 million in the year-ago period.
- Net income grew 35.5% to $997,000, or $0.04 per diluted share, compared to net income of $736,000, or $0.03 per diluted share, in the prior year period.

Efraim Grinberg, President and Chief Executive Officer, commented, "We are pleased with our first quarter results which were achieved on top of a very strong first quarter delivered in the comparable period last year. Double digit gains in sales and profits reflect the power of our portfolio of brands and businesses, innovative new product offerings and consistent integrated marketing support. Our brands continue to perform extremely well at retail and we are especially pleased with our performance in our international markets."

Rick Cote, Executive Vice President and Chief Operating Officer, stated, "In addition to our strong sales results, we are pleased with the improvement in our gross margin due to the full integration of Ebel into our supply chain and improved margins in our Movado boutiques. We believe this represents a level commensurate with where we expect gross margin to be for the fiscal year. Our balance sheet also remains strong with a cash position of approximately $50 million."

Mr. Grinberg concluded, "We are encouraged by the strong reception that our brands received at the recently held annual watch and jewelry show in Basel, Switzerland. Looking ahead, we have comprehensive marketing and merchandising initiatives in place to support our brands and drive sell through at retail throughout fiscal 2006."

Movado Group noted that due to the delay in the adoption of FASB 123R, the Company has increased its fiscal year 2006 guidance for diluted earnings per share to now range between $1.18 and $1.24. Included in this guidance is an expected $0.04 per diluted share expense related to equity compensation of restricted stock. The Company projects fiscal year 2006 sales to grow approximately 12% from last year.

The Company's management will host a conference call today, June 2, 2005 at 10:00 a.m. Eastern Time. A live broadcast of the call will be available on the Company's website: http://www.movadogroup.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, Tommy Hilfiger and Hugo Boss 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 April 30,

	2005	2004
Net sales	$ 87,756	$ 74,187
Cost of sales	34,918	30,802
Gross profit	52,838	43,385
Selling, general and administrative expenses	50,699	41,678
Operating profit	2,139	1,707
Interest expense	809	725
Income before taxes	1,330	982
Income tax	333	246
Net income	$ 997	$ 736
Net income per diluted share	$ 0.04	$ 0.03
Shares used in per share computation	26,020	25,508

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

	April 30, 2005	January 31, 2005	April 30, 2004
ASSETS			
Cash and cash equivalents	$ 49,641	$ 63,782	$ 35,948
Trade receivables, net	99,925	102,622	99,546
Inventories	204,896	187,890	176,001
Other	37,701	32,864	31,585
Total current assets	392,163	387,158	343,080
Property, plant and equipment, net	50,944	50,283	45,713
Other assets	37,139	39,509	36,149
	$480,246	$476,950	$424,942
LIABILITIES AND SHAREHOLDERS' EQUITY			
Loans payable to banks	$ 18,000	$ 0	$ 32,539
Current portion of long-term debt	0	0	5,000
Accounts payable	35,289	38,488	26,281
Accrued liabilities	35,830	39,618	42,041
Deferred and current taxes payable	5,131	5,250	5,798
Total current liabilities	94,250	83,356	111,659
Long-term debt	45,000	45,000	25,000
Deferred and non-current income taxes	12,046	14,827	10,435
Other liabilities	16,425	17,209	11,820
Shareholders' equity	312,525	316,558	266,028

$480,246	$476,950	$424,942

SOURCE Movado Group, Inc. -0- 06/02/2005 /CONTACT: Suzanne Michalek of Movado Group, Inc., Investor Relations, Director of Corporate Communications, +1-201-267-8000; Melissa Myron or Rachel Albert of Financial Dynamics for Movado Group, Inc., +1-212-850-5600 / /Web site: http://www.movadogroupinc.com / (MOV)