

MOVADO GROUP INC.

Movado Group, Inc. Announces Initiatives to Streamline Operations and Reduce Expenses

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-Company Projects \$25 Million in Annualized Cost Savings

PARAMUS, N.J., Aug. 7 /PRNewswire-FirstCall/ -- Movado Group, Inc. (NYSE: MOV), today announced initiatives designed to streamline operations, reduce expenses, and improve efficiencies and effectiveness across the Company's global organization.

Following an extensive review of the Company's current cost structure, Movado Group has implemented an expense reduction plan. As part of the plan, the Company will reduce its payroll expense by approximately 10%, which represents approximately 90 currently filled positions and 6% of the Company's full-time workforce. The payroll reductions are spread primarily across its corporate and shared service departments predominantly in the Company's North American and European operations. The Company will streamline its operations to simplify its organizational reporting structure and generate efficiencies. This includes the consolidation of certain geographical functions such as distribution, finance, administration and procurement. Additional projected annualized cost savings from this plan are expected to come from reductions in discretionary expenses.

Movado Group expects its expense reduction plan to result in on-going annualized pre-tax cost savings of approximately \$25.0 million, or 8.0% of the Company's operating expenses. The Company expects to realize approximately \$6.0 million of these savings in fiscal 2009. Throughout the balance of fiscal 2009, the Company expects to record a total pre-tax charge of approximately \$9.0 million related to the completion of this program.

Efraim Grinberg, President and Chief Executive Officer, commented, "Streamlining our organization is a difficult decision, because it impacts the people who have contributed to Movado Group. We are extremely grateful to each of our employees and are very proud of their many contributions to the Company. However, we recognize that it is necessary to make decisions that not only respond to the current challenging economic environment, but that will also strengthen Movado Group for the long-term."

Movado Group has established a program to offer employees directly affected by the payroll reduction severance packages, and out placement services.

Mr. Grinberg concluded, "Our actions are creating a stronger and leaner organization that will operate more efficiently. A streamlined cost structure will allow the Company to be more nimble as it responds to current market conditions while capitalizing on future growth prospects, as the economy recovers. There are significant opportunities ahead for our company as we maintain our long-term focus on the success of our brands and our businesses. Our solid balance sheet and financial flexibility enables us to continue to invest in our business and execute our strategic initiatives."

Excluding the charge and cost savings associated with Movado Group's expense reduction plan, and recognizing the limited visibility on the economic environment, the Company is maintaining its fiscal 2009 diluted earnings per share guidance of approximately \$1.65 to \$1.72, based on a projected tax rate of 24%.

The Company plans to announce its second quarter fiscal 2009 results in early September 2008.

Movado Group, Inc. designs, sources, and distributes Movado, Ebel, Concord, ESQ, Coach, Tommy Hilfiger, HUGO BOSS, Juicy Couture and Lacoste 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," "may," "will," "should" and similar expressions. Similarly, statements in this press release that describe the Company's business strategy, including its expense reduction plan, 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: actual or perceived weakness in the U.S. and global economy and fluctuations in consumer spending and disposable income, the Company's ability to successfully implement its expense reduction plan, the Company's ability to successfully introduce and sell new products, the Company's ability to successfully integrate the operations of newly acquired and/or licensed brands without disruption to its other business activities, changes in consumer demand for the Company's products, risks relating to the fashion and retail industry, import restrictions, competition, seasonality, commodity price and exchange rate fluctuations, changes in local or global economic conditions, 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.

SOURCE Movado Group, Inc.

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