

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 30, 2004

MOVADO GROUP, INC.  
(Exact Name of Registrant as Specified in Charter)

|   |  |   |
|---|--|---|
| NEW YORK<br>(State or Other Jurisdiction<br>of Incorporation) | 0-22378<br>(Commission<br>File Number) | 13-2595932<br>(IRS Employer<br>Identification Number) |
|---|--|---|

|  |                     |
|--|---------------------|
| 650 FROM ROAD<br>PARAMUS, NEW JERSEY<br>(Address of Principal Executive Offices) | 07652<br>(Zip Code) |
|--|---------------------|

Registrant's telephone number, including area code: (201) 267-8000

NOT APPLICABLE

(Former name or former address, if changed since last report)

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On June 2, 2004, we issued a press release announcing results for the fiscal period ended April 30, 2004. A copy of the press release is furnished as Exhibit 99.1 to this report.

In the attached press release, we have presented results excluding the Ebel business. Our reported results for the first quarter of 2004 do not include the results of the Ebel Business. As such, we believe that the most meaningful comparison of financial results is to the comparable first quarter 2005 results excluding the Ebel business.

The information in this Current Report shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MOVADO GROUP, INC.

Date: June 2, 2004

By: /s/ Eugene Karpovich

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Name: Eugene Karpovich  
Title: Senior Vice President and  
Chief Financial Officer

EXHIBIT INDEX

99.1 Press Release, dated June 2, 2004

[GRAPHIC OMITTED]  
 [LOGO - MOVADO GROUP, INC.]

Movado  
 Ebel  
 Concord  
 ESQ  
 Coach Watch  
 Tommy Hilfiger Watches

APPROVED BY: Rick Cote  
 Executive Vice President and  
 Chief Operating Officer  
 201-267-8000

CONTACT: Investor Relations:  
 Suzanne Michalek  
 Director of Corporate Communications  
 201-267-8000

Financial Dynamics  
 Investor Relations: Melissa Myron  
 Press: Stephanie Sampiere  
 212-850-5600

FOR IMMEDIATE RELEASE  
 =====

MOVADO GROUP, INC. POSTS Q1 EPS OF \$0.06;  
 Q1 EPS MORE THAN DOUBLES TO \$0.20 EXCLUDING EBEL

~ NET SALES INCREASE 23%; EXCLUDING EBEL, NET SALES CLIMB 18% ~  
 ~ MOVADO BOUTIQUE COMPARABLE STORE SALES UP 18% ~

PARAMUS, NJ - JUNE 2, 2004 -- MOVADO GROUP, INC. (NYSE: MOV), today announced first quarter results for the period ended April 30, 2004. These results include the Ebel business, which was acquired on March 1, 2004.

#### FIRST QUARTER FISCAL 2005

- o Net sales increased 23.3% to \$74.2 million from \$60.2 million last year. Net sales increased 17.6%, excluding Ebel.
- o Comparable store sales increased 18.2% at the Company's Movado boutiques.
- o Gross margin was 58.5% compared to 60.6%. Excluding Ebel, gross margin was 59.5%.
- o Operating profit was \$1.7 million versus \$2.0 million in the year-ago period. Excluding Ebel, operating profit increased to \$4.1 million.
- o Net income of \$736,000, or \$0.06 per diluted share, compares to net income of \$856,000, or \$0.07 per diluted share, in the prior year period. Excluding the impact of Ebel, net income tripled to \$2.6 million and diluted earnings per share increased nearly threefold to \$0.20.

Efraim Grinberg, President and Chief Executive Officer, commented, "We are very pleased with both our top and bottom line performance during the first quarter, which exceeded our expectations. The

favorable results were fueled by strong year-over-year sales gains in our Movado, Concord, Coach and Tommy Hilfiger watch brands. Our brands continue to perform extremely well at retail and we are especially encouraged by our international business, which posted an impressive 43.7% sales increase from last year, excluding Ebel (73.7% including Ebel). Our Movado boutiques also experienced an excellent first quarter, delivering an 18.2% comparable store sales increase, which reflected strong consumer demand for our increased assortment of Movado jewelry.

"We are confident in the growth potential of Ebel and are working diligently to return this world-class, global luxury brand to a prominent

position in the marketplace. Our goal for Ebel over the course of this year is to completely integrate the brand into Movado Group and begin to revitalize and increase its visibility, setting a strong foundation for future growth. We look forward to introducing a powerful image-building global advertising campaign during the second half of this year, which will support and reinforce the luxury image of Ebel."

Rick Cote, Executive Vice President and Chief Operating Officer, stated, "Our strong first quarter performance reflects the success of our brand investments, new product offerings and enhanced productivity, further demonstrating our ability to execute our multi-year initiatives on many fronts. As expected, Ebel was dilutive to earnings in the first quarter as we integrate the brand into our portfolio. The integration is proceeding as planned and we are pleased with the progress made thus far. Importantly, our balance sheet remains strong with a cash position of approximately \$36 million, representing a slight increase over year-ago levels despite the recent all-cash acquisition."

Mr. Grinberg concluded, "We are encouraged by the strong reception that our brands received at the recently held annual Basel Watch Fair. Looking ahead, our merchandising and marketing initiatives are in place to support our diverse portfolio of brands and drive sell through at retail throughout fiscal 2005."

Movado Group reaffirms its fiscal year 2005 guidance of diluted earnings per share between \$1.84 and \$1.92, including the dilutive impact of Ebel. The Company anticipates fiscal year 2005 sales to be in excess of \$400 million, or an increase in excess of 20% from last year. Excluding Ebel, sales are projected to grow in the 8% range.

The Company's management will host a conference call today, June 2, 2004 at 10:00 a.m. Eastern Time. A live broadcast of the call will be available on the Company's website: [www.movadogroupinc.com](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.

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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.

(TABLES TO FOLLOW)

MOVADO GROUP, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(IN THOUSANDS, EXCEPT PER SHARE DATA)  
(Unaudited)

THREE MONTHS ENDED  
APRIL 30,

|  | 2004<br>---- | 2003<br>---- |
|--|--------------|--------------|
| Net sales                                    | \$74,187     | \$60,170     |
| Cost of sales                                | 30,802       | 23,730       |
|  | -----        | -----        |
| Gross profit                                 | 43,385       | 36,440       |
| Selling, general and administrative expenses | 41,678       | 34,468       |
|  | -----        | -----        |
| Operating profit                             | 1,707        | 1,972        |
| Interest expense                             | 725          | 783          |
|  | -----        | -----        |
| Income before taxes                          | 982          | 1,189        |
| Income tax                                   | 246          | 333          |
|  | -----        | -----        |
| Net income                                   | \$736        | \$856        |
|  | =====        | =====        |
| Net income per diluted share                 | \$ 0.06      | \$ 0.07      |
| Shares used in per share computation         | 12,754       | 12,348       |

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

|   | APRIL 30,<br>2004<br>---- | JANUARY 31,<br>2004<br>---- | APRIL 30,<br>2003<br>---- |
|---|---------------------------|-----------------------------|---------------------------|
| <b>ASSETS</b>                               |                           |                             |                           |
| Cash and cash equivalents                   | \$35,944                  | \$82,083                    | \$34,548                  |
| Trade receivables, net                      | 99,546                    | 88,800                      | 97,362                    |
| Inventories                                 | 175,332                   | 121,678                     | 119,445                   |
| Other                                       | 31,217                    | 27,932                      | 34,440                    |
|   | -----                     | -----                       | -----                     |
| Total current assets                        | 342,039                   | 320,493                     | 285,795                   |
|   | -----                     | -----                       | -----                     |
| Property, plant and equipment, net          | 45,713                    | 42,112                      | 39,579                    |
| Other assets                                | 36,148                    | 28,362                      | 25,055                    |
|   | -----                     | -----                       | -----                     |
|   | \$423,900                 | \$390,967                   | \$350,429                 |
|   | =====                     | =====                       | =====                     |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                           |                             |                           |
| Loans payable to banks                      | \$32,539                  | \$0                         | \$18,750                  |
| Current portion of long-term debt           | 5,000                     | 10,000                      | 5,000                     |
| Accounts payable                            | 26,281                    | 23,631                      | 14,436                    |
| Accrued liabilities                         | 39,362                    | 25,781                      | 18,790                    |
| Deferred and current taxes payable          | 15,272                    | 18,111                      | 13,202                    |
|   | -----                     | -----                       | -----                     |
| Total current liabilities                   | 118,454                   | 77,523                      | 70,178                    |
|   | -----                     | -----                       | -----                     |
| Long-term debt                              | 25,000                    | 25,000                      | 30,000                    |
| Deferred and non-current income taxes       | 4,075                     | 2,282                       | 3,823                     |
| Other liabilities                           | 11,681                    | 11,449                      | 8,657                     |
| Shareholders' equity                        | 264,690                   | 274,713                     | 237,771                   |
|   | -----                     | -----                       | -----                     |
|   | \$423,900                 | \$390,967                   | \$350,429                 |
|   | =====                     | =====                       | =====                     |