UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended April 30, 2007

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

For the transition period from to

Commission File Number 1-16497

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

New York **(State of Other Jurisdiction of Incorporation or Organization)**	**13-2595932** **(IRS Employer Identification No.)**
650 From Road, Paramus, New Jersey **(Address of Principal Executive Offices)**	**07652** **(Zip Code)**

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for that past 90 days. Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer" or "large accelerated filer" in Rule 12b-2 of the Exchange Act.
Large accelerated filer ☐ Accelerated filer x Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

The number of shares outstanding of the registrant's common stock and class A common stock as of May 24, 2007 were 19,281,298 and 6,634,319, respectively.

MOVADO GROUP, INC.

Index to Quarterly Report on Form 10-Q
April 30, 2007

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	April 30, 2007	January 31, 2007	April 30, 2006
ASSETS			
Current assets:			
Cash	$ 101,769	$ 133,011	$ 82,560
Trade receivables, net	105,753	111,417	116,523
Inventories, net	212,106	193,342	213,763
Other current assets	39,510	35,109	34,199
Total current assets	459,138	472,879	447,045
Property, plant and equipment, net	58,297	56,823	51,003
Other non-current assets	63,597	47,916	39,774
Total assets	$ 581,032	$ 577,618	$ 537,822
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 5,000	$ 5,000	$ 5,000
Accounts payable	26,304	32,901	26,949
Accrued liabilities	39,946	45,610	42,231
Current taxes payable	1,076	5,011	287
Deferred taxes	963	935	871
Total current liabilities	73,289	89,457	75,338
Long-term debt	71,454	75,196	97,323
Deferred and non-current income taxes	33,086	11,054	13,181
Other non-current liabilities	24,130	23,087	20,244
Total liabilities	201,959	198,794	206,086
Commitments and contingencies (Note 7)			
Minority interest	536	443	231
Shareholders' equity:			
Preferred Stock, $0.01 par value, 5,000,000 shares authorized; no shares issued	-	-	-
Common Stock, $0.01 par value, 100,000,000 shares authorized; 23,984,282, 23,872,262 and 23,260,013 shares issued, respectively	240	239	233
Class A Common Stock, $0.01 par value, 30,000,000 shares authorized; 6,638,239, 6,642,159 and 6,766,909 shares issued and outstanding, respectively	66	66	68
Capital in excess of par value	119,566	117,811	109,387
Retained earnings	273,147	280,495	237,850
Accumulated other comprehensive income	38,975	32,307	34,742
Treasury Stock, 4,706,904, 4,678,244 and 4,613,645 shares, respectively, at cost	(53,457)	(52,537)	(50,775)
Total shareholders' equity	378,537	378,381	331,505
Total liabilities and equity	$ 581,032	$ 577,618	$ 537,822

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended April 30,	
	2007	**2006**
Net sales	$ 101,363	$ 97,744
Cost of sales	39,711	38,154
Gross profit	61,652	59,590
Selling, general and administrative	58,880	56,156
Operating income	2,772	3,434
Interest expense	(879)	(943)
Interest income	1,247	891
Income before income taxes and minority interest	3,140	3,382
Provision for income taxes (Note 2)	647	606
Minority interest	93	(79)
Net income	$ 2,400	$ 2,855
Basic income per share:		
Net income per share	$ 0.09	$ 0.11
Weighted basic average shares outstanding	25,916	25,436
Diluted income per share:		
Net income per share	$ 0.09	$ 0.11
Weighted diluted average shares outstanding	27,175	26,395
Dividends paid per share	$ 0.08	$ 0.06

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended April 30,	
	2007	**2006**
Cash flows from operating activities:		
Net income	$ 2,400	$ 2,855
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	4,101	3,669
Deferred income taxes	(1,304)	(858)
Provision for losses on accounts receivable	324	684
Provision for losses on inventory	161	180
Loss on disposition of property, plant and equipment	1,075	-
Stock-based compensation	915	539
Excess tax benefit from stock-based compensation	(572)	(460)
Minority interest	93	(79)
Changes in assets and liabilities:		
Trade receivables	6,626	(6,159)
Inventories	(15,481)	(12,142)
Other current assets	(1,628)	(2,147)
Accounts payable	(6,999)	(2,493)
Accrued liabilities	(4,983)	(7,561)
Current taxes payable	(3,389)	(6,965)
Other non-current assets	(1,691)	(1,063)
Other non-current liabilities	1,039	748
Net cash used in operating activities	(19,313)	(31,252)
Cash flows from investing activities:		
Capital expenditures	(6,080)	(2,138)
Trademarks	(66)	(119)
Net cash used in investing activities	(6,146)	(2,257)
Cash flows from financing activities:		
Net repayments of bank borrowings	(4,936)	(9,391)
Stock options exercised and other changes	(650)	423
Excess tax benefit from stock-based compensation	572	460
Dividends paid	(2,073)	(1,523)
Net cash used in financing activities	(7,087)	(10,031)
Effect of exchange rate changes on cash	1,304	2,475
Net decrease in cash	(31,242)	(41,065)
Cash at beginning of period	133,011	123,625
Cash at end of period	$ 101,769	$ 82,560

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared by Movado Group, Inc. (the "Company") in a manner consistent with that used in the preparation of the consolidated financial statements included in the Company's fiscal 2007 Annual Report filed on Form 10-K. In the opinion of management, the accompanying consolidated financial statements reflect all adjustments, consisting of only normal and recurring adjustments, necessary for a fair statement of the financial position and results of operations for the periods presented. These consolidated financial statements should be read in conjunction with the aforementioned Annual Report. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the full year.

NOTE 1 - RECLASSIFICATIONS

Certain reclassifications were made to prior years' financial statement amounts and related note disclosures to conform to the fiscal 2008 presentation.

NOTE 2 - INCOME TAXES

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"), on February 1, 2007. As a result of the adoption, the Company recognized a charge of approximately $7.7 million to the February 1, 2007 retained earnings balance. As of the date of adoption, the Company had gross unrecognized tax benefits of $30.0 million (exclusive of interest) of which $16.1 million, if recognized, would affect the effective tax rate. Interest and penalties, if any, related to unrecognized tax benefits are recorded in income tax expense. As of the date of adoption, the Company had $2.5 million of accrued interest (net of tax) related to unrecognized tax benefits. As of April 30, 2007 the Company accrued an additional $0.2 million of interest (net of tax).

The amount of unrecognized tax benefits (exclusive of interest) did not materially change as of April 30, 2007.

The Company conducts business globally and as a result, files income tax returns with the United States and in various state and foreign jurisdictions. In the normal course of business the Company is subject to examination by taxing authorities in many countries, including such major jurisdictions as Switzerland, Hong Kong, Canada and the United States. The Company is no longer subject to U.S. federal income tax examinations for years before the fiscal year ended January 31, 2004 and, with few exceptions, is no longer subject to state and local or foreign income tax examinations by tax authorities for years before the fiscal year ended January 31, 2003.

The Internal Revenue Service commenced examinations of the Company's consolidated U.S. federal income tax returns for fiscal years 2004 through 2006 in the second quarter of fiscal 2007. It is likely that the examination phase of the audit will conclude in fiscal 2008 and it is possible a change in the unrecognized tax benefits may occur; however, quantification of an estimated range cannot be made at this time.

Tax expense for the three months ended April 30, 2007 and 2006 was $0.6 million for both periods. Taxes were recorded at a rate of 20.6% for the three months ended April 30, 2007 which included two discrete adjustments; a decrease to tax expense of $0.4 million to adjust deferred tax assets for changes in state tax rates and the previously mentioned increase to tax expense of $0.2 million as a result of new FIN 48 requirements related to the recognition of accrued interest on tax exposures. Taxes were recorded at a rate of 17.9% for the three months ended April 30, 2006. Taxes for the prior year period included a discrete adjustment related to the adoption of tax planning strategies in Switzerland which utilized a greater portion of the Swiss net operating loss carryforward.

NOTE 3 - COMPREHENSIVE INCOME

The components of comprehensive income for the three months ended April 30, 2007 and 2006 are as follows (in thousands):

	Three Months Ended April 30,	
	2007	2006
Net income	$ 2,400	$ 2,855
Net unrealized gain on investments, net of tax	18	7
Effective portion of unrealized gain on hedging contracts, net of tax	806	1,905
Foreign currency translation adjustment (1)	5,844	5,157
Total comprehensive income	$ 9,068	$ 9,924

(1) The currency translation adjustments are not adjusted for income taxes as they relate to permanent investments in international subsidiaries.

NOTE 4 - SEGMENT INFORMATION

The Company follows SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." The statement requires disclosure of segment data based on how management makes decisions about allocating resources to segments and measuring their performance.

The Company conducts its business primarily in two operating segments: Wholesale and Retail. The Company's Wholesale segment includes the designing, manufacturing and distribution of quality watches, in addition to revenue generated from after sales service activities and shipping. The Retail segment includes the Movado Boutiques and outlet stores.

The Company divides its business into two major geographic segments: United States operations, and International, which includes the results of all other Company operations. The allocation of geographic revenue is based upon the location of the customer. The Company's international operations are principally conducted in Europe, Asia, Canada, the Middle East, South America and the Caribbean. The Company's international assets are substantially located in Switzerland.

Operating Segment Data for the Three Months Ended April 30, 2007 and 2006 (in thousands):

	Net Sales		Operating Income (Loss)	
	2007	2006	2007	2006
Wholesale	$ 83,147	$ 81,003	$ 4,427	$ 4,686
Retail	18,216	16,741	(1,655)	(1,252)
Consolidated total	$ 101,363	$ 97,744	$ 2,772	$ 3,434

	Total Assets		
	April 30, 2007	January 31, 2007	April 30, 2006
Wholesale	$ 512,865	$ 510,380	$ 474,521
Retail	68,167	67,238	63,301
Consolidated total	$ 581,032	$ 577,618	$ 537,822

Geographic Segment Data for the Three Months Ended April 30, 2007 and 2006 (in thousands):

	Net Sales		Operating (Loss) Income	
	2007	2006	2007	2006
United States	$ 60,875	$ 64,383	$ (3,825)	$ (3,820)
International	40,488	33,361	6,597	7,254
Consolidated total	$ 101,363	$ 97,744	$ 2,772	$ 3,434

United States and International net sales are net of intercompany sales of $61.4 million and $49.5 million for the three months ended April 30, 2007 and 2006, respectively.

	Total Assets		
	April 30, 2007	January 31, 2007	April 30, 2006
United States	$ 344,252	$ 357,650	$ 321,611
International	236,780	219,968	216,211
Consolidated total	$ 581,032	$ 577,618	$ 537,822

	Long-Lived Assets		
	April 30, 2007	January 31, 2007	April 30, 2006
United States	$ 43,451	$ 42,702	$ 36,393
International	14,846	14,121	14,610
Consolidated total	$ 58,297	$ 56,823	$ 51,003

NOTE 5 - INVENTORIES, NET

Inventories consist of the following (in thousands):

	April 30, 2007	January 31, 2007	April 30, 2006
Finished goods	$ 140,285	$ 129,082	$ 139,476
Component parts	64,345	55,930	67,561
Work-in-process	7,476	8,330	6,726
	$ 212,106	$ 193,342	$ 213,763

NOTE 6 - EARNINGS PER SHARE

The Company presents net income per share on a basic and diluted basis. Basic earnings per share are computed using weighted-average shares outstanding during the period. Diluted earnings per share are computed using the weighted-average number of shares outstanding adjusted for dilutive common stock equivalents.

The weighted-average number of shares outstanding for basic earnings per share were 25,916,000 and 25,436,000 for the three months ended April 30, 2007 and 2006, respectively. For diluted earnings per share, these amounts were increased by 1,259,000 and 959,000 for the three months ended April 30, 2007 and 2006, respectively, due to potentially dilutive common stock equivalents issuable under the Company’s stock compensation plans.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

At April 30, 2007, the Company had outstanding letters of credit totaling $1.2 million with expiration dates through June 7, 2008. One bank in the domestic bank group has issued irrevocable standby letters of credit for retail and operating facility leases to various landlords, for the administration of the Movado Boutique private-label credit card and Canadian payroll to the Royal Bank of Canada.

As of April 30, 2007, two European banks have guaranteed obligations to third parties on behalf of two of the Company’s foreign subsidiaries in the amount of $1.7 million in various foreign currencies.

The Company is involved from time to time in legal claims involving trademarks and other intellectual property, contracts, employee relations and other matters incidental to the Company’s business. Although the outcome of such matters cannot be determined with certainty, the Company’s general counsel and management believe that the final outcome would not have a material effect on the Company’s consolidated financial position, results of operations or cash flows.

NOTE 8 - RECENTLY ISSUED ACCOUNTING STANDARDS

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, ‘‘Fair Value Measurements’’ (“SFAS 157”). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently evaluating the impact of SFAS 157 on the Company’s consolidated financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FAS 115” (“SFAS 159”). SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of SFAS 159 on the Company’s consolidated financial statements.

NOTE 9 - SUBSEQUENT EVENT

On May 11, 2007, the Company signed a joint venture agreement ("JV Agreement") with Swico Limited ("Swico"), an English company with established distribution, marketing and sales operations in the UK. Swico has been the Company's exclusive distributor of HUGO BOSS® watches in the UK since 2005. Under the JV

Agreement, the Company and Swico will control 51% and 49%, respectively, of MGS Distribution Limited, a newly formed English company ("MGS") that will be responsible for the marketing, distribution and sale in the United Kingdom of the Company's licensed HUGO BOSS®, Tommy Hilfiger®, LACOSTE® and Juicy Couture® brands, as well as future brands licensed to the Company, subject to the terms of the applicable license agreement. Swico will be responsible for the day to day management of MGS, including staffing and providing logistical support, inventory management, order fulfillment, distribution and after sale services, systems and back office support.

FORWARD-LOOKING STATEMENTS

Statements in this Quarterly Report on Form 10-Q, including, without limitation, statements under this Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report, as well as statements in future filings by the Company with the Securities and Exchange Commission (the "SEC"), in the Company's press releases and oral statements made by or with the approval of an authorized executive officer of the Company, which are not historical in nature, are intended to be, and are hereby identified as, "forward-looking statements" for purposes of the safe harbor provided by the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates, forecasts and projections about the Company, its future performance, the industry in which the Company operates and management's assumptions. Words such as "expects", "anticipates", "targets", "goals", "projects", "intends", "plans", "believes", "seeks", "estimates", "may", "will", "should" and variations of such words and similar expressions are also intended to identify such forward-looking statements. The Company cautions readers that forward-looking statements include, without limitation, those relating to the Company's future business prospects, projected operating or financial results, revenues, working capital, liquidity, capital needs, plans for future operations, expectations regarding capital expenditures and operating expenses, effective tax rates, margins, interest costs, and income as well as assumptions relating to the foregoing. Forward-looking statements are subject to certain risks and uncertainties, some of which cannot be predicted or quantified. Actual results and future events could differ materially from those indicated in the forward-looking statements, due to several important factors herein identified, among others, and other risks and factors identified from time to time in the Company's reports filed with the SEC including, without limitation, the following: general economic and business conditions which may impact disposable income of consumers in the United States and the other significant markets where the Company's products are sold, general uncertainty related to possible terrorist attacks and the impact on consumer spending, changes in consumer preferences and popularity of particular designs, new product development and introduction, competitive products and pricing, seasonality, availability of alternative sources of supply in the case of the loss of any significant supplier, the loss of significant customers, the Company's dependence on key employees and officers, the ability to successfully integrate the operations of acquired businesses without disruption to other business activities, the continuation of licensing arrangements with third parties, the ability to secure and protect trademarks, patents and other intellectual property rights, the ability to lease new stores on suitable terms in desired markets and to complete construction on a timely basis, the continued availability to the Company of financing and credit on favorable terms, business disruptions, disease, general risks associated with doing business outside the United States including, without limitation, import duties, tariffs, quotas, political and economic stability, and success of hedging strategies with respect to currency exchange rate fluctuations.

These risks and uncertainties, along with the risk factors discussed under Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K, should be considered in evaluating any forward-looking statements contained in this Quarterly Report on Form 10-Q or incorporated by reference herein. All forward-looking statements speak only as of the date of this report or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are qualified by the cautionary statements in this section. The Company undertakes no obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this report.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. These estimates and assumptions also affect the reported amounts of revenues and expenses. Estimates by their nature are based on judgments and available information. Therefore, actual results could materially differ from those estimates under different assumptions and conditions.

Critical accounting policies are those that are most important to the portrayal of the Company's financial condition and the results of operations and require management's most difficult, subjective and complex judgments as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Company's most critical accounting policies have been discussed in the Company's Annual Report on Form 10-K for the year ended January 31, 2007. In applying such policies, management must use significant estimates that are based on its informed judgment. Because of the uncertainty inherent in these estimates, actual results could differ from estimates used in applying the critical accounting policies. Changes in such estimates, based on more accurate future information, may affect amounts reported in future periods.

As of April 30, 2007, except as noted below, there have been no material changes to any of the critical accounting policies as disclosed in its Annual Report on Form 10-K for the fiscal year ended January 31, 2007.

On February 1, 2007, the Company adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 48, Accounting for Uncertainty in Income Taxes (an interpretation of FASB Statement No. 109). This interpretation clarifies the accounting for uncertainty in income taxes recognized in the financial statements by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. As a result of the adoption, the Company recognized a charge of approximately $7.7 million to the February 1, 2007 retained earnings balance.

Overview

The Company conducts its business primarily in two operating segments: Wholesale and Retail. The Company's Wholesale segment includes the designing, manufacturing and distribution of quality watches. The Retail segment includes the Movado Boutiques and outlet stores.

The Company divides its watch business into distinct categories. The luxury category consists of the Ebel® and Concord® brands. The accessible luxury category consists of the Movado® and ESQ® brands. The licensed brands category represents brands distributed under license agreements and includes Coach®, HUGO BOSS®, Juicy Couture®, LACOSTE® and Tommy Hilfiger®.

Results of operations for the three months ended April 30, 2007 as compared to the three months ended April 30, 2006

Net Sales: Comparative net sales by business segment were as follows (in thousands):

	Three Months Ended April 30,	
	2007	2006
Wholesale:		
United States	$ 42,659	$ 47,642
International	40,488	33,361
Total Wholesale	83,147	81,003
Retail	18,216	16,741
Net Sales	$ 101,363	$ 97,744

Net sales for the three months ended April 30, 2007 were $101.4 million, above prior year by $3.6 million or 3.7%. The liquidation of excess discontinued inventory accounted for approximately $2.7 million of the increase. Net sales excluding the liquidation of excess discontinued inventory were $98.6 million, representing an increase of $0.9 million, or 0.9%, over the prior year period.

Net sales in the wholesale segment increased by $2.1 million or 2.6% to $83.1 million. The increase was driven by the growth in the licensed brand category, which was above prior year by $6.0 million or 38.2%. The expansion of the global HUGO BOSS market penetration and the continued international growth in Tommy Hilfiger, were the primary reasons for the increase. The luxury brands were flat year over year. Excluding the liquidation of $1.4 million in the fiscal 2008 first quarter, the luxury category was below prior year by $1.4 million or 7.7%. The decrease was the result of the timing of deliveries of new model introductions as well as reduced volume resulting from the repositioning of the Concord brand. Accessible luxury brand sales were below prior year by $3.9 million or 9.2%. Excluding the liquidation of $1.3 million, the accessible luxury category was below prior year by 12.2%. The principal reason for the change was the shift in the retail calendar which shifted retailer purchases from the first quarter to the second quarter of fiscal 2008. The retail calendar primarily affects United States chain jewelers and department stores, which make up a larger portion of the accessible luxury brands' customer base.

Net sales in the U.S. wholesale segment were $42.7 million for the three months ended April 30, 2007, representing a 10.5% decrease when compared to prior year sales of $47.6 million. The decrease in net sales was primarily attributable to lower sales in the accessible luxury brands of $5.1 million. This decrease was primarily the result of the impact of the shift in the retail calendar. Sales in the accessible luxury category include $1.3 million of excess discontinued inventory. Net sales in the luxury category were relatively flat year over year. Excluding sales of excess discontinued inventory of approximately $0.4 million, the luxury category was below prior year by 12.0%. The licensed brand category was flat year over year.

Net sales in the international wholesale segment were $40.5 million for the three months ended April 30, 2007, representing an increase of $7.1 million or 21.4% above prior year sales of $33.4 million. The increase in net sales was primarily attributable to higher sales in the licensed brands of $6.0 million. This increase was primarily the result of new market expansion and continued strong demand in existing markets. Net sales in the luxury category were relatively flat year over year. Excluding sales of excess discontinued inventory of approximately $1.1 million, the luxury category was below prior year by 6.6%. This primarily reflects the repositioning of the Concord brand. Net sales in the accessible luxury category were $8.0 million or above prior year by $1.1 million or 16.7%. The increase was primarily driven by stronger demand for the Movado brand in the Middle East.

Net sales in the retail segment were $18.2 million for the three months ended April 30, 2007, representing an 8.8% increase above prior year sales of $16.7 million. The increase was driven by an overall 6.9% increase in Movado Boutique sales, resulting from increases in sales from non-comparable stores somewhat offset by a 1.5% comparable store sales decrease. Sales by the Company’s outlet stores were above prior year by 10.8%, resulting from a 2.1% comparable store sales increase along with sales from non-comparable stores. The Company operated 29 Movado Boutiques and 31 outlet stores at April 30, 2007, compared to 27 Movado Boutiques and 28 outlet stores at April 30, 2006.

The Company considers comparable store sales to be sales of stores that were open as of February 1st of the last year through January 31st of the current year. The Company had 25 comparable Movado Boutiques and 28 comparable outlet stores for the three months ended April 30, 2007. The sales from stores that have been relocated, renovated or refurbished are included in the calculation of comparable store sales. During the quarter ended April 30, 2007, two Movado Boutiques, one in Soho, NY and the other in Northbrook, IL, were closed because they were underperforming. The sales from these two stores are excluded from the comparable store sales total. The closing of the two boutiques did not have a material effect on the financial results. The method of calculating comparable store sales varies across the retail industry. As a result, the Company’s calculation of comparable store sales may not be the same as measures reported by other companies.

Gross Profit. Gross profit for the three months ended April 30, 2007 was $61.7 million or 60.8% of net sales as compared to $59.6 million or 61.0% of net sales for the three months ended April 30, 2006. The increase in gross profit of $2.1 million was the result of the higher sales volume and higher gross margin percentages in each of the businesses. Gross margin percentage excluding the liquidation of excess discontinued inventory was 62.9%, above the 61.0% margin recorded in the prior year. The increase in gross margin percentage was driven by higher brand margins on new model introductions, higher margins in the Movado Boutiques and higher effective margin as a result of the mix of sales by market.

Selling, General and Administrative (“SG&A”). SG&A expenses for the three months ended April 30, 2007 were $58.9 million or 58.1% of net sales as compared to $56.2 million or 57.5% of net sales for the three months ended April 30, 2006. The increase of $2.7 million includes higher spending to support retail expansion of $1.6 million, higher spending for customer support of $0.7 million and increased equity compensation expense of $0.4 million.

Wholesale Operating Income. Operating income in the wholesale segment decreased by $0.3 million to $4.4 million. The decrease was the net result of higher gross profit of $1.0 million, more than offset by the increase in SG&A expenses of $1.3 million. The higher gross profit of $1.0 million was primarily the result of improved gross margin percentages achieved over the prior year. The increase in SG&A expenses of $1.3 million related principally to higher spending on customer support of $0.7 million and increased equity compensation expense of $0.4 million.

Retail Operating Loss. Operating losses of $1.7 million and $1.3 million were recorded in the retail segment for the three months ended April 30, 2007 and 2006, respectively. The $0.4 million increase in the loss was the net result of higher gross profit of $1.1 million more than offset by higher SG&A expenses of $1.5 million. The increased gross profit was primarily attributable to the higher sales as well as an increase in the gross margin percentage primarily due to product mix as well as higher gross profit on jewelry. The increase in SG&A expenses was primarily the result of increased selling and occupancy expenses due to the increase in the number of stores.

Interest Expense. Interest expense for the three months ended April 30, 2007 and 2006 was $0.9 million for both periods. Average borrowings were $80.6 million at an average borrowing rate of 4.2% for the three months ended April 30, 2007 compared to average borrowings of $106.5 million at an average rate of 3.4% for the three months ended April 30, 2006.

Interest Income. Interest income was $1.2 million for the three months ended April 30, 2007 as compared to $0.9 million for the three months ended April 30, 2006. The cash invested generated interest income at the rate of 5.2% and 4.5% for the periods ending April 30, 2007 and 2006, respectively.

Income Taxes. Tax expense for the three months ended April 30, 2007 and 2006 was $0.6 million for both periods. Taxes were recorded at a rate of 20.6% for the three months ended April 30, 2007 which included two discrete adjustments; a decrease to tax expense of $0.4 million to adjust deferred tax assets for changes in state tax rates and an increase to tax expense of $0.2 million as a result of new FIN 48 requirements related to the recognition of accrued interest on tax exposures. Taxes were recorded at a rate of 17.9% for the three months ended April 30, 2006. Taxes for the prior year period included a discrete adjustment related to the adoption of tax planning strategies in Switzerland which utilized a greater portion of the Swiss net operating loss carryforward.

Net Income. For the three months ended April 30, 2007, the Company recorded net income of $2.4 million as compared to $2.9 million for the three months ended April 30, 2006.

LIQUIDITY AND CAPITAL RESOURCES

Cash used in operating activities was $19.3 million for the three months ended April 30, 2007 as compared to $31.3 million for the three months ended April 30, 2006. The cash used in operating activities for the first quarter was primarily the result of an inventory build of $15.5 million. This reflects the historic pattern of the Company funding its working capital needs based on the seasonal nature of the business.

Cash used in investing activities amounted to $6.1 million and $2.3 million for the three months ended April 30, 2007 and 2006, respectively. The cash used during both periods consisted of the capital expenditures primarily related to the expansion and renovations of retail stores. In addition, for the three months ended April 30, 2007, cash was used for the construction of new booths to be used at the Basel World Fair for the Company’s new and existing brands.

Cash used in financing activities amounted to $7.1 million for the three months ended April 30, 2007 compared to cash used of $10.0 million for the three months ended April 30, 2006. Cash used in financing activities for both periods was primarily used to pay down long-term debt and to pay out dividends.

During fiscal 1999, the Company issued $25.0 million of Series A Senior Notes under a Note Purchase and Private Shelf Agreement dated November 30, 1998. These notes bear interest of 6.90% per annum, mature on October 30, 2010 and are subject to annual repayments of $5.0 million commencing October 31, 2006. These notes contain certain financial covenants including an interest coverage ratio and maintenance of consolidated net worth and certain non-financial covenants that restrict the Company’s activities regarding investments and acquisitions, mergers, certain transactions with affiliates, creation of liens, asset transfers, payment of dividends and limitation of the amount of debt outstanding. At April 30, 2007, the Company was in compliance with all financial and non-financial covenants and $20.0 million of these notes were issued and outstanding.

As of March 21, 2004, the Company amended its Note Purchase and Private Shelf Agreement, originally dated March 21, 2001. This agreement, which expired on March 21, 2007, allowed for the issuance of senior promissory notes in the aggregate principal amount of up to $40.0 million with maturities up to 12 years from their original date of issuance. On October 8, 2004, the Company issued, pursuant to the Note Purchase Agreement, 4.79% Senior Series A-2004 Notes due 2011 (the "Senior Series A-2004 Notes") in an aggregate principal amount of $20.0 million, which will mature on October 8, 2011 and are subject to annual repayments of $5.0 million commencing on October 8, 2008. Proceeds of the Senior Series A-2004 Notes have been used by the Company for capital expenditures, repayment of certain of its debt obligations and general corporate purposes. These notes contain certain financial covenants, including an interest coverage ratio and maintenance of consolidated net worth and certain non-financial covenants that restrict the Company’s activities regarding investments and acquisitions, mergers, certain transactions with affiliates, creation of liens, asset transfers, payment of dividends and limitation of the amount of debt outstanding. As of April 30, 2007, the Company was in compliance with all financial and non-financial covenants and $20.0 million of these notes were issued and outstanding.

On December 15, 2005, the Company as parent guarantor, and its Swiss subsidiaries, MGI Luxury Group S.A. and Movado Watch Company SA as borrowers, entered into a credit agreement with JPMorgan Chase Bank, N.A., JPMorgan Securities, Inc., Bank of America, N.A., PNC Bank and Citibank, N.A. (the "Swiss Credit Agreement") which provides for a revolving credit facility of 90.0 million Swiss francs and matures on December 15, 2010. The obligations of the Company’s two Swiss subsidiaries under this credit agreement are guaranteed by the Company under a Parent Guarantee, dated as of December 15, 2005, in favor of the lenders. The Swiss Credit Agreement contains financial covenants, including an interest coverage ratio, average debt coverage ratio and limitations on capital expenditures and certain non-financial covenants that restrict the Company’s activities regarding investments and acquisitions, mergers, certain transactions with affiliates, creation of liens, asset transfers, payment of dividends and limitation of the amount of debt outstanding. Borrowings under the Swiss Credit Agreement bear interest at a rate equal to the LIBOR (as defined in the Swiss Credit Agreement) plus a margin ranging from .50% per annum to .875% per annum (depending upon a leverage ratio). As of April 30, 2007, the Company was in compliance with all financial and non-financial covenants and had 44.0 million Swiss francs, with a dollar equivalent of $36.5 million, outstanding under this revolving credit facility.

On December 15, 2005, the Company and its Swiss subsidiaries, MGI Luxury Group S.A. and Movado Watch Company SA, entered into a credit agreement with JPMorgan Chase Bank, N.A., JPMorgan Securities, Inc., Bank of America, N.A., PNC Bank and Citibank, N.A. (the "US Credit Agreement") which provides for a revolving credit facility of $50.0 million (including a sublimit for borrowings in Swiss francs of up to an equivalent of $25.0 million) with a provision to allow for an increase of an additional $50.0 million subject to certain terms and conditions. The US Credit Agreement will mature on December 15, 2010. The obligations of MGI Luxury Group S.A. and Movado Watch Company SA are guaranteed by the Company under a Parent Guarantee, dated as of December 15, 2005, in favor of the lenders. The obligations of the Company are guaranteed by certain domestic subsidiaries of the Company under subsidiary guarantees, in favor of the lenders. The US Credit Agreement contains financial covenants, including an interest coverage ratio, average debt coverage ratio and limitations on capital expenditures and certain non-financial covenants that restrict the Company’s activities regarding investments and acquisitions, mergers, certain transactions with affiliates, creation of liens, asset transfers, payment of dividends and limitation of the amount of debt outstanding. Borrowings under the US Credit Agreement bear interest, at the Company’s option, at a rate equal to the Adjusted LIBOR (as defined in the US Credit Agreement) plus a margin ranging from .50% per annum to .875% per annum (depending upon a leverage ratio), or the Alternate Base Rate (as defined in the US Credit Agreement). As of April 30, 2007, the Company was in compliance with all financial and non-financial covenants, and there were no outstanding borrowings against this line.

On June 16, 2006, the Company renewed a line of credit letter agreement with Bank of America and an amended and restated promissory note in the principal amount of up to $20.0 million payable to Bank of America, originally dated December 12, 2005. Pursuant to the line of credit letter agreement, Bank of America will consider requests for short-term loans and documentary letters of credit for the importation of merchandise inventory, the aggregate amount of which at any time outstanding shall not exceed $20.0 million. The Company's obligations under the agreement are guaranteed by its subsidiaries, Movado Retail Group, Inc. and Movado LLC. Pursuant to the amended and restated promissory note, the Company promised to pay to Bank of America $20.0 million, or such lesser amount as may then be the unpaid balance of all loans made by Bank of America to the Company thereunder, in immediately available funds upon the maturity date of June 16, 2007. The Company has the right to prepay all or part of any outstanding amounts under the promissory note without penalty at any time prior to the maturity date. The amended and restated promissory note bears interest at an annual rate equal to either (i) a floating rate equal to the prime rate or (ii) such fixed rate as may be agreed upon by the Company and Bank of America for an interest period which is also then agreed upon. The amended and restated promissory note contains various representations and warranties and events of default that are customary for instruments of that type. As of April 30, 2007, there were no outstanding borrowings against this line.

On July 31, 2006, the Company renewed a promissory note, originally dated December 13, 2005, in the principal amount of up to $37.0 million, at a revised amount of up to $7.0 million, payable to JPMorgan Chase Bank, N.A. ("Chase"). Pursuant to the promissory note, the Company promised to pay to Chase $7.0 million, or such lesser amount as may then be the unpaid balance of each loan made or letter of credit issued by Chase to the Company thereunder, upon the maturity date of July 31, 2007. The Company has the right to prepay all or part of any outstanding amounts under the promissory note without penalty at any time prior to the maturity date. The promissory note bears interest at an annual rate equal to (i) a floating rate equal to the prime rate, (ii) a fixed rate equal to an adjusted LIBOR plus 0.625% or (iii) a fixed rate equal to a rate of interest offered by Chase from time to time on any single commercial borrowing. The promissory note contains various events of default that are customary for instruments of that type. In addition, it is an event of default for any security interest or other encumbrance to be created or imposed on the Company's property, other than as permitted in the lien covenant of the US Credit Agreement. Chase issued 11 irrevocable standby letters of credit for retail and operating facility leases to various landlords, for the administration of the Movado Boutique private-label credit card and Canadian payroll to the Royal Bank of Canada totaling $1.2 million with expiration dates through June 7, 2008. As of April 30, 2007, there were no outstanding borrowings against this promissory note.

A Swiss subsidiary of the Company maintains unsecured lines of credit with an unspecified length of time with a Swiss bank. Available credit under these lines totaled 8.0 million Swiss francs, with dollar equivalents of $6.6 million and $6.5 million at April 30, 2007 and 2006, respectively. As of April 30, 2007, two European banks have guaranteed obligations to third parties on behalf of two of the Company’s foreign subsidiaries in the amount of $1.7 million in various foreign currencies. As of April 30, 2007, there were no outstanding borrowings against these lines.

The Company paid dividends of $0.08 per share or approximately $2.1 million, for the three months ended April 30, 2007 and $0.06 per share or approximately $1.5 million for the three months ended April 30, 2006.

Cash at April 30, 2007 amounted to $101.8 million compared to $82.6 million at April 30, 2006. The increase in cash is as a result of strong cash flow from operations during the prior year.

Management believes that the cash on hand in addition to the expected cash flow from operations and the Company’s short-term borrowing capacity will be sufficient to meet its working capital needs for at least the next 12 months.

Off-Balance Sheet Arrangements

The Company does not have off-balance sheet financing or unconsolidated special-purpose entities.

RECENTLY ISSUED ACCOUNTING STANDARDS

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, ‘‘Fair Value Measurements’’ (“SFAS 157”). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently evaluating the impact of SFAS 157 on the Company’s consolidated financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FAS 115” (“SFAS 159”). SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of SFAS 159 on the Company’s consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency and Commodity Price Risk

A significant portion of the Company's purchases are denominated in Swiss francs. The Company reduces its exposure to the Swiss franc exchange rate risk through a hedging program. Under the hedging program, the Company manages most of its foreign currency exposures on a consolidated basis, which allows it to net certain exposures and take advantage of natural offsets. The Company uses various derivative financial instruments to further reduce the net exposures to currency fluctuations, predominately forward and option contracts. These derivatives either (a) are used to hedge the Company's Swiss franc liabilities and are recorded at fair value with the changes in fair value reflected in earnings or (b) are documented as cash flow hedges with the gains and losses on this latter hedging activity first reflected in other comprehensive income, and then later classified into earnings in accordance with Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"), as amended by SFAS No. 137, SFAS No. 138 and SFAS No. 149. In both cases, the earnings impact is partially offset by the effects of currency movements on the underlying hedged transactions. If the Company did not engage in a hedging program, any change in the Swiss franc to local currency would have an equal effect on the Company's cost of sales. In addition, the Company hedges its Swiss franc payable exposure with forward contracts. As of April 30, 2007, the Company's entire net forward contracts hedging portfolio consisted of 127.0 million Swiss francs equivalent for various expiry dates ranging through May 30, 2008. If the Company were to settle its Swiss franc forward contracts at April 30, 2007, the net result would have been a gain of $0.5 million, net of tax of $0.3 million. As of April 30, 2007, the Company had 16.0 million Swiss franc option contracts related to cash flow hedges for various expiry dates ranging through April 30, 2008. If the Company were to settle its Swiss franc option contracts at April 30, 2007, the net result would have been a net gain of less than $0.1 million.

The Company's Board of Directors authorized the hedging of the Company's Swiss franc denominated investment in its wholly-owned Swiss subsidiaries using purchase options under certain limitations. These hedges are treated as net investment hedges under SFAS No. 133. As of April 30, 2007, the Company did not hold a purchased option hedge portfolio related to net investment hedging.

Commodity Risk

Additionally, the Company has a hedging program related to gold used in the manufacturing of the Company's watches. Under this hedging program, the Company purchases various commodity derivative instruments, primarily future contracts. These derivatives are documented as SFAS No. 133 cash flow hedges, and gains and losses on these derivative instruments are first reflected in other comprehensive income, and later reclassified into earnings, partially offset by the effects of gold market price changes on the underlying actual gold purchases. If the Company did not engage in a gold hedging program, any changes in the gold price would have an equal effect on the Company's cost of sales. The Company did not hold any futures contracts in its gold hedge portfolio related to cash flow hedges as of April 30, 2007.

Debt and Interest Rate Risk

In addition, the Company has certain debt obligations with variable interest rates, which are based on Swiss LIBOR plus a fixed additional interest rate. The Company does not hedge these interest rate risks. The Company also has certain debt obligations with fixed interest rates. The differences between the market based interest rates at April 30, 2007, and the fixed rates were unfavorable. The Company believes that a 1% change in interest rates would affect the Company's net income by approximately $0.4 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, as such terms are defined in Rule 13a-15(e) under the Securities Exchange Act, as amended. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective as of the end of the period covered by this report.

It should be noted that while the Company’s Chief Executive Officer and Chief Financial Officer believe that the Company’s disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the Company’s disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the three months ended April 30, 2007, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1A. *Risk Factors*

As of April 30, 2007, there have been no material changes to any of the risk factors previously reported in the Annual Report on Form 10-K for the fiscal year ended January 31, 2007.

Item 6. *Exhibits*

10.1 Third Amendment to License Agreement dated as of January 1, 1992 between Registrant and Hearst Magazines, a Division of Hearst Communications, Inc., effective February 15, 2007.*

10.2 Fifth Amendment to License Agreement dated December 9, 1996 between Registrant and Coach, Inc. effective March 9, 2007.*

10.3 Sixth Amendment to License Agreement dated June 3, 1999 between Registrant and Tommy Hilfiger Licensing, Inc. effective April 11, 2007.*

31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Confidential portions of Exhibits 10.1, 10.2 and 10.3 have been omitted and filed separately with the Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934.

SIGNATURE

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 thereunto duly authorized.

MOVADO GROUP, INC.
(Registrant)

Dated: May 31, 2007

By: /s/ Eugene J. Karpovich

Eugene J. Karpovich
Senior Vice President,
Chief Financial Officer and
Principal Accounting Officer

HEARST *magazines*
Brand Development

January 22, 2007

Glen Ellen Brown
Vice President

Movado Group, Inc.
650 From Road
Paramus, New Jersey 07652
Attn: Efraim Grinberg, President
Attn: Timothy F. Michno, General Counsel

Dear Efraim:

This letter, when executed by both parties, shall further amend the License Agreement between Hearst Magazines, a Division of Hearst Communications, Inc. (“Hearst”) and Movado Group, Inc. (f/k/a North American Watch Corporation) (“Movado”) dated as of January 1, 1992 and as amended thereafter (the “License Agreement”) as follows:

1. Subject to the terms and conditions of the License Agreement and those set forth below, Movado shall have eleven (11) options consecutively exercisable, each for the renewal of the License Agreement as hereby amended for an additional three year periods (“Further Option Renewal Period”). The first such Further Option Renewal Period shall commence on January 1, 2010 and the final Further Option Renewal Period shall conclude on December 31, 2042, unless further extended upon written consent of both parties. By execution hereof, Movado hereby elects to exercise the first Further Renewal Option Period which will commence on January 1, 2010 and continue through December 31, 2012. For each option thereafter, such option must be exercised by notifying Hearst in writing that Movado intends to renew the License Agreement as hereby amended at least six (6) months prior to the expiration of the then current period. Failure to exercise any such option shall terminate all succeeding options.

1700 Broadway, 36th Floor
New York, NY 10019
T 212 492 1301
F 646 280 1101
gebrown@hearst.com

* CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED FROM PAGE 2 AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") PURSUANT TO RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED ("1934 ACT").

2. The royalty payment referred to in Paragraph 5(b) of the License Agreement shall continue to * , payable during each calendar year of each Further Option Renewal Period in two (2) equal installments, on February 15 and August 15 of each such year. This royalty shall be increased each year by a percentage equal to any increase in the CPI from the prior year. There shall be no decrease in such royalty in the event of a decline in the CPI.

3. Section 5(c) shall be amended so that, in addition to the royalty provided for under Paragraph 5(b), Movado shall pay to Hearst in each calendar year during the Further Option Renewal Periods a royalty equal to * aggregate Net Sales Value of all Products sold by Movado in such calendar year over * aggregate Net Sales Value of all Products sold by Movado in such calendar year over * aggregate Net Sales Value of all Products sold by Movado in such calendar year over * . Such additional royalties shall be paid to Hearst along with the royalty installments payable as provided in paragraph 5(b) on February 15 and August 15 of each year of the Further Option Renewal Period.

4. Commencing with the Option Renewal Period which commenced January 1, 2007, Movado agrees to purchase * pages of advertising per calendar year in Esquire magazine * . During each Further Option Renewal Period thereafter, Movado agrees to increase its purchase of advertising pages in Esquire magazine * , so that, by way of example by electing to exercise its option for the first Further Option Renewal Period commencing on January 1, 2010, Movado agrees to purchase * advertising in Esquire magazine during each calendar year of the first Further Option Renewal Period. Likewise, if Movado elected to exercise its option for the second Further Option Renewal Period commencing January 1, 2013, Movado would agree to purchase * advertising in Esquire magazine in each calendar year of such Further Option Renewal Period.

* CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PURSUANT TO RULE 24b-2 OF THE 1934 ACT.

5. All references in the License Agreement to the “Term” shall mean the period through December 31, 2009 plus any applicable Further Option Renewal Periods.

6. Effective December 31, 1997, certain assets of The Hearst Corporation were transferred to Hearst Communications, Inc., a then-newly formed unit of The Hearst Corporation. As a result of the transfer, all references to “Hearst” in the License Agreement shall mean “Hearst Communications, Inc.” effective such transfer date.

7. All defined terms used and not otherwise defined herein shall have the meaning given them in the License Agreement.

8. Except as otherwise expressly modified herein, the License Agreement remains in full force and effect.

The parties confirm their agreement of the foregoing by signing this letter below where indicated.

Sincerely,

Glen Ellen Brown

ACCEPTED AND AGREED:
Movado Group, Inc.

By: /s/ Timothy F. Michno
Title: General Counsel
Date: 2/15/07

EXHIBIT 10.2 *

AMENDMENT NUMBER 5
TO LICENSE AGREEMENT

This amendment dated as of January 1, 2007 (the “Fifth Amendment”) further amends the License Agreement dated December 9, 1996, as amended by Amendments Number 1 through 4 thereto (referred to herein as “the Agreement”) by and between Coach, Inc. (“Licensor”) and Movado Group, Inc. (“MGI”) and Swissam Products Limited (“SPL”) as licensees (collectively, “Licensee”).

WHEREAS, the parties desire to make certain additional changes to the Agreement as set forth below:

NOW THEREFORE in consideration of the mutual covenants and the premises set forth herein, the Agreement is hereby amended as follows:

1. ***Licensor Channels.*** Section 1.2 shall be amended and restated as follows:

1.2 “Licensor Channels” shall mean retail outlets controlled by Licensor, including, without limitation, Licensor’s catalog, Licensor’s stand alone retail stores, Licensor’s factory outlet stores, Licensor Special Accounts (as hereinafter defined), Licensor’s Internet website or any similar electronic vehicle operated by or on behalf of Licensor, Licensor’s facilities for sales to employees of Licensor and its affiliates, and Licensor’s retail stores that are situated in department stores located outside the United States.

2. ***Contract Year.*** Section 1.5 shall be amended and restated as follows:

1.5 “Contract Year” shall mean each twelve (12) month period commencing July 1 and ending June 30. Contract Years shall be identified by the year in which they end; for example, Contract Year 2008 shall refer to the period commencing July 1, 2007 and ending June 30, 2008. Notwithstanding the foregoing, Contract Year 2007 shall mean the six (6) month period ending June 30, 2007.

3. ***Marketing Samples.*** The following language shall be added as Section 7.4 of the Agreement:

Prior to the launch of each Licensed Product, Licensee shall, at its expense, provide Licensor with at least one (1) fully functioning and at least five (5) non-functioning samples of such Licensed Product. In addition, as soon as practicable following such launch, Licensee shall, at its expense, provide Licensor with at least twenty five (25) fully functioning specimens of such Licensed Products, to be used by Licensor primarily as “celebrity dressing” samples.

* CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED FROM PAGES 2,3 AND 5 AND FROM SCHEDULE I AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") PURSUANT TO RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED ("1934 ACT").

4. ***Third-Party Manufacturers.*** The following language shall be added as Section 7.5 of the Agreement:

Licensee may employ third parties to manufacture Licensed Products, provided that Licensee shall retain full responsibility under this Agreement for all aspects of such manufacture; Licensee shall actively supervise the production of Licensed Products by such third parties and shall ensure that such third parties employ appropriate quality controls to comply with this Agreement. Licensee shall ensure compliance by such third parties with all relevant provisions of this Agreement (including, but not limited to, Section 20.7) and shall be liable hereunder for any breach of the terms of this Agreement by such parties, unless such breaches are remedied within thirty (30) days after Licensee's receiving notice of such breach.

5. ***Transfer Price to Licensor.*** The first sentence of Section 8.2 shall be amended and restated as follows:

All Licensed Products for retail sale in Licensor Channels shall be sold to Licensor at a price *
Licensed Products.

6. ***Internet Sales.*** The following language shall be added as Section 8.10 of the Agreement:

8.10 Licensee acknowledges Licensor's policy prohibiting Licensee or any of its customers from selling or distributing Licensor's products via the Internet. Except as otherwise prohibited by applicable law, Licensee shall comply with such policy, advise its customers that they must comply with such policy, and, if directed by Licensor in writing, promptly cease taking additional orders for the Licensed Products with any customers who do not comply with such policy.

7. ***Modification of Licensee Account Lists.*** The last sentence of Section 8.8 shall be amended and restated as follows:

Any such modifications shall be agreed to by the parties, in a writing signed by both parties from time to time.

8. ***Sales Targets.*** The following minimums pertaining to Licensee's sales of Licensed Products to Non-Licensor Channels replace those currently contained in Section 10.1 (as last restated in the Third Amendment to the Agreement):

* CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PURSUANT TO
RULE 24b-2 OF THE 1934 ACT.

*

The foregoing minimums are predicated on the assumption that the number of Non-Licensor channels shall not be significantly reduced.

9. ***Royalties.*** The following sentence shall be added at the end of Section 11.1:

> For Contract Years 2007 through 2015, the base royalty rate applied to Licensee's sales * .

10. ***Reporting Requirements.*** The following sentence shall be added at the end of Section 11.5:

> In addition, Licensee shall provide Licensor with a monthly unaudited sales report and a monthly latest estimate (LE) report, each in the format provided in Schedule 1 to the Fifth Amendment to this Agreement.

In addition, the following language shall be added as paragraph (a) to Section 13.2 of the Agreement, with the existing language to follow as paragraph (b):

> Licensee must submit to Licensor monthly reports, on or before the dates each month set forth in the calendar approved annually by Licensor and Licensee, containing royalty reports and estimated shipment volumes, as compared to the projections estimated in the Plan established for the Contract Year, and including comparisons of royalties and shipment volume information compared to the prior month. In addition to the above documents, Licensee will also provide Licensor with the following business reports on or before the end of the first week of each month: monthly performance information for * .

11. ***Annual Operating Plan.*** The first sentence of Section 12.2 shall be amended and restated as follows:

* CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PURSUANT TO RULE 24b-2 OF THE 1934 ACT.

No later than the end of the first week in January (for high/medium/low estimates) and the first week in February (for all other information) in each Contract Year or by such date as may otherwise be agreed to by Licensee and by Licensor, Licensee shall prepare and present to Licensor for feedback and input an annual operating plan setting forth the information described below (the "Plan").

In addition, the following language shall be added at the end of Section 12.2:

Licensor will provide templates that must be used by Licensee in the preparation of the Plan, which will among other things require Licensee to provide sales volume projections for the Licensed Products by design/style type, in units and dollars, estimating a "High", "Medium" and "Low" volume of sales. Licensor's templates for the Licensee Plan also may include, without limitation: (a) a description (including timing) of the types and numbers of designs/styles intended to be developed or manufactured (including any new products); (b) price marketing strategies, including wholesale and suggested retail pricing by design/style type and market; (c) assessment of customer base and customers; (d) distribution, including distribution outlets and breakdown by geographic area; (e) advertising and media plans, including the proposed schedule of any and all major advertising campaigns and the format for all advertising not already approved by Licensor, including breakdown by geographic area; (f) packaging, point of sale and trade exhibitions; (g) the results of market research relating to the Licensed Products and similar products, and market trends; (h) organizational structure; (i) competitive scenarios; (j) industry trends; and (k) any other information reasonably requested by Licensor.

12. Licensee's Staffing/Infrastructure. Section 12.3 shall be amended and restated as follows:

12.3 (a) At all times during the term hereof, Licensee shall employ a complete sales and planning team dedicated to the Licensed Products business. Such team shall include, among other functions, a Coach-only President or Senior Vice President, a Coach-only Marketing Director and, by no later than July 1, 2008, a Director for the Merchandise Coordinator team described in paragraph "b" below. Such executives shall be hired and employed by Licensee, subject to Licensor's prior written approval which shall not be unreasonably withheld, conditioned or delayed. In connection with Licensee's annual Plan submission to Licensor, Licensee shall also present Licensor with an organization chart for the Licensed Products business, including the names and titles of each executive or manager dedicated or substantially involved in the Licensed Products business.

(b) In addition, beginning in Contract Year 2008, Licensee shall cause its Merchandise Coordinator team of executives to clearly communicate Licensor's brand standards to Licensee's associates and train such associates to meet or exceed such brand standards. The executives on this team shall support and cover accounts generating at least 50% of the total point-of-sale volume generated through all worldwide Non-Licensor Channels.

13. ***Required Advertising Expenditures.*** In Section 12.4, the following language shall be added to the table showing Licensee's required annual advertising expenditures in connection with the Licensed Products:

For the twelve (12) month period ended June 30, 2007 and for Contract Years 2008 and beyond	*

In addition, Section 12.7 of the Agreement is hereby omitted.

14. ***Trade Shows.*** The following language shall be added as Section 12.11 of the Agreement:

12.11 Licensor shall design a booth or similar display area for use at trade shows and similar exhibitions in which Licensee, in consultation with Licensor, decides to participate. Licensor will consult with Licensee in the design of each such booth or display area. Licensee shall construct and shall bear all reasonable costs to construct each such booth or display area in accordance with Licensor's design, and Licensor shall reasonably cooperate with Licensee in connection therewith and furnish Licensee with all necessary information relating to such design. Licensor shall inspect and give its final approval to the finished area prior to Licensee using it at any exhibition; provided that such approval shall not be unreasonably withheld, conditioned or delayed.

15. ***Agreement Term.*** Section 14.1 shall be amended and restated as follows:

14.1 This Agreement shall remain in full force and effect from the date this Agreement is entered into by the parties until June 30, 2015, unless earlier terminated as provided herein.

16. Except as set forth in this Fifth Amendment, the Agreement shall remain in full force and effect.

17. This Fifth Amendment may be signed by the parties duly executing counterpart originals.

* CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PURSUANT TO RULE 24b-2 OF THE 1934 ACT.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized officers and to become effective as of the date first above written.

COACH, INC.

By: /s/ K.L. Nedorostek
Name:
Title:

SWISSAM PRODUCTS LIMITED	MOVADO GROUP, INC.
By: /s/ Timothy F. Michno	By: /s/ Richard J. Coté
Name: Timothy F. Michno	Name: R J Coté
Title: Director	Title: Exec. VP/ COO

SCHEDULE 1

Form of Monthly Report for Unaudited Sales and Latest Estimates

*** CONFIDENTIAL TREATMENT REQUESTED OF ENTIRE PAGE**

* CONFIDENTIAL TREATMENT REQUESTED OF ENTIRE PAGE

EXHIBIT 10.3 *

SIXTH AMENDMENT TO LICENSE AGREEMENT
DATED JUNE 3, 1999
BETWEEN TOMMY HILFIGER LICENSING, INC. AND
MOVADO GROUP, INC.

AGREEMENT entered into as of the 1 day of February, 2007 by and between TOMMY HILFIGER LICENSING, LLC, a Delaware limited liability company, f/k/a TOMMY HILFIGER LICENSING, INC., having an address at University Plaza - Bellevue Building, 262 Chapman Road, Suite 103A, Newark, Delaware 19702 (hereinafter referred to as “Hilfiger”) and MOVADO GROUP, INC., a New York corporation, having its offices at 650 From Road, Paramus, New Jersey 07652 (“MGI”) and MOVADO WATCH COMPANY, S.A., successor by merger with N.A. TRADING, S.A., a Swiss corporation, having its offices at Bettlachstrasse 8, 2540 Grenchen, Switzerland (“MWC” and MGI together are hereinafter referred to as “Licensee”).

W I T N E S S E T H:

WHEREAS, Hilfiger and Licensee entered into a license agreement dated June 3, 1999, which license agreement was previously amended on January 16, 2002, August 1, 2002, May 7, 2004, June 25, 2004, and July 29, 2005 (collectively, the “License”); and

WHEREAS, Hilfiger and Licensee wish to amend the terms of the License as provided herein.

NOW, THEREFORE, in accordance with the mutual covenants herein expressed, and for other good consideration, which the parties hereby acknowledge, the parties hereby agree as follows:

1. All capitalized terms used herein but not defined shall have the meanings ascribed to those terms in the License.

2. Paragraph 1.19 of the License is hereby amended by:

   (a) adding “, Malta” after “Italy” in 1.19 b. (ii);

   (b) adding “(Egypt, Kuwait, Israel, United Arab Emirates and Lebanon)” after “the Middle East” in 1.19 b. (ii);

   (c) adding the following new 1.19 b. (iv) to read as follows:

   “**Eastern Europe** means Poland, Bulgaria and Hungary.”

* CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED FROM PAGE 2 AND FROM EXHIBITS R AND S AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") PURSUANT TO RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED ("1934 ACT").

(d) adding the following new 1.19 f. to read as follows:

"**China** means the Region including China as of July 1, 2006"

3. Paragraph 8.1 of the License is hereby amended by deleting the entries for the Seventh through Twelfth Annual Period in the chart therein and replacing them with the following:

*

4. Paragraph 8.2 of the License is hereby amended by adding the following at the end of thereof:

"Anything to the contrary herein notwithstanding, Licensee agrees to spend a minimum * on advertising in the China Region during the Eighth Annual Period. At the end of each Annual Period, Licensee must submit to Hilfiger, proof satisfactory to Hilfiger of Licensee's advertising expenditures in the China Region during the immediately preceding Annual Period."

5. Paragraph 19.1 of the License is hereby amended by changing the address for Hilfiger to the following:

"To Hilfiger: TOMMY HILFIGER LICENSING, LLC
200 Liberty Way
Cranbury, New Jersey 08512
Attn: David Vandroth
Telephone: (609) 409-7322
Facsimile: (609) 409-7331

with a copy to: Dreier LLP
499 Park Avenue
New York, New York 10022
Telephone: (212) 328-6100
Facsimile: (212) 328-6101

TOMMY HILFIGER USA, INC.
601 West 26th Street, 6th Fl
New York, NY 10001
Attention: Office of the General Counsel

* CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PURSUANT TO RULE 24b-2 OF THE 1934 ACT.

Telephone: (212) 549-6000
Facsimile: (212) 549-6743"

6. Exhibit R of the Licensee is hereby deleted in its entirety and replaced by the new Exhibit R annexed hereto.

7. Exhibit S of the Licensee is hereby deleted in its entirety and replaced by the new Exhibit S annexed hereto.

8. Except as modified herein, all other terms, conditions and provisions contained in the License shall remain in full force and effect and nothing contained herein shall alter them in any way and are hereby in all respects ratified and confirmed.

IN WITNESS WHEREOF, Hilfiger and Licensee have signed this Amendment as of the date first above written.

TOMMY HILFIGER LICENSING, LLC	MOVADO GROUP, INC.
By: /s/ Anne Marino	By: /s/ Richard Coté
Name: Anne Marino	Name: Richard Coté
Title: Group President of Tommy Hilfiger Licensing	Title: COO
	MOVADO WATCH COMPANY, S.A.
	By: /s/ Timothy F. Michno
	Name: Timothy F. Michno
	Title: Attorney-in-fact

EXHIBIT R

MINIMUM SALES LEVELS

*

* CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PURSUANT TO RULE 24b-2 OF THE 1934 ACT.

EXHIBIT S

GUARANTEED MINIMUM ROYALTIES

*

* CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PURSUANT TO RULE 24b-2 OF THE 1934 ACT.

EXHIBIT 31.1

CERTIFICATIONS

I, Efraim Grinberg, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Movado Group, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 31, 2007

/s/ Efraim Grinberg
Efraim Grinberg
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Eugene J. Karpovich, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Movado Group, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 31, 2007

/s/ Eugene J. Karpovich
Eugene J. Karpovich
Senior Vice President,
Chief Financial Officer and
Principal Accounting Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Movado Group, Inc. (the “Company”) for the quarter ended April 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the “Report”) the undersigned hereby certifies, in the capacity indicated below and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 31, 2007

/s/ Efraim Grinberg
Efraim Grinberg
President and
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Movado Group, Inc. (the “Company”) for the quarter ended April 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the “Report”) the undersigned hereby certifies, in the capacity indicated below and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 31, 2007

/s/ Eugene J. Karpovich
Eugene J. Karpovich
Senior Vice President,
Chief Financial Officer and
Principal Accounting Officer