



MOVADO GROUP INC.

Annual Meeting  
of Shareholders  
June 15, 2006

# SAFE HARBOR STATEMENT

*This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as “expects,” “anticipates,” “believes,” “targets,” “goals,” “projects,” “intends,” “plans,” “seeks,” “estimates,” “may,” “will,” “should” and similar expressions. Similarly, statements in this press release that describe the Company's business strategy, 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 newly acquired and/or licensed brands without disruption to its other business activities, changes in consumer demand for the Company's products, risks relating to the 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 Be advised that developments subsequent to this press release are likely to cause these statements to become outdated with the passage of time.*



# AGENDA

- COMPANY OVERVIEW
- COMPANY STRATEGIES
- BRAND HIGHLIGHTS
- FINANCIAL HIGHLIGHTS



# KEY INVESTMENT HIGHLIGHTS

- Powerful portfolio of brands and businesses
- Consistent track record of profitable growth
- Strong balance sheet
- Strong cash flow generator

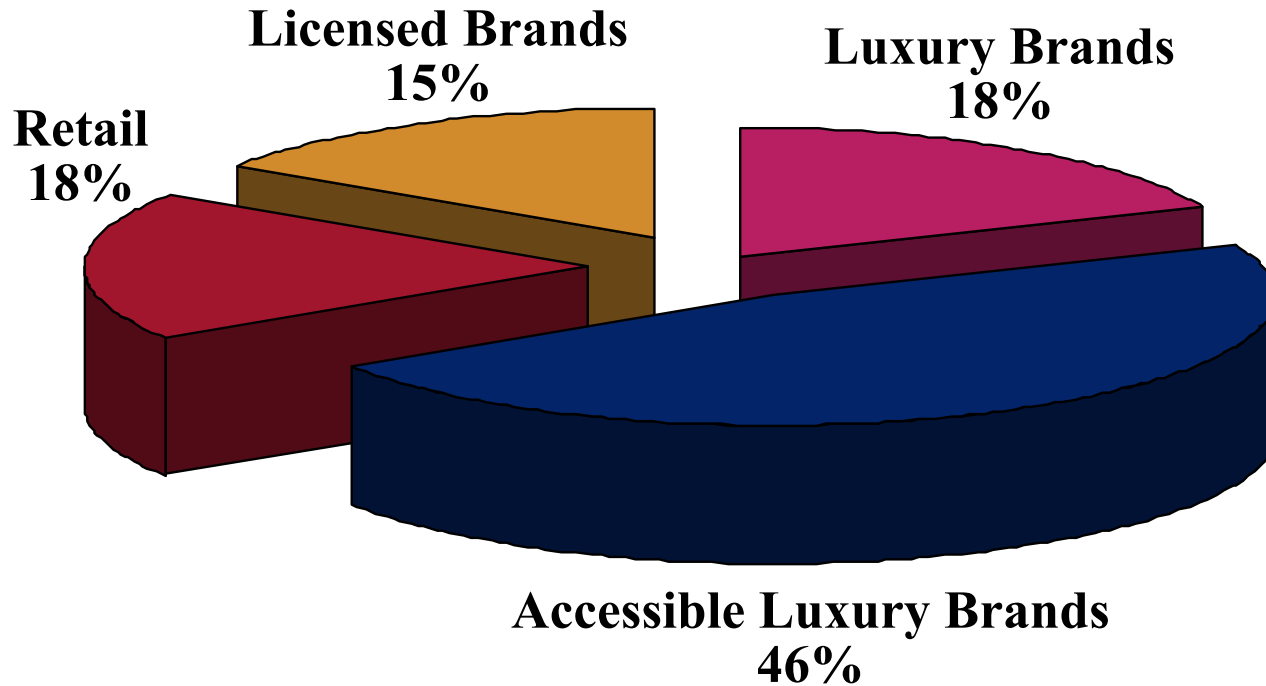


# CORE COMPETENCIES

- Exceptional Brand Builders
- Leader in Product Design & Innovation
- Marketing/Advertising Expertise
- Deep Market Knowledge & Strong Customer Relationships
- Flexible Global Supply Chain Infrastructure

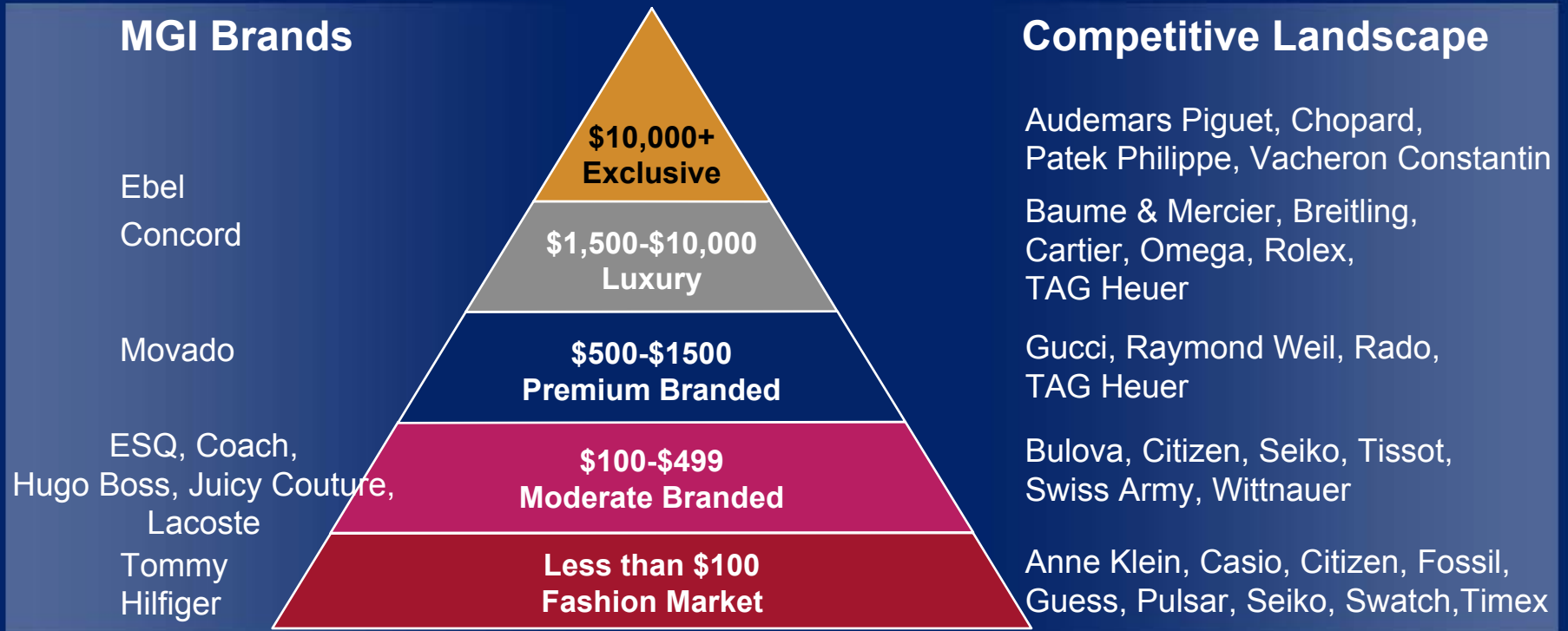


# DIVERSE PORTFOLIO BRANDS & BUSINESSES



*\* Remaining 3% comprised of shipping and service*

# LEADING BRANDS IN A \$15 BILLION MARKET



MOVADO GROUP INC.

# MOVADO GROUP STRATEGIES

## BRAND BUILDING

- Consistently maintain brand health and relevance through:
  - New Product Introductions
  - Targeted International Expansion
  - Image Building Advertising and Associations
- Realize potential of younger businesses:
  - Movado Boutiques
  - Ebel
  - Hugo Boss Watches
  - Launch of Juicy Couture and Lacoste





# MOVADO GROUP STRATEGIES

## FOCUS ON KEY FINANCIAL METRICS

- Drive profitable sales growth
- Improve operating margin
  - Expand gross margin
  - Leverage infrastructure
- Accelerate bottom-line growth
- Continued strong cash flow generation



# MOVADO GROUP STRATEGIES

- **Brand Building**
  - Consistently maintain brand health and relevance
  - Realize potential of younger businesses
- Focus on Key Financial Metrics
  - Drive profitable sales growth
  - Improve operating margin
  - Accelerate bottom-line growth
  - Continued strong cash flow generation

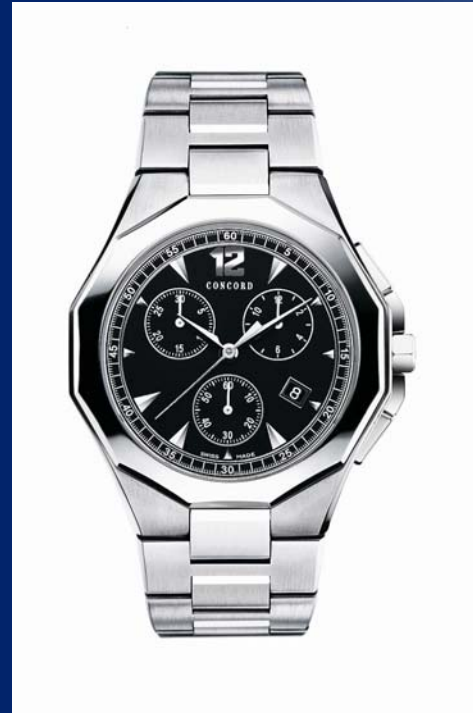


# LUXURY BRANDS 18%

Ebel



Concord



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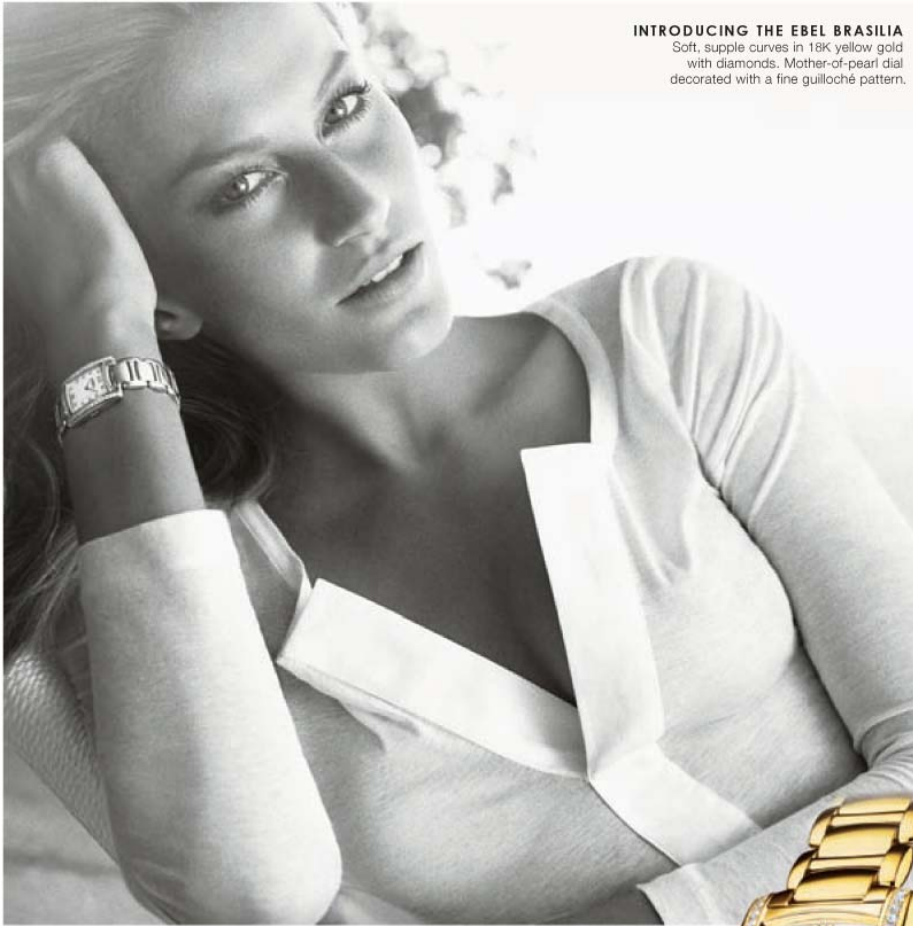
# BRAND VISION

EBEL

*Return Ebel to a premier global luxury status brand, building the image, creating perceived value, exclusivity and desirability, while building a sustainable and profitable business.*



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**INTRODUCING THE EBEL BRASILIA**

Soft, supple curves in 18K yellow gold with diamonds. Mother-of-pearl dial decorated with a fine guilloché pattern.

**EBEL**

THE ARCHITECTS OF TIME

For more information visit [www.ebel.com](http://www.ebel.com) or call 800 920 3153



**EBEL**

advertising  
campaign



**MOVADO GROUP INC.**

© 2006 Ebel © Oscar Niemeyer Foundation

**INTRODUCING THE EBEL BRASILIA**

Ergonomic design in fine-brushed and polished stainless steel. Double-sided anti-reflective sapphire crystal. Silver guilloché dial with hand-applied Roman numerals. Swiss automatic movement. Visit [www.ebel.com](http://www.ebel.com) or call 800 920 3153



**EBEL**

THE ARCHITECTS OF TIME

THE ARCHITECT SERIES

Ebel proudly honors the legacy of **Oscar Niemeyer** and supports the vision of timeless architecture. The Niterói Contemporary Art Museum, 1996. Niterói, Brazil.

EBEL

advertising  
campaign



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# EBEL

**INTRODUCING EBEL 1911 BTR – THE MASTERY OF TECHNOLOGY AND DESIGN.**  
The ultimate timepiece collection for men. Witnesses of sophisticated function, powered by Ebel COSC certified automatic movements, each developed, assembled and controlled in Ebel's workshops in Switzerland. Iconic 44.6 mm case design. Screw-down crown. Hand applied indices. Sapphire crystal with antireflective treatment on both sides.  
To learn more, visit [www.1911btr.com](http://www.1911btr.com) or call 800.920.3193.



**1911 BTR Automatic Chronograph**  
Powered by Ebel Caliber 137. A Chronograph line with a strong masculine pulse. A symbol of sporting spirit. Eye-catching steel and rubber bracelets. Vivid yellow, red or black accents and hand atop top-sitting on the alligator straps.

**1911 BTR Automatic GMT**  
Powered by Ebel Caliber 240. A GMT line that offers men a chance to sport the dynamic chronograph look while providing a vital 24-hour second time-zone function. Oriented GMT arrow-hand and dial hinge with 24-hour scale.

**1911 BTR Automatic Perpetual Calendar Chronograph**  
Powered by Ebel Caliber 208. A vision of time to endure through succeeding generations. Astronomical moon phase offers extraordinary accuracy. Based in three different limited series: Stainless steel, 18K white or rose gold.



1911 BTR Caliber 208  
Automatic Perpetual Calendar Chronograph with astronomic moonphase, in 18K pink gold

# EBEL

THE ARCHITECTS OF TIME

## advertising campaign



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# EBEL GROWTH STRATEGY

- Significant progress made toward restoring Ebel to a strong global luxury status brand
- Deliver a compelling product assortment
- Strong Image Building Global Advertising Support
  - Introduction of Gisele to campaign
  - Solidify presence in men's mechanical watch market – proprietary movements
- Drive profitability to acceptable levels

EBEL



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# **BRAND** POSITIONING

Concord stands for refined elegance and sophisticated style for people driven by individual expressions of luxury

  
CONCORD

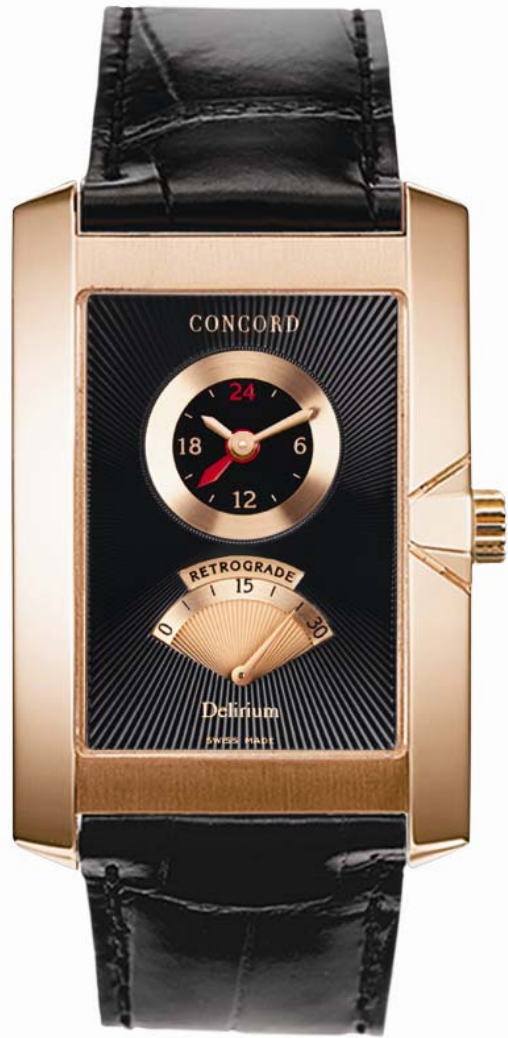


CONCORD

saratoga



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CONCORD

delirium



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# CONCORD BRAND STRATEGY

- Build Concord to a strong position in the luxury market
- Better identify/differentiate the brand
  - Developing strategic plan
  - Develop leadership Concord product with a clear identity
- Revitalize the business and rationalize expense structure
- Continued focus on existing markets

  
CONCORD



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# ACCESSIBLE LUXURY BRANDS 46%

Movado



ESQ



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# MOVADO BRAND

## AN ICON OF MODERNISM

MOVADO  
the art of time

- Founded in Switzerland in 1881, a legacy of design innovation
- Influenced by the functional purity and simplicity of the Bauhaus movement
- Identified with modernism and associated with the cultural arts
- Globally-recognized, luxury brand name with clearly-defined and consistent brand imaging



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# MOVADO SPONSORSHIPS

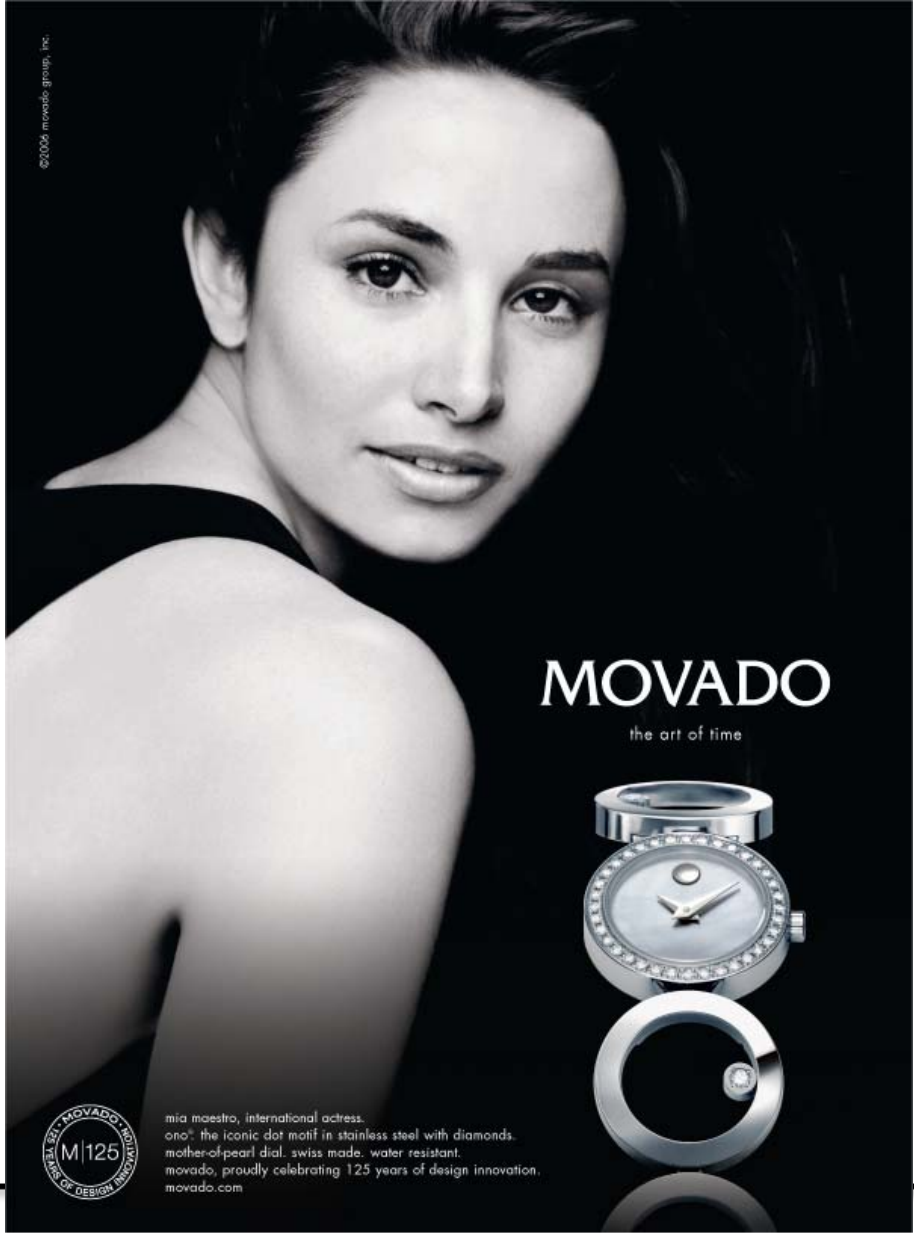
- New York City Ballet
- Lincoln Center for the Performing Arts
- John F. Kennedy Center for the Performing Arts – Washington, DC
- Jazz@Lincoln Center
- Miami International Film Festival
- Miami City Ballet

MOVADO  
the art of time



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©2006 movado group, inc.



# MOVADO

the art of time



mia maestro, international actress.  
ono®, the iconic dot motif in stainless steel with diamonds.  
mother-of-pearl dial, swiss made, water resistant.  
movado, proudly celebrating 125 years of design innovation.  
movado.com

# MOVADO

the art of time

## the art of time



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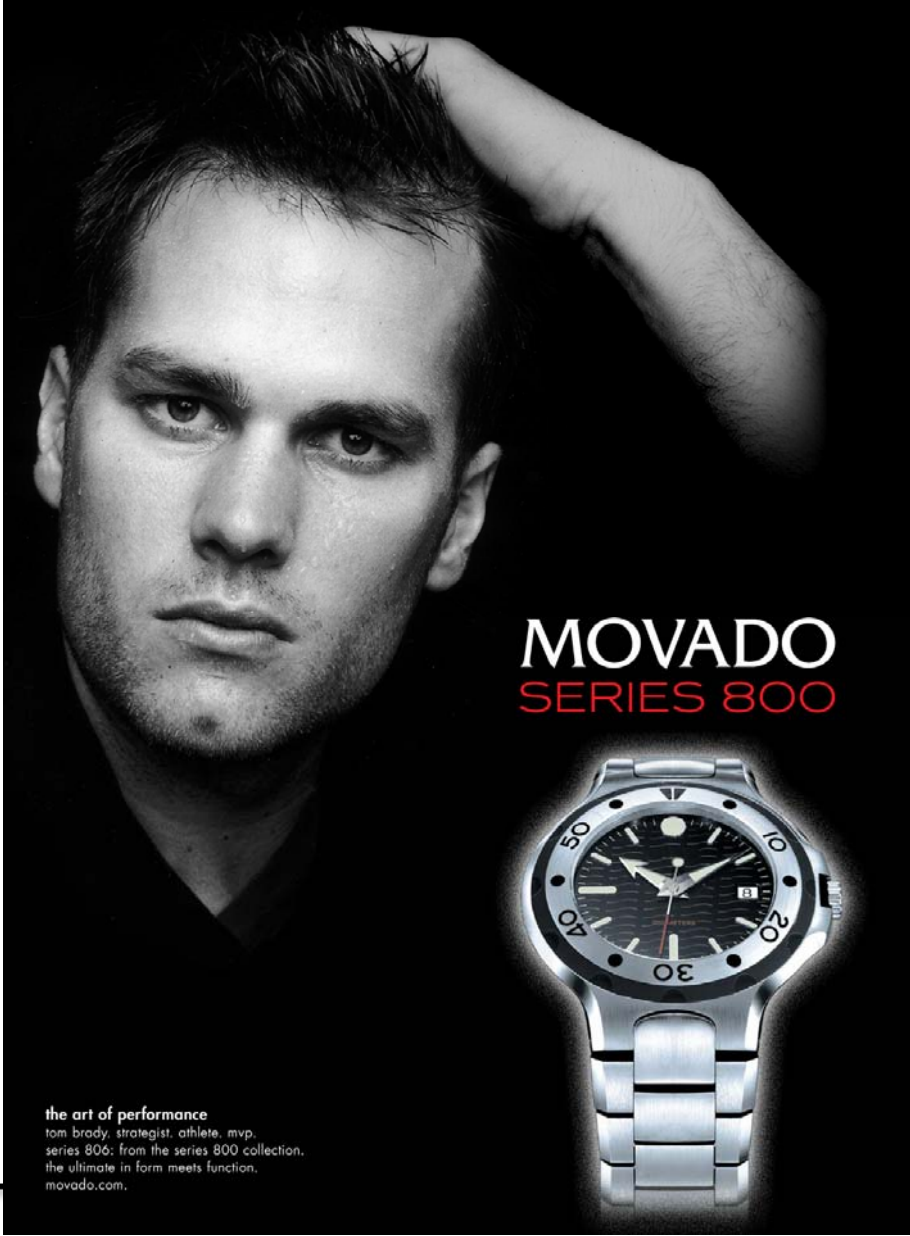
# MOVADO BRAND GROWTH STRATEGY

- Build upon Movado's dominant position in the U.S. market
- International expansion focused on China
- Enhance Movado's image as a lifestyle brand encompassing focused product categories – Build our retail presence
- Extend Movado name into sport luxury category with launch of Series 800

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**MOVADO**  
SERIES 800



the art of performance  
tom brady, strategist, athlete, mvp.  
series 806; from the series 800 collection.  
the ultimate in form meets function.  
[movado.com](http://movado.com).

**MOVADO**

the art of time

the art of  
performance



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# BRAND POSITIONING

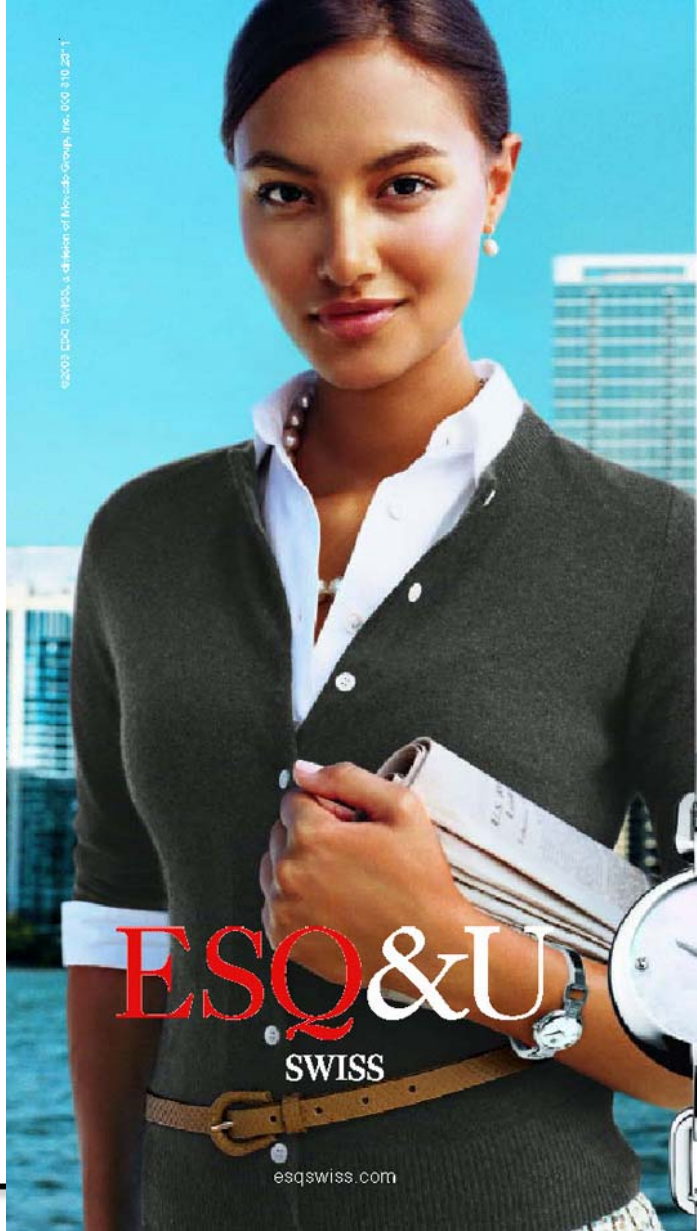
ESQ  
SWISS

For those who recognize superior design and quality, ESQ is the Swiss watch brand that provides exceptional value.



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©2009 LDC, Div. of Movado Group, Inc. 800.310.2271



Nola. Sleek stainless steel bangle with diamonds. Swiss quartz. \$295.

**ESQ**&U  
SWISS

esqswiss.com



ESQ  
SWISS

advertising  
campaign



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# ESQ GROWTH STRATEGY

- Growing market share
- Introduce distinctive product designs
- Bold product advertising featuring Swiss quality and design
- Continued focus on North American markets

ESQ  
SWISS



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# RETAIL BUSINESS 18%



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# OBJECTIVE

Give consumers, who seek quality products and have an appreciation for artistry and design, the opportunity to fully experience Movado's design philosophy.

MOVADO  
BOUTIQUES



MOVADO GROUP INC.



trambilli™ a radiant circle of pavé diamonds  
beneath a halo of 18K gold, pendant \$2,695,  
exclusively at movado boutiques.  
for information, call 1 888 4MOVADO  
or visit [www.movadoboutique.com](http://www.movadoboutique.com)



©2005 movado group, inc. enlarged to show detail.

**MOVADO**

the art of design

**MOVADO**  
BOUTIQUES

movado  
catalog



MOVADO GROUP INC.



# BOUTIQUE STRATEGY

- Growth vehicle that extends Movado brand into a lifestyle
- Expand from 27 locations to ~30
  - “A” malls, “A” locations within mall
  - Cluster market real estate strategy
  - Approximately 2,200 - 2,600 sq. ft.
- Generate \$60+ million in revenue
- Reinforces luxury image of Movado brand and supports wholesale business

MOVADO  
BOUTIQUES



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# COMPANY STORES

- 28 locations nationwide
- Multi-branded product assortment
- Effective vehicle to sell discontinued goods in a controlled, organized and profitable manner



# LICENSED BRANDS 15%



EST. 1941

HUGO BOSS

TOMMY  HILFIGER



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# LICENSING PHILOSOPHY

## BUILDING PARTNERSHIPS

- Very selective approach
- Powerful brands with significant staying power
- Long-term vision
- Complementary from a strategic, operational and geographic perspective



# LICENSING STRATEGY

## BUILDING PARTNERSHIPS

- Extend brand into watch category – new products aligned with brand philosophies
- Focus on markets where parent brand is already strong
- Generate sales in excess of \$20M – ideally \$30M to \$50M
- Significant profit contributors over the long term





**COACH**

EST. 1941

**COACH**

WATCH

advertising  
campaign



MOVADO GROUP INC.



TOMMY  HILFIGER  
watches

advertising  
campaign

  
MOVADO GROUP INC.



BOSS: Watches made in Germany. BOSS: Watches made in Germany. BOSS: Watches made in Germany. Phone: +1 212 872 2100. www.hugoboss.com



**BOSS**  
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# GLOBAL LICENSE AGREEMENT

- Exclusive partnership with global lifestyle brand
- Watch collection to feature stylish timepieces with a contemporary sport elegant feel
- Prices to range from \$195 to \$595
- Launch planned for Spring 2007



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# MOVADO GROUP STRATEGIES

- Brand Building
  - Consistently maintain brand health and relevance
  - Realize potential of younger businesses
- **Focus on Key Financial Metrics**
  - Drive profitable sales growth
  - Improve operating margin
  - Accelerate bottom-line growth
  - Continued strong cash flow generation



# KEY FINANCIAL HIGHLIGHTS

- Poised for strong 8 - 10% annualized revenue growth over next 5 years
- Projected 10 - 15% annualized profit growth over next 5 years
- Objective of expanding operating margin to mid-teens level
  - Gross margin improvement
  - Leverage infrastructure
- Strong balance sheet
- Continued strong cash flow generation



# KEY ACCOMPLISHMENTS

- Repatriation of \$150 million in a tax-efficient manner
- Established globally efficient debt structure
- Utilized approximately 50% of Swiss NOL obtained in Ebel acquisition
  - Reversed entire \$9M of intangible assets originally established with the acquisition
  - Lowered effective tax rate for FY2007
- Increased quarterly dividend for fourth consecutive year



# NET SALES

\$ in MILLIONS

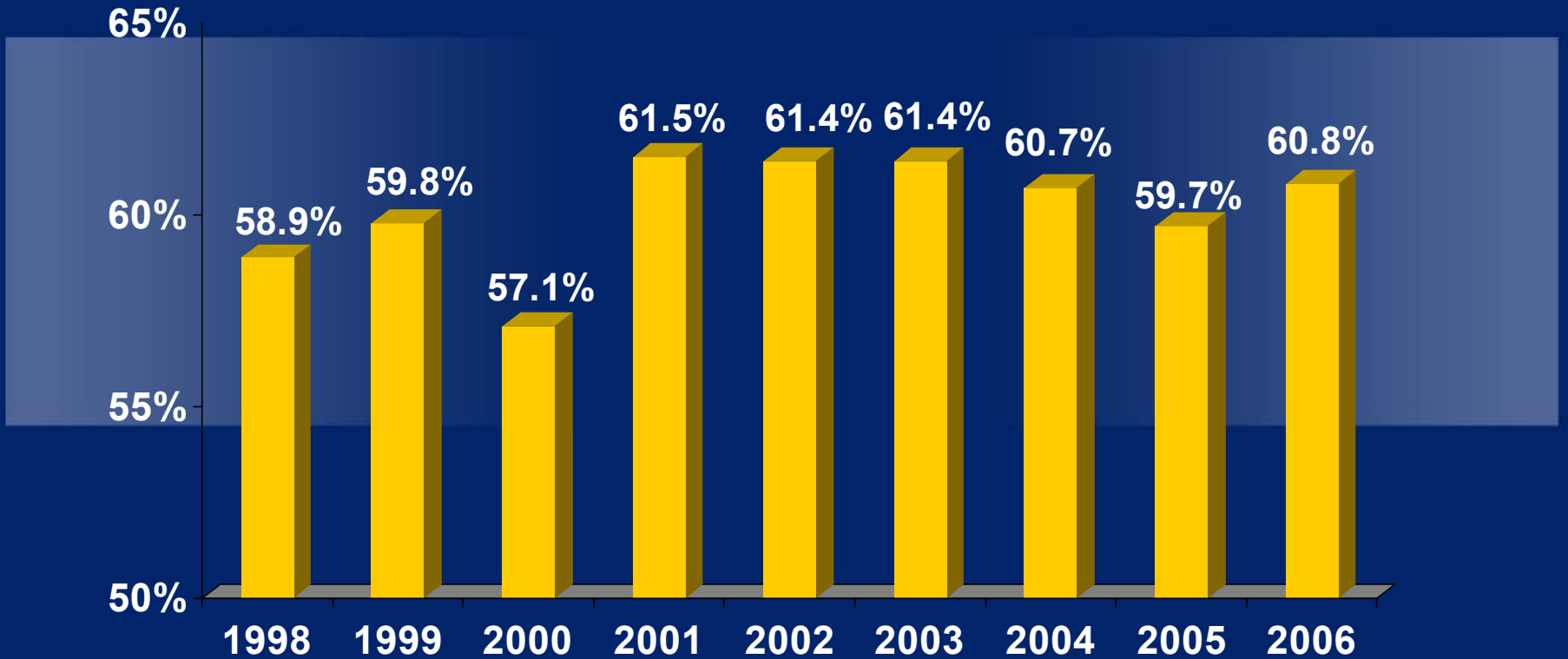


Net sales from  
ongoing operations



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# GROSS PROFIT %



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# OPERATING PROFIT

\$ in MILLIONS

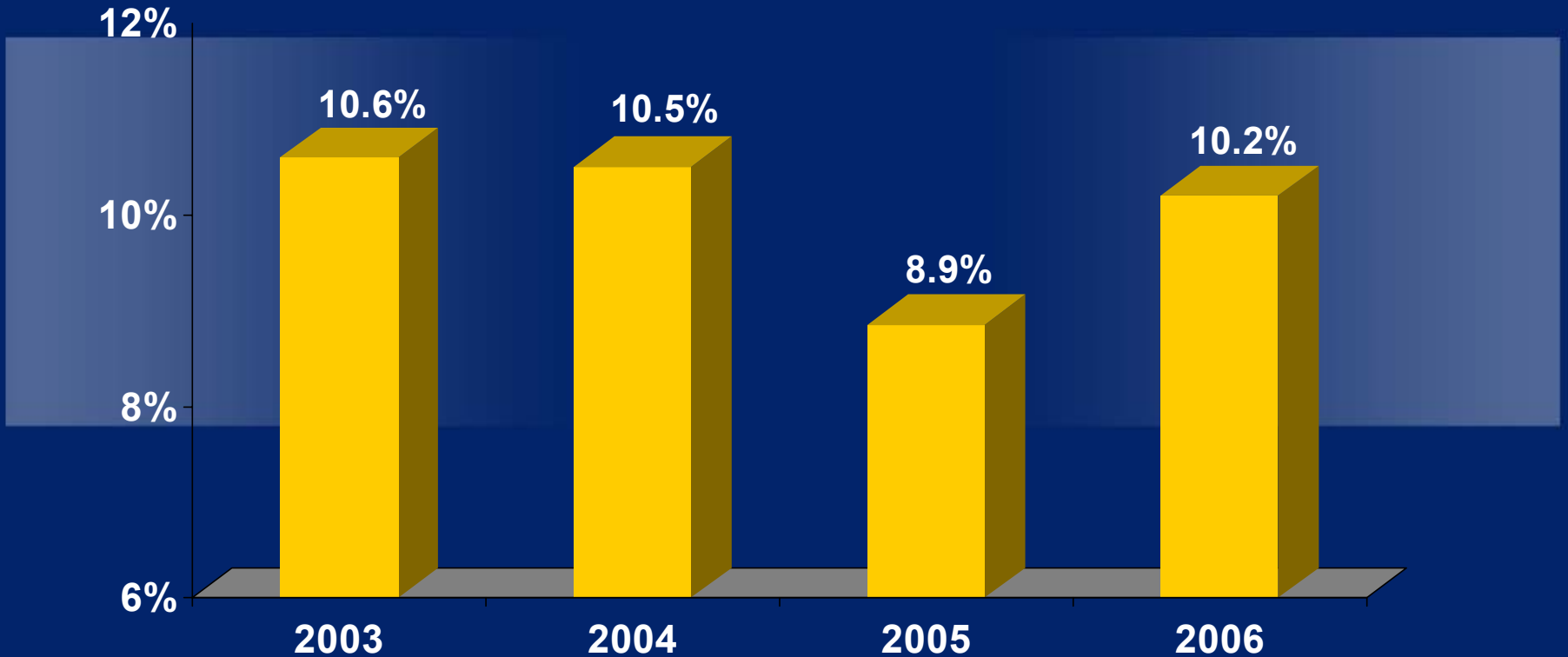


Fiscal 2005 and Fiscal 2006 exclude certain one-time and unusual items.



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# OPERATING PROFIT %



Fiscal 2005 and Fiscal 2006 exclude certain one-time and unusual items.



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# DILUTED EARNINGS PER SHARE PERFORMANCE



Fiscal 2005 and Fiscal 2006 exclude certain one-time and unusual items.



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# FINANCIAL STRENGTH

## SHAREHOLDERS EQUITY

\$ in MILLIONS



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# CASH FLOW FROM OPERATIONS

\$ in MILLIONS

\$200+ MILLION  
Generated Over 7 Years



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# DIVIDEND GROWTH PER SHARE



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# FIRST QUARTER SNAPSHOT

- Net sales grew 11.4% from last year to \$97.7 million
- Strong gross margin of 61.0%
- Operating profit increased 60.5% from last year to \$3.4 million
- Net income and EPS more than doubled from LY to \$2.9 million and \$0.11, respectively



# FISCAL 2007 PROJECTIONS

- Net sales projected to grow at higher end of 9% -11% range over last year
- Strong gross margin of approximately 60.8%
- EPS estimated to range between \$1.53 and \$1.58, includes \$0.08 equity compensation expense and \$0.14 NOL tax benefit
- Continued strong cash flow generation





# KEY INVESTMENT HIGHLIGHTS

- Powerful portfolio of brands and businesses
- Consistent track record of profitable growth
- Strong balance sheet
- Strong cash flow generator





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