

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): DECEMBER 7, 2006

MOVADO GROUP, INC.

(Exact name of registrant as specified in charter)

NEW YORK

(State or other jurisdiction of incorporation)

1-16497

13-2595932

(Commission File Number)

(IRS Employer Identification Number)

650 FROM ROAD
PARAMUS, NEW JERSEY

07652

(Address of principal executive offices)

(Zip Code)

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

NOT APPLICABLE

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (SEE General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On December 7, 2006, Movado Group, Inc. issued a press release announcing its results for the third quarter ended October 31, 2006. The press release is attached hereto as Exhibit 99.1 and is incorporated by reference into this item. The information in this Current Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as shall be expressly set forth by specific reference in any such filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

| EXHIBIT NO. | DESCRIPTION |
|-------------|-------------|
|-------------|-------------|

| | |
|------|--|
| 99.1 | Press Release of Movado Group, Inc. dated December 7, 2006 |
|------|--|

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned, hereunto duly authorized.

Dated: December 7, 2006

MOVADO GROUP, INC.

By: /s/ Timothy F. Michno

Name: Timothy F. Michno

Title: General Counsel

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

Movado
 Ebel
 Concord
 ESQ SWISS
 Coach Watches
 Tommy Hilfiger Watches
 Hugo Boss Watches
 Juicy Couture Watches

CONTACT: Investor Relations
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 Vice President, Corporate Communications
 201-267-8000

Financial Dynamics
 Melissa Myron/Rachel Albert
 212-850-5600

 FOR IMMEDIATE RELEASE

MOVADO GROUP, INC. REPORTS THIRD QUARTER RESULTS

PARAMUS, NJ - DECEMBER 7, 2006 -- MOVADO GROUP, INC. (NYSE: MOV), today announced third quarter and nine-month results for the period ended October 31, 2006.

THIRD QUARTER FISCAL 2007

- o Net sales increased \$24.5 million, or 17.3%, to \$166.3 million from \$141.7 million last year. Net sales for the quarter included \$12.1 million of excess discontinued product.
- o Comparable store sales increased 0.5% at the Company's Movado boutiques versus a 10.6% gain achieved last year.
- o Gross profit was \$97.9 million, or 58.9% of sales, compared to \$86.2 million, or 60.8% of sales last year. Excluding excess discontinued product sales, adjusted gross profit was \$97.9 million, or 63.5% of sales.
- o Operating profit was \$19.8 million versus \$19.0 million last year and includes two unusual items:
 - o A change in estimate of the Company's reserve for accounts receivable, which resulted in a \$6.0 million non-cash charge, or \$0.14 per fully diluted share.
 - o A \$2.2 million gain from an out-of-period adjustment related to foreign currency, or \$0.06 per fully diluted share.
- o Adjusted operating profit, which excludes those unusual items, was \$23.6 million, a 24.0% increase from adjusted operating profit in the year-ago period. (SEE ATTACHED TABLE FOR RECONCILIATION OF GAAP TO NON-GAAP MEASURES.)
- o Net interest expense was \$0.2 million versus \$1.2 million last year:
 - o Interest expense for the quarter was \$1.0 million compared to \$1.3 million in the year-ago period.
 - o Interest income for the quarter was \$0.8 million compared to \$0.1 million last year.
- o An income tax benefit of \$2.0 million was recorded in the third quarter compared to income tax expense of \$4.7 million, or a 25.0% tax rate, recorded last year. The further utilization of a Swiss net operating loss carryforward (NOL) acquired with the Ebel brand in fiscal 2005 contributed \$0.25 to third quarter diluted earnings per share. The Company continues to benefit from the utilization of its NOL and now anticipates a fiscal 2007 tax rate of approximately 5.0%.
- o On a reported basis, net income and earnings per share were \$21.9 million and \$0.82, respectively, versus net income of \$14.1 million and earnings per diluted share of \$0.54 in the year-ago period.
- o Adjusting for unusual items recorded in fiscal 2007 and fiscal 2006, third quarter net income increased 31.9% to \$17.2 million from \$13.1 million last year, and earnings per diluted share increased 28.0% to \$0.64 in the third quarter from \$0.50 in the year-ago period. (SEE ATTACHED TABLE FOR RECONCILIATION OF GAAP TO NON-GAAP MEASURES.)

NINE-MONTH RESULTS

- o Net sales increased 13.3% to \$390.6 million from \$344.8 million last year and included \$12.1 million of excess discontinued product sales recorded in the third quarter.
- o Comparable store sales increased 5.0% at the Company's Movado boutiques

matching a 5.0% gain achieved last year.

- o Gross profit was \$236.0 million, or 60.4% of sales, compared to \$209.0 million, or 60.6% of sales in the year-ago period. Excluding excess discontinued product sales, adjusted gross profit was \$236.0 million, or 62.4% of sales.
- o Operating profit was \$37.3 million versus \$33.4 million last year and includes the previously mentioned unusual items recorded in the third quarter of this year.
- o Adjusted operating profit, which excludes those unusual items, was \$41.1 million, a 22.9% increase over adjusted operating profit in the comparable period last year. (SEE ATTACHED TABLE FOR RECONCILIATION OF GAAP TO NON-GAAP MEASURES.)
- o Net interest expense was \$0.6 million versus \$2.9 million last year:
 - o Interest expense for the nine-month period was \$2.8 million compared to \$3.1 million in the year-ago period.
 - o Interest income for the nine-month period was \$2.3 million compared to \$0.2 million last year.
- o Income tax expense of \$1.0 million reflects a 2.8% tax rate in the year-to-date period compared to income tax expense of \$7.9 million, or a 25.0% tax rate recorded last year, and reflects the further utilization of the Swiss NOL acquired with the Ebel brand in fiscal 2005.
- o On a reported basis, net income and earnings per share were \$36.1 million and \$1.35, respectively, versus net income of \$23.7 million and earnings per diluted share of \$0.91 in the year-ago period.
- o Adjusting for unusual items recorded in fiscal 2007 and fiscal 2006, net income for the nine-month period increased 33.3% to \$30.1 million from \$22.6 million last year, and earnings per diluted share increased 29.9% to \$1.13 in the nine-month period from \$0.87 in the year-ago period. (SEE ATTACHED TABLE FOR RECONCILIATION OF GAAP TO NON-GAAP MEASURES.)

Efraim Grinberg, President and Chief Executive Officer, commented, "We are very pleased with our performance in the third quarter reflecting the strength of our brands and the consistent execution of our strategies. We continue to see solid momentum across our portfolio, from luxury timepieces to fashion watches, driven by product innovation, dynamic marketing programs and advertising campaigns, and strong marketplace execution."

Rick Cote, Executive Vice President and Chief Operating Officer, stated, "Our strong financial results and balance sheet speak to the fundamental strength of our business model. Throughout the quarter and year-to-date period, our global team demonstrated strong operating disciplines which translated into expanded gross margins and operating profit growth. During the quarter, we also took advantage of an opportunity to convert discontinued product into cash, thereby improving our inventory mix and driving cash flow. Going forward, we will continue to focus on growing our operating margin through a combination of gross margin improvement and the leveraging of our existing infrastructure."

On a GAAP basis, Movado Group projects fiscal 2007 diluted earnings per share to range between \$1.77 and \$1.82 versus GAAP diluted earnings per share of \$1.02 recorded in fiscal 2006. Fiscal 2007 GAAP earnings projections are based on an approximate 5% tax rate.

On an adjusted basis, which excludes the unusual items reconciled in the attached table and which is based on a normalized 25% effective tax rate, the Company's fiscal 2007 diluted earnings per share range of \$1.77 to \$1.82, translates to a range of \$1.45 to \$1.50. This represents a 16% to 20% increase from fiscal 2006 adjusted EPS of \$1.25, which also excluded unusual items and was based on an effective tax rate of 25%. Included in the Company's fiscal 2007 guidance is an estimated \$0.08 per diluted share expense related to equity compensation.

The Company's management will host a conference call today, December 7th at 10:00 a.m. Eastern Time. A live broadcast of the call will be available on the Company's website: www.movadogroup.com. This call will be archived online within one hour of the completion of the conference call.

Movado Group, Inc. designs, manufactures, and distributes Movado, Ebel, Concord, ESQ, Coach, Tommy Hilfiger, HUGO BOSS and Juicy Couture watches worldwide, and operates Movado boutiques and company stores in the United States. The Company plans to launch LACOSTE watches in the spring of 2007.

IN THIS RELEASE, THE COMPANY PRESENTS CERTAIN ADJUSTED FINANCIAL MEASURES THAT ARE NOT CALCULATED ACCORDING TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES ("GAAP"). THESE NON-GAAP FINANCIAL MEASURES ARE DESIGNED TO COMPLEMENT THE GAAP FINANCIAL INFORMATION PRESENTED IN THIS RELEASE BECAUSE MANAGEMENT BELIEVES THEY PRESENT INFORMATION REGARDING THE COMPANY THAT MANAGEMENT BELIEVES IS USEFUL TO INVESTORS. THE NON-GAAP FINANCIAL MEASURES PRESENTED SHOULD NOT BE CONSIDERED IN ISOLATION FROM OR AS A SUBSTITUTE FOR THE COMPARABLE GAAP FINANCIAL MEASURE.

THE COMPANY IS PRESENTING NET SALES EXCLUDING EXCESS DISCONTINUED PRODUCT SALES (AND GROSS PROFIT EXCLUDING SUCH SALES) BECAUSE THE COMPANY BELIEVES

THAT IT IS USEFUL TO INVESTORS TO ELIMINATE THE EFFECT OF THESE UNUSUAL SALES IN ORDER TO IMPROVE THE COMPARABILITY OF THE COMPANY'S RESULTS FOR THE PERIODS PRESENTED.

THE COMPANY PRESENTS ADJUSTED OPERATING PROFIT, WHICH IS OPERATING PROFIT EXCLUDING A NON-CASH CHARGE TO ACCOUNTS RECEIVABLE RESERVE DUE TO A CHANGE IN ESTIMATE AND A ONE-TIME BENEFIT RECORDED FOR AN OUT-OF-PERIOD ADJUSTMENT RELATED TO FOREIGN CURRENCY. THE COMPANY EXCLUDES THE CHARGE TO ACCOUNTS RECEIVABLE RESERVE BECAUSE IT IS A NON-CASH, NON-RECURRING CHARGE. THE COMPANY EXCLUDES THE OUT-OF-PERIOD ADJUSTMENT RELATED TO FOREIGN CURRENCY BECAUSE IT DOES NOT RELATE TO THE PERIODS BEING PRESENTED. MANAGEMENT BELIEVES THAT PRESENTING ADJUSTED OPERATING PROFIT IS USEFUL TO INVESTORS BECAUSE THE EXCLUSION OF NON-RECURRING, NON-CASH CHARGES AND OUT-OF-PERIOD ADJUSTMENTS ENHANCES THE COMPARABILITY OF FISCAL 2007 OPERATING RESULTS WITH FISCAL 2006 OPERATING RESULTS AND GIVES A BETTER INDICATION OF THE GROWTH IN THE COMPANY'S OPERATING PERFORMANCE THAT OCCURRED BETWEEN THE PERIODS COMPARED.

ADJUSTED NET INCOME IS CALCULATED BY EXCLUDING CERTAIN NON-OPERATIONAL AND UNUSUAL ITEMS FROM NET INCOME, SUCH AS A NON-CASH CHARGE TO ACCOUNTS RECEIVABLE RESERVE DUE TO A CHANGE IN ESTIMATE, A ONE-TIME BENEFIT RECORDED FOR AN OUT-OF-PERIOD ADJUSTMENT RELATED TO FOREIGN CURRENCY, A NON-RECURRING GAIN ON THE SALE OF A BUILDING, A LOSS ON DISCONTINUED CURRENCY HEDGE DERIVATIVES AND THE UTILIZATION OF AN ACQUIRED EBEL TAX NET OPERATING LOSS CARRYFORWARD. MANAGEMENT BELIEVES THAT PRESENTING ADJUSTED NET INCOME (AND ADJUSTED NET INCOME PER SHARE) IS USEFUL TO INVESTORS BECAUSE THE EXCLUSION OF NON-OPERATIONAL AND UNUSUAL ITEMS PROVIDES INVESTORS WITH ADDITIONAL INFORMATION REGARDING THE COMPANY'S OPERATING RESULTS AND PERFORMANCE BECAUSE CHANGES IN THE COMPANY'S OPERATIONS MAY BE MASKED BY THOSE UNUSUAL ITEMS. PRESENTATION OF ADJUSTED NET INCOME PROVIDES INVESTORS WITH ANOTHER MEASURE WITH WHICH TO COMPARE THE COMPANY'S FISCAL 2007 OPERATING RESULTS AND ITS FISCAL 2006 OPERATING RESULTS.

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 FASHION AND RETAIL INDUSTRY, IMPORT RESTRICTIONS, COMPETITION, SEASONALITY, COMMODITY PRICE AND EXCHANGE RATE FLUCTUATIONS, CHANGES IN LOCAL OR GLOBAL ECONOMIC CONDITIONS, AND THE OTHER FACTORS DISCUSSED IN THE COMPANY'S ANNUAL REPORT ON FORM 10-K AND OTHER FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE STATEMENTS REFLECT THE COMPANY'S CURRENT BELIEFS AND ARE BASED UPON INFORMATION CURRENTLY AVAILABLE TO IT. BE ADVISED THAT DEVELOPMENTS SUBSEQUENT TO THIS PRESS RELEASE ARE LIKELY TO CAUSE THESE STATEMENTS TO BECOME OUTDATED WITH THE PASSAGE OF TIME.

(Tables to follow)

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

| | THREE MONTHS ENDED OCTOBER 31, | | NINE MONTHS ENDED OCTOBER 31, | |
|--|-----------------------------------|------------|----------------------------------|------------|
| | 2006 | 2005 | 2006 | 2005 |
| Net sales | \$ 166,272 | \$ 141,736 | \$ 390,604 | \$ 344,818 |
| Cost of sales | 68,370 | 55,563 | 154,600 | 135,821 |
| Gross profit | 97,902 | 86,173 | 236,004 | 208,997 |
| Selling, general and administrative expenses | 78,123 | 67,163 | 198,717 | 175,563 |
| Operating profit | 19,779 | 19,010 | 37,287 | 33,434 |
| Other income, net | 374 | 1,008 | 374 | 1,008 |
| Interest expense | (987) | (1,292) | (2,849) | (3,090) |
| Interest income | 753 | 84 | 2,260 | 189 |

| | | | | |
|--------------------------------------|-----------|-----------|-----------|-----------|
| Minority interest | 2 | -- | 66 | -- |
| | ----- | ----- | ----- | ----- |
| Income before income taxes | 19,921 | 18,810 | 37,138 | 31,541 |
| Income tax | (1,964) | 4,702 | 1,049 | 7,885 |
| | ----- | ----- | ----- | ----- |
| Net income | \$ 21,885 | \$ 14,108 | \$ 36,089 | \$ 23,656 |
| | ===== | ===== | ===== | ===== |
| Net income per diluted share | \$ 0.82 | \$ 0.54 | \$ 1.35 | \$ 0.91 |
| Shares used in per share computation | 26,799 | 26,211 | 26,659 | 26,123 |

MOVADO GROUP, INC.
RECONCILIATION TABLES
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

| | ----- THREE MONTHS ENDED OCTOBER 31, ----- | | ----- NINE MONTHS ENDED OCTOBER 31, ----- | |
|--|---|--------------------|--|--------------------|
| | 2006 | 2005 | 2006 | 2005 |
| Operating Profit (GAAP) | \$ 19,779 | \$ 19,010 | \$ 37,287 | \$ 33,434 |
| A/R Reserve Adjustment (1) | 6,000 | -- | 6,000 | -- |
| Out-of-Period FX Adjustment (2) | (2,211) | -- | (2,211) | -- |
| Adjusted Operating Profit (Non-GAAP) | \$ 23,568 ===== | \$ 19,010 ===== | \$ 41,076 ===== | \$ 33,434 ===== |
| | ----- THREE MONTHS ENDED OCTOBER 31, ----- | | ----- NINE MONTHS ENDED OCTOBER 31, ----- | |
| | 2006 | 2005 | 2006 | 2005 |
| Net Income (GAAP) | \$ 21,885 | \$ 14,108 | \$ 36,089 | \$ 23,656 |
| A/R Reserve Adjustment (1) | 3,706 | -- | 3,706 | -- |
| Out-of-Period FX Adjustment (2) | (1,729) | -- | (1,729) | -- |
| Gain on Sale of Building (3) | -- | (2,057) | -- | (2,057) |
| Currency Loss (4) | -- | 1,002 | -- | 1,002 |
| NOL Utilization (5) | (6,647) | -- | (7,938) | -- |
| Adjusted Net Income (Non-GAAP) | \$ 17,215 ===== | \$ 13,053 ===== | \$ 30,128 ===== | \$ 22,601 ===== |
| Number of shares outstanding | 26,799 | 26,211 | 26,659 | 26,123 |
| Adjusted Net Income per share (Non-GAAP) | \$ 0.64 | \$ 0.50 | \$ 1.13 | \$ 0.87 |

- (1) Non-cash charge to accounts receivable reserve due to a change in estimate.
- (2) One-time benefit recorded for an out-of-period adjustment related to foreign currency.
- (3) Gain of sale on building acquired with Ebel.
- (4) Loss on discontinued foreign currency hedge derivatives.
- (5) Utilization of acquired Ebel tax net operating loss carryforwards.

MOVADO GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)
(Unaudited)

| | OCTOBER 31, 2006 ----- | JANUARY 31, 2006 ----- | OCTOBER 31, 2005 ----- |
|---|------------------------------|------------------------------|------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 79,908 | \$123,625 | \$ 56,064 |
| Trade receivables, net | 159,010 | 106,619 | 144,975 |
| Inventories | 207,709 | 198,582 | 208,943 |
| Other | 33,740 | 26,319 | 27,603 |
| | ----- | ----- | ----- |
| Total current assets | 480,367 | 455,145 | 437,585 |
| | ----- | ----- | ----- |
| Property, plant and equipment, net | 53,339 | 52,168 | 51,706 |
| Other assets | 47,058 | 39,373 | 37,846 |
| | ----- | ----- | ----- |
| | \$580,764 | \$546,686 | \$527,137 |
| | ===== | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Loans payable to banks | \$ 0 | \$ 0 | \$ 44,000 |
| Current portion of long-term debt | 5,000 | 5,000 | -- |
| Accounts payable | 35,948 | 33,120 | 32,497 |
| Accrued liabilities | 52,465 | 42,268 | 57,620 |
| Deferred and current taxes payable | 7,634 | 8,227 | 7,055 |
| | ----- | ----- | ----- |
| Total current liabilities | 101,047 | 88,615 | 141,172 |
| | ----- | ----- | ----- |
| Long-term debt | 82,435 | 104,955 | 45,000 |
| Deferred and non-current income taxes | 11,050 | 11,947 | 9,741 |
| Other liabilities | 21,714 | 19,491 | 17,629 |
| Minority interest | 244 | -- | -- |
| Shareholders' equity | 364,274 | 321,678 | 313,595 |
| | ----- | ----- | ----- |
| | \$580,764 | \$546,686 | \$527,137 |
| | ===== | ===== | ===== |