

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): March 23, 2005

MOVADO GROUP, INC.
(Exact name of registrant as specified in its charter)

NEW YORK
(State or other jurisdiction of incorporation)

0-22378
(Commission File Number)

13-2595932
(IRS Employer Identification No.)

650 FROM ROAD
PARAMUS, NJ
(Address of principal executive offices)

07652
(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 March 23, 2005, Movado Group, Inc. issued a press release announcing its results for the fourth quarter and year ended January 31, 2005. 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.

(c) Exhibits.

99.1 Press release of Movado Group, Inc. dated March 23, 2005.

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: March 23, 2005

MOVADO GROUP, INC.

By: /s/ Frank Kimick

Frank Kimick
Vice President & Treasurer

[MOVADO GROUP INC. LOGO]
MOVADO GROUP INC.

Movado
Ebel
Concord
ESQ SWISS
Coach Watches
Tommy Hilfiger Watches
Hugo Bass Watches

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

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

Financial Dynamics
Rachel Albert
212-850-5600

FOR IMMEDIATE RELEASE

MOVADO GROUP, INC. REPORTS STRONG FOURTH QUARTER
AND FISCAL 2005 RESULTS

~ COMPANY POSTS DOUBLE DIGIT GAINS IN SALES AND PROFITS IN Q4 AND FULL YEAR ~

PARAMUS, NJ - MARCH 23, 2005 -- MOVADO GROUP, INC. (NYSE: MOV), today announced results for the fourth quarter and fiscal year ended January 31, 2005.

FOURTH QUARTER FISCAL 2005

- - Net sales for the quarter were \$120.0 million, a 29.4% increase over last year. The acquisition of Ebel accounted for net sales of \$17.3 million.
- - Comparable store sales at the Company's Movado boutiques increased 2.9% on top of a 15.1% gain in the year-ago period.
- - Gross margin was 59.7% compared to 59.6% last year.
- - Operating profit was \$8.6 million and includes a \$2.0 million non-cash impairment charge related to the Movado boutique in Soho in New York City, which the Company continues to operate. The Company determined that this charge was necessary as this location's performance never fully recovered from the economic impact of September 11, 2001.
- - The Company recorded a lower than anticipated tax rate of 5.4% in the fourth quarter due to non-recurring favorable tax benefits including a retroactive favorable tax ruling and the tax benefit associated with the previously mentioned impairment charge.
- - Net income increased 16.4% to \$7.2 million compared to \$6.2 million last year.
- - Earnings per diluted share increased to \$0.28, or a 16.7% increase from \$0.24 reported in the year-ago period. Fourth quarter earnings included a gain of \$0.05 related to the aforementioned tax benefits and a

loss of \$0.05 related to the previously cited impairment charge. Ebel was slightly accretive to earnings during the quarter.

FISCAL 2005 RESULTS

- - Net sales increased 26.9% to \$419.0 million versus net sales of \$330.2 million last year. The acquisition of Ebel accounted for net sales of \$45.4 million.
- - Comparable store sales increased 11.2% at the Company's Movado boutiques on top of a 20.1% gain recorded last year.
- - Gross margin was 59.7% compared to 60.7% last year.
- - Operating profit increased to \$35.1 million and includes the previously mentioned \$2.0 million impairment charge recorded in the fourth quarter of fiscal 2005.
- - The Company recorded a lower than anticipated tax rate of 20.5% reflecting non-recurring favorable tax benefits including a retroactive favorable tax ruling and the benefit associated with the previously cited impairment charge recognized in the fourth quarter of fiscal 2005.
- - Net income increased 15.1% to \$26.3 million compared to \$22.9 million last year.
- - Earnings per diluted share increased 12.0% to \$1.03 from \$0.92 last year. Earnings results included a \$0.03 gain associated with a favorable legal settlement recorded in the second quarter of fiscal 2005. Full year earnings also included a gain of \$0.05 related to the aforementioned tax benefits and a loss of \$0.05 related to the previously cited impairment charge, both recognized in the fourth quarter. Ebel was dilutive to full year earnings by \$0.11 per share.

Efraim Grinberg, President and Chief Executive Officer, stated, "Fiscal 2005 was an exciting year for Movado Group with significant accomplishments delivered across our organization. From a financial standpoint, we reported an excellent year with double digit growth in sales and profits, along with strong cash flow generation. Operationally, we integrated Ebel's worldwide business into Movado Group and began revitalizing its image as a premier global luxury brand, while keeping a steady focus on the disciplined execution of our base business. Strategically, we strengthened our brands' awareness and positioning in each segment of the market that we compete. Specifically, we continue to increase Movado's market share, strengthen Concord's international presence, grow our Coach and Tommy Hilfiger licensed businesses, and successfully reposition ESQ in the entry level Swiss watch category. We also enhanced our portfolio with the addition of the Hugo Boss watch license."

Rick Cote, Executive Vice President and Chief Operating Officer, stated, "Building on our strong momentum, in fiscal 2006 we will continue to strengthen our brands with innovative new products and strong marketing support across our portfolio. On the international front, we have identified key target growth markets for each of our brands as we look to expand our portfolio globally. This year, we will prudently invest across our brands and businesses, both domestically and internationally, to take advantage of these opportunities."

Movado Group currently anticipates fiscal 2006 earnings per share to range between \$1.15 and \$1.21 including an approximate \$0.07 per diluted share expense related to the Company's equity compensation,

which consists of both stock options and restricted stock. The Company plans to adopt SFAS 123R ("Accounting for Share-Based Payment") in the third quarter of fiscal 2006.

The Company's management will host a conference call today, March 23, 2005 at 10:00 a.m. Eastern Time to discuss its fourth quarter and year-end financial results. 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 and Hugo Boss watches worldwide, and operates Movado boutiques and company stores in the United States.

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as "expects," "anticipates," "believes," "targets," "goals," "projects," "intends," "plans," "seeks," "estimates," "projects," "may," "will," "should" and similar expressions. Similarly, statements in this press release that describe the Company's business strategy, outlook, objectives, plans, intentions or goals are also forward-looking statements. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the Company's actual results, performance or achievements and levels of future dividends to differ materially from those expressed in, or implied by, these statements. These risks and uncertainties may include, but are not limited to: the Company's ability to successfully introduce and sell new products, the Company's ability to successfully integrate the operations of Ebel without disruption to its other business activities, changes in consumer demand for the Company's products, risks relating to the retail industry, import restrictions, competition, seasonality and the other factors discussed in the Company's Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. These statements reflect the Company's current beliefs and are based upon information currently available to it. Be advised that developments subsequent to this press release are likely to cause these statements to become outdated with the passage of time.

(Tables to follow)

MOVADO GROUP, INC.
Consolidated Statements of Operations
(in thousands, except per share data)
(Unaudited)

	Three Months Ended January 31,		Twelve Months Ended January 31,	
	----- 2005 ----	----- 2004 ----	----- 2005 ----	----- 2004 ----
Net sales	\$119,968	\$ 92,732	\$418,966	\$330,214
Cost of sales	48,324	37,444	168,818	129,908
	-----	-----	-----	-----
Gross profit	71,644	55,288	250,148	200,306
Selling, general and administrative expenses	63,007	46,047	215,072	165,525
	-----	-----	-----	-----
Operating profit	8,637	9,241	35,076	34,781
Income from litigation settlement, net	--	--	1,444	--
Interest expense	1,050	672	3,430	3,044
	-----	-----	-----	-----
Income before income taxes	7,587	8,569	33,090	31,737
Income tax	407	2,399	6,783	8,886
	-----	-----	-----	-----
Net income	\$ 7,180	\$ 6,170	\$ 26,307	\$ 22,851
	=====	=====	=====	=====
Net income per diluted share	\$ 0.28	\$ 0.24	\$ 1.03	\$ 0.92
Shares used in per share computation	25,828	25,364	25,583	24,877

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

	January 31, 2005 ----	January 31, 2004 ----
ASSETS		
Cash and cash equivalents	\$ 63,782	\$ 82,083
Trade receivables, net	102,622	88,800
Inventories	187,890	121,678
Other	32,239	28,378
	-----	-----
Total current assets	386,533	320,939
	-----	-----
Property, plant and equipment, net	50,283	42,112
Other assets	38,884	28,362
	-----	-----
	\$475,700	\$391,413
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Loans payable to banks	\$ 0	\$ 0
Current portion of long-term debt	0	10,000
Accounts payable	38,488	23,631
Accrued liabilities	39,618	25,781
Deferred and current taxes payable	3,916	18,111
	-----	-----
Total current liabilities	82,022	77,523
	-----	-----
Long-term debt	45,000	25,000
Deferred and non-current income taxes	14,911	2,282
Other liabilities	17,209	11,895
Shareholders' equity	316,558	274,713
	-----	-----
	\$475,700	\$391,413
	=====	=====