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, 2005

[ ] 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 or 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 an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes [X] No [ ]

The number of shares outstanding of the registrant's common stock and class A common stock as of May 31, 2005 were 18,364,408 and 6,780,691, respectively.

MOVADO GROUP, INC.

Index to Quarterly Report on Form 10-Q
April 30, 2005

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, 2005	January 31, 2005	April 30, 2004
ASSETS			
Current assets:			
Cash and cash equivalents	$ 49,641	$ 63,782	$ 35,948
Trade receivables, net	99,925	102,622	99,546
Inventories, net	204,896	187,890	176,001
Other	37,701	32,758	31,585
Total current assets	392,163	387,052	343,080
Property, plant and equipment, net	50,944	50,283	45,713
Other	37,139	39,615	36,149
Total assets	$ 480,246	$ 476,950	$ 424,942
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Loans payable to banks	$ 18,000	$ -	$ 27,450
Mortgage payable	-	-	5,089
Current portion of long-term debt	-	-	5,000
Accounts payable	35,289	38,488	26,281
Accrued liabilities	35,830	39,618	42,041
Deferred taxes	5,131	5,250	5,798
Total current liabilities	94,250	83,356	111,659
Long-term debt	45,000	45,000	25,000
Deferred and non-current income taxes	12,046	14,827	10,435
Other liabilities	16,425	17,209	11,820
Total liabilities	167,721	160,392	158,914
Commitments and contingencies (Note 9)			
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; 22,973,787, 22,580,459 and 21,819,840 shares issued and outstanding, respectively	230	226	218
Class A Common Stock, $0.01 par value, 30,000,000 shares authorized; 6,782,040, 6,801,812 and 6,801,812 shares issued and outstanding, respectively	68	68	68
Capital in excess of par value	102,410	100,289	90,053
Retained earnings	214,695	214,953	192,356
Accumulated other comprehensive income	46,188	48,707	25,697
Treasury Stock, 4,612,976, 4,433,553 and 4,086,724 shares, respectively, at cost	(51,066)	(47,685)	(42,364)
Total shareholders' equity	312,525	316,558	266,028
Total liabilities and shareholders' equity	$ 480,246	$ 476,950	$ 424,942

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, 2005	2004
Net sales	$ 87,756	$ 74,187
Cost of sales	34,918	30,802
Gross profit	52,838	43,385
Selling, general and administrative	50,699	41,678
Operating income	2,139	1,707
Net interest expense	809	725
Income before income taxes	1,330	982
Provision for income taxes	333	246
Net income	$ 997	$ 736
Earnings per share:		
Basic	$ 0.04	$ 0.03
Diluted	$ 0.04	$ 0.03
Weighted average shares outstanding:		
Basic	25,051	24,536
Diluted	26,020	25,508

See Notes to Consolidated Financial Statements

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

	Three Months Ended April 30, 2005	Three Months Ended April 30, 2004
Cash flows from operating activities:		
Net income	$ 997	$ 736
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	4,230	2,905
Deferred income taxes	(469)	(1,237)
Provision for losses on accounts receivable	300	(182)
Provision for losses on inventory	(99)	393
Changes in assets and liabilities:		
Trade receivables	2,184	4,917
Inventories	(17,477)	(18,312)
Other current assets	(6,524)	(1,432)
Accounts payable	(3,078)	1,255
Accrued liabilities	(4,011)	(7,480)
Current taxes payable	1,318	(2,624)
Other non-current assets	1,056	(674)
Other non-current liabilities	(779)	731
Net cash used in operating activities	(22,352)	(21,004)
Cash flows from investing activities:		
Capital expenditures	(4,772)	(3,916)
Acquisition of Ebel, net of cash acquired	-	(38,985)
Trademarks	(85)	(19)
Net cash used in investing activities	(4,857)	(42,920)
Cash flows from financing activities:		
Net proceeds from bank borrowings	18,000	22,410
Stock options exercised and other changes	(1,257)	336
Dividends paid	(1,255)	(981)
Net cash provided by financing activities	15,488	21,765
Effect of exchange rate changes on cash and cash equivalents	(2,420)	(3,976)
Net decrease in cash and cash equivalents	(14,141)	(46,135)
Cash and cash equivalents at beginning of period	63,782	82,083
Cash and cash equivalents at end of period	$ 49,641	$ 35,948

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 2005 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 presentation 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 - RECLASSIFICATION

Certain reclassifications were made to prior years' financial statement amounts and related note disclosures to conform to the fiscal 2006 presentation.

NOTE 2 - ACQUISITION

On December 22, 2003, the Company entered into an agreement to acquire Ebel S.A. and the worldwide business related to the Ebel brand (collectively "Ebel") from LVMH Moet Hennessy Louis Vuitton ("LVMH"). On March 1, 2004, the Company completed the acquisition of Ebel with the exception of the payment for the acquired Ebel business in Germany, which was completed July 30, 2004.

In accordance with Emerging Issues Task Force No. 95-3 ("EITF 95-3"), "Recognition of Liabilities in Connection with a Purchase Business Combination", the Company recognized costs associated with exiting an activity of an acquired company and involuntary termination of employees of an acquired company as liabilities assumed in a purchase business combination and included the liabilities in the allocation of the acquisition cost. The liability recognized in connection with the acquisition of Ebel was comprised of approximately $2.4 million for employee severance, $0.2 million for lease terminations, $1.7 million for exit costs related to certain promotional and purchase contracts and $0.4 million of other liabilities. As of April 30, 2005, payments against employee severance, lease terminations, exit costs and other liabilities amounted to $1.3 million, $0.2 million, $1.1 million and $0.4 million, respectively. There were no further adjustments related to the abovementioned accruals as of April 30, 2005.

Pro Forma Financial Information

The unaudited financial information in the table below summarizes the combined results of operations of the Company and Ebel, on a pro forma basis, as though the acquisition had been completed as of the beginning of the three month period ended April 30, 2004. This pro forma financial information is presented for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved had the acquisition taken place at the beginning of the three month period ended April 30, 2004. The unaudited pro forma condensed combined statement of income for the three month period ended April 30, 2004 combines the historical results for the Company for the three month period ended April 30, 2004 and the historical results for Ebel for the period preceding the acquisition of February 1 through February 29, 2004.

The following amounts are in thousands, except per share amounts:

	Three Months Ended April 30, 2004
Revenues	$ 75,556
Net income	($ 1,339)
Basic income per share	($ 0.05)
Diluted income per share	($ 0.05)

NOTE 3 - STOCK OPTION PLAN

The Company applies Accounting Principles Board Opinion No. 25 and related Interpretations in accounting for its stock option plan. No compensation cost has been recognized for any stock options granted under the Company's stock option plan because the quoted market price of the Common Stock at the grant date was not in excess of the amount an employee must pay to acquire the Common Stock. Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," ("SFAS 123") issued by the Financial Accounting Standards Board ("FASB"), prescribes a method to record compensation cost for stock-based employee compensation plans at fair value. The Company utilizes the Black-Scholes valuation model for determining the fair value of the stock-based compensation. Pro forma disclosures as if the Company had adopted the recognition requirements under SFAS 123 for the three months ended April 30, 2005 and 2004, respectively, are presented below.

	Three Months Ended April 30,	
(In thousands, except per share data)	2005	2004
Net income as reported	$ 997	$ 736
Fair value based compensation expense, net of taxes	(838)	(1,554)
Pro forma net income (loss)	$ 159	($ 818)
Basic earnings per share:		
As reported	$ 0.04	$ 0.03
Pro forma under SFAS 123	$ 0.01	($ 0.03)
Diluted earnings per share:		
As reported	$ 0.04	$ 0.03
Pro forma under SFAS 123	$ 0.01	($ 0.03)

NOTE 4 - COMPREHENSIVE LOSS

The components of comprehensive loss for the three months ended April 30, 2005 and 2004 are as follows (in thousands):

	Three Months Ended April 30, 2005	Three Months Ended April 30, 2004
Net income	$ 997	$ 736
Net unrealized gain on investments, net of tax	10	28
Net change in effective portion of hedging contracts, net of tax	(337)	(2,000)
Foreign currency translation adjustment	(2,192)	(6,804)
Total comprehensive loss	($ 1,522)	($ 8,040)

NOTE 5 - SEGMENT INFORMATION

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 business into two major geographic segments: Domestic, which includes the results of the Company's North American, Caribbean and Tommy Hilfiger South American operations, and International, which includes the results of the Company's operations in all other parts of the world. The Company's International operations are principally conducted in Europe, the Middle East and Asia. The Company's International assets are substantially located in Switzerland.

Operating Segment Data for the Three Months Ended April 30, 2005 and 2004 (in thousands):

	Net Sales		Operating Income	
	2005	2004	2005	2004
Wholesale	$ 72,605	$ 61,008	$ 3,868	$ 2,744
Retail	15,151	13,179	(1,729)	(1,037)
Consolidated total	$ 87,756	$ 74,187	$ 2,139	$ 1,707

Geographic Segment Data for the Three Months Ended April 30, 2005 and 2004 (in thousands):

	Net Sales		Operating Income	
	2005	2004	2005	2004
Domestic	$ 68,072	$ 59,086	($ 2,430)	$ 124
International	19,684	15,101	4,569	1,583
Consolidated total	$ 87,756	$ 74,187	$ 2,139	$ 1,707

Domestic and International net sales are net of intercompany sales of $46.0 million and $59.7 million for the three months ended April 30, 2005 and 2004, respectively.

	Total Assets		
	April 30, 2005	January 31, 2005	April 30, 2004
Domestic	$ 169,401	$ 167,516	$ 127,910
International	310,845	309,434	297,032
Consolidated total	$ 480,246	$ 476,950	$ 424,942

NOTE 6 - EXECUTIVE RETIREMENT PLAN

The Company has a number of employee benefit plans covering substantially all employees. Certain eligible executives of the Company have elected to defer a portion of their compensation on a pre-tax basis under a defined contribution, supplemental executive retirement plan (SERP) sponsored by the Company. The SERP was adopted effective June 1, 1995, and provides eligible executives with supplemental pension benefits in addition to amounts received under the Company's other retirement plans. The Company makes a matching contribution which vests over five years. For the quarter ended April 30, 2005 and 2004, the Company recorded an expense related to the SERP of approximately $0.2 million and $0.1 million, respectively.

NOTE 7 - INVENTORIES

Inventories consist of the following (in thousands):

	April 30, 2005	January 31, 2005	April 30, 2004
Finished goods	$ 135,826	$ 123,519	$ 122,939
Component parts	118,758	114,157	101,890
Work-in-process	4,661	4,661	5,158
	259,245	242,337	229,987
Less: inventories reserve	(54,349)	(54,447)	(53,986)
	$ 204,896	$ 187,890	$ 176,001

NOTE 8 - EARNINGS PER SHARE

The Company presents net income per share on a basic and diluted basis. Basic earnings per share is computed using weighted-average shares outstanding during the period. Diluted earnings per share is 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 25,051,000 and 24,536,000 for the three months ended April 30, 2005 and 2004, respectively. For diluted earnings per share, these amounts were increased by 969,000 and 972,000 for the three months ended April 30, 2005 and 2004, respectively, due to potentially dilutive common stock equivalents issuable under the Company's stock option plans and restricted stock grants.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

At April 30, 2005, the Company had outstanding letters of credit totaling $0.7 million with expiration dates through May 31, 2006 compared to $0.6 million with expiration dates through June 30, 2004 as of April 30, 2004. One bank in the domestic bank group has issued irrevocable standby letters of credit for retail and operating facility leases to various landlords and for Canadian payroll to the Royal Bank of Canada.

As of April 30, 2005, the Swiss bank guaranteed the Swiss subsidiary's obligations to certain Swiss third parties in the amount of approximately $2.8 million in various foreign currencies compared to $1.2 million as of April 30, 2004.

The Company is involved from time to time in legal claims involving trademarks and intellectual property, licensing, employee relations and other matters incidental to our business. Although the outcome of such items 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 10 - AMERICAN JOBS CREATION ACT OF 2004

The American Jobs Creation Act of 2004 ("the Act"), as enacted on October 22, 2004, provides for a temporary 85% dividends received deduction on certain foreign earnings repatriated during a one-year period. The deduction would result in an approximate 5.25% U.S. federal tax rate on any repatriated earnings. To qualify for the deduction, the earnings must be reinvested in the United States pursuant to a domestic reinvestment plan established by the Company's Chief Executive Officer and approved by the Company's Board of Directors. Certain other criteria in the Act, applicable Treasury Regulations and guidance published (or that may subsequently be published) by the Internal Revenue Service or Treasury Department, must be satisfied as well.

The Company is in the process of evaluating whether it will repatriate any foreign earnings under the repatriation provisions of the Act and, if so, the amount that it will repatriate. The range of reasonably possible amounts that the Company is currently considering for repatriation, which would be eligible for the temporary deduction, is zero to approximately $150 million. Repatriation would result in additional income tax expense, which the Company currently estimates to be between 4.50% and 8.50% of the repatriated amount. The Company expects to determine the amounts and sources of foreign earnings to be repatriated, if any, during the second or third quarter of fiscal 2006.

NOTE 11 - RECENTLY ISSUED ACCOUNTING STANDARDS

In November 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 151, "Inventory Costs", an amendment of ARB No. 43, Chapter 4 ("SFAS No. 151"). The amendments made by SFAS No. 151 will improve financial reporting by clarifying that abnormal amounts of idle facility expense, freight, handling costs, and wasted materials (spoilage) should be recognized as current-period charges by requiring the allocation of fixed production overheads to inventory based on the normal capacity of the production facilities. The guidance is effective for inventory costs incurred during fiscal years beginning after June 15, 2005, and is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123(R), "Share-Based Payment", which is a revision of FASB Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123(R)"). SFAS No. 123(R) supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees", and amends FASB Statement No. 95, "Statement of Cash Flows". Generally, the approach in SFAS No. 123(R) is similar to the approach described in SFAS No. 123. SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. Public entities are required to apply SFAS No. 123(R) as of the first annual reporting period that begins after June 15, 2005.

The Company continued to use the intrinsic value based method of accounting for share-based payments. The Company uses the Black-Scholes valuation model to estimate the value of stock options granted to employees. SFAS No. 123(R) requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement may reduce net operating cash flows and increase net financing cash flows in periods after adoption. The adoption of SFAS No. 123(R) is expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

Also in December 2004, the FASB issued Statement of Financial Accounting Standards No. 153, "Exchanges of Nonmonetary Assets -- An Amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions" ("SFAS No. 153"). SFAS No. 153 eliminates the exception from fair value measurement for nonmonetary exchanges of similar productive assets in paragraph 21(b) of APB Opinion No. 29, "Accounting for Nonmonetary Transactions", and replaces it with an exception for exchanges that do not have commercial substance. SFAS No. 153 specifies that a nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS No. 153 is effective for the fiscal periods beginning after June 15, 2005. The adoption of SFAS No. 153 is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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 ("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, ability to secure and protect trademarks, patents and other intellectual property rights, ability to lease new stores on suitable terms in desired markets and to complete construction on a timely basis, 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.

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, 2005. 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, 2005, 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, 2005.

Results of operations for the three months ended April 30, 2005 as compared to the three months ended April 30, 2004

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

	Three Months Ended April 30,	
	2005	2004
Wholesale:		
Domestic	$ 52,921	$ 45,907
International	19,684	15,101
Retail	15,151	13,179
Net Sales	$ 87,756	$ 74,187

Net sales increased by $13.6 million or 18.3% for the three months ended April 30, 2005 as compared to the three months ended April 30, 2004. Sales in the wholesale segment increased 19.0% to $72.6 million versus $61.0 million in the prior year. Sales of all brands were above prior year except Concord which was $0.1 million below last year.

The domestic wholesale business was $52.9 million or 15.3% above prior year sales of $45.9 million. Domestic wholesale sales of all brands were above prior year. The Ebel sales growth of $1.4 million reflects having Ebel for the full quarter in addition to the increased demand for new products introduced in the fourth quarter of fiscal 2005. Prior year sales of Ebel products reflect sales for the period of March 1, 2004 (the acquisition date) to April 30, 2004. Movado and Coach brand sales increased by $2.3 million and $1.0 million, respectively, primarily the result of increased demand in the chain and department store business.

Sales in the international wholesale business were $19.7 million or 30.3% above prior year. All brands were above prior year except for Concord which was $0.3 million below prior year primarily due to timing of sales in the Middle East. Ebel and Tommy Hilfiger had increases of $2.8 million and $1.1 million, respectively, driven by strong sales in Europe.

Sales in the retail segment rose 15.0% to $15.2 million. The increase was driven by an overall 33.7% increase in Movado Boutique sales. Comparable store sales increases for the Movado Boutiques were 3.2% for the three months ended April 30, 2005. Comparable store sales decreases for the outlet stores were 2.2% for the three months ended April 30, 2005. The Company operated 25 Boutiques and 27 outlet stores at April 30, 2005 compared to 19 Boutiques and 26 outlet stores at April 30, 2004.

Gross Profit. The gross profit for the three months ended April 30, 2005 was $52.8 million or 60.2% of net sales as compared to $43.4 million or 58.5% of net sales for the three months ended April 30, 2004. The increase in gross profit of $9.4 million was the result of the higher sales volume. The increase in gross profit as a percentage of sales by 170 basis points was driven by higher margins in the Movado Boutiques due to the sales mix and the impact of price increases passed on in the fourth quarter of fiscal 2005, improvements in the Ebel margins as a result of sales of new more profitable models introduced after the acquisition and increased supply chain productivity improvements which are the result of production efficiencies as well as favorable negotiations with suppliers.

Selling, General and Administrative. Selling, general and administrative expenses for the three months ended April 30, 2005 were $50.7 million or 57.8% of net sales as compared to $41.7 million or 56.2% of net sales for the three months ended April 30, 2004. The increase reflects spending primarily to invest in the Company's growth initiatives, including higher marketing spending of $2.8 million to support the sales growth initiatives, added spending of $1.8 million in support of the retail expansion, higher expenses related to Ebel of $1.3 million, in particular the effect of operating Ebel for a full quarter as a fully-integrated part of the Company's business compared to the two months immediately following the acquisition, and increased spending in support of the global expansion of $1.1 million.

Wholesale Operating Income. Operating income in the wholesale segment increased by $1.1 million to $3.9 million. The increase was the net result of higher gross margin of $8.1 million, partially offset by the increase in SG&A expenses of $7.0 million.

The higher gross margin of $8.1 million was the result of the increase in net sales of $11.6 million. The increase in the SG&A expenses of $7.0 million is primarily due to higher marketing spending of $2.6 million to support the sales growth, increased costs associated with the Ebel brand of $1.3 million, primarily due to operating Ebel for a full quarter versus two months in the prior year, increased spending in support to the global expansion of $1.1 million and $0.5 million as a result of the translation impact of the weak U.S. dollar.

Retail Operating Loss. Operating losses of $1.7 million and $1.0 million were recorded in the retail segment for the periods ended April 30, 2005 and April 30, 2004, respectively. In the cyclical retail business, the first quarter is the lowest revenue generating quarter of the year and represents on average less than 18% of the total year retail sales.

The increase in operating loss was the net result of higher gross margin of $1.3 million, more than offset by higher operating expenses of $2.0 million. The increased gross margin was primarily attributed to higher sales as a result of operating eight Movado Boutiques and one outlet store that were not open during the full three month period ended April 30, 2004. The higher operating expenses were primarily the result of added spending for the eight new Movado Boutiques and one new outlet store.

Interest Expense. Net interest expense for the three months ended April 30, 2005 increased by 11.6% to $0.8 million as compared to $0.7 million for the three months ended April 30, 2004. The increase was due to both higher borrowings as well as an increase in the average borrowing rate. The higher borrowings were the result of the issuance of $20.0 million of new senior promissory notes in the third quarter of fiscal 2005. The higher average borrowing rate was the result of the mix of the borrowings with a greater portion classified as long-term debt.

Income Taxes. The Company recorded a tax expense of $0.3 million for the three months ended April 30, 2005 as compared to a tax expense of $0.2 million for the three months ended April 30, 2004. Taxes were recorded at an effective tax rate of 25.0% for both periods.

Net Income. For the quarter ended April 30, 2005, the Company recorded net income of $1.0 million as compared to $0.7 million for the quarter ended April 30, 2004.

LIQUIDITY AND CAPITAL RESOURCES

Cash used in operating activities amounted to $22.4 million for the three months ended April 30, 2005 and $21.0 million for the three months ended April 30, 2004. The cash used in operating activities for the first quarter reflects the historic pattern of the Company in using cash to build inventories for the upcoming Basel Trade Fair as well as to pay down the year end accounts payable and other accruals. This is somewhat offset by cash provided from the collections of the year end accounts receivable.

Cash used in investing activities amounted to $4.9 million and $42.9 million for the three months ended April 30, 2005 and 2004, respectively. The cash used during the period ended April 30, 2005 was primarily for capital expenditures related to the build out of the new Movado Boutiques, renovations of existing retail operations and the acquisition of machinery and equipment to further automate distribution activities. The cash used during the period ended April 30, 2004 was primarily for the acquisition of Ebel and capital expenditures related to the build out of the new Movado Boutiques.

Cash provided by financing activities amounted to $15.5 million and $21.8 million for the three months ended April 30, 2005 and 2004, respectively, which was the result of seasonal short-term borrowings.

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 at a rate of 6.90% per annum, mature on October 30, 2010 and are subject to annual repayments of $5.0 million commencing October 31, 2006. At April 30, 2005, $25.0 million was issued and outstanding.

As of March 21, 2004, the Company amended its Note Purchase and Private Shelf Agreement, originally dated March 21, 2001, to expire on March 21, 2007. This agreement allows for the issuance, for up to three years after the date thereof, 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, pursuant to the Note Purchase Agreement, the Company issued 4.79% Senior Series A-2004 Notes due 2011 (the "Senior 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 Notes will be used by the Company for capital expenditures, repayment of certain of its debt obligations and general corporate purposes. As of April 30, 2005, $20.0 million was issued and outstanding.

The Company maintains a revolving credit line with its bank group which provides for a three year $75.0 million unsecured revolving line of credit and $15.0 million of uncommitted working capital lines. The line of credit expires on June 17, 2006. At April 30, 2005, the Company had $18.0 million of outstanding borrowings under its bank lines as compared to $27.5 million at April 30, 2004. In addition, one bank in the domestic bank group issued eight irrevocable standby letters of credit for retail and operating facility leases to various landlords and for Canadian payroll to the Royal Bank of Canada. As of April 30, 2005, these eight standby letters of credit totaled $0.7 million with expiration dates through May 31, 2006. As of April 30, 2004, there were five standby letters of credit that totaled $0.6 million with expiration dates through June 30, 2004.

A Swiss subsidiary of the Company maintains unsecured lines of credit with an unspecified term with a Swiss bank. Available credit under these lines totaled 8.0 million Swiss francs, with dollar equivalents of approximately $6.7 million and $6.2 million at April 30, 2005 and 2004, respectively, of which a maximum of $5.0 million may be drawn under the terms of the Company's revolving credit line with its bank group. As of April 30, 2005, there were no borrowings against these lines. As of April 30, 2005, the Swiss bank guaranteed the Swiss subsidiary's obligations to certain Swiss third parties in the amount of approximately $2.8 million in various foreign currencies.

Under a series of share repurchase authorizations approved by the Board of Directors, the Company has maintained a discretionary share buy-back program. There were no shares repurchased under the repurchase program for the three months ended April 30, 2005 and 2004. As of April 30, 2005, the Company had authorization to repurchase shares up to $4.5 million against an aggregate authorization of $30.0 million.

During the three months ended April 30, 2005, treasury shares increased by 179,423 as the result of cashless exercises of stock options for 369,954 shares of stock.

The Company paid dividends per share of $0.05 or approximately $1.3 million, for the three months ended April 30, 2005.

Cash and cash equivalents at April 30, 2005 amounted to $49.6 million compared to $35.9 million at April 30, 2004. The increase in cash and cash equivalents relates to the Company's continued profitability, management of working capital and the translation of Swiss entities' cash balances.

RECENTLY ISSUED ACCOUNTING STANDARDS

In November 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 151, "Inventory Costs", an amendment of ARB No. 43, Chapter 4 ("SFAS No. 151"). The amendments made by SFAS No. 151 will improve financial reporting by clarifying that abnormal amounts of idle facility expense, freight, handling costs, and wasted materials (spoilage) should be recognized as current-period charges by requiring the allocation of fixed production overheads to inventory based on the normal capacity of the production facilities. The guidance is effective for inventory costs incurred during fiscal years beginning after June 15, 2005, and is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123(R), "Share-Based Payment", which is a revision of FASB Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123(R)"). SFAS No. 123(R) supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees", and amends FASB Statement No. 95, "Statement of Cash Flows". Generally, the approach in SFAS No. 123(R) is similar to the approach described in SFAS No. 123. SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. Public entities are required to apply SFAS No. 123(R) as of the first annual reporting period that begins after June 15, 2005.

The Company continued to use the intrinsic value based method of accounting for share-based payments. The Company uses the Black-Scholes valuation model to estimate the value of stock options granted to employees. SFAS No. 123(R) requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement may reduce net operating cash flows and increase net financing cash flows in periods after adoption. The adoption of SFAS No. 123(R) is expected to have a material impact on the Company's consolidated financial position, results of operations and cash flows.

Also in December 2004, the FASB issued Statement of Financial Accounting Standards No. 153, "Exchanges of Nonmonetary Assets -- An Amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions" ("SFAS No. 153"). SFAS No. 153 eliminates the exception from fair value measurement for nonmonetary exchanges of similar productive assets in paragraph 21(b) of APB Opinion No. 29, "Accounting for Nonmonetary Transactions", and replaces it with an exception for exchanges that do not have commercial substance. SFAS No. 153 specifies that a nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS No. 153 is effective for the fiscal periods beginning after June 15, 2005. The adoption of SFAS No. 153 is not expected to have a material impact on the Company's consolidated financial position, results of operations and cash flows.

Item 3. Quantitative and Qualitative Disclosure about Market Risks

Foreign Currency and Commodity Price Risks

The majority 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 purchases various derivatives, predominantly forward and option contracts. Changes in derivative fair values will either be recognized in earnings as offsets to the changes in fair value of related hedged assets, liabilities and firm commitments or, for forecasted transactions, deferred and recorded as a component of other shareholders' equity until the hedged transactions occur and are recognized in earnings. The ineffective portion of a hedging derivative's change in fair value will be immediately recognized in earnings. If the Company did not engage in a hedging program, any change in the Swiss franc currency rate would have an equal effect on the entities' cost of sales. The Company purchases gold for the production of certain watches. The Company purchases gold derivatives under its hedging program and treats the changes in fair value on these derivatives in the same manner as the changes in fair value in its Swiss franc derivatives.

The Company also hedges its 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. Under SFAS No. 133, the change in fair value of these instruments is recognized in accumulated other comprehensive income to offset the change in the value of the net investment being hedged.

The following presents fair value and maturities of the Company's foreign currency derivatives outstanding as of April 30, 2005 (in millions):

	April 30, 2005 Fair Value	Maturities
Forward exchange contracts	($ 1.8)	2005-2006
Purchased foreign currency options	1.4	2005-2007
	($ 0.4)	

The Company's international business accounts for 22.4% of the Company's sales. The international operations are denominated in local currency and fluctuations in these currency rates may have an impact on the Company's sales, cost of sales, operating expenses and net income. During the three months ended April 30, 2005 and 2004, there was no material effect to the results of operations due to foreign currency rate fluctuations. There can be no assurance that this trend will continue.

Interest Rate Risk

As of April 30, 2005, the Company had $18.0 million in short-term bank debt obligations with variable interest rates based on LIBOR plus an applicable loan spread. The Company does not hedge these interest rate risks. The Company also has $45.0 million Senior Note debt bearing fixed interest rates per annum. The difference between the market based interest rates at April 30, 2005 and the fixed rates was unfavorable.

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 (the "Exchange Act"). 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.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the quarter ended April 30, 2005, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 6. Exhibits

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.

SIGNATURE

Pursuant to the requirements of the Securities and 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: June 9, 2005

By: /s/ Eugene J. Karpovich

Eugene J. Karpovich
Senior Vice President and
Chief Financial Officer
(Chief Financial Officer)
(Duly Authorized Officer)

/s/ Ernest R. LaPorte

Ernest R. LaPorte
Vice President of Finance
(Principal Accounting Officer)

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 controls 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: June 9, 2005

/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 controls 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: June 9, 2005

/s/ Eugene J. Karpovich

Eugene J. Karpovich
Senior Vice President and
Chief Financial 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, 2005, 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: June 9, 2005

/s/ Efraim Grinberg

Efraim Grinberg
President and
Chief Executive Officer

EXHIBIT 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

In connection with the quarterly report on Form 10-Q of Movado Group, Inc. (the "Company") for the quarter ended April 30, 2005, 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: June 9, 2005

/s/ Eugene J. Karpovich

Eugene J. Karpovich
Senior Vice President and
Chief Financial Officer