

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): May 29, 2003

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

| | | |
|---|--|---|
| NEW YORK (State or Other Jurisdiction of Incorporation) | 0-22378 (Commission File Number) | 13-2595932 (IRS Employer Identification Number) |
|---|--|---|

| | |
|--|---------------------|
| 650 FROM ROAD PARAMUS, NEW JERSEY (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)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) EXHIBITS.

| EXHIBIT NUMBER ----- | DOCUMENT DESCRIPTION ----- |
|----------------------------|------------------------------------|
| 99.1 | Press release, dated May 29, 2003. |

ITEM 9. REGULATION FD DISCLOSURE (ITEM 12, DISCLOSURE OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION)

The following information is being furnished under Item 12, "Disclosure of Results of Operations and Financial Condition" in accordance with the interim guidance provided by the Securities and Exchange Commission (the "SEC") pursuant to SEC Release Nos. 33-8216 and 34-47583.

On May 29, 2003, Movado Group, Inc. (the "Company") issued a press release announcing the Company's results of operations and financial condition for the quarter ended April 30, 2003. A copy of the press release is included as Exhibit 99.1 to, and is incorporated by reference in, this current report on Form 8-K.

SIGNATURES

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

MOVADO GROUP, INC.

Date: June 10, 2003

By: /s/ Eugene J. Karpovich

Name: Eugene J. Karpovich
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

99.1 Press Release, dated May 29, 2003

FOR IMMEDIATE RELEASE

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MOVADO GROUP, INC. ANNOUNCES Q1 RESULTS
 ~ EPS INCREASES TO \$0.07 FROM \$0.03 ~
 ~ SALES INCREASE 2.7% ON CONSTANT DOLLAR BASIS ~

PARAMUS, NJ - MAY 29, 2003 -- MOVADO GROUP, INC. (NYSE: MOV), today announced first quarter results for the period ended April 30, 2003.

FIRST QUARTER FISCAL 2004
 - - - - -

- o Net sales increased 5.1% to \$60.2 million compared to \$57.3 million last year. On a constant dollar basis, net sales increased 2.7%. This year over year increase was driven by the domestic expansion of Movado and ESQ, international growth of the Tommy Hilfiger watch brand and strong sales of the Company's Coach watches. Sales in the Company's international businesses were negatively impacted by the Iraq war and SARS outbreak.
- o Comparable store sales increased 24.7% at the Company's Movado boutiques.
- o Gross margin remains strong at 60.6%.
- o Operating profit increased 42.1% to \$2.0 million versus \$1.4 million in the year ago period.
- o Net income increased to \$856,000, or \$0.07 per diluted share, compared to \$332,000, or \$0.03 per diluted share, in the prior year.

Efraim Grinberg, President and Chief Executive Officer, stated, "Our ability to post a strong quarter, particularly a 2.7% constant dollar net sales increase, in a time of continued economic uncertainty and slow domestic and international consumer spending is a testament to the strength of our portfolio of brands. We are also pleased with the strong performance of our Movado boutiques, which was primarily driven by positive consumer reaction to our compelling new product introductions. Developing the luxury lifestyle image of the Movado brand through continued expansion of our boutiques remains an important avenue for

- more -

MOVADO GROUP, INC. ANNOUNCES Q1 RESULTS

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strengthening brand equity and driving top line growth. As such, we have recently signed leases to open a total of four new doors in the Chicago and Boston markets, which will bring our nationwide store count to 16 boutiques."

Rick Cote, Executive Vice President and Chief Operating Officer, commented, "In addition to our strong sales results, we are pleased with the resilience of our gross margin given the continued weakening of the U.S. dollar and the continued shift in product mix during the quarter, and believe it represents a level commensurate with where we expect gross margin to be for the remainder of this fiscal year.

"Over the past few years, we have successfully instituted Company-wide productivity initiatives that have resulted in enhanced levels of operating efficiency and significant cost savings. This year, we will make investments in inventory and infrastructure to drive top line growth. Accordingly, we expect operating expenses to increase relatively in line with sales growth this fiscal year. We also expect inventory levels to increase in support of our boutique expansion."

Mr. Grinberg concluded, "Our priority over the next few years is driving top line growth. Our operating structure is efficient, allowing us to focus on and invest in our brands and growth initiatives. While the geopolitical environment remains uncertain, we are confident in our long-term growth prospects and look to gain further traction as the economic environment improves. As such, we remain comfortable with our previously stated range of diluted earnings per share for the full year of \$1.75 to \$1.78."

The Company's management will host a conference call today, May 29, 2003 at 10:00 a.m. Eastern Time. A live broadcast of the call will be available on the

Company's website: www.movadogroupinc.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, Concord, ESQ, Coach and Tommy Hilfiger watches worldwide, and operates Movado boutiques and Company stores in the United States.

THIS PRESS RELEASE CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITH RESPECT TO THE FUTURE PERFORMANCE OF MOVADO GROUP THAT INVOLVE RISKS AND UNCERTAINTIES. MOVADO'S ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE EXPRESSED OR INDICATED BY FORWARD-LOOKING STATEMENTS. FACTORS THAT COULD CAUSE OR CONTRIBUTE TO SUCH DIFFERENCES INCLUDE, BUT ARE NOT LIMITED TO, THE COMPANY'S ABILITY TO SUCCESSFULLY INTRODUCE AND SELL NEW PRODUCTS, CHANGES IN CONSUMER DEMAND FOR THE COMPANY'S PRODUCTS, RISKS RELATING TO THE RETAIL INDUSTRY, IMPORT RESTRICTIONS, COMPETITION, SEASONALITY AND OTHER FACTORS DISCUSSED IN MOVADO'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION.

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

| | THREE MONTHS ENDED APRIL 30, | |
|--|---------------------------------|-----------------|
| | 2003 | 2002 |
| Net sales | \$60,170 | \$57,271 |
| Cost of sales | 23,730 | 22,092 |
| Gross profit | 36,440 | 35,179 |
| Selling, general and administrative expenses | 34,468 | 33,791 |
| Operating profit | 1,972 | 1,388 |
| Interest expense | 783 | 927 |
| Income before taxes | 1,189 | 461 |
| Income tax | 333 | 129 |
| Net income | \$ 856 ===== | \$ 332 ===== |
| Net income per share | \$ 0.07 | \$ 0.03 |
| Shares used in per share computation | 12,348 | 12,146 |

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

| | APRIL 30, 2003 ---- | JANUARY 31, 2003 ---- | APRIL 30, 2002 ---- |
|--|---------------------------|-----------------------------|---------------------------|
| ASSETS ----- | | | |
| Cash and cash equivalents | \$ 34,453 | \$ 38,365 | \$ 21,407 |
| Trade receivables, net | 97,362 | 94,438 | 94,223 |
| Inventories | 119,445 | 111,736 | 106,272 |
| Other | 34,440 | 36,646 | 26,063 |
| | ----- | ----- | ----- |
| Total current assets | 285,700 | 281,185 | 247,965 |
| | ----- | ----- | ----- |
| Property, plant and equipment, net | 39,579 | 39,939 | 37,897 |
| Other assets | 25,055 | 24,030 | 24,304 |
| | ----- | ----- | ----- |
| | \$350,334 | \$345,154 | \$310,166 |
| | ===== | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY ----- | | | |
| Loans payable to banks | \$ 18,750 | \$ 0 | \$ 31,000 |
| Current portion of long-term debt | 5,000 | 0 | 5,000 |
| Accounts payable | 14,436 | 22,712 | 15,951 |
| Accrued liabilities | 18,659 | 22,735 | 20,691 |
| Deferred and current taxes payable | 13,202 | 16,318 | 11,037 |
| | ----- | ----- | ----- |
| Total current liabilities | 70,047 | 61,765 | 83,679 |
| | ----- | ----- | ----- |
| Long-term debt | 30,000 | 35,000 | 35,000 |
| Deferred and non-current income taxes | 4,245 | 4,229 | 1,591 |
| Other liabilities | 8,657 | 7,948 | 7,766 |
| Shareholders' equity | 237,385 | 236,212 | 182,130 |
| | ----- | ----- | ----- |
| | \$350,334 | \$345,154 | \$310,166 |
| | ===== | ===== | ===== |

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