SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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, 1997

[ ] 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 0-22378

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.)
125 CHUBB AVENUE, LYNDHURST, NEW JERSEY (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	07071 (ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (201)-460-4800

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 THE PAST 90 DAYS. YES [X] NO [ ]

INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES OF COMMON STOCK, AS OF THE LATEST PRACTICABLE DATE.

AS OF MAY 29, 1997 THE REGISTRANT HAD 3,232,940 SHARES OF CLASS A COMMON STOCK, PAR VALUE $0.01 PER SHARE, OUTSTANDING AND 4,313,135 SHARES OF COMMON STOCK, PAR VALUE $0.01 PER SHARE, OUTSTANDING.

MOVADO GROUP, INC.

INDEX TO QUARTERLY REPORT ON FORM 10-Q
APRIL 30, 1997

PART 1 - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	APRIL 30, 1997	JANUARY 31, 1997	APRIL 30, 1996
ASSETS			
Current assets:			
Cash	$ 5,330	$ 4,885	$ 3,306
Trade receivables, net	76,117	75,688	70,593
Inventories	95,637	87,177	98,880
Other	18,382	16,914	13,158
Total current assets	195,466	184,664	185,937
Plant, property and equipment, net	16,393	15,066	12,407
Other assets	9,429	8,713	8,822
	$ 221,288	$ 208,443	$ 207,166
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Loans payable to banks	$ 31,439	$ 7,778	$ 23,987
Current portion of long-term debt	5,000	5,000	
Accounts payable	15,616	25,297	16,085
Accrued liabilities	16,162	13,188	10,143
Deferred and current taxes payable	6,901	6,711	7,697
Total current liabilities	75,118	57,974	57,912
Long term debt	40,000	40,000	40,000
Deferred and non-current foreign income taxes	2,750	3,477	3,392
Other liabilities	3,016	3,122	3,372
Shareholders' equity:			
Preferred Stock, $0.01 par value, 5,000,000 shares authorized; no shares issued			
Common Stock, $0.01 par value, 20,000,000 shares authorized; 4,313,270, 4,306,508 and 4,272,892 shares issued, respectively	43	43	43
Class A Common Stock, $0.01 par value, 10,000,000 shares authorized; 3,232,960, 3,234,268 and 3,236,636 shares issued and outstanding, respectively	32	32	32
Capital in excess of par value	34,488	34,488	34,248
Retained earnings	70,802	71,291	59,664
Cumulative translation adjustment	(4,833)	(1,856)	8,631
Treasury Stock, 11,501 shares, at cost	(128)	(128)	(128)
	100,404	103,870	102,490
	$ 221,288	$ 208,443	$ 207,166

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(Unaudited)

	THREE MONTHS ENDED APRIL 30,	
	1997	1996
Net sales	$ 34,918	$ 31,014
Costs and expenses:		
Cost of sales	15,017	13,663
Selling, general and administrative	19,333	17,187
Operating income	568	164
Net interest expense	915	842
Loss before income taxes	(347)	(678)
Benefit from income taxes	(87)	(204)
Net loss	($ 260)	($ 474)
Loss per share	($ 0.03)	($ 0.06)
Shares used in per share computations	7,534	7,531

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	THREE MONTHS ENDED APRIL 30, 1997	1996
Cash flows from operating activities:		
Net loss	($ 260)	($ 474)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	816	951
Deferred and non-current foreign income taxes	(592)	(714)
Provision for losses on accounts receivable	218	51
Changes in current assets and liabilities:		
Trade receivables	(1,268)	4,464
Inventories	(10,038)	(10,676)
Other current assets	(3,027)	(3,451)
Accounts payable	(9,475)	(4,550)
Accrued liabilities	2,885	819
Deferred and current taxes payable	345	(97)
Increase in other non-current assets	(1,673)	(1,012)
Decrease in other non-current liabilities	(44)	(42)
Net cash used in operating activities	(22,113)	(14,731)
Cash flows used for investing activities:		
Capital expenditures	(1,021)	(747)
Goodwill, trademarks and other intangibles	(201)	(126)
Net cash used in investing activities	(1,222)	(873)
Cash flows from financing activities:		
Net proceeds from current borrowings under lines of credit	23,943	15,468
Principal payments under capital leases	(51)	(139)
Exercise of stock options	--	11
Dividends paid	--	(181)
Net cash provided by financing activities	23,892	15,159
Effect of exchange rate changes on cash	(112)	(78)
Net increase (decrease) in cash	445	(523)
Cash at beginning of period	4,885	3,829
Cash at end of period	$ 5,330	$ 3,306

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOVADO GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 financial statements included in the Company's fiscal 1997 Annual Report filed on form 10-K. In the opinion of management, the accompanying 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.

NOTE 1 - STOCK SPLIT

On April 3, 1997, the Company's Board of Directors approved a five-for-four stock split of the Company's Common and Class A Common Stock. The stock split became effective April 21, 1997. The accompanying financial statements contained in this report have been retroactively adjusted to reflect the impact of the stock split.

NOTE 2 - RECENTLY ISSUED ACCOUNTING STANDARDS

In February 1997, the Financial Accounting Standards Board ("FASB") issued Statement No. 128, Earnings Per Share, which specifies the computation, presentation and disclosure requirements for earnings per share. Management of the Company believes that adoption of Statement No. 128 which is required for the fiscal year ending January 31, 1998, will not have a material impact on the Company's earnings per share calculation.

NOTE 3- INVENTORIES

Inventories consist of the following (in thousands):

	APRIL 30, 1997	JANUARY 31, 1997	April 30, 1996
Finished goods	$57,948	$53,497	$57,719
Work-in-process and component parts	37,689	33,680	41,161
	$95,637	$87,177	$98,880

NOTE 4- SUPPLEMENTAL CASH FLOW INFORMATION

The following is provided as supplemental information to the consolidated statements of cash flows (in thousands):

	THREE MONTHS ENDED APRIL 30,	
	1997	1996
Cash paid during the period for:		
Interest	$378	$261
Income taxes	216	705
Non-cash investing and financing activities:		
Dividend declared	$229	--

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

FORWARD LOOKING STATEMENTS

Statements included under Management's Discussion and Analysis of Financial Condition and Results of Operations, 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 Section 21E of the Securities Exchange Act of 1934. The Company cautions readers that forward looking statements include, without limitation, those relating to the Company's future business prospects, revenues, working capital, liquidity, capital needs, plans for future operations, 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, competitive products and pricing, ability to enforce intellectual property rights, and success of hedging strategies in respect of currency exchange rate fluctuations.

RESULTS OF OPERATIONS

Three months ended April 30, 1997 compared to three months ended April 30, 1996.

Net Sales. Net sales increased 12.6% to $34.9 million from $31.0 million for the three months ended April 30, 1997 and April 30, 1996, respectively. The increase was attributable to a 12.2% increase in domestic sales reflecting growth in the Company's Concord and Movado (including Vizio) brands. International sales increased 13.9%. The growth in international sales relates to growth in unit sales volumes for Concord and Movado in the Far East and the Middle East and for Movado in the Caribbean.

Gross Margins. Gross profit for the three months ended April 30, 1997 was $19.9 million (57.0% of net sales) as compared to $17.4 million (55.9% of net sales) for the comparable prior year period. Margins were favorably impacted by sales mix, particularly an increase in the proportion of Concord, Movado and ESQ sales to total sales as well as reduced per unit overhead costs due to higher unit production levels in Switzerland. The Company's margin was also benefited by increases in the U.S. dollar against the Swiss franc which occurred late in the previous year.

Operating Expenses. Operating expenses increased 12.5% for the three months ended April 30, 1997 to 55.3% of net sales from 55.4% of net sales for the comparable prior year period. The increase in operating expenses occurred primarily in advertising, selling and general and administrative expense categories. Although increasing in absolute terms, product distribution costs declined as a percentage of sales. The increase in advertising and marketing is predominantly due to increases in planned media spending for the Company's Concord, Movado and ESQ brands and especially the introduction of the new Vizio lines which occurred during the second quarter of fiscal 1997.

Interest Expenses. Net interest expense, which consists primarily of interest on the Company's $40,000,000 of 6.56% Senior Notes and borrowings against its working capital and revolving lines of credit was $915,000 for the three months ended April 30, 1997 as compared to $842,000 for the three months ended April 30, 1996. The higher interest expense is predominately due to higher borrowings for the three months ended April 30, 1997 as compared to the comparable prior year period.

Income Taxes. The Company recorded a benefit from income taxes of $87,000 for the three months ended April 30, 1997 as compared to a benefit of $204,000 for the comparative prior year period. Taxes were provided at a 25% effective rate which the Company believes will approximate the effective annual rate for fiscal 1998; however, there can be no assurance of this as it is dependent on a number of factors including: mix of foreign to domestic earnings, local statutory tax rates and utilization of net operating losses. The 25% effective rate differs from the United States statutory rate due to the mix of earnings between the Company's U.S. and international operations, the most significant of which are located in Switzerland. The Company's international operations are generally subject to tax rates that are significantly lower than U.S. statutory rates.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity needs have been, and are expected to remain, primarily a function of its seasonal working capital requirements which have increased due to significant growth in domestic sales over the three previous years. The Company's business is not capital intensive and liquidity needs for capital investments have not been significant in relation to the Company's overall financing requirements.

The Company has met its liquidity needs primarily through funds from operations and bank borrowings under working capital lines of credit with domestic and Swiss banks. The Company has also entered into a revolving credit agreement with its domestic banks. Funds available under this agreement are in addition to the Company's working capital lines.

The Company expects that its future requirements for capital will relate not only to working capital requirements for the expected continued growth of its existing brands, but also funding new lines of business including the Spring 1998 launch of the Company's new Coach watch line and possible product line extensions and retail boutiques for the Movado brand. In addition, the Company is required to make a $5 million sinking fund payment on February 2, 1998 in connection with its $40 million 6.56% senior notes. The Company's existing bank credit lines and planned operating cash flows will not be sufficient to fund the combined capital commitments associated with internal growth, new business and sinking fund requirements. The Company is currently negotiating with its banking group to increase its credit facilities from $85 million to $100 million. The Company believes that this will be completed prior to July 31, 1997.

As of April 30, 1997, the Company's debt to total capitalization ratio increased to 43.2% as compared to 38.4% at April 30, 1996 and 34.0% at January 31, 1997. The increase in the debt to total capitalization ratio is due to a $13.5 million dollar decline in the cumulative translation adjustment due to the strength of the U.S. Dollar. Excluding the effect of the cumulative translation adjustment the debt to total capitalization would have increased to 42.1% at April 30, 1997 as compared to 40.5% at April 30, 1996. The increase in the debt to total capitalization from January 31, 1997 is predominately due to an increase in loans payable to banks partially offset by a reduction in accounts payable.

The Company's net working capital consisting primarily of trade receivables and inventories amounted to $120.3 million at April 30, 1997, $128.0 million at April 30, 1996 and $126.7 million at January 31, 1997. The decrease in the working capital from April 30, 1996 is primarily the result of the reclassification of $5.0 million of the Company's long-term senior debt which is payable February 2, 1998. The decrease in working capital from January 31, 1997 is primarily the result of an increase in liabilities, especially loans payable to banks, proceeds of which were used to purchase inventories, which increased in anticipation of the upcoming selling season. Loan proceeds were also used to pay other operating expenses.

Accounts receivable at April 30, 1997 were $76.1 million as compared to $70.6 million at April 30, 1996 and $75.7 million at January 31, 1997. The growth in accounts receivable from April 1996 is primarily the result of growth in the business.

Inventories at April 30, 1997 were $95.7 million as compared to $98.9 million at April 30, 1996 and $87.2 million at January 31, 1997. The inventory balance at April 30, 1997 was relatively flat as compared to April 30, 1996. The increase in inventories from January 31, 1997 reflects the seasonal build, as well as the expansion of the Company's sales base and product line.

The Company's fiscal 1998 year-to-date capital expenditures approximate $1.0 million as of April 30, 1997 and $750,000 as of April 30, 1996. Expenditures are principally related to upgrades in the Company's Management Information System and the relocation of the Company's Swiss operations. The Company expects its annual capital expenditures in fiscal year 1998 will exceed the average levels experienced over the last three fiscal years due to planned improvements in management information systems, expansion of its retail store network and the expansion of distribution operations to support continued sales growth.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1 Amendment number 1 to promissory note dated October 25, 1995 between Michael Bush and the Company.

11 Computation of net income per share.

27 Financial schedules.

(b) Reports on Form 8-K

None

SIGNATURES

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 13, 1997	By:	/s/ Kenneth J. Adams ----------------------------- Kenneth J. Adams Senior Vice President and Chief Financial Officer (Chief Financial Officer)
Dated:	June 13, 1997	By:	/s/ John J. Rooney ----------------------------- John J. Rooney Corporate Controller (Principal Accounting Officer)

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
10.1	Amendment number 1 to promissory note dated October 25, 1995 between Michael Bush and the Company. *
11	Computation of net income per share.
27	Financial schedules.

* CONSTITUTES A COMPENSATORY PLAN OR ARRANGEMENT.

Exhibit 10.1

Amendment Number 1 to
Promissory Note dated October 25, 1995

In consideration of the mutual premises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, Michael Bush ("Payor") and Movado Group, Inc. (formerly North American Watch Corporation, hereinafter referred to as "Payee") hereby agree as follows:

That certain Promissory Note dated October 25, 1995 in the amount of $150,000 duly executed by Payor and delivered to Payee is hereby amended by deleting the reference to "August 28, 1996" and substituting in lieu thereof "January 31, 1997"; and by deleting the references to "August 28, 1997" and "August 29, 1997" and substituting in lieu thereof "January 31, 1998".

I witness whereof Payor and Payee have duly executed this Amendment Number 1 as of this 24th day of January 1997.

Payor:
/s/ Michael Bush

Michael Bush

Payee:
MOVADO GROUP,INC.
By /s/ Kenneth J. Adams

Kenneth J. Adams
Chief Financial Officer

EXHIBIT 11

MOVADO GROUP, INC.

COMPUTATION OF NET INCOME PER SHARE
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED APRIL 30, 1997
PRIMARY	
Net income	($ 260)
Weighted average number of common shares outstanding	7,534
Add common equivalent shares (determined using the "Treasury Stock" Method) representing shares issuable upon exercise of employee stock options	202
Weighted average number of shares used in primary net income per share	7,736
Primary net income per share	($ 0.03)
FULLY DILUTED	
Net income	($ 260)
Weighted average number of common shares outstanding	7,534
Add common equivalent shares (determined using the "Treasury Stock" Method) representing shares issuable upon exercise of employee stock options	202
Weighted average number of shares used in fully diluted net income per share	7,736
Fully diluted net income	($ 0.03)

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED APRIL 30, 1997.

1,000

3-MOS
JAN-31-1998
FEB-01-1997
APR-30-1997
5,330
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76,117
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95,637
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0
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(347)
(87)
(260)
0
0
0
(260)
(0.03)
(0.03)