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 October 31, 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 Exchange Act). Yes [X] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The number of shares outstanding of the registrant's common stock and class A common stock as of November 30, 2005 were 18,565,183 and 6,771,909, respectively.

MOVADO GROUP, INC.

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October 31, 2005

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

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

	October 31, 2005	January 31, 2005	October 31, 2004
ASSETS			
Current assets:			
Cash and cash equivalents	$ 56,064	$ 63,782	$ 35,870
Trade receivables, net	144,484	102,622	137,861
Inventories, net	211,442	187,890	192,811
Other	31,622	34,515	42,540
Total current assets	443,612	388,809	409,082
Property, plant and equipment, net	49,109	50,283	50,105
Other	35,449	37,858	39,972
Total assets	$528,170	$476,950	$499,159
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Loans payable to banks	$ 44,000	$ --	$ 16,300
Current portion of long-term debt	--	--	5,000
Accounts payable	42,016	38,488	41,928
Accrued liabilities	49,135	39,618	47,237
Current taxes payable	1,721	--	2,830
Deferred taxes	5,334	5,250	6,081
Total current liabilities	142,206	83,356	119,376
Long-term debt	45,000	45,000	45,000
Deferred and non-current income taxes	9,741	14,827	15,291
Other liabilities	17,629	17,209	13,281
Total liabilities	214,576	160,392	192,948
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; 23,178,828, 22,580,459 and 22,031,474 shares issued, respectively	232	226	220
Class A Common Stock, $0.01 par value, 30,000,000 shares authorized; 6,773,258, 6,801,812 and 6,803,161 shares issued and outstanding, respectively	68	68	68
Capital in excess of par value	105,023	100,289	92,754
Retained earnings	234,823	214,953	208,771
Accumulated other comprehensive income	24,223	48,707	46,836
Treasury Stock, 4,613,645, 4,433,553 and 4,092,588 shares, respectively, at cost	(50,775)	(47,685)	(42,438)
Total shareholders' equity	313,594	316,558	306,211
Total liabilities and shareholders' equity	$528,170	$476,950	$499,159

See Notes to Consolidated Financial Statements

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2005	2004	2005	2004
Net sales	$141,736	$127,023	$344,818	$298,998
Cost of sales	55,563	49,882	135,821	120,494
Gross profit	86,173	77,141	208,997	178,504
Selling, general and administrative	67,163	61,157	175,563	152,065
Operating income	19,010	15,984	33,434	26,439
Other income, net (Note 10)	1,008	--	1,008	1,444
Interest expense, net	1,208	872	2,901	2,380
Income before income taxes	18,810	15,112	31,541	25,503
Provision for income taxes	4,702	3,778	7,885	6,376
Net income	$ 14,108	$ 11,334	$ 23,656	$ 19,127
Earnings per share:				
Basic	$ 0.56	$ 0.46	$ 0.94	$ 0.78
Diluted	$ 0.54	$ 0.44	$ 0.91	$ 0.75
Weighted average shares outstanding:				
Basic	25,328	24,756	25,209	24,646
Diluted	26,211	25,621	26,123	25,497
Dividends declared per share	$ 0.05	$ 0.04	$ 0.15	$ 0.12

See Notes to Consolidated Financial Statements

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

	Nine Months Ended October 31, 2005	Nine Months Ended October 31, 2004
Cash flows from operating activities:		
Net income	$ 23,656	$ 19,127
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	11,158	8,601
Deferred income taxes	(1,860)	--
Provision for losses on accounts receivable	900	723
Provision for losses on inventory	450	215
Gain on sale of asset held for sale	(2,630)	--
Loss on hedge derivatives	1,622	--
Changes in assets and liabilities:		
Trade receivables	(42,498)	(37,760)
Inventories	(29,643)	(30,242)
Other current assets	(734)	(3,031)
Accounts payable	4,974	14,130
Accrued liabilities	5,486	9,157
Current taxes payable	1,721	2,630
Other non-current assets	(1,074)	(1,402)
Other non-current liabilities	442	(31)
Net cash used in operating activities	(28,030)	(17,883)
Cash flows from investing activities:		
Capital expenditures	(9,970)	(10,906)
Proceeds from sale of asset held for sale	4,000	--
Acquisition of Ebel, net of cash acquired	--	(43,525)
Trademarks	(533)	(321)
Net cash used in investing activities	(6,503)	(54,752)
Cash flows from financing activities:		
Net proceeds from bank borrowings	44,000	26,113
Stock options exercised and other changes	1,650	2,963
Dividends paid	(3,786)	(2,957)
Net cash provided by financing activities	41,864	26,119
Effect of exchange rate changes on cash and cash equivalents	(15,049)	303
Net decrease in cash and cash equivalents	(7,718)	(46,213)
Cash and cash equivalents at beginning of period	63,782	82,083
Cash and cash equivalents at end of period	$ 56,064	$ 35,870

See 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 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 October 31, 2005, payments against employee severance, lease terminations, exit costs and other liabilities amounted to $1.8 million, $0.2 million, $1.7 million and $0.4 million, respectively. There were no further adjustments related to the abovementioned accruals as of October 31, 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 nine month period ended October 31, 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 nine month period ended October 31, 2004. The unaudited pro forma condensed combined statement of income for the nine month period ended October 31, 2004 combines the historical results for the Company for the nine month period ended October 31, 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:

	Nine Months Ended October 31, 2004
Revenues	$300,367
Net income	$ 17,052
Basic income per share	$ 0.69
Diluted income per share	$ 0.67

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 and nine months ended October 31, 2005 and 2004, respectively, are presented below.

	For the Three Months Ended October 31,		For the Nine Months Ended October 31,	
	2005	2004	2005	2004
(In thousands, except per share data)				
Net income as reported	$14,108	$11,334	$23,656	$19,127
Fair value based compensation expense, net of taxes	(277)	(210)	(1,788)	(3,015)
Pro forma net income	$13,831	$11,124	$21,868	$16,112
Basic earnings per share:				
As reported	$ 0.56	$ 0.46	$ 0.94	$ 0.78
Pro forma under SFAS No. 123	$ 0.55	$ 0.45	$ 0.87	$ 0.65
Diluted earnings per share:				
As reported	$ 0.54	$ 0.44	$ 0.91	$ 0.75
Pro forma under SFAS No. 123	$ 0.53	$ 0.43	$ 0.84	$ 0.63

NOTE 4 - COMPREHENSIVE INCOME (LOSS)

The components of comprehensive income (loss) for the three months and nine months ended October 31, 2005 and 2004 are as follows (in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2005	2004	2005	2004
Net income	$14,108	$11,334	$ 23,656	$19,127
Net unrealized (loss) gain on investments, net of tax	(92)	26	62	46
Effective portion of unrealized gain (loss) on hedging contracts, net of tax	1,393	3,181	(3,734)	907
Foreign currency translation adjustment	925	13,981	(20,812)	11,410
Total comprehensive income (loss)	$16,334	$28,522	($828)	$31,490

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 areas: 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 October 31, 2005 and 2004:

	Net Sales		Operating Income (Loss)	
	2005	2004	2005	2004
Wholesale	$121,932	$110,818	$18,459	$16,737
Retail	19,804	16,205	551	(753)
Consolidated total	$141,736	$127,023	$19,010	$15,984

Operating Segment Data for the Nine Months Ended October 31, 2005 and 2004:

	Net Sales		Operating Income (Loss)	
	2005	2004	2005	2004
Wholesale	$290,196	$252,418	$34,370	$27,902
Retail	54,622	46,580	(936)	(1,463)
Consolidated total	$344,818	$298,998	$33,434	$26,439

	Total Assets		
	October 31, 2005	January 31, 2005	October 31, 2004
Wholesale	$460,930	$415,739	$436,328
Retail	67,240	61,211	62,831
Consolidated total	$528,170	$476,950	$499,159

Geographic Area Data for the Three Months Ended October 31, 2005 and 2004:

	Net Sales		Operating Income	
	2005	2004	2005	2004
Domestic	$113,128	$ 99,211	$11,847	$ 6,513
International	28,608	27,812	7,163	9,471
Consolidated total	$141,736	$127,023	$19,010	$15,984

Geographic Area Data for the Nine Months Ended October 31, 2005 and 2004:

	Net Sales		Operating Income	
	2005	2004	2005	2004
Domestic	$270,435	$235,697	$16,132	$12,485
International	74,383	63,301	17,302	13,954
Consolidated total	$344,818	$298,998	$33,434	$26,439

Domestic and International net sales are net of intercompany sales of $74.4 million and $70.4 million for the three months ended October 31, 2005 and 2004, respectively.

Domestic and International net sales are net of intercompany sales of $179.7 million and $186.3 million for the nine months ended October 31, 2005 and 2004, respectively.

	Total Assets		
	October 31, 2005	January 31, 2005	October 31, 2004
Domestic	$318,238	$282,018	$301,377
International	209,932	194,932	197,782
Consolidated total	$528,170	$476,950	$499,159

	Long-Lived Assets		
	October 31, 2005	January 31, 2005	October 31, 2004
Domestic	$36,546	$35,010	$34,889
International	12,563	15,273	15,216
Consolidated total	$49,109	$50,283	$50,105

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 three months ended October 31, 2005 and 2004, the Company recorded an expense related to the SERP of $0.2 million and $0.1 million, respectively. For the nine months ended October 31, 2005 and 2004, the Company recorded an expense related to the SERP of $0.5 million and $0.4 million, respectively.

NOTE 7 - INVENTORIES, NET

Inventories, net consist of the following (in thousands):

	October 31, 2005	January 31, 2005	October 31, 2004
Finished goods	$130,950	$111,468	$110,071
Component parts	74,945	71,761	74,278
Work-in-process	5,547	4,661	8,462
	$211,442	$187,890	$192,811

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 25,328,000 and 24,756,000 for the three months ended October 31, 2005 and 2004, respectively. For diluted earnings per share, these amounts were increased by 883,000 and 865,000 for the three months ended October 31, 2005 and 2004, respectively, due to potentially dilutive common stock equivalents issuable under the Company's stock option plans and restricted stock grants.

The weighted-average number of shares outstanding for basic earnings per share were 25,209,000 and 24,646,000 for the nine months ended October 31, 2005 and 2004, respectively. For diluted earnings per share, these amounts were increased by 914,000 and 851,000 for the nine months ended October 31, 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 October 31, 2005, the Company had outstanding letters of credit totaling $1.2 million with expiration dates through August 31, 2006 compared to $0.6 million with expiration dates through June 30, 2005 as of October 31, 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 October 31, 2005, a Swiss bank guaranteed one of the Company's Swiss subsidiary's obligations to certain Swiss third parties in the amount of approximately $3.1 million in various foreign currencies compared to $2.2 million as of October 31, 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 the Company's 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 - OTHER INCOME, NET

The components of other income, net for the three months and nine months ended October 31, 2005 and 2004 are as follows (in thousands):

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2005	2004	2005	2004
Gain on sale of building (a)	$ 2,630	$ --	$ 2,630	$ --
Discontinued cash flow hedges (b)	(1,622)	--	(1,622)	--
Litigation settlement (c)	--	--	--	1,444
Other income, net	$ 1,008	$ --	$ 1,008	$1,444

(a) The Company recorded a pre-tax gain for the three months and nine months ended October 31, 2005 of $2.6 million on the sale of a building acquired on March 1, 2004 in the acquisition of Ebel. The building was classified as an asset held for sale in other current assets.

(b) The Company recorded a pre-tax loss for the three months and nine months ended October 31, 2005 of $1.6 million in other expense, representing the impact of the discontinuation of foreign currency cash flow hedges because it was not probable that the forecasted transactions would occur by the end of the originally specified time period.

(c) The Company recognized income for the nine months ended October 31, 2004 from a litigation settlement with Swiss Army Brands, Inc. in the amount of $1.4 million.

NOTE 11 - SUBSEQUENT EVENT

On November 21, 2005, the Company entered into a License Agreement with L.C. Licensing, Inc. ("L.C. Licensing"), with an effective date of November 18, 2005. The Company received an exclusive license to use the trademarks "Juicy Couture" and "Couture Couture Los Angeles", in connection with the manufacture, advertising, merchandising, promotion, sale and distribution of timepieces and components. The term of the license is November 18, 2005 through December 31, 2011, with a four-year renewal period at the option of the Company, provided that certain sales thresholds are met.

NOTE 12 - 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 fourth quarter of fiscal 2006.

NOTE 13 - 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 clarify 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 continues 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 Company is currently assessing the impact of SFAS No. 123(R) on its consolidated financial position, results of operations and cash flows.

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.

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"). FIN 47 clarifies that the term "conditional asset retirement obligation" as used in SFAS No. 143, "Accounting for Asset Retirement Obligations," refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. The Company is currently assessing the impact of FIN 47 on its consolidated financial position, results of operations and cash flows.

In June 2005, the Emerging Issues Task Force ("EITF") reached consensus on EITF 05-6, "Determining the Amortization Period for Leasehold Improvements". Under EITF 05-6, leasehold improvements placed in service significantly after and not contemplated at or near the beginning of the lease term, should be amortized over the lesser of the useful life of the assets or a term that includes renewals that are reasonably assured at the date the leasehold improvements are purchased. EITF 05-6 is effective for periods beginning after June 29, 2005. The adoption of EITF 05-6 did not 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 October 31, 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 October 31, 2005 as compared to the three months ended October 31, 2004

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

	Three Months Ended October 31, 2005	Three Months Ended October 31, 2004
Wholesale:		
Domestic	$ 93,324	$ 83,006
International	28,608	27,812
Retail	19,804	16,205
Net Sales	$141,736	$127,023

Net sales increased by $14.7 million or 11.6% for the three months ended October 31, 2005 as compared to the three months ended October 31, 2004. Sales in the wholesale segment increased 10.0% to $121.9 million versus $110.8 million in the prior year.

The domestic wholesale business was $93.3 million for the three months ended October 31, 2005, representing an increase of $10.3 million or 12.4% above prior year. Movado and ESQ brand sales increased by $4.4 million and $3.1 million, respectively, primarily the result of increased demand. Ebel sales increased by $2.6 million primarily due to sales of newly introduced products.

Net sales in the international wholesale business were $28.6 million for the three months ended October 31, 2005, representing an increase of $0.8 million or 2.9% above prior year. Tommy Hilfiger and Ebel recorded increases of $1.7 million and $0.6 million, respectively. These increases were primarily in Europe. Concord was below prior year by $1.4 million primarily due to reduced sales in the Middle East.

Net sales in the retail segment rose 22.2% to $19.8 million for the three months ended October 31, 2005. Movado Boutique sales increased by 33.1%. This was the result of a 10.6% comparable store sales increase along with the sales volume from non-comparable stores year over year. The Company's outlet stores recorded a sales increase of 16.4% above prior year. The comparable store sales increase for the outlet stores was 17.0%. The Company operated 27 Boutiques and 29 outlet stores at October 31, 2005 compared to 24 Boutiques and 27 outlet stores at October 31, 2004.

Gross Profit. The gross profit for the three months ended October 31, 2005 was $86.2 million or 60.8% of net sales as compared to $77.1 million or 60.7% of net sales for the three months ended October 31, 2004. Gross profit increased by $9.1 million primarily as the result of the higher sales volume.

Selling, General and Administrative ("SG&A") Expenses. Selling, general and administrative expenses for the three months ended October 31, 2005 were $67.2 million as compared to $61.2 million for the three months ended October 31, 2004. The increase of $6.0 million reflects added spending primarily to invest in the Company's strategic growth initiatives. This amount included higher marketing expenditures of $2.1 million, added spending of $1.6 million in support of the retail expansion and increased personnel related infrastructure costs of $1.1 million.

Wholesale Operating Income. The operating income in the wholesale segment increased by $1.7 million to $18.5 million for the three months ended October 31, 2005. The increase was the net result of higher gross profit of $6.1 million, partially offset by the increase in SG&A expenses of $4.4 million. The higher gross profit of $6.1 million was primarily the result of the increase in net sales of $11.1 million. The increase in the SG&A expenses of $4.4 million was primarily due to spending to invest in the Company's strategic growth initiatives. This amount included higher marketing spending of $2.0 million, increased personnel related infrastructure costs of $1.1 million and an increase in depreciation and rent expense of $0.3 million.

Retail Operating Income (Loss). An operating income of $0.6 million and operating loss of ($0.8) million were recorded in the retail segment for the periods ended October 31, 2005 and October 31, 2004, respectively. The increase in operating income was the net result of higher gross profit of $2.9 million partially offset by higher SG&A expenses of $1.5 million. The increased gross profit was primarily the result of the increase in net sales of $3.6 million. The higher SG&A expenses were primarily due to the retail expansion. This included higher staff expense of $0.9 million, increased occupancy costs of $0.3 million and increased depreciation expenses of $0.3 million.

Interest Expense. Net interest expense for the three months ended October 31, 2005 increased by $0.3 million to $1.2 million as compared to $0.9 million for the three months ended October 31, 2004. The average debt for the quarter was $88.8 million or $25.5 million above last year. The Company's average borrowing rate was 5.2% compared to 4.7% in the prior year. The higher average borrowing rate is the result of the general increase in short term interest rates.

Other Income. The Company recorded other income for the three months ended October 31, 2005 of $1.0 million. The Company recorded a pre-tax gain of $2.6 million on the sale of a building acquired on March 1, 2004 in the acquisition of Ebel. The building was classified as an asset held for sale in other current assets. Additionally, the Company recorded a pre-tax loss of $1.6 million representing the impact of the discontinuation of foreign currency cash flow hedges because it was not probable that the forecasted transactions would occur by the end of the originally specified time period.

Income Taxes. The Company recorded a tax expense of $4.7 million for the three months ended October 31, 2005 as compared to a tax expense of $3.8 million for the three months ended October 31, 2004. Taxes were recorded at an effective tax rate of 25.0% for both periods.

Net Income. For the three months ended October 31, 2005, the Company recorded net income of $14.1 million as compared to $11.3 million for the three months ended October 31, 2004.

Results of operations for the nine months ended October 31, 2005 as compared to the nine months ended October 31, 2004

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

	Nine Months Ended October 31, 2005	Nine Months Ended October 31, 2004
Wholesale:		
Domestic	$215,813	$189,117
International	74,383	63,301
Retail	54,622	46,580
Net Sales	$344,818	$298,998

Net sales increased by $45.8 million or 15.3% for the nine months ended October 31, 2005 as compared to the nine months ended October 31, 2004. Sales in the wholesale segment increased 15.0% to $290.2 million versus $252.4 million in the prior year.

The domestic wholesale business was $215.8 million for the nine months ended October 31, 2005, representing an increase of $26.7 million or 14.1% above prior year. Ebel sales grew $9.3 million, which reflects the full integration of nine months rather than eight months in the prior year, in addition to the increased sell-in of new products. Movado and ESQ brand sales increased by $8.7 million and $5.8 million, respectively.

Net sales in the international wholesale business were $74.4 million for the nine months ended October 31, 2005, representing an increase of $11.1 million or 17.5% above prior year. Ebel and Tommy Hilfiger recorded increases of $6.7 million and $4.2 million, respectively. The increase in Ebel is due to the full integration of nine months rather than eight months in the prior year, in addition to the increased sell-in of new products. The increase in Tommy Hilfiger sales was primarily in Europe. Concord was $1.2 million below prior year, primarily due to weaker sales in the Middle East.

Net sales in the retail segment rose 17.3% to $54.6 million for the nine months ended October 31, 2005. The increase was driven by an overall 29.0% increase in Movado Boutique sales. The comparable store sales increase for the Movado Boutiques was 5.0% for the nine months ended October 31, 2005. The Company's outlet stores recorded an overall sales increase of 10.0% above prior year. The comparable store sales increase for the outlet stores was 8.7% for the nine months ended October 31, 2005. The Company operated 27 Boutiques and 29 outlet stores at October 31, 2005 compared to 24 Boutiques and 27 outlet stores at October 31, 2004.

Gross Profit. The gross profit for the nine months ended October 31, 2005 was $209.0 million or 60.6% of net sales as compared to $178.5 million or 59.7% of net sales for the nine months ended October 31, 2004. Gross profit increased by $30.5 million primarily as the result of the higher sales volume.

Selling, General and Administrative ("SG&A") Expenses. Selling, general and administrative expenses for the nine months ended October 31, 2005 were $175.6 million as compared to $152.1 million for the nine months ended October 31, 2004. The increase of $23.5 million reflects spending primarily to invest in the Company's strategic growth initiatives, including higher marketing spending of $8.1 million, added spending of $4.9 million in support of the retail expansion, higher compensation and related costs of $4.0 million, an increase of $1.6 million in depreciation and amortization expense and increased spending for outside services of $1.4 million.

Wholesale Operating Income. The operating income in the wholesale segment increased by $6.5 million to $34.4 million for the nine months ended October 31, 2005. The increase was the net result of higher gross profit of $24.6 million, partially offset by the increase in SG&A expenses of $18.1 million. The higher gross profit of $24.6 million was primarily the result of the increase in net sales of $37.8 million. The increase in the SG&A expenses of $18.1 million was primarily due to increased spending in support of the Company's strategic growth initiatives. This increased spending included higher marketing spending of $7.7 million, higher compensation and related costs of $4.0 million, higher outside service fees of $1.4 million and an increase of $0.7 million in depreciation and amortization expense.

Retail Operating Loss. Operating losses of $0.9 million and $1.5 million were recorded in the retail segment for the periods ended October 31, 2005 and October 31, 2004, respectively. The decrease in the operating loss for the nine months ended October 31, 2005 was the net result of higher gross profit of $5.9 million partially offset by higher SG&A expenses of $5.3 million. The increased gross profit was primarily attributed to the increase in net sales of $8.0 million. The higher SG&A expenses were primarily due to the retail expansion. This amount included higher staff expense of $2.3 million, increased occupancy costs of $1.3 million and increased depreciation expense of $0.9 million.

Interest Expense. Net interest expense for the nine months ended October 31, 2005 increased by 21.9% to $2.9 million as compared to $2.4 million for the nine months ended October 31, 2004. The average debt for the quarter was $71.0 million or $14.3 million above last year. The higher borrowings were primarily the result of the issuance of $20.0 million of new senior promissory notes in the third quarter of fiscal 2005. The Company's average borrowing rate was 5.3% compared to 4.7% in the prior year. The higher average borrowing rate is the result of the general increase in short-term interest rates.

Other Income. The Company recorded other income for the nine months ended October 31, 2005 of $1.0 million. The Company recorded a pre-tax gain of $2.6 million on the sale of a building acquired on March 1, 2004 in the acquisition of Ebel. The building was classified as an asset held for sale in other current assets. Additionally, the Company recorded a pre-tax loss of $1.6 million representing the impact of the discontinuation of foreign currency cash flow hedges because it was not probable that the forecasted transactions would occur by the end of the originally specified time period.

The Company recognized other income for the nine months ended October 31, 2004 from a litigation settlement with Swiss Army Brands, Inc. in the amount of $1.4 million.

Income Taxes. The Company recorded a tax expense of $7.9 million for the nine months ended October 31, 2005 as compared to a tax expense of $6.4 million for the nine months ended October 31, 2004. Taxes were recorded at an effective tax rate of 25.0% for both periods.

Net Income. For the nine months ended October 31, 2005, the Company recorded net income of $23.7 million as compared to $19.1 million for the nine months ended October 31, 2004.

LIQUIDITY AND CAPITAL RESOURCES

Cash used in operating activities amounted to $28.0 million for the nine months ended October 31, 2005 and $17.9 million for the nine months ended October 31, 2004. The increase in the cash used during the nine months ended October 31, 2005 of $10.1 million is primarily the net result of higher working capital needs of $17.0 million partially offset by higher net income of $4.5 million. The principle reasons for the increase in working capital are lower accounts payable of $9.2 million primarily related to the timing of payments, higher accounts receivable of $4.7 million primarily due to the sales increase and lower accrued liabilities of $3.7 million primarily due to the payment of severance and other accruals. This increase was slightly offset by lower inventory of $0.6 million.

Cash used in investing activities amounted to $6.5 million and $54.8 million for the nine months ended October 31, 2005 and 2004, respectively. The cash used during the nine months ended October 31, 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 offset by proceeds received from the sale of a building. The cash used during the nine months ended October 31, 2004 was primarily to fund the acquisition of Ebel and capital expenditures related to the build out of the new Movado Boutiques opened during the period.

Cash provided by financing activities amounted to $41.9 million and $26.1 million for the nine months ended October 31, 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 October 31, 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 October 31, 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 $17.0 million of uncommitted working capital lines, of which a maximum of $15.0 million may be drawn under the terms of the Company's revolving credit line with its bank group. The unsecured revolving line of credit expires on June 17, 2006. At October 31, 2005, the Company had $44.0 million of outstanding borrowings under its bank lines as compared to $16.3 million at October 31, 2004. In addition, one bank in the domestic bank group 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 October 31, 2005, these 11 standby letters of credit totaled $1.2 million with expiration dates through August 31, 2006. As of October 31, 2004, there were seven standby letters of credit that totaled $0.6 million with expiration dates through June 30, 2005.

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 $6.2 million and $6.7 million at October 31, 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 October 31, 2005, there were no borrowings against these lines. As of October 31, 2005, the Swiss bank guaranteed the Swiss subsidiary's obligations to certain Swiss third parties in the amount of approximately $3.1 million in various foreign currencies.

During the nine months ended October 31, 2005, treasury shares increased by 180,092 as the result of cashless exercises of stock options for 495,379 shares of stock.

The Company paid dividends of $0.05 per share for each of the first, second and third quarter, or $3.8 million, for the nine months ended October 31, 2005 and $0.04 per share for each of the first, second and third quarter, or $3.0 million for the nine months ended October 31, 2004.

Cash and cash equivalents at October 31, 2005 amounted to $56.1 million compared to $35.9 million at October 31, 2004. The increase in cash and cash equivalents relates to the Company's higher borrowings.

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 clarify 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 continues 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 Company is currently assessing the impact of SFAS No. 123(R) on its consolidated financial position, results of operations and cash flows.

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.

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"). FIN 47 clarifies that the term "conditional asset retirement obligation" as used in SFAS No. 143, "Accounting for Asset Retirement Obligations," refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. The Company is currently assessing the impact of FIN 47 on its consolidated financial position, results of operations and cash flows.

In June 2005, the Emerging Issues Task Force ("EITF") reached consensus on EITF 05-6, "Determining the Amortization Period for Leasehold Improvements". Under EITF 05-6, leasehold improvements placed in service significantly after and not contemplated at or near the beginning of the lease term, should be amortized over the lesser of the useful life of the assets or a term that includes renewals that are reasonably assured at the date the leasehold improvements are purchased. EITF 05-6 is effective for periods beginning after June 29, 2005. The adoption of EITF 05-6 did not have a material impact on the Company's consolidated financial position, results of operations or 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 accumulated other comprehensive income 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 October 31, 2005 (in millions):

	October 31, 2005 Fair Value	Maturities
Forward exchange contracts	($5.0)	2005-2006
Purchased foreign currency options	0.5	2005-2006
	($4.5)	

The Company's international business accounts for 20.2% and 21.6% of the Company's sales for the three months and nine months ended October 31, 2005 respectively. 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 and nine months ended October 31, 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 October 31, 2005, the Company had $44.0 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 October 31, 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 were 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 October 31, 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.

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: December 8, 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: December 8, 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: December 8, 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 October 31, 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: December 8, 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 October 31, 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: December 8, 2005

/s/ Eugene J. Karpovich

Eugene J. Karpovich
Senior Vice President and
Chief Financial Officer