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, 1999

[ ] 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	13-2595932
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(IRS EMPLOYER IDENTIFICATION NO.)
125 CHUBB AVENUE, LYNDHURST, NEW JERSEY	07071
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(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 28, 1999 the Registrant had 3,517,000 shares of Class A Common Stock, par value $0.01 per share, outstanding and 9,459,688 shares of Common Stock, par value $0.01 per share, outstanding.

MOVADO GROUP, INC.

INDEX TO QUARTERLY REPORT ON FORM 10-Q
APRIL 30, 1999

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, 1999	JANUARY 31, 1999	APRIL 30, 1998
ASSETS			
Current assets:			
Cash and cash equivalents	$ 37,614	$ 5,626	$ 2,387
Trade receivables, net	109,431	109,102	82,645
Inventories	119,757	104,027	110,025
Assets held for sale	-	22,187	-
Other	22,787	21,489	24,946
Total current assets	289,589	262,431	220,003
Plant, property and equipment, net	25,297	22,998	21,575
Other assets	12,433	10,946	11,183
	$ 327,319	$ 296,375	$ 252,761
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Loans payable to banks	$ 45,226	$ 2,200	$ 19,441
Current portion of long-term debt	5,000	10,000	5,000
Accounts payable	24,333	25,181	20,609
Accrued liabilities	20,920	20,020	14,071
Deferred and current taxes payable	9,221	10,179	8,547
Total current liabilities	104,700	67,580	67,668
Long-term debt	55,000	55,000	35,000
Deferred and non-current foreign income taxes	5,471	5,728	3,391
Other liabilities	1,648	1,641	2,480
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; 9,448,938, 9,419,781 and 9,336,204 shares issued, respectively	94	94	93
Class A Common Stock, $0.01 par value, 10,000,000 shares authorized; 3,517,000, 3,530,922 and 3,555,486 shares issued and outstanding, respectively	35	35	36
Capital in excess of par value	65,229	65,332	64,521
Retained earnings	110,134	106,141	86,085
Accumulated other comprehensive income	(10,292)	(2,188)	(6,385)
Treasury Stock, 238,519, 159,019 and 17,251 shares, at cost, respectively	(4,700)	(2,988)	(128)
	160,500	166,426	144,222
	$ 327,319	$ 296,375	$ 252,761

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	THREE MONTHS ENDED APRIL 30, 1999	THREE MONTHS ENDED APRIL 30, 1998
Net sales	$47,653	$41,650
Costs and expenses:		
Cost of sales	18,618	16,936
Selling, general and administrative	27,039	23,510
Operating income	1,996	1,204
Net interest expense	1,147	1,012
Gain on disposition of business	4,752	-
Income before income taxes	5,601	192
Provision for income taxes	1,289	44
Net income	$ 4,312	$ 148
Basic earnings per share	$ 0.34	$ 0.01
Diluted earnings per share	$ 0.33	$ 0.01
Dividends declared per share	$ 0.025	$ 0.020
Average shares outstanding	12,771	12,873
Dilutive effect of stock options	394	680
Average shares outstanding assuming dilution	13,165	13,553

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	THREE MONTHS ENDED APRIL 30,	
	1999	1998
Cash flows from operating activities:		
Net income	$ 4,312	$ 148
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	1,193	1,102
Deferred and non-current foreign income taxes	114	(16)
Provision for losses on accounts receivable	265	207
Gain on disposition of business	(4,752)	-
Changes in current assets and liabilities:		
Trade receivables	(592)	9,424
Inventories	(19,371)	(12,365)
Other current assets	(1,380)	(7,719)
Accounts payable	(5,298)	(4,558)
Accrued liabilities	(1,094)	(2,803)
Deferred & current taxes payable	(554)	(1,683)
Increase in other non-current assets	(819)	(656)
(Decrease) increase in other non-current liabilities	(185)	31
Net cash used in operating activities	(28,161)	(18,888)
Cash flows used for investing activities:		
Capital expenditures	(3,526)	(3,626)
Proceeds from disposition of business	28,409	-
Goodwill, trademarks and other intangibles	(655)	(109)
Net cash provided by (used in) investing activities	24,228	(3,735)
Cash flows from financing activities:		
Repayment of Senior Notes	(5,000)	(5,000)
Net proceeds from bank borrowings	43,058	19,441
Principal payments under capital leases	(36)	(75)
Stock options exercised	125	50
Dividends paid	(319)	(257)
Purchase of treasury stock	(1,712)	-
Net cash provided by financing activities	36,116	14,159
Effect of exchange rate changes on cash and cash equivalents	(195)	(23)
Net increase (decrease) in cash and cash equivalents	31,988	(8,487)
Cash and cash equivalents at beginning of period	5,626	10,874
Cash and cash equivalents at end of period	$ 37,614	$ 2,387

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 1999 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 - INVENTORIES

Inventories consist of the following (in thousands):

	APRIL 30, 1999	JANUARY 31, 1999	APRIL 30, 1998
Finished goods	$ 80,076	$ 64,438	$ 68,999
Work-in-process and component parts	39,681	39,589	41,026
	$119,757	$104,027	$110,025

NOTE 2 - 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,	
	1999	1998
Cash paid during the period for:		
Interest	$1,245	$1,572
Income taxes	$2,058	1,804

NOTE 3 - COMPREHENSIVE INCOME

The components of comprehensive income for the three months ended April 30, 1999 and 1998 are as follows (in thousands):

	1999	1998
Net income	$ 4,312	$ 148
Foreign currency translation adjustment	(8,104)	(1,248)
Comprehensive loss	($3,792)	($1,100)

NOTE 4 - SEGMENT INFORMATION

In fiscal 1999, the Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which requires reporting certain financial information according to the "management approach." This approach requires reporting information regarding operating segments on the basis used internally by management to evaluate segment performance. The Company conducts its business primarily in two operating segments: "Wholesale" and "Other". The Company's wholesale segment includes the designing, manufacturing and distribution of quality watches. Other includes the Company's retail and service center operations. In fiscal 2000, the Statement also requires quarterly disclosure of certain segment information. Operating segment data as of April 30, 1999 and 1998 are as follows (in thousands):

	NET SALES		OPERATING PROFIT	
	1999	1998	1999	1998
Wholesale	$ 41,156	$ 36,513	$ 3,206	$ 1,893
Other	6,497	5,137	(1,020)	(565)
Elimination (1)			(190)	(124)
Consolidated total	$ 47,653	$ 41,650	$ 1,996	$ 1,204

(1) Elimination of inter-segment management fees.

NOTE 5 - DISPOSITION OF BUSINESS

On December 22, 1998, the Company entered into an agreement with VLG North America, Inc. ("VLG") for the sale to VLG of substantially all of the assets, properties and rights related to the Piaget business. The transaction was completed on February 22, 1999 at a sales price of $28.4 million. After adjusting for the net assets sold and the expenses related to the sale, the Company earned an after tax gain of $3.7 million, or $0.28 per share. In fiscal 1999, the Piaget business had annual sales and operating income of approximately $14.2 million and $100,000 respectively.

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, seasonality, availability of alternative sources of supply in the case of loss of any significant supplier, the Company's dependence on key officers, continued availability to the Company of financing and credit on favorable terms and success of hedging strategies in respect of currency exchange rate fluctuations.

RESULTS OF OPERATIONS

Three months ended April 30, 1999 compared to three months ended April 30, 1998.

Net Sales. Net sales increased 14.4% to $47.7 million in 1999 from $41.7 million in 1998. The increase was attributable to a 21.7% increase in domestic sales. The domestic sales increase was primarily due to increases in the sales of Concord, Movado and ESQ brands, and increases in retail sales made by the Company's outlet division and boutiques (as a result of both volume growth and new stores opened last year). The increase in domestic sales was offset somewhat by a decrease in the Coach brand. The decrease in the sales of Coach, however, was the result of significant initial shipments of the brand at the time of its launch in April 1998.

In addition, prior year first quarter results included sales within the Piaget brand and from a small Switzerland based watch component business both of which have been sold. Sales from ongoing operations increased 20% from the first quarter of last year.

Gross Margins. Gross margin for the three months ended April 30, 1999 was $29.0 million (60.9% of net sales) as compared to $24.7 million (59.3% of net sales) for the comparable prior year period. The increase in gross margins as a percentage of sales is primarily a function of the disposition of the Piaget distribution business, which had gross margins below the Company's manufactured brands.

Operating Expenses. Operating expenses increased 15.0% for the three months ended April 30, 1999 to 56.7% of net sales from 56.4% of net sales for the comparable prior year period. The increase in operating expenses is primarily due to an increase in advertising and marketing costs and general and administrative expenses. Advertising and marketing costs increased primarily due to a full quarter of advertising expenses for the Coach brand and Movado Boutiques in fiscal 2000 as compared to less than a full quarter of expenses in the corresponding prior year period. Both Coach and the Movado Boutiques were first launched in the first quarter of last year. Selling expenses increased due to incremental costs of three additional outlet stores. In addition, general and administrative expenses increased primarily due to expenses related to the Company's new core information system which was implemented in the United States in March 1999 as well as cost increases in employee benefit programs as a result of an increase in headcount.

Interest Expense. Net interest expense, which consists primarily of interest on the Company's 6.56% Senior Notes ("Senior Notes"), 6.90% Series A Senior Notes ("Series A Senior Notes") and borrowings against its working capital and revolving lines of credit was $1.1 million for the three months ended April 30, 1999 as compared to $1.0 million for the three months ended April 30, 1998. The increase relates to interest on the Series A Senior Notes issued in December 1998 and increased interest on working capital borrowings. The increase was partially offset by investment income from the investment of the proceeds from the disposition of the Piaget business.

Income Taxes. The Company recorded a provision for income taxes of $1.3 million and $44,000 for the three months ended April 30, 1999 and 1998, respectively. Taxes were provided at a 23% effective rate which the Company believes will approximate the effective annual rate for fiscal 2000; 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 the Company's ability to utilize loss carryforwards in certain jurisdictions. The 23% 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.

The first quarter 1999 tax provision includes approximately $1.1 million related to the gain of $4.8 million on the disposition of the Piaget business.

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 sales over the two 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's future requirements for capital will relate not only to working capital requirements for the expected continued growth of its existing brands, but also to fund new product lines. In addition, the Company is required to make a $5 million sinking fund payment on January 31, 2000 in connection with its Senior Notes which were issued in the original principal amount of $40 million.

The Company's revolving credit and working capital lines with its domestic bank group provide for a three year, $90.0 million unsecured revolving line of credit, pursuant to an Amended and Restated Credit Agreement, dated July 23, 1997, among the Company, Chase Manhattan Bank, as agent, Fleet Bank N.A. as co-agent, and other banks signatory thereto ("Restated Bank Credit Agreement"), and $28.3 million of uncommitted working capital lines of credit. At April 30, 1999, the Company had $50.2 million in outstanding balances under the Restated Bank Credit Agreement, $5.0 million of which is included in Long-term debt.

In March 1998, the Company's Board of Directors authorized the repurchase of 400,000 shares of the Company's Common Stock. In March 1999, the Board approved a revised stock repurchase program for the repurchase of shares of the Company's Common Stock up to an aggregate repurchase price of $10.0 million in addition to the shares previously purchased. As of April 30, 1999, the Company had repurchased 221,700 shares at an aggregate cost of $4.8 million.

As of April 30, 1999, the Company's debt to total capitalization ratio was 39.6% as compared to 28.8% at January 31, 1999 and 29.2% at April 30, 1998. The increase in the debt to total capitalization from April 30, 1998 is primarily due to the issuance of the Series A Senior Notes in the fourth quarter of fiscal 1999. The increase from January 31, 1999 is primarily due to an increase in loans payable to banks.

The Company's net working capital, consisting primarily of trade receivables and inventories, amounted to $184.9 million at April 30, 1999, $194.9 million at January 31, 1999 and $152.3 million at April 30, 1998. The decrease in working capital from January 31, 1999 is primarily the result of an increase in loans payable to banks, proceeds of which were used to purchase inventories. The increase in working capital from April 30, 1998 is primarily due to an increase in receivables and inventory due to growth in the Company's business, and the proceeds from the sale of the Piaget business.

Accounts receivable at April 30, 1999 were $109.4 million as compared to $109.1 million at January 31, 1999 and $82.6 million at April 30, 1998. The growth in accounts receivable from April 30, 1998 is primarily the result of growth in the Company's business.

Inventories at April 30, 1999 were $119.8 million as compared to $104.0 million at January 31, 1999 and $110.0 million at April 30, 1998. The increase from January 31, 1999 relates to the anticipation of the upcoming selling season and the Company's new product lines. The increase from April 30, 1998 relates to the Company's new product lines offset somewhat by the disposition of the Piaget business.

The Company's fiscal 2000 year-to-date capital expenditures approximated $3.5 million as of April 30, 1999 and $3.6 million as of April 30, 1998. Expenditures in fiscal 2000 primarily related to the construction of the Company's sales booth for the Basel Fair in Switzerland and improvements in information systems. The Company expects that capital expenditures in the future will approximate the average of fiscal 1999 and 1998 levels.

YEAR 2000

General

Many older computer software programs and other equipment with embedded chips or processors (collectively "systems") refer to years in terms of their last two digits only. Such systems may incorrectly interpret the year 2000 to mean the year 1900. If not corrected, those systems could cause date related transaction failures.

Project

The Company initiated a project in 1997 (the "Project") to improve and standardize data and computer technology. The Project is designed to replace all obsolete hardware and software with systems that are Year 2000 compliant and in addition, to replace most business software systems. The Project calls for the replacement or upgrade of all PCs, servers, network components, desktop software, core business software which support manufacturing, distribution, sales, accounting, after sales service, retail point of sale, and electronic data interchange (EDI). A new global technical network infrastructure (hardware, software, and communication technology) has been implemented. A new retail point-of-sale and merchandise system that is Year 2000 compliant was implemented in fiscal 1999 for all store and headquarters locations. As part of the Project, new client/server core business applications software (which is designed to be Year 2000 compliant) supporting manufacturing, distribution, sales, accounting and after sales service was implemented in the U.S.

in March 1999. The Company has been working with System Software Associates, Inc. ("SSA") to complete implementation and testing as well as implementation and testing of the same applications software at the Company's Canadian, Far East and Swiss facilities. Such implementation is expected to be completed in Switzerland in February 2000 and in Canada and the Far East by the end of the first quarter of fiscal 2001. Existing business applications software systems operating in Canada and the Far East, however, have been made Year 2000 compliant in any event by the implementation of upgrades, which were completed in February 1999. The Company has developed and is utilizing a contingency plan with the goal of insuring that the Company's Swiss business systems are Year 2000 compliant. This plan calls for the implementation of certain upgrades and the remediation of applications software that is not Year 2000 compliant. The Swiss contingency plan including testing is expected to be completed in July 1999. The Company has tested the BPCS 6.0 applications software by reviewing the database and program definitions to confirm that the date formats are four digit year specific. The Company plans to conduct further testing by simulating the date change to January 1, 2000 during the second quarter of fiscal 2000. As a result of the Project and its contingency planning, the Company expects that it will be Year 2000 compliant, on a global basis, by the end of calendar year 1999.

By the use of questionnaires, the Company is monitoring the Year 2000 system status of customers and vendors involved with electronic interchange of data with our systems. This monitoring will continue throughout 1999. Non-electronic data exchange contingency approaches including reliance on communications by fax will be used, if required, with those customers or vendors which fail to reach Year 2000 system compliance by January 1, 2000.

Costs

Costs associated with systems replacement and modification to become Year 2000 compliant under the contingency plan (outside of the Project) are expected to be approximately $400,000. The estimated total cost of the Project is approximately $11.0 million. The total amount expended on the Project through April 30, 1999 was approximately $8.1 million. This estimate assumes that the Company will not incur significant Year 2000 related costs due to the failure of customers, vendors and other third parties to be Year 2000 compliant.

Risks

The failure to correct a material Year 2000 problem could result in an interruption in, or failure of, certain normal business activities or operations. Such failures could materially and adversely affect the Company's result of operations, liquidity and financial condition. Due to the general uncertainty inherent in the Year 2000 problem, resulting in part from the uncertainty of the Year 2000 readiness of third party suppliers and customers, the Company is unable to determine at this time whether the consequences of Year 2000 failures will have a material impact on the Company's results of operations, liquidity or financial condition. The Project is expected to significantly reduce the Company's level of uncertainty about the Year 2000 problem. The Company believes that, with the implementation of new business systems, the completion of the Project and the implementation of the Company's contingency plan, the possibility of significant interruptions of normal operations should be reduced. No major information technology projects have been deferred as a result of the Project.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27 Financial Data Schedule for the three months ended April 30, 1999, submitted to the Securities and Exchange Commission in electronic format.

(b) Reports on Form 8-K

During the quarter ended April 30, 1999 the Company filed a Current Report on Form 8-K dated March 9, 1999 reporting matters under Item 2 thereof and including the following financial information of the Company: a pro forma balance sheet (unaudited) as of October 31, 1998; a pro forma statement of income (unaudited) for the nine months ended October 31, 1998; a pro forma statement of income (unaudited) for the fiscal year ended January 31, 1999 and notes to pro forma financial statements (unaudited).

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 14, 1999

By: /s/ Kenneth J. Adams

Kenneth J. Adams
Senior Vice President and
Chief Financial Officer
(Chief Financial Officer and
Principal Accounting Officer)

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
27	Financial Data Schedule for the three months ended April 30, 1999, submitted to the Securities and Exchange Commission in electronic format.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED APRIL 30, 1999.

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JAN-31-2000
FEB-01-1999
APR-30-1999
37,614
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109,431
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119,757
289,589
25,297
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