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 OCTOBER 31, 1998

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 0-22378

MOVADO GROUP, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEW YORK (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	13-2595932 (IRS EMPLOYER IDENTIFICATION NO.)
125 CHUBB AVENUE, LYNDHURST, NEW JERSEY (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	07071 (ZIP CODE)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate the number of shares outstanding of each of the Issuer's classes of Common Stock, as of the latest practicable date.

As of December 1, 1998 the Registrant had 3,533,529 shares of Class A Common Stock, par value $0.01 per share, outstanding and 9,389,423 shares of Common Stock, par value $0.01 per share, outstanding.

MOVADO GROUP, INC.

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PART 1 - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	OCTOBER 31, 1998	JANUARY 31, 1998	OCTOBER 31, 1997
ASSETS			
Current assets:			
Cash	$5,469	$10,874	$2,882
Trade receivables, net	138,076	92,386	125,670
Inventories	121,551	98,183	103,574
Other	20,749	18,206	16,184
Total current assets	285,845	219,649	248,310
Plant, property and equipment, net	23,451	18,909	17,358
Other assets	11,460	10,511	10,331
	$320,756	$249,069	$275,999
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Loans payable to banks	$53,611	$ -	$35,386
Current portion of long-term debt	5,000	10,000	5,000
Accounts payable	15,733	25,286	14,226
Accrued liabilities	26,021	16,920	19,353
Deferred and current taxes payable	9,560	10,340	8,572
Total current liabilities	109,925	62,546	82,537
Long-term debt	35,000	35,000	40,000
Deferred and non-current foreign income taxes	5,950	3,460	5,311
Other liabilities	1,863	2,530	2,861
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; 9,389,236, 9,317,007 and 9,259,902, shares issued, respectively	94	93	93
Class A Common Stock, $0.01 par value, 10,000,000 shares authorized; 3,533,529, 3,556,793 and 3,572,460, shares issued and outstanding, respectively	35	36	36
Capital in excess of par value	64,872	64,475	64,039
Retained earnings	100,965	86,194	82,011
Accumulated other comprehensive income	4,497	(5,137)	(761)
Treasury stock, 137,319, 17,251 and 17,251 shares, at cost	(2,445)	(128)	(128)
	168,018	145,533	145,290
	$320,756	$249,069	$275,999

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	NINE MONTHS ENDED OCTOBER 31,		THREE MONTHS ENDED OCTOBER 31,	
	1998	1997	1998	1997
Net sales	$208,039	$176,447	$97,455	$84,536
Costs and expenses:				
Cost of sales	86,272	75,223	39,967	35,438
Selling, general and administrative	97,633	82,448	40,460	35,398
Operating income	24,134	18,776	17,028	13,700
Net interest expense	3,951	3,968	1,435	1,685
Income before income taxes	20,183	14,808	15,593	12,015
Provision for income taxes	4,642	3,406	3,586	2,707
Net income	$15,541	$11,402	$12,007	$9,308
Basic net income per share	$1.21	$ 1.00	$0.94	$ 0.81
Diluted net income per share	$1.17	$0.96	$0.91	$0.77
Dividends declared per share	$0.06	$0.05	$0.02	$0.02
Average shares outstanding	12,860	11,365	12,813	11,490
Dilutive effect of stock options	422	481	337	599
Average shares outstanding assuming dilution	13,282	11,846	13,150	12,089

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	NINE MONTHS ENDED OCTOBER 31,	
	1998	1997
Cash flows from operating activities:		
Net income	$15,541	$11,402
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	2,929	2,943
Deferred and non-current foreign income taxes	2,018	1,721
Provision for losses on accounts receivable	812	628
Changes in current assets and liabilities:		
Trade receivables	(45,430)	(50,540)
Inventories	(21,987)	(15,901)
Other current assets	3,221	1,726
Accounts payable	(9,661)	(11,164)
Accrued liabilities	9,032	6,043
Deferred and current taxes payable	(971)	1,779
Increase in other non-current assets	(854)	(1,298)
Increase(decrease) in other non-current liabilities	55	(54)
Net cash used in operating activities	(45,295)	(52,715)
Cash flows used for investing activities:		
Capital expenditures	(7,248)	(4,764)
Goodwill, trademarks and other intangibles	(862)	(978)
Net cash used in investing activities	(8,110)	(5,742)
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of underwriting discounts and offering expenses	-	29,499
Sale of subsidiary	2,416	-
Net proceeds from debt facilities	48,611	27,838
Principal payments under capital leases	(276)	(221)
Exercise of stock options	340	104
Dividends paid	(770)	(682)
Purchase of treasury stock	(2,320)	-
Net cash provided by financing activities	48,001	56,538
Effect of exchange rate changes on cash	(1)	(84)
Net decrease in cash	(5,405)	(2,003)
Cash at beginning of period	10,874	4,885
Cash at end of period	$5,469	$2,882

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 1998 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):

	OCTOBER 31, 1998	JANUARY 31, 1998	OCTOBER 31, 1997
Finished goods	$76,923	$61,960	$62,110
Work-in-process and component parts	44,628	36,223	41,464
	$121,551	$98,183	$103,574

NOTE 2 - SUPPLEMENTAL CASH FLOW INFORMATION

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

	NINE MONTHS ENDED OCTOBER 31,	
	1998	1997
Cash paid during the period for:		
Interest	$4,125	$3,400
Income taxes	3,782	92

NOTE 3 - COMPREHENSIVE INCOME

As of February 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, (SFAS 130), "Reporting Comprehensive Income". SFAS 130 establishes standards for the reporting and display of comprehensive income and its components in a full set of general-purpose financial statements. Under SFAS 130, foreign currency translation adjustments, which had been

reported separately in shareholders' equity prior to adoption are included in other comprehensive income. No provision has been made for taxes on foreign subsidiaries' undistributed earnings, because it is management's intention to permanently reinvest the earnings of foreign subsidiaries within the business of those companies. Amounts in prior year financial statements have been reclassified to conform to SFAS 130.

The components of comprehensive income are as follows (in thousands):

	NINE MONTHS ENDED OCTOBER 31,		THREE MONTHS ENDED OCTOBER 31,	
	1998	1997	1998	1997
Net income	$15,541	$11,402	$12,007	$ 9,308
Foreign currency translation adjustment	9,634	1,095	10,018	6,204
Comprehensive income	$25,175	$12,497	$22,025	$15,512

NOTE 4 - SUBSEQUENT EVENT

On November 30, 1998, the Company signed a shelf debt agreement which allows the Company, over the next two years, to offer up to $50 million of notes with maturities up to 12 years from the bring down date. On December 1, 1998, the Company brought down $25 million of 6.90% Series A Notes maturing on October 30, 2010 which are subject to annual payments of $5.0 million commencing October 31, 2006.

NOTE 5 - ACCOUNTING PRONOUNCEMENT

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) in June 1998. SFAS 133 requires all derivatives be recorded on the balance sheet at fair value and establishes new accounting practices for hedge instruments. SFAS 133 is required for the fiscal years beginning after June 15, 1999. Management of the Company is currently analyzing the effect SFAS 133 will have on the Company's statement of position and results of operations.

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

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, success of hedging strategies in respect of currency exchange rate fluctuations and the ability of the Company and the ability of the Company's customers, vendors and other third parties to adequately address issues related to the Year 2000.

Nine months ended October 31, 1998 compared to nine months ended October 31, 1997.

Net Sales. Net sales increased 17.9% to $208.0 million from $176.4 million for the nine months ended October 31, 1998 and October 31, 1997, respectively. The increase in net sales is primarily attributable to a 26.5% increase in the Company's manufactured brands - Movado, Concord, ESQ and Coach. The increase in net sales was partially offset by a decrease in the Company's distributed brands - - Piaget and Corum. Both domestic and international sales increased 17.9%. The domestic sales increase is predominantly due to a 13.5% increase in the Concord, Movado and ESQ brands, initial shipments of the Coach watch line and an increase in retail operations primarily from the opening of two Movado Boutiques and retail outlets that have been opened for less than one year. The increase in international sales is predominantly due to an increase in the Movado brand as well as initial shipments of the Coach watch line. International sales increases primarily occurred in the Caribbean, Europe and the Far East markets.

Gross Margins. Gross profit for the nine months ended October 31, 1998 was $121.8 million (58.5% of net sales) as compared to $101.2 million (57.4% of net sales) for the comparable prior year period. The increase in gross margin as a percentage of sales relates to the continued increase in sales of the Company's manufactured brands - Concord, Movado and ESQ as a proportion of total sales as well as the initial launch of the Coach watch line, which has margins similar to the Company's other manufactured brands. The Company's margin also benefited from a decline in the value of the Swiss franc against the U.S. dollar which reduces the Company's production costs.

Operating Expenses. Operating expenses increased 18.4% for the nine months ended October 31, 1998 to 46.9% of net sales from 46.7% of net sales for the comparable prior year period. The increase in operating expenses occurred primarily in the advertising, selling and general and administrative expense categories. The increase in advertising expenses primarily relates to the introduction of the Coach watch line which was launched Spring 1998 and the opening of two Movado Boutiques in fiscal 1999. The increase in selling expenses is predominately attributable to the introduction of the Coach watch line, the opening of two Movado Boutiques and increases in sales volume in the Concord, Movado and ESQ brands. The increase in general and administrative expenses primarily relates to higher information systems costs as a result of improvements in the information systems infrastructure and employee benefit costs as a result of increased headcount.

Interest Expense. Net interest expense, which consisted primarily of interest on the Company's 6.56% Senior Notes ("Senior Notes") and borrowings against the working capital and revolving lines of credit, was $4.0 million for the nine months ended October 31, 1998 and 1997. Interest expense was flat due to reduced average borrowings under the Senior Notes offset by increases in interest expense on the working and revolving capital lines. Average interest rates in fiscal 1999 have been affected by favorable rates under the Company's revolving line of credit.

Income Taxes. The Company recorded a provision for income taxes of $4.6 million for the nine months ended October 31, 1998 as compared to a provision of $3.4 million for the comparable prior year period. Taxes were provided at a 23% effective rate which the Company believes will approximate the effective annual rate for fiscal 1999; however, there can be no assurance of this as it is dependent on a number of factors including: mix of foreign to domestic earnings, local statutory tax rates and utilization of net operating losses. The 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.

Three months ended October 31, 1998 compared to three months ended October 31, 1997.

Net Sales. Net sales increased 15.3% to $97.5 million from $84.5 million for the three months ended October 31, 1998 and October 31, 1997, respectively. The increase in net sales is primarily attributable to a 25.0% increase in the Company's manufactured brands - Concord, Movado, ESQ and Coach. The increase in net sales was partially offset by a decrease in the Company's distributed brands - - Piaget and Corum. Domestic and international sales increased 14.8% and 17.4%, respectively. The domestic sales increase is predominantly due to an 11.6% increase in the Movado, Concord and ESQ brands, initial shipments of the Coach watch line and an increase in retail operations primarily from the opening of two Movado Boutiques and retail outlets that have been open for less than one year. The increase in international sales is predominantly due to an increase in the Movado brand as well as initial shipments of the Coach watch line. International sales increases primarily occurred in the Caribbean, Europe and Far East markets.

Gross Margins. Gross profit for the three months ended October 31, 1998 was $57.5 million (59.0% of net sales) as compared to $49.1 million (58.1% of net sales) for the comparable prior year period. The increase in gross margin as a percentage of sales relates to the continued increase in sales of the Company's manufactured brands -- Concord, Movado and ESQ, as a proportion of total sales as well as the initial launch of the Coach watch line, which has margins similar to the Company's other manufactured brands. The Company's margin also benefited from a decline in the value of the Swiss franc against the U.S. dollar which reduces the Company's production costs.

Operating Expenses. Operating expenses increased 14.3% for the three months ended October 31, 1998 to 41.5% of net sales from 41.9% of net sales for the comparable prior year period. The increase in operating expenses occurred primarily in the advertising, selling and general and administrative expense categories. The increase in advertising expenses primarily relates to the Coach watch line which was launched Spring 1998, and the opening of two Movado Boutiques in fiscal 1999. The increase in selling expenses is predominantly attributable to the introduction of the Coach watch line, the opening of two Movado Boutiques and increases in sales volume in the Concord,

Movado and ESQ brands. The increase in general and administrative expenses primarily relates to higher information systems costs as a result of improvements in information systems infrastructure and employee benefit costs as a result of increased headcount.

Interest Expense. Net interest expense, which consisted primarily of interest on the Company's Senior Notes and borrowings against its working capital and revolving lines of credit, was $1.4 million and $1.7 million for the three months ended October 31, 1998 and 1997, respectively. The lower interest expense was predominantly due to reduced average borrowings under the Senior Notes offset by increases in interest expense on the working and revolving capital lines. Average interest rates in fiscal 1999 have affected by favorable rates under the Company's revolving line of credit.

Income Taxes. The Company recorded a provision for income taxes of $3.6 million for the three months ended October 31, 1998 as compared to a provision of $2.7 million for the comparable prior year period. For the current year, taxes were provided at a 23% annual effective rate which the Company believes will approximate the effective annual rate for fiscal 1999; however, there can be no assurance of this as it is dependent on a number of factors including: mix of foreign to domestic earnings, local statutory tax rates and utilization of net operating losses. The 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.

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 lines of business, including the Company's new Coach watch line which was launched Spring 1998 and the Movado Boutiques. In addition, the Company is required to make a $5 million sinking fund payment on February 1, 1999 in connection with its Senior Notes.

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 as of July 23, 1997, among the Company, the Chase Manhattan Bank, as agent, Fleet Bank N.A., as co-agent, and other banks signatory thereto ("Restated Bank Credit Agreement"), and $31.6 million of uncommitted working capital lines of credit. At October 31, 1998, the Company had $58.6 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. The Company has repurchased approximately 120,000 shares to date.

On November 30, 1998, the Company signed a shelf debt agreement which allows the Company, over the next two years, to offer up to $50 million of notes with maturities up to 12 years from the bring down date. On December 1, 1998, the Company brought down $25 million of 6.90% Series A Notes maturing on October 30, 2010 which are subject to annual payments of $5.0 million commencing October 31, 2006.

The Company's debt to total capitalization ratio was 35.8% at October 31, 1998, as compared to 23.6% at January 31, 1998 and 35.6% at October 31, 1997. The increase in the debt to total capitalization from October 31, 1997 is primarily due to an increase in loans payable to banks to fund the Company's working capital increase and capital expenditures.

The Company's net working capital, consisting primarily of trade receivables and inventories, amounted to $175.9 million at October 31, 1998, $157.1 million at January 31, 1998 and $165.8 million at October 31, 1997. The increase in working capital from January 31, 1998 was primarily the result of an increase in accounts receivable due to growth in the Company's business. The increase in working capital from October 31, 1997 was primarily the result of an increase in accounts receivable and inventories.

Accounts receivable at October 31, 1998 were $138.1 million as compared to $92.4 million at January 31, 1998 and $125.7 million at October 31, 1997. The increase in accounts receivable was primarily the result of growth in the Company's business.

Inventories at October 31, 1998 were $121.6 million as compared to $98.2 million at January 31, 1998 and $103.6 million at October 31, 1997. The increase in inventories from January 31, 1998 and October 31, 1997 primarily relates to the Company's new Coach watch line and new product lines for the Movado Boutiques.

The Company's fiscal 1999 year-to-date capital expenditures were approximately $7.2 million compared to $4.8 million through October 31, 1997. Expenditures in fiscal 1999 primarily relate to increases in information systems costs and expenditures for two Movado Boutiques. The Company expects that its capital expenditures in fiscal 1999 will exceed the average levels experienced annually over the last three fiscal years due to planned continued improvements in information systems, expansion of retail outlet store network, introduction of the Movado Boutiques and the new trade expedition facility for the annual Basel Trade Fair.

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 PC's, 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). The new global technical network infrastructure (hardware, software, and communication technology) has been implemented in all U.S. locations, Switzerland and Canada. Implementation of the remaining technical infrastructure for the Far East is scheduled for the first quarter of fiscal year 2000. New retail point of sale and merchandise systems have been implemented for all store and headquarters locations. Final system testing is in progress for new client/server core business software (Business Planning and Control System version 6.0 which is Year 2000 compliant) supporting manufacturing, distribution, sales, accounting and after sales service with implementation rollouts planned during the first two quarters of fiscal year 2000. As a result, the Company is expected to be Year 2000 compliant by the second quarter of fiscal year 2000. Minor program and procedural changes are currently being implemented and tested to support fiscal year 2000 processing for the first half of fiscal year 2000. Additionally, a global inventory has been completed of all hardware and software related to Year 2000 systems status. Contingency planning, for internal system Year 2000 compliance, has been initiated and is scheduled to be completed by first quarter of fiscal year 2000. Costs for contingency planning are currently being developed.

The Company is monitoring Year 2000 system status of customers, vendors or partners involved with electronic interchange of data with our systems. This monitoring will continue throughout 1999. Non-electronic data exchange contingency approaches will be used, if required, with those customers, vendors, or partners which fail to reach Year 2000 system compliance by January 1, 2000.

Costs

Total costs associated with systems replacement and modification to become Year 2000 compliant are included in the total cost of the Project. The estimated total cost of the Project is approximately $9.5 million. The total amount expended on the Project through October 31, 1998 was approximately $6.4 million. The estimated future cost of completing the Project is estimated to be approximately $3.1 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 a failure of, certain normal business activities or operations. Such failures could materially and adversely affect the Company's results 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, and in particular, about the Year 2000 compliance and readiness of its material external customers, vendors or partners. The Company believes that, with the implementation of new business systems and completion of the Project as scheduled, the possibility of significant interruptions of normal operations should be reduced.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1* Amendment Number 1 to License Agreement dated December 9, 1996 between Registrant as Licensee and Coach, a division of Sara Lee Corporation as Licensor, dated as of February 1, 1998.

10.2 Amendment Number 6 to Franchise Agreement dated February 27, 1969 between Registrant as Distributor and Corum, Ries Bannwart and Co. as manufacturer, as previously amended, dated as of October 22, 1997.

27 Financial Data Schedule for the nine months ended October 31, 1998, submitted to the Securities and Exchange Commission in electronic format.

(b) Reports on Form 8-K

None

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* Confidential portions of Exhibit 10.1 were omitted and filed separately with the Securities and Exchange Commission pursuant to rule 24b-2 of the Securities Exchange Act of 1934.

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 15, 1998

By: /s/ Kenneth J. Adams

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

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
10.1*	Amendment Number 1 to License Agreement dated December 9, 1996 between Registrant as Licensee and Coach, a division of Sara Lee Corporation as Licensor, dated as of February 1, 1998.
10.2	Amendment Number 6 to Franchise Agreement dated February 27, 1969 between Registrant as Distributor and Corum, Ries Bannwart and Co. as manufacturer, as previously amended, dated as of October 22, 1997.
27	Financial Data Schedule for the nine months ended October 31, 1998, submitted to the Securities and Exchange Commission in electronic format.

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* Confidential portions of Exhibit 10.1 were omitted and filed separately with the Securities and Exchange Commission pursuant to rule 24b-2 of the Securities Exchange Act of 1934.

EXHIBIT 10.1*

AMENDMENT NUMBER 1
TO LICENSE AGREEMENT

This amendment dated as of February 1, 1998, (the "Amendment") is to the License Agreement dated December 9, 1996, (the "Original License Agreement") by and between Coach, a division of Sara Lee Corporation, ("Licensor") and Movado Group, Inc., ("MGI").

WHEREAS, Licensor and MGI desire that NA Trading SA, a Swiss Corporation with an address at Bettlachtrasse 8, CH-2504 Grenchen, Switzerland ("NAT") bear primary responsibility for the manufacture, marketing and distribution of the Licensed Products outside the United States and

WHEREAS, NAT is willing to undertake such responsibilities in accordance with the terms of and in consideration of the mutual covenants and premises contained in the Original License Agreement as amended hereby and

WHEREAS, the parties desire to make certain additional changes to the Original License Agreement as set forth below:

NOW THEREFORE in consideration of the mutual covenants and the premises set forth herein, the Original License Agreement is hereby amended as follows:

1. NAT is hereby added as a party to the Original License Agreement; the term "Licensee" shall mean MGI and NAT jointly and severally and the term "Agreement" shall mean the Original License Agreement as amended hereby.

2. Delete Section 1.2 of the Original License Agreement and replace with the following:

   1.2 "Licensor Channels" shall mean retail outlets and wholesale distributors controlled by Licensor, including without limitation Licensor's catalog, Licensor's stand alone retail stores, Licensor's factory outlet stores, Licensor's retail stores that are situated within department stores located outside the United States and Licensor Special Accounts (as hereinafter defined); provided, however, that any such retail outlet or wholesale distributor (with the exception of Licensor Special Accounts) not operated by Licensor or by any entity controlled by Licensor shall not be deemed a Licensor Channel.

3. Delete Section 1.3 of the Original License Agreement and replace it with the following new Section 1.3:

   1.3 "Non-Licensor Channels" shall mean retail outlets and wholesale distributors not controlled by Licensor, including without limitation

(* CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED FROM PAGES 3 AND 4 AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") PURSUANT TO RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934 ("1934 ACT")).

department stores, jewelry store chains, Licensee's factory outlet stores and Licensee Special Accounts (as hereinafter defined).

4. Immediately following Section 1.10 of the Original License Agreement add the following new Section 1.11:

1.11 "Control, controlling and controlled" shall mean, (i) ownership or voting control, directly or indirectly, of more than fifty percent (50%) of the voting power represented by the outstanding voting stock of a corporation or other majority equity interest if not a corporation and (ii) the power to direct the management and determine the policies of the applicable entity whether directly or indirectly.

5. Following Section 3.2 on page 4 of the Original License Agreement, insert as Section 3.3 the following paragraph:

3.3 Licensee shall not place or use other marks, including without limitation, trademarks, trade names, sub-brands, line names, collection names, model names, designs, logos or endorsements (hereinafter referred to as "Authorized Marks") in connection with the Licensed Products, except as specifically authorized by Licensor pursuant to the terms of this Agreement. Licensee acknowledges that Licensor is the owner of all right, title, and interest in and to such Authorized Marks that are developed by Licensor, or developed by Licensee exclusively for use in connection with Licensed Products, and that are used exclusively in connection with Licensed Products or other products sold by or on behalf of Licensor under any of the Licensed Marks ("Licensor Owned Authorized Marks") and that all use thereof shall inure to the benefit of Licensor. To the extent any rights in and to such Licensor Owned Authorized Marks, or with respect to any materials used in the advertising or promotion of the Licensed Products including without limitation copy, artwork, and photographs, are deemed to accrue to Licensee pursuant to this Agreement or otherwise, Licensee hereby assigns any and all such rights, at such time as they may be deemed to accrue, to Licensor. Licensee agrees that it will execute and deliver to Licensor any documents reasonably requested by Licensor necessary to effect any such assignment.

6. Delete Section 11.1 on pages 16 and 17 in the Original License Agreement and replace it with the following:

11.1 Licensee shall pay to Licensor a royalty on Licensee's sales of the Licensed Products to all Non-Licensor Channels (Combined U.S. and non-U.S.). The sales to which the royalty rates will be applied (except for sales to Non-Licensor Channels (non-U.S.), sales to wholesale distributors

and sales to Licensee Special Accounts) shall be based on the Wholesale Price as in effect in the United States when such sales are made, and no reduction in the royalty shall be allowed for discounts given off such Wholesale Price. With respect to Licensee's sales to Non-Licensor Channels (non-U.S.), wholesale distributors and Licensee Special Accounts, the sales to which the royalty rates will be applied shall be based on actual invoice price net of all taxes, duties, freight, insurance and credits for returns actually made, but no deduction shall be made for discounts for cash or prompt payment or for uncollectible accounts; provided, however, that as to any Licensed Products sold to any wholesale distributor controlled by Licensee, the sales to which the royalty rates will be applied shall be based on the actual invoice price for such Licensed Products when first sold by any such wholesale distributor to any entity not controlled by Licensee, net of all taxes, duties, freight, insurance and credits for returns actually made, without deduction for discounts for cash or prompt payment or for uncollectible accounts. The base royalty rates to be applied to Licensee's sales are as follows:

*

With respect to all sales to Licensee Special Accounts, Licensee shall pay, in addition to the base royalty *.

7. Delete the fourth sentence of Section 12.4 of the Original License Agreement and replace it with the following sentence:

"Sales" as used in this paragraph shall mean all sales, based on Wholesale Price or based on actual invoice price in the specific case of sales to Licensee Special Accounts or sales to wholesale distributors, of Licensed Products made by Licensee to Non-Licensor Channels anywhere in the world.

8. Delete the second sentence of Section 12.7 on page 21 of the Original License Agreement, and replace it with the following sentence:

*

(* CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PURSUANT TO RULE 24b-2 OF THE 1934 ACT).

*

9. Delete the first sentence of Section 13.2 on page 23 of the Original License Agreement and replace it with the following sentence:

Within ninety (90) days following the end of each Contract Year of this Agreement, and within ninety (90) days after the termination of this Agreement, Licensee shall deliver to Licensor a statement signed by an authorized officer of Licensee reporting actual sales of the Licensed Products to Non-Licensor Channels (based on the applicable U.S. Wholesale Price or invoice price pursuant to Section 11.1 herein), royalties due, royalties paid and advertising expenditures during the preceding Contract Year. Sales of Licensed Products to Non-Licensor Channels shall be broken out to accurately reflect sales to U.S. Non-Licensor Channels, sales to Non-U.S. Non-Licensor Channels, sales to Licensee Special Accounts, sales to wholesale distributors, and sales by model type in units and dollars.

10. Delete Section 16.4 of the Original License Agreement and replace it with the following:

16.4 In the event that a third party brings any claim, institutes any action or commences any proceeding against Licensee arising from Licensee's use of any of the Licensed Marks, the Trade Name, the Licensor Owned Authorized Marks or any product design, prototype, pattern, styling or copyrightable material owned by Licensor as provided in Paragraph 7.1 of this Agreement, Licensee shall promptly notify Licensor thereof and Licensor shall indemnify, defend and hold harmless Licensee and each officer, director, employee, agent, representative, contractor and customer of Licensee and of each entity controlled by Licensee from and against all losses, liabilities, damages, claims, judgments, fines, suits, demands, costs, interest and expenses of any kind or nature (including reasonable attorneys' fees and disbursements) arising out of or in connection with any such claim, action or proceeding. Licensee shall cooperate in such defense as reasonably requested by Licensor, at Licensor's expense. Any award received by Licensor in any such claim, action or proceeding shall belong exclusively to Licensor. This Paragraph shall survive termination or expiration of the Agreement.

(* CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PURSUANT TO RULE 24b-2 OF THE 1934 ACT).

11. Add the following new Section 16.5 to the Original License Agreement immediately following Section 16.4.

    16.5 Licensor will bear all costs and expenses in connection with any research to determine the availability of, applications to register and all maintenance of any and all registrations relating to Licensor Owned Authorized Marks and the Licensed Marks.

12. Section 18 is deleted and replaced with the following new Section 18:

    18. NO ASSIGNMENT OR SUBLICENSE BY LICENSEE This Agreement and all its rights and duties hereunder are personal to the Licensee and shall not, without the written consent of Licensor, be assigned, sublicensed or otherwise encumbered by Licensee or by operation of law; provided, however, that notwithstanding anything to the contrary contained herein Licensee shall have the right (a) to have the Licensed Products manufactured by one or more third party manufacturers and, (b) to assign or sublicense any or all of its rights and duties hereunder to any other entity which is controlled, directly or indirectly, by Licensee provided that the original Licensee named herein simultaneously with such assignment, enters into an agreement with Licensor in a form reasonably satisfactory to Licensor by which Licensee guarantees all of the obligations, including without limitation, all financial and performance obligations, of such assignee. All references herein to "Licensee" shall include any and all such permitted assignees and sublicensees.

13. Except as set forth in this Amendment, the Original License Agreement will remain in full force and effect.

14. This Amendment may be signed by the parties duly executing counterpart originals.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized officers and to become effective as of the date first above written.

COACH
A Division of Sara Lee Corporation

By: /s/ A. Catling

Name: Alan Catling

Title: Exec. Vice President

MOVADO GROUP, INC.

By: /s/ Timothy F. Michno

Name: Timothy F. Michno

Title: General Counsel/Secretary

NA TRADING SA

By: /s/ Michael J. Bush

Name: Michael J. Bush

Title: Director

[LOGO MOVADO GROUP]

EXHIBIT 10.2

October 22, 1997

Mr. Jean Rene Bannwart
Corum, Ries Bannwart & Co.
Rue de petit Chateau
CH-2301 La Chaux-de-Fonds
Switzerland

RE: AMENDMENT NUMBER 6 TO FRANCHISE AGREEMENT

Dear Mr. Bannwart:

This has reference to the Franchise Agreement by and between Corum Ries Bannwart & Co. ("Manufacturer") and Movado Group, Inc. ("Distributor") dated February 27, 1969 as amended (the "Agreement").

As the parties to the Agreement wish to further amend the Agreement to exclude the countries of Central America from the Territory, in consideration of the mutual promises contained herein and in the Agreement as hereby amended it is agreed as follows. The term "Territory" as used in the Agreement shall henceforth mean: the United States of America, including the United States Virgin Islands, Puerto Rico and all other territories and possessions of the United States, Canada and all of the Caribbean Islands.

The Agreement, as hereby amended, shall otherwise remain in full force and effect.

If the foregoing is acceptable, please indicate your agreement by signing both originals of this letter and returning one to me. Thank you.

Movado Group, Inc.
By /s/ Timothy F. Michno
Timothy F. Michno

Agreed to and Accepted
Corum Ries Bannwart & Co.
By /s/ J.P. Bannwart
J.P. Bannwart, President

[Movado Letterhead]

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED OCTOBER 31, 1998.

1,000

9-MOS
JAN-31-1999
FEB-01-1998
OCT-31-1998
5,469
0
138,076
0
121,551
285,845
23,451
0
320,756
109,925
35,000
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0
129
167,889
320,756
208,039
208,039
86,272
0
0
0
3,951
20,183
4,642
15,541
0
0
0
15,541
1.21
1.17

THE AMOUNT IS REPORTED AS EPS BASIC AND NOT FOR EPS PRIMARY.