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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 APRIL 30, 2002

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

As of June 7, 2002 the Registrant had 3,473,123 shares of Class A Common Stock, par value $0.01 per share, outstanding and 9,918,675 shares of Common Stock, par value $0.01 per share, outstanding.

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MOVADO GROUP, INC.

INDEX TO QUARTERLY REPORT ON FORM 10-Q
APRIL 30, 2002

PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MOVADO GROUP, INC.
CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)
(Unaudited)

	APRIL 30, 2002	JANUARY 31, 2002	APRIL 30, 2001
ASSETS			
Current assets:			
Cash and cash equivalents	$ 21,407	$ 16,971	$ 12,042
Trade receivables, net	94,223	92,014	96,414
Inventories, net	106,272	98,589	104,428
Other	26,063	19,467	25,231
Total current assets	247,965	227,041	238,115
Property, plant and equipment, net	37,897	38,726	33,224
Other	24,304	24,909	22,071
Total assets	$ 310,166	$ 290,676	$ 293,410
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Loans payable to banks	$ 31,000	$ 6,500	$ 38,725
Current portion of long-term debt	5,000	5,000	5,000
Accounts payable	15,951	23,824	15,182
Accrued liabilities	20,691	25,417	21,845
Current taxes payable	6,444	8,646	7,818
Deferred taxes payable	4,593	3,722	2,950
Total current liabilities	83,679	73,109	91,520
Long-term debt	35,000	35,000	40,000
Deferred and non-current foreign income taxes	1,591	1,513	3,329
Other liabilities	7,766	8,584	5,945
Total liabilities	128,036	118,206	140,794
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; 9,889,550, 9,797,776 and 9,687,960 shares issued, respectively	98	98	97
Class A Common Stock, $0.01 par value, 10,000,000 shares authorized; 3,473,123, 3,509,733 and 3,509,733 shares issued and outstanding, respectively	35	35	35
Capital in excess of par value	69,898	69,484	68,302
Retained earnings	157,539	153,830	137,589
Accumulated other comprehensive loss	(17,749)	(23,286)	(25,497)
Treasury stock, 1,544,487, 1,544,487 and 1,556,670 shares, respectively, at cost	(27,691)	(27,691)	(27,910)
Total shareholders' equity	182,130	172,470	152,616
Total liabilities and shareholders' equity	$ 310,166	$ 290,676	$ 293,410

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)
(Unaudited)

	THREE MONTHS ENDED APRIL 30, 2002	2001
Net sales	$ 57,271	$ 56,512
Costs and expenses:		
Cost of sales	22,092	21,568
Selling, general and administrative	33,791	33,890
Operating income	1,388	1,054
Net interest expense	927	1,232
Income (loss) before income taxes and cumulative effect of a change in accounting principle	461	(178)
Provision (tax benefit) for income taxes	129	(50)
Income (loss) before cumulative effect of a change in accounting principle	332	(128)
Cumulative effect of a change in accounting principle, net of a tax benefit of $42	--	(109)
Net income (loss)	$ 332	($ 237)
Basic income (loss) per share		
Income (loss) before cumulative effect of a change in accounting principle	$ 0.03	($ 0.01)
Cumulative effect of a change in accounting principle	--	(0.01)
Net income (loss) per share	$ 0.03	($ 0.02)
Weighted basic average shares outstanding	11,762	11,629
Diluted income (loss) per share		
Income (loss) before cumulative effect of a change in accounting principle	$ 0.03	($ 0.01)
Cumulative effect of a change in accounting principle	--	(0.01)
Net income (loss) per share	$ 0.03	($ 0.02)
Weighted diluted average shares outstanding	12,146	11,853

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	THREE MONTHS ENDED APRIL 30, 2002	2001
Cash flows from operating activities:		
Net income (loss)	$ 332	($ 237)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	2,089	1,675
Provision for losses on accounts receivable	273	307
Provision for losses on inventory	312	572
Changes in current assets and liabilities:		
Trade receivables	(2,024)	814
Inventories	(5,793)	(11,330)
Other current assets	(708)	(6,136)
Accounts payable	(8,338)	(13,060)
Accrued liabilities	(5,018)	(5,941)
Deferred & current taxes payable	(1,655)	(4,622)
Other non-current assets	1,463	(1,650)
Other non-current liabilities	(818)	2,020
Net cash used in operating activities	(19,885)	(37,588)
Cash flows from investing activities:		
Capital expenditures	(306)	(2,649)
Trademarks and other intangibles	(102)	(128)
Net cash used in investing activities	(408)	(2,777)
Cash flows from financing activities:		
Net proceeds from bank borrowings	24,500	29,925
Stock options exercise & other	418	777
Dividends paid	(354)	(349)
Net cash provided by financing activities	24,564	30,353
Effect of exchange rate changes on cash and cash equivalents	165	(1,005)
Net increase (decrease) in cash and cash equivalents	4,436	(11,017)
Cash and cash equivalents at beginning of period	16,971	23,059
Cash and cash equivalents at end of period	$ 21,407	$ 12,042

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 financial statements included in the Company's fiscal 2002 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. 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 prior year amounts have been reclassified to conform to the current presentation.

NOTE 2 - INVENTORIES

Inventories consist of the following (in thousands):

	APRIL 30, 2002	JANUARY 31, 2002	APRIL 30, 2001
Finished goods	$ 69,304	$ 63,956	$ 67,714
Component parts	33,827	32,531	31,707
Work-in-process	3,141	2,102	5,007
	$106,272	$ 98,589	$104,428

NOTE 3 - DERIVATIVES AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's policy is to enter into forward exchange contracts and purchase foreign currency options to reduce exposure to adverse fluctuations in foreign exchange rates and, to a lesser extent, in commodity prices. When entered into, the Company formally documents these derivative instruments as a hedge of a specific underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transactions. The Company formally assesses, both at the inception and at each financial quarter thereafter, the effectiveness of the derivative instrument hedging the underlying cash flow transaction which is being hedged. Any ineffectiveness related to the derivative financial instruments' change in fair value will be recognized in the period in which the ineffectiveness was calculated. All of our derivative instruments have liquid markets to assess fair value. The Company does not enter into any derivative instruments for trading purposes.

On February 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and SFAS No. 138. These Statements require that an entity recognizes all derivative instruments as either assets or liabilities measured at fair value. 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 a component of other stockholders' equity 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.

The adoption of SFAS No. 133 resulted in the Company recording a transition adjustment in the first quarter of fiscal 2002 to recognize its derivative instruments at fair value. This transition adjustment was an after-tax reduction to net income of approximately $0.1 million and an after-tax increase to accumulated other comprehensive loss ("AOCL") of approximately $0.4 million.

As of April 30, 2002 and 2001, the balance of deferred net gains (losses) on derivative instruments included in AOCL was $1.0 million and ($0.4) million, net of tax. The Company expects that $0.7 million of the deferred net gains will be realized into earnings over the next 12 months as a result of transactions that are expected to occur over that period. The primary underlying transaction, which will cause the amount in AOCL to affect net earnings, consists of the Company's sale of inventory purchased predominantly in Swiss francs. The maximum length of time the Company is hedging its exposure to the fluctuation in future cash flows for forecasted transactions is 24 months.

NOTE 4 - SUPPLEMENTAL CASH FLOW INFORMATION

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

	THREE MONTHS ENDED APRIL 30,	
	2002	2001
Cash paid during the period for:		
Interest	$ 949	$1,238
Income taxes	$2,433	$4,619

NOTE 5 - OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the three months ended April 30, 2002 and 2001 are as follows (in thousands):

	2002	2001
Accounting change, net of tax (See note 3)	$ --	$ 367
Net unrealized loss on investment, net of tax	(11)	--
Effective portion of unrealized income (loss) on hedging contracts, net of tax	1,002	(816)
Foreign currency translation adjustment	4,546	(6,879)
Other comprehensive income (loss)	$ 5,537	($7,328)

NOTE 6 - SEGMENT INFORMATION

The Company conducts its business primarily in three operating segments: "Wholesale," "Retail" and "Other." The Company's Wholesale segment includes the designing, manufacturing and distribution of quality watches. Retail includes the Movado Boutiques and outlet stores. Other includes the Company's service center operations and shipping. Operating segment data as of April 30, 2002 and 2001 are as follows (in thousands).

	NET SALES		OPERATING INCOME	
	2002	2001	2002	2001
Wholesale	$45,463	$47,065	$ 2,400	$ 2,289
Retail	9,837	7,529	(1,319)	(1,368)
Other	1,971	1,918	307	133
Consolidated total	$57,271	$56,512	$ 1,388	$ 1,054

NOTE 7 - RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

On February 1, 2002, the Company adopted Emerging Issues Task Force ("EITF") No. 01-09, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products." Upon adoption of EITF 01-09, the Company is required to reclassify certain operating expenses as a reduction of sales. The adoption of this EITF did not have a material effect on the Company's financial position or results of operations for the quarter ended April 30, 2002 and 2001.

On February 1, 2002, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." Under SFAS No. 142, goodwill and intangible assets deemed to have indefinite lives are no longer amortized, but are subject to an annual impairment test. Other intangible assets continue to be amortized over their useful lives. The adoption of this Statement did not have a material effect on the Company's financial position or results of operations. The Company currently has no goodwill or intangible assets with indefinite lives.

On February 1, 2002, the Company also adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This Statement supersedes SFAS No. 121, "Accounting for the impairment of Long-Lived Assets and for Long-Lived Assets to be disposed of." This SFAS requires that one accounting model be used for long-lived assets to be disposed of by sale, whether previously held and used or newly acquired, and broadens the presentation of discontinued operations to include more disposal transactions. The adoption of this Statement had no effect on the Company's financial position or results of operations.

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, 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 loss of any significant supplier, the loss of significant customers, the Company's dependence on key officers, 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, general risks associated with doing business outside the United States including, without limitations, import duties, tariffs, quotas, political and economic stability and success of hedging strategies in respect of currency exchange rate fluctuations.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED APRIL 30, 2002 AS COMPARED TO THE THREE MONTHS ENDED APRIL 30, 2001.

Net sales: Comparative net sales by product class were as follows:

	Three Months Ended April 30,	
	2002	2001
Concord, Movado, Coach, ESQ and Tommy Hilfiger		
Domestic	$36,460	$36,430
International	9,003	10,635
Retail	9,837	7,529
Other	1,971	1,918
Net Sales	$57,271	$56,512

Net sales increased by $0.8 million or 1.3% for the three months ended April 30, 2002 as compared to the three months ended April 30, 2001. Domestic sales of our watch brands remained at the same sales level as compared to the prior year. International watch brand sales decreased by $1.6 million or 15.3% due to adverse economic conditions in the Far East, Middle East and portions of Europe.

Retail sales increased by $2.3 million or 30.7%. Growth in the retail sales category was primarily attributable to comparable store sales increases in the Movado Boutiques of 8.8% and the outlets of 12.7% and new store openings. As of April 30, 2002, there were ten Movado Boutiques and 25 outlets as compared to seven Movado Boutiques and 23 outlets open as of April 30, 2001. Other net sales, which include sales from the Company's service center operations and shipping, increased by $0.1 million or 2.8%.

Gross Margin. The gross profit for the three months ended April 30, 2002 was $35.2 million (61.4% of net sales) as compared to $34.9 million (61.8% of net sales) for the three months ended April 30, 2001. Gross margin increase of $0.3 million for the quarter ended April 30, 2002 primarily relates to the increase in sales.

Selling, General and Administrative. Selling, general and administrative expenses for the quarter were $33.8 million or 59.0% of net sales as compared to $33.9 million or 60.0% of net sales in the first quarter of last year. The $0.1 million or 0.3% decrease was primarily attributable to the Company's ongoing productivity improvements offset by spending in the Company's growth initiatives at the Movado Boutiques.

Interest Expense. Net interest expense for the three months ended April 30, 2002 was $0.9 million as compared to $1.2 million for three months ended April 30, 2001. Interest decreased due to a decline in short-term bank borrowings and a reduction of interest rates.

Income Taxes. The Company recorded a tax expense of $0.1 million for the three months ended April 30, 2002 as compared to a benefit of $0.1 million for the three months ended April 30, 2001. Taxes were recorded at a 28% rate for both the first quarter of fiscal 2003 and fiscal 2002. The Company's effective tax rate reflects the current expectation of overall foreign to domestic earnings mix, local statutory tax rates and the Company's ability to utilize net operating loss carryforwards in certain jurisdictions.

LIQUIDITY AND FINANCIAL POSITION

Cash used in operating activities amounted to $19.9 million and $37.6 million for the three months ended April 30, 2002 and 2001, respectively. The decrease of cash flow used in operating activities for the comparative three months ended April 30, 2002 and 2001 was mainly due to the timing of inventory purchases, operating expense and tax payments and the result of positive income for fiscal 2003.

Cash used in investing activities amounted to $0.4 million and $2.8 million for the three months ended April 30, 2002 and 2001, respectively, were primarily for capital expenditures. For the three months ended April 30, 2002, capital expenditures were mainly for various information systems projects. Expenditures for the three months ended April 30, 2001 relate primarily to the build-out of the Paramus, N.J. corporate offices and management information systems projects.

Cash provided by financing activities amounted to $24.6 million and $30.4 million for the three months ended April 30, 2002 and 2001, respectively, which were due to seasonal short-term bank borrowings.

At April 30, 2002, the Company had two series of Senior Notes outstanding. Senior Notes due January 31, 2005 were originally issued in a private placement completed in fiscal 1994. These notes have required annual principal payments of $5.0 million since January 1998 and bear interest of 6.56% per annum. 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 6.90%, mature on October 30, 2010 and are subject to annual repayments of $5.0 million commencing October 31, 2006.

On March 21, 2001, the Company entered into a new Note Purchase and Private Shelf Agreement, which 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.

In June 2000, the Company completed the renewal of its revolving credit and working capital lines with its bank group. The new agreement provides for a three year $100.0 million unsecured revolving line of credit and $15.0 million of uncommitted working capital lines. At April 30, 2002, the Company had $31.0 million of outstanding borrowings under its bank lines as compared to $38.7 million at April 30, 2001.

Under a series of share repurchase authorizations approved by the Board of Directors, the Company has maintained a discretionary share buy-back program. There were no purchases during the current year under the repurchase program.

The Company paid dividends of approximately $350,000 for the first quarter of both fiscal 2003 and fiscal 2002.

Cash and cash equivalents at April 30, 2002 amounted to $21.4 million compared to $12.0 million at April 30, 2001. The increase in cash relates primarily to the timing of payment for inventory and income taxes and a reduction in capital expenditures during fiscal 2003. Net debt to total capitalization at April 30, 2002 was 27.2% as compared to 47.0% at April 30, 2001.

In summary, the Company made significant progress in the first quarter of fiscal 2003 in maintaining its liquidity primarily through the success of its operating expense reduction initiatives and management of working capital.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

None

(b) Reports on Form 8-K

None

SIGNATURES

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

MOVADO GROUP, INC.
(Registrant)

Dated: June 14, 2002 By: /s/ Eugene J. Karpovich

Eugene J. Karpovich
Senior Vice President and
Chief Financial Officer
(Chief Financial Officer and
Principal Accounting Officer)

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION