



MOVADO GROUP INC.

INVESTOR  
PRESENTATION  
JUNE 2005

# SAFE HARBOR STATEMENT

*This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as “expects,” “anticipates,” “believes,” “targets,” “goals,” “projects,” “intends,” “plans,” “seeks,” “estimates,” “projects,” “may,” “will,” “should” and similar expressions. Similarly, statements in this presentation that describe the Company’s business strategy, outlook, objectives, plans, intentions or goals are also forward-looking statements. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the Company’s actual results, performance or achievements to differ materially from those expressed in, or implied by, these statements. These risks and uncertainties may include, but are not limited to: the Company’s ability to successfully introduce and sell new products, the Company’s ability to successfully integrate the operations of Ebel without disruption to its other business activities, changes in consumer demand for the Company’s products, risks relating to the retail industry, import restrictions, competition, seasonality and the other factors discussed in the Company’s Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. These statements reflect the Company’s current beliefs and are based upon information currently available to it. Be advised that developments subsequent to this presentation are likely to cause these statements to become outdated with the passage of time.*



# AGENDA

- COMPANY OVERVIEW
- COMPANY STRATEGIES
- BRAND HIGHLIGHTS
- FINANCIAL HIGHLIGHTS





*Why watch competitors the world over  
say there is only one Piaget*

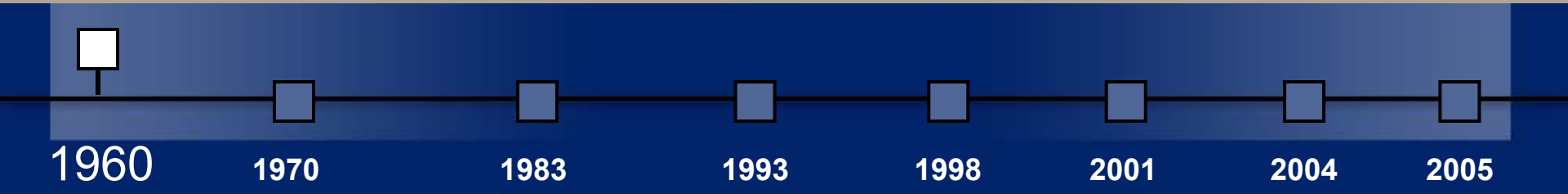
Endowed with unrivaled technical skills, the watchmaker Piaget takes time and thought to create timepieces that are the epitome of watchmaking artistry. Piaget is an independent family-owned business, and its watches are produced in its own facilities. Piaget watches are made in Switzerland, and each Piaget watch and bracelet is crafted to order.

Since 1946, Piaget has been producing the world's most exclusive watches. Piaget's watches are made in Switzerland, and each Piaget watch and bracelet is crafted to order.

**PIAGET**  
Produced in Switzerland



# 1960's began as exclusive North American distributor of PIAGET and CORUM



PIAGET

CONCORD

MOVADO

ESQ

COACH

TOMMY HILFIGER

EBEL

HUGO BOSS



company history

MOVADO GROUP INC.

1970 Acquired  
**CONCORD** Brand  
brand established 1908

  
CONCORD



company history

MOVADO GROUP INC.

1983 Acquired  
**MOVADO Brand**  
brand established 1881

**MOVADO**



company history

MOVADO GROUP INC.

# MGI publicly traded 1993 ESQ launched



1960

1970

1983

1993

1998

2001

2004

2005

PIAGET

CONCORD

MOVADO

ESQ

COACH

TOMMY  
HILFIGER

EBEL

HUGO  
BOSS



company history

MOVADO GROUP INC.



1998  
Launched  
COACH brand



company history

MOVADO GROUP INC.





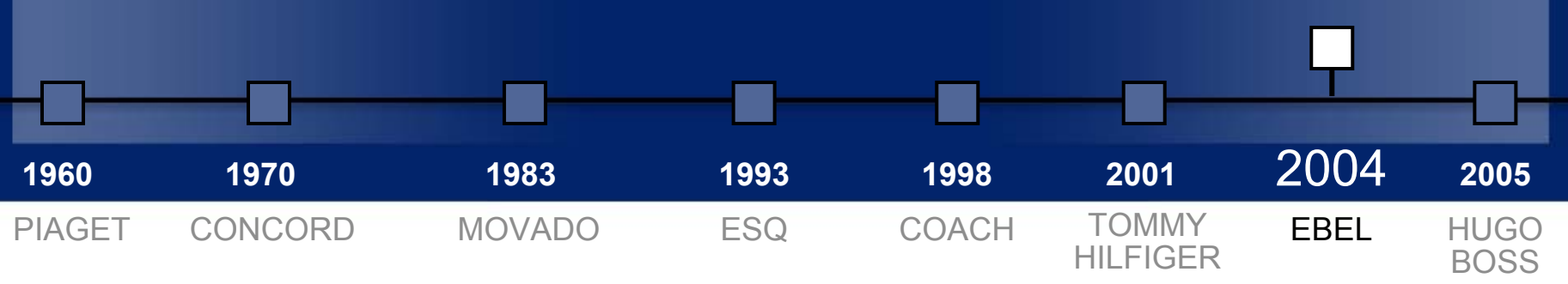
2001  
launched **TOMMY  
HILFINGER** brand

T O M M Y  H I L F I G E R  
watches





2004  
Acquired  
EBEL brand



company history

MOVADO GROUP INC.

# HUGO BOSS

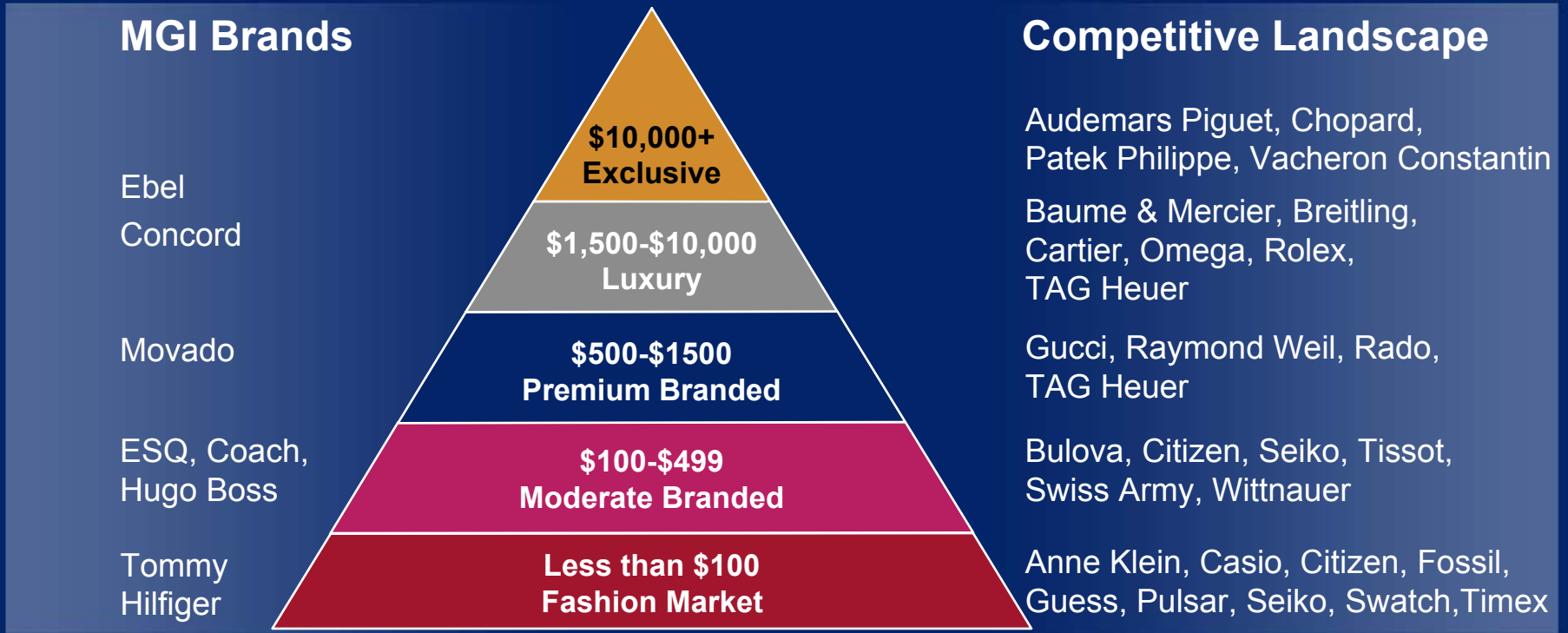
2005  
LAUNCH



company history

MOVADO GROUP INC.

# LEADING BRANDS IN A \$15 BILLION MARKET



MOVADO GROUP INC.

# KEY INVESTMENT HIGHLIGHTS

- Poised for strong 8 - 10% annualized revenue growth over next 5 years
- Projected 10 - 12% annualized profit growth over next 5 years
- Continued strong cash flow generation



# MOVADO GROUP STRATEGIES

## DRIVE SALES GROWTH

- Enhance brand building efforts across portfolio
  - New Product Introductions
  - Targeted International Expansion
  - Image Building Advertising and Associations
- Realize potential of younger businesses
  - Movado Boutiques
  - Tommy Hilfiger Watches
  - Integration of Ebel
  - Launch of Hugo Boss brand



# MOVADO GROUP STRATEGIES

## FOCUS ON KEY FINANCIAL METRICS

- Enhance Productivity
- Maximize Profitability
- Continued Strong Cash Flow Generation





# MOVADO GROUP STRATEGIES

- **Drive Sales Growth**
  - Enhance brand building efforts across portfolio
  - Realize potential of younger businesses
- Focus on Key Financial Metrics
  - Enhance Productivity
  - Maximize Profitability
  - Continue Strong Cash Flow Generation



# LUXURY BRANDS 20%

Ebel



Concord



MOVADO GROUP INC.

# STRATEGIC RATIONALE

EBEL

- Acquired in March 2004
- World class brand with global recognition, founded in 1911
- Complements Movado Group's family of brands and geographical presence
- Significant opportunities to leverage Movado Group's existing strong infrastructure
- Attractive Value – Approx. \$40 Million All Cash Transaction



MOVADO GROUP INC.

# BRAND VISION

EBEL

*Return Ebel to a premier global luxury status brand, building the image, creating perceived value, exclusivity and desirability, while building a sustainable and profitable business.*



MOVADO GROUP INC.



EBEL

advertising  
campaign



MOVADO GROUP INC.

# EBEL GROWTH STRATEGY

- Restore Brand to Historical Stature
  - Revitalize Iconic Ebel Product
  - Image Building Global Advertising Campaign featuring Claudia Schiffer
- Build momentum through comprehensive marketing programs and sales initiatives
- Drive profitability to acceptable levels
- Build into a global luxury brand

EBEL



MOVADO GROUP INC.

# **BRAND** POSITIONING

Concord stands for refined elegance and sophisticated style for people driven by individual expressions of luxury

  
CONCORD





© 2004 Concord Watch Company. Call 800.872.8828 for more information. [concordwatch.com](http://concordwatch.com)

CONCORD  
*Style defined*



CONCORD

**advertising  
campaign**



MOVADO GROUP INC.

# CONCORD GROWTH STRATEGY

- Enhance worldwide presence in existing markets
- Global advertising campaign infuses a lifestyle component with a strong product focus
- New products represent luxury and innovation focused on core collections
  - Saratoga, Delirium, Mariner



CONCORD



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# ACCESSIBLE LUXURY BRANDS 50%

Movado



ESQ



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# MOVADO BRAND

## AN ICON OF MODERNISM

MOVADO  
the art of time

- Founded in Switzerland in 1881, a legacy of design innovation
- Influenced by the functional purity and simplicity of the Bauhaus movement
- Identified with modernism and associated with the cultural arts
- Globally-recognized, luxury brand name with clearly-defined and consistent brand imaging



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# MOVADO SPONSORSHIPS

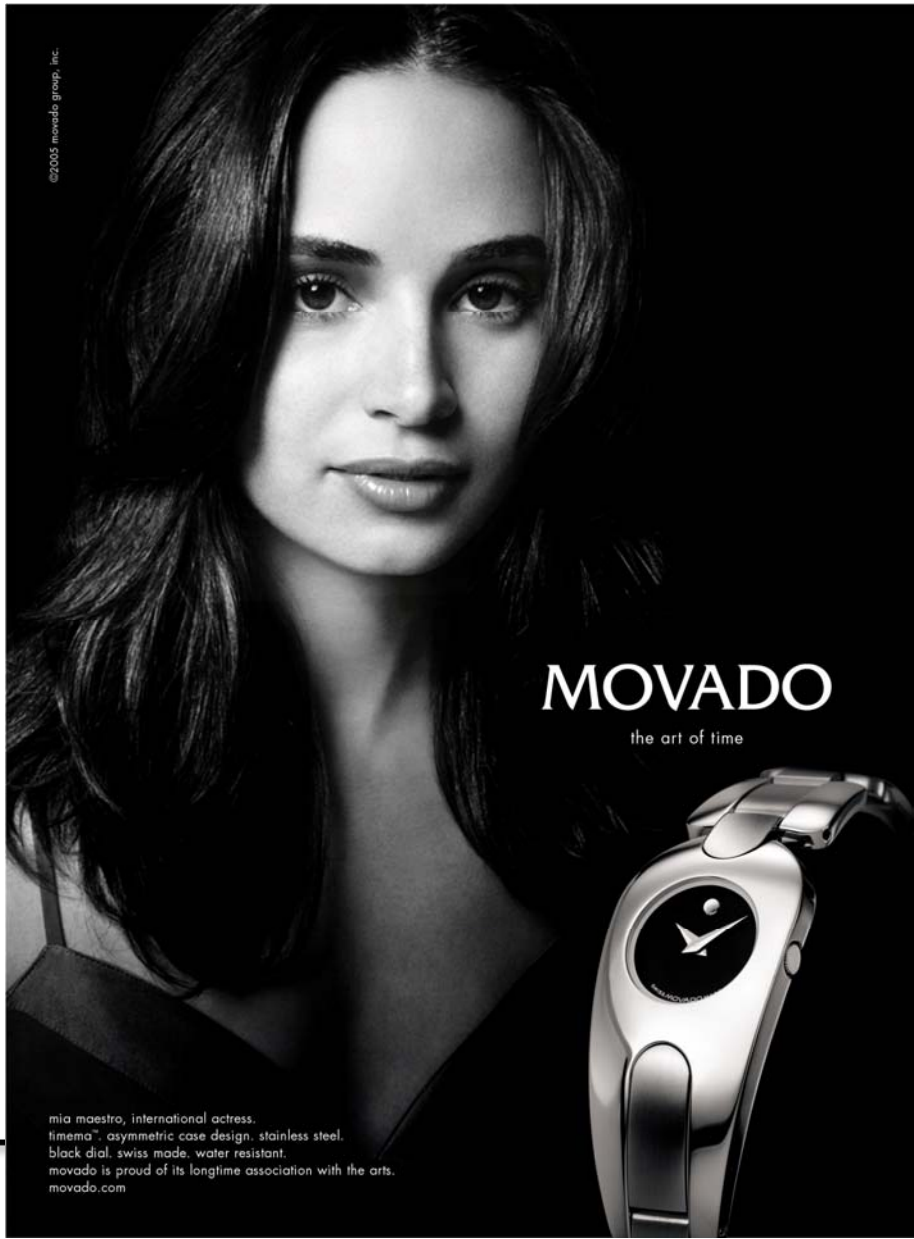
- New York City Ballet
- Lincoln Center for the Performing Arts
- John F. Kennedy Center for the Performing Arts – Washington, DC
- Jazz@Lincoln Center
- Miami International Film Festival
- Miami City Ballet

MOVADO  
the art of time



MOVADO GROUP INC.

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MOVADO

the art of time

mia maestra, international actress.  
timema™, asymmetric case design, stainless steel.  
black dial, swiss made, water resistant.  
movado is proud of its longtime association with the arts.  
movado.com

MOVADO

the art of time

the art of time



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# MOVADO BRAND GROWTH STRATEGY

- Build upon Movado's dominant position in the U.S. market
- Accelerated international expansion - China
- Enhance Movado's image as a lifestyle brand encompassing focused product categories – Build our retail presence
- Focus on continued product development and image building advertising campaign

MOVADO  
the art of time



MOVADO GROUP INC.



# BRAND POSITIONING

ESQ  
SWISS

For those who recognize superior design and quality, ESQ is the Swiss watch brand that provides exceptional value.



MOVADO GROUP INC.



ESQ  
SWISS

advertising  
campaign



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# ESQ GROWTH STRATEGY

- Growing market share
- Introduce distinctive product designs
  - Centurion, Quest, Loveknot
- Bold product advertising featuring Swiss quality and design
- Upgraded positioning with integrated marketing support
- Continued focus on North American markets

ESQ  
SWISS



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# RETAIL BUSINESS 15%



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# OBJECTIVE

Give consumers, who seek quality products and have an appreciation for artistry and design, the opportunity to fully experience Movado's design philosophy.

MOVADO  
BOUTIQUES



MOVADO GROUP INC.

# EXISTING BASE

- Growth vehicle that extends Movado brand into a lifestyle
- 25 boutiques across the U.S.
  - Cluster market real estate strategy
- Size of locations generally in the 1,800 - 2,600 square foot range

MOVADO  
BOUTIQUES



MOVADO GROUP INC.

introducing the movado diamond™.  
114 facets maximize fire and brilliance,  
round and square cuts so unique,  
they're potent, diamonds so radiant,  
they're breathtaking. rings from \$2,395.

love rocks



**MOVADO**

the art of design

exclusively at movado boutiques: rockefeller center • soho • the westchester • roosevelt field • short hills  
riverside square • king of prussia • chestnut hill • tysons corner • aventura • boca raton • dadeland • northbrook  
woodfield • las vegas • bellevue • valley fair • for more information call 1 888 4MOVADO

©2003 movado group, inc.

**MOVADO**  
BOUTIQUES

movado  
diamond



MOVADO GROUP INC.



# GROWTH OBJECTIVES

MOVADO  
BOUTIQUES

- Expand to ~30 locations
  - “A” malls
  - “A” locations within mall
- Generate \$60 million plus in revenue
- Support and reinforce the Movado brand and our wholesale business



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# LICENSED BRANDS 15%

Coach



Tommy Hilfiger



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# BRAND PHILOSOPHY

COACH  
WATCH

The basis of the Coach business is the product – classic American style, crafted from quality materials, a timeless look, at a fair price.



MOVADO GROUP INC.

The Coach Gallery Interchangeable Watch



COACH  
WATCH

advertising  
campaign



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# COACH GROWTH STRATEGY

- Focus on strong Coach markets – U.S. and the Japanese consumer
- New product introductions aligned with Coach leather goods products
- Expand presence in Coach retail stores
- Seize Coach growth momentum

COACH  
WATCH



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# BRAND POSITIONING

TOMMY  HILFIGER  
watches

For the young, and young-at-heart, Tommy Hilfiger offers cool designer watches that epitomize a fashionable, All-American style



MOVADO GROUP INC.



TOMMY HILFIGER  
watches



advertising  
campaign



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# LONG-TERM GROWTH OBJECTIVES

- Continued exceptional product development
- Leverage critical mass in North America
- Global Expansion
- Build to approximately \$50 million business by FY 2008

TOMMY  HILFIGER  
watches



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# GLOBAL LICENSE AGREEMENT

- Powerful partnership with a leading global fashion group
- Watch collection will be positioned at the high end of the fashion watch category
- Complementary from a strategic, operational and geographic perspective
- Agreement took effect March 21, 2005 with major new product launch planned in calendar 2006

HUGO BOSS

BOSS  
HUGO BOSS

BOSS  
HUGO BOSS



MOVADO GROUP INC.

# MOVADO GROUP STRATEGIES

- Drive Sales Growth
  - Enhance brand building efforts across portfolio
  - Realize potential of younger businesses
- **Focus on Key Financial Metrics**
  - Enhance Productivity
  - Maximize Profitability
  - Continue Strong Cash Flow Generation



# NET SALES

\$ in MILLIONS

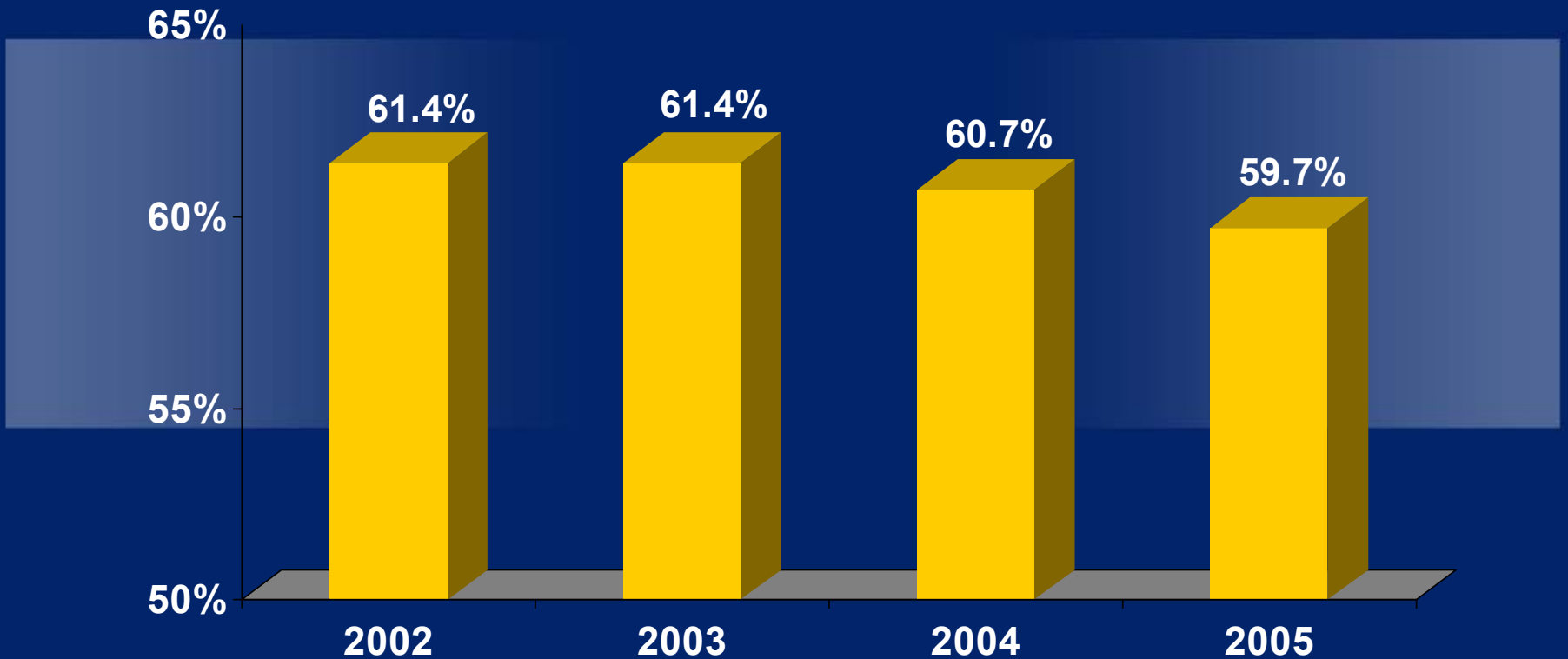


Net sales from  
ongoing operations



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# GROSS PROFIT %



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# OPERATING PROFIT

\$ in MILLIONS



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# DILUTED EARNINGS PER SHARE PERFORMANCE



Fiscal 2005 includes a one-time legal settlement gain of \$0.03 and \$0.11 dilution from the acquisition of Ebel



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# First Quarter Snapshot

- Net sales +18.3% from last year to \$88 million
- Strong gross margin of 60.2%
- Operating profit of \$2.1 million compared to \$1.7 million last year
- EPS grew to \$0.04 compared to \$0.03 in year-ago period



# BALANCE SHEET SUMMARY

	April 30,	
	<u>2005</u>	<u>2004</u>
CASH	\$49,641	\$35,948
TRADE RECEIVABLES, NET	\$99,925	\$99,546
INVENTORIES	\$204,896	\$176,001
FIXED ASSETS	\$50,944	\$45,713
DEBT	\$63,000	\$62,539

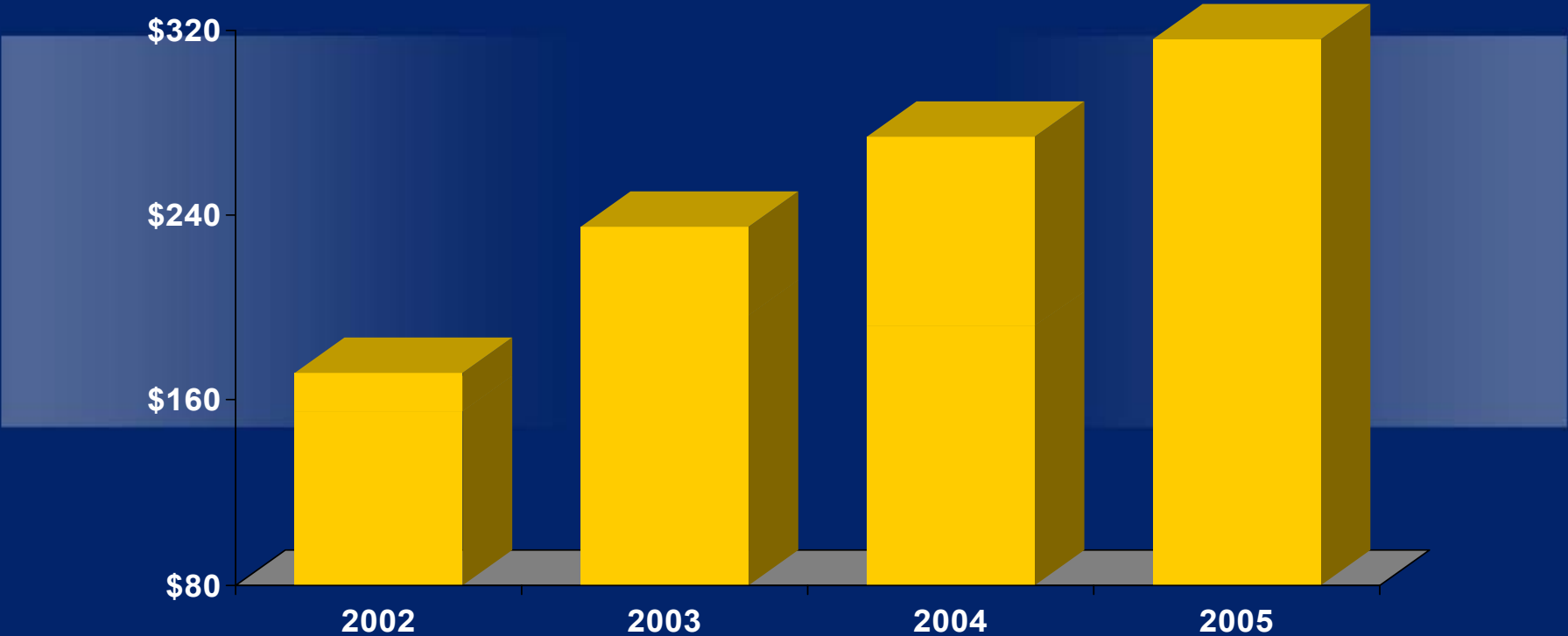




# FINANCIAL STRENGTH

## SHAREHOLDERS EQUITY

\$ in MILLIONS



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# CASH FLOW FROM OPERATIONS

\$ in MILLIONS

\$175+ MILLION  
Generated Over 6 Years



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# DIVIDEND GROWTH PER SHARE



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# FINANCIAL STRENGTHS

- Low leveraged company
- Strong brand recognition
- Strong cash flow generator
- Acquisition capability



# SUMMARY

- Poised for strong 8 - 10% annualized revenue growth over next 5 years
- Projected 10 - 12% annualized profit growth over next 5 years
- Continued strong cash flow generation





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