

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 19, 2008

**STEVEN MADDEN, LTD.**  
(Exact name of registrant as specified in its charter)

Delaware

000-23702

13-3588231

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(State or other jurisdiction of incorporation)

(Registration Number)

(IRS Employer Identification No.)

52-16 Barnett Avenue, Long Island City, New York

11104

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(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (718) 446-1800

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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

On February 19, 2008, Steven Madden, Ltd. (the "Company") issued a press release announcing its financial results for the quarter and the fiscal year ended December 31, 2007. A copy of the Company's press release announcing these financial results is attached as Exhibit 99.1 hereto, and is incorporated by reference into this report.

**ITEM 7.01 REGULATION FD DISCLOSURE**

On February 19, 2008, the Company issued the press release referred to under Item 2.02 providing previously non-public information consisting of forward-looking statements relating to the Company's business and results of operations. The press release also contained pre-commencement statements about the modified "Dutch" auction tender offer by the Company for shares of its Common Stock. A copy of the press release is attached as Exhibit 99.1 to this report and is furnished except as otherwise indicated.

**ITEM 8.01 OTHER EVENTS**

On February 19, 2008, the Company issued a separate press release announcing that its board of directors has completed its previously announced evaluation of strategic alternatives. After careful consideration and upon the recommendation of the Strategic Review Committee of the board, the board has determined that the best method to maximize shareholder value at this time is to use a portion of the Company's cash balances to repurchase shares at attractive values through a modified "Dutch Auction" tender offer. A copy of this press release is attached as Exhibit 99.2 to this report.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

## (c) Exhibits

- 99.1 Press Release dated February 19, 2008 regarding the Company's announcement of its financial results for the quarter and the fiscal year ended December 31, 2007 and an issuer tender offer.
- 99.2 Press Release dated February 19, 2008 regarding the Company's announcement of the conclusion of its strategic alternative review process and an issuer tender offer.

The following information included in this Current Report on Form 8-K shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a) (2) of the Securities Act of 1933, as amended, and shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference into such filing:

- (a) the information in Exhibit 99.1, except the information in the second paragraph under the caption "Company Outlook."
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Steven Madden, Ltd. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**STEVEN MADDEN, LTD.**

By:           /s/ Jamieson A. Karson          

Name: Jamieson A. Karson  
Title: Chief Executive Officer

Date: February 19, 2008

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## EXHIBIT INDEX

| <b>Exhibit Number</b> | <b>DESCRIPTION</b>  |
|-----------------------|---|
| Exhibit 99.1          | Press Release dated February 19, 2008 regarding the Company's announcement of its financial results for the quarter and the fiscal year ended December 31, 2007 and an issuer tender offer. |
| Exhibit 99.2          | Press Release dated February 19, 2008 regarding the Company's announcement of the conclusion of its strategic alternative review process and an issuer tender offer.                        |

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|---------------------|---|
| Company Contact:    | Ed Rosenfeld<br>Executive Vice President, Strategic Planning and Finance<br>Steven Madden, Ltd.<br>(718) 446-1800 |
| Investor Relations: | Cara O'Brien/Leigh Parrish<br>Financial Dynamics<br>(212) 850-5600  |

**FOR IMMEDIATE RELEASE****STEVEN MADDEN, LTD. ANNOUNCES FOURTH QUARTER AND FULL YEAR RESULTS***~ Company Provides Outlook for 2008 ~*

LONG ISLAND CITY, N.Y. – February 19, 2008 – Steven Madden, Ltd. (NASDAQ: SHOO), a leading designer, wholesaler and marketer of fashion footwear and accessories for women, men and children, today announced financial results for the fourth quarter and fiscal year ended December 31, 2007.

Fourth quarter net sales were \$102.7 million compared to \$114.1 million reported in the comparable period of 2006, reflecting the weak economic environment as well as the absence of any major footwear trends. Gross margin declined to 37.9% from 40.8%, reflecting margin declines in both the wholesale and retail divisions. Operating expenses as a percent of sales were 34.0% versus 29.6% in the same period of the prior year, due primarily to reduced leverage on lower sales versus the prior year period as well as expenses associated with new store openings.

Operating income for fourth quarter decreased to \$7.0 million, or 6.8% of sales, compared with operating income of \$16.7 million, or 14.6% of sales, in the same period of 2006. Net income decreased 53.2% to \$4.7 million, or \$0.23 per diluted share, compared to \$10.0 million, or \$0.45 per diluted share, in the prior year's fourth quarter.

Revenues from the wholesale business were \$63.5 million compared to \$76.6 million in the fourth quarter of 2006 due to a challenging selling environment with a lack of strong direction in footwear fashion trends as well as the weak macroeconomic environment. Gross margin in the wholesale business declined to 26.8% from 31.5% in the prior year's fourth quarter, due primarily to higher markdown allowances relative to the year ago period.

Retail revenues increased 4.6% to \$39.3 million compared to \$37.5 million in the fourth quarter of the prior year, due to sales from new stores. Same store sales decreased 0.1% versus an 11.8% increase in the fourth quarter of 2006, an improvement relative to the first three quarters of 2007 which was driven by a solid response to the Company's boot offering as well as increased promotional activity. Retail gross margin decreased to 55.9% from 59.9% in the comparable period of the prior year due to the increased promotions. During the fourth quarter of 2007, the Company opened two new Steve Madden retail stores and one Steven store and closed two Steve Madden stores.

For the full year fiscal 2007, net sales were \$431.1 million compared to \$475.2 million in fiscal 2006. Net income totaled \$35.7 million, or \$1.68 per diluted share, for the year, which includes a one-time benefit of \$2.9 million, or \$0.13 per diluted share, resulting from tax savings related to prior periods, partially offset by a one-time charge for prior-year customs duties of \$1.2 million pre-tax, or \$0.03 per diluted share, both of which were recorded in the third quarter of fiscal 2007. Excluding both one-time items, net income in 2007 totaled \$33.6 million, or \$1.58 per diluted share, compared to \$46.3 million, or \$2.09 per diluted share, in fiscal 2006.

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The Company opened seven stores and closed two stores during 2007, ending the year with 101 retail locations, including the Internet store.

“Our performance for the fourth quarter and full year reflects soft consumer spending, which worsened during the holiday season, as well as the continued absence of major fashion footwear trends,” commented Jamieson Karson, Chairman and Chief Executive Officer. “While results for the year were not where we wanted them to be, we were able to manage through a difficult environment and were pleased to have generated growth in Madden Girl and our Daniel M. Friedman accessories division. Further, our innovative design team, led by Steve, continues to focus on the development of exciting new styles for our customers. We are particularly pleased with the initial positive response to Steve Madden’s Fix, our new line of sneakers. With our proven and diversified business model, we believe that we have a solid foundation in place that positions us for sustained growth as economic and business trends improve.”

Arvind Dharia, Chief Financial Officer, commented, “We ended the year with \$109.9 million in cash, cash equivalents, and marketable securities, no debt, and total stockholders’ equity of \$215.3 million, which demonstrates our ability to maintain our very strong financial position during a difficult macroeconomic environment as we continue to position our business for long-term growth.”

### **Company Outlook**

The Company today also initiated guidance for fiscal 2008. Based on current visibility, the Company expects 2008 net sales will be flat to an increase of 2% compared to fiscal 2007 and earnings per diluted share will range between \$1.45 and \$1.55, excluding any impact from share repurchases. Due to easier comparisons in the back half, the Company expects sales and earnings to be more heavily weighted to the second half of 2008 relative to 2007.

In a separate release, the Company today announced the conclusion of its strategic alternative review process and the decision by the Board of Directors and management to complete a modified “Dutch Auction” tender offer to repurchase up to 2,600,000 shares of its common stock, which represents approximately 12.9% of the outstanding shares.

Mr. Karson concluded, “Given the persisting weakness of the broader macroeconomic environment, we are maintaining a conservative approach to managing our business in the near-term. In the coming year, we remain focused on enhancing our retail business and leveraging our Steve Madden and Steven retail stores to truly showcase the Company’s brand and products. Further, with the successful launch of Steve Madden’s Fix in the fourth quarter, we are expanding our distribution of this new line throughout the year. In addition to our growth opportunities within footwear, we will also continue our penetration into other merchandise categories through our Daniel M. Friedman division and select license opportunities. We remain confident in the long-term prospects of the Company.”

### **Conference Call Information**

Interested shareholders are invited to listen to the fourth quarter earnings conference call scheduled for today, Tuesday, February 19, 2008, at 10 a.m. Eastern Time. The call will be broadcast live over the Internet and can be accessed by logging onto <http://www.stevemadden.com>. An online archive of the broadcast will be available within one hour of the conclusion of the call and will be accessible until March 4, 2008. Additionally, a replay of the call can be accessed by dialing 800-642-1687, passcode 33747905, and will be available until February 26, 2008.

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This press release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any shares of the company's common stock. The solicitation of offers to buy the company's common stock will only be made pursuant to the Offer to Purchase and related materials that the company will send to its stockholders. Stockholders should read those materials carefully because they will contain important information, including the various terms and conditions of the tender offer. Stockholders will be able to obtain copies of the Offer to Purchase, related materials filed by the company as part of the statement on Schedule "TO" and other documents filed with the Securities and Exchange Commission through the Commission's internet address at <http://www.sec.gov> without charge when these documents become available. Stockholders and investors may also obtain a copy of these documents, as well as any other documents the company has filed with the Securities and Exchange Commission, without charge, from the company or at the Investor Relations section of the company's website: <http://www.stevemadden.com>. Stockholders are urged to carefully read these materials prior to making any decision with respect to the offer. Stockholders and investors who have questions or need assistance may call D.F. King & Co., Inc. at (800) 901-0068. (Banks and Brokers call collect: (212) 269-5550; Institutional Investors call: (212) 493-6933.)

Steven Madden, Ltd. designs and markets fashion-forward footwear and accessories for women, men and children. The shoes and accessories are sold through company-owned retail stores, department stores, apparel and footwear specialty stores, and online at [www.stevemadden.com](http://www.stevemadden.com). The Company has several licensees for its brands, including for outerwear, cold weather accessories, eyewear, and girls apparel and owns and operates 101 retail stores, including its online store. Through its wholly-owned subsidiary, Daniel M. Friedman & Associates, the Company is the licensee for Betsey Johnson handbags and belts and Tracy Reese handbags and belts.

*Statements in this press release that are not statements of historical or current fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other unknown factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements which explicitly describe such risks and uncertainties readers are urged to consider statements labeled with the terms "believes", "belief", "expects", "intends", "anticipates" or "plans" to be uncertain and forward-looking. The forward looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission.*

(Tables to follow)

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**STEVEN MADDEN LTD****CONSOLIDATED STATEMENT OF OPERATIONS**

(In thousands, except per share data)

|  | Three Months Ended |                 | Twelve Months Ended |                 |
|--|--------------------|-----------------|---------------------|-----------------|
|  | Dec 31,<br>2007    | Dec 31,<br>2006 | Dec 31,<br>2007     | Dec 31,<br>2006 |
| <b>Consolidated:</b>                                 |                    |                 |                     |                 |
| Net Sales  | \$ 102,745         | \$ 114,108      | \$ 431,050          | \$ 475,163      |
| Cost of Sales  | 63,773             | 67,540          | 257,646             | 276,734         |
| Gross Profit   | 38,972             | 46,568          | 173,404             | 198,429         |
| Commission and licensing fee income                  | 2,901              | 3,809           | 18,351              | 14,246          |
| Operating Expenses                                   | 34,919             | 33,723          | 138,841             | 134,377         |
| Income from Operations                               | 6,954              | 16,654          | 52,914              | 78,298          |
| Interest and other Income, Net                       | 838                | 1,008           | 3,222               | 2,636           |
| Income Before provision for Income Taxes             | 7,792              | 17,662          | 56,136              | 80,934          |
| Provision for Income Tax                             | 3,092              | 7,615           | 20,446              | 34,684          |
| Net Income   | \$ 4,700           | \$ 10,047       | \$ 35,690           | \$ 46,250       |
| Basic income per share                               | \$ 0.23            | \$ 0.48         | \$ 1.73             | \$ 2.21         |
| Diluted income per share                             | \$ 0.23            | \$ 0.45         | \$ 1.68             | \$ 2.09         |
| Weighted average common shares outstanding - Basic   | 20,101             | 21,071          | 20,647              | 20,906          |
| Weighted average common shares outstanding - Diluted | 20,355             | 22,318          | 21,292              | 22,101          |

**BALANCE SHEET HIGHLIGHTS**

|                           | Dec 31, 2007<br>Consolidated | Dec 31, 2006<br>Consolidated |
|---------------------------|------------------------------|------------------------------|
| Cash and cash equivalents | \$ 29,446                    | \$ 19,204                    |
| Investment Securities     | 80,411                       | 89,681                       |
| Total Current Assets      | 185,155                      | 188,043                      |
| Total Assets              | 266,521                      | 251,392                      |
| Total Current Liabilities | 47,717                       | 36,332                       |
| Total Stockholder Equity  | 215,334                      | 211,924                      |

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Executive Vice President, Strategic Planning and Finance  
Steven Madden, Ltd.  
(718) 446-1800

Investor Relations: Cara O'Brien/Leigh Parrish  
Financial Dynamics  
(212) 850-5600

**FOR IMMEDIATE RELEASE****STEVEN MADDEN, LTD. ANNOUNCES CONCLUSION OF  
STRATEGIC ALTERNATIVES REVIEW PROCESS**

*~ Company to Commence Dutch Auction Tender Offer to Repurchase  
Up to 2,600,00 Shares of Common Stock ~*

LONG ISLAND CITY, N.Y. – February 19, 2008 – Steven Madden, Ltd. (NASDAQ: SHOO), a leading designer, wholesaler and marketer of fashion footwear and accessories for women, men and children, today announced that its Board of Directors has completed its previously announced evaluation of strategic alternatives. After careful consideration and upon the recommendation of the Strategic Review Committee of the Board, the Board has determined that the best method to maximize shareholder value at this time is to use a portion of the Company's cash balances to repurchase shares at attractive values through a modified "Dutch Auction" tender offer.

Under the terms of the tender offer, the Company will repurchase up to 2,600,000 shares of its common stock at a price per share not greater than \$20.00 and not less than \$16.50. This represents the repurchase of up to approximately 12.9% of the outstanding shares of common stock. The tender offer is expected to commence on February 20, 2008 and to expire, unless extended, at 12:00 midnight, Eastern Time, on March 18, 2008. Assuming that the maximum of 2,600,000 shares are tendered at the maximum purchase price of \$20.00 per share, the aggregate purchase price will be \$52,000,000.

The Strategic Review Committee had considered other alternatives, including a sale of the Company. Based on current market conditions, upon the recommendation of the Strategic Review Committee, the Board has determined that it would not be in the shareholders' best interest to actively pursue a sale of the Company at this time.

"Over the last few months, we have thoroughly explored a number of strategic alternatives to maximize shareholder value," commented Walter Yetnikoff, Chairman of the Strategic Review Committee. "Following the Board's evaluation and consideration of these alternatives, we have concluded that the Company's financial position, stock valuation and current market conditions make this an opportune time to launch a Dutch Auction tender offer. This plan will allow us to return significant capital to our shareholders and improve the efficiency of our balance sheet. Further, this reflects the confidence we have in the strength of our brand and our business model."

A modified "Dutch Auction" will allow stockholders to indicate how many shares and at what price within the Company's specified range they wish to tender. Based on the number of shares tendered and the prices specified by the tendering stockholders, the Company will determine the lowest price per share within the range that will enable it to purchase up to 2,600,000 shares of its common stock, or such lesser number of shares as are properly tendered. The Company will not purchase shares below a price stipulated by a stockholder, and in some cases, may actually purchase shares at prices above a stockholder's indication under the terms of the modified "Dutch Auction." Specific instructions and a complete explanation of the terms and conditions of the tender offer are contained in the Offer to Purchase and related materials that will be mailed to stockholders of record beginning on February 20, 2008.

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The Company's directors and officers have advised the Company that they do not intend to tender their shares in the tender offer. D.F. King & Co., Inc. will serve as the information agent and American Stock Transfer & Trust Company will serve as the depository.

In a separate release, the Company today announced its financial results for the fourth quarter and full year of fiscal 2007.

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