

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): July 27, 2006

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

Delaware

000-23702

13-3588231

(State or other jurisdiction
of incorporation)

(Registration Number)

(IRS Employer
Identification No.)

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

11104

(Address of principal executive offices)

(Zip Code)

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

(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))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On July 27, 2006, Steven Madden, Ltd. (the "Company") issued a press release announcing its financial results for the quarter ended June 30, 2006. 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.

The information included in this Current Report on Form 8-K (including Exhibit 99.1 hereto) that is furnished pursuant to this Item 2.02 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. The information contained herein and in the accompanying exhibit 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.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

99.1 Press Release, dated July 27, 2006, regarding the Company's announcement of its financial results for the quarter ended June 30, 2006.

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: July 27, 2006

EXHIBIT INDEX

DOC. NO.	DOCUMENT DESCRIPTION
Exhibit 99.1	Press Release, dated July 27, 2006, regarding the Company's announcement of its financial results for the quarter ended June 30, 2006.

Company Contact: Ed Rosenfeld
Senior Vice President, Strategic
Planning & Finance
Steven Madden, Ltd.
(718) 446-1800

Investor Relations: Cara O'Brien/Melissa Myron
Press: Melissa Merrill
Financial Dynamics
(212) 850-5600

FOR IMMEDIATE RELEASE

STEVEN MADDEN, LTD. ANNOUNCES FISCAL 2006 SECOND QUARTER RESULTS

- ~ Second Quarter Net Sales Increase 28.3% ~
- ~ Second Quarter Operating Margin Improves 790 Basis Points ~
- ~ Second Quarter Diluted EPS is \$0.58 versus \$0.26 Last Year ~

LONG ISLAND CITY, N.Y. - July 27, 2006 - Steven Madden, Ltd. (NASDAQ: SHOO), a leading designer and marketer of fashion footwear and accessories for women, men and children, today announced financial results for the second quarter and six months ended June 30, 2006.

Net sales for the second quarter increased 28.3% to \$129.5 million from \$101.0 million last year. Net sales included a \$17.3 million contribution from Daniel M. Friedman & Associates, which was acquired on February 7, 2006. Gross margin increased significantly to 42.1% from 37.3% in the comparable period last year, reflecting margin improvement in both the wholesale and retail divisions. Operating expenses as a percentage of sales decreased to 27.8% compared to 29.9% last year due to the Company's ability to leverage the increased sales base while continuing to invest in the business.

Second quarter operating income grew to \$21.3 million, or 16.5% of sales, compared to \$8.7 million, or 8.6% of sales, last year. Net income rose 140% to \$12.7 million versus \$5.3 million in the second quarter of fiscal 2005. Reflecting the 3-for-2 stock split that took place on May 25, 2006, diluted earnings per share were \$0.58, based on 22.0 million diluted shares outstanding, over \$0.26, based on 20.2 million diluted shares outstanding, last year.

Revenues from the wholesale business were up 40.8% to \$96.2 million driven by strong performance from the Company's existing brands as well as solid contributions from recently acquired Daniel M. Friedman & Associates and the recently launched SM New York segment. Excluding the Daniel M. Friedman & Associates business, wholesale revenues increased approximately 15.5%. Wholesale gross margin increased 680 basis points to 38.0%.

Retail revenues rose to \$33.3 million compared to \$32.6 million last year. The Company generated a 3.0% same store sales increase, versus a 13.6% increase last year. Retail gross margin increased 420 basis points to 54.0%. During the second quarter, the Company opened one and closed five retail stores, ending the quarter with 95 locations, including the Company's Internet store.

For the first six months of fiscal 2006, net sales increased 29.0% to \$237.8 million from \$184.3 million last year. Net income grew to \$23.6 million, or \$1.07 per diluted share, compared to \$6.2 million, or \$0.31 per diluted share, in the first half of fiscal 2005.

"Our team delivered a record second quarter, which was driven by exceptional, trend-right product created by Steve and his team. We are particularly pleased to have achieved both sales and margin improvements in both the wholesale and retail divisions, highlighting the broad-based strength of our business," stated Jamieson Karson, Chairman and Chief Executive Officer. "Also during the quarter, we furthered our evolution into a global branded lifestyle

company by signing license agreements for watches and Stevie's girls apparel. Complementing our core footwear category with a growing portfolio of brand extensions enables us to expand our reach and maximize our future growth opportunities."

"We continue to maintain a solid financial foundation upon which to grow our business over the long-term," commented Arvind Dharia, Chief Financial Officer. "At the end of the quarter, we had \$90.6 million of cash and investment securities, no short- or long-term debt, and \$200.8 million in stockholders' equity. In addition, we continued our commitment to return capital to our shareholders by repurchasing 127,900 shares for an aggregate of \$3.5 million during the quarter."

Company Outlook

Based upon results to-date, the Company is increasing its outlook for the year and now anticipates fiscal 2006 net sales will increase approximately 21% to 24% over fiscal 2005. With respect to the bottom line, the Company currently expects that earnings per diluted share will range between \$1.90 and \$2.00. In May 2006 the Company effected a 3-for-2 stock split of its outstanding shares of common stock.

"We are very pleased with our performance during the first half of fiscal 2006," Mr. Karson concluded. "Looking ahead, we continue to focus on maintaining solid execution of our stated strategies. Specifically, we look to support Steve and our outstanding creative team, whose consistently fresh designs resonate with our customers and provide the catalyst for our success. We are also dedicated to sustaining and building upon the operational improvements we have achieved to date. These efforts, combined with an eye towards further diversification of our business, position Steven Madden, Ltd. for a solid future."

Conference Call Information
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Interested shareholders are invited to listen to the second quarter earnings conference call scheduled for today, Thursday, July 27, 2006, 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 August 10, 2006. Additionally, a replay of the call can be accessed by dialing (888) 394-8095, passcode 7617153. A replay will be available one hour after the completion of the call until August 1, 2006.

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. The Company has several licenses for its brands, including watches, outerwear, eyewear, girls apparel, and hosiery and owns and operates 95 retail stores, including its online store. The Company is also the licensee for l.e.i. Footwear, Candie's Footwear and UNIONBAY Men's Footwear.

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)

STEVEN MADDEN LTD
CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands, except per share data) - Unaudited

Consolidated:	Three Months Ended		Six Months Ended	
	Jun 30, 2006	Jun 30, 2005	Jun 30, 2006	Jun 30, 2005
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Net Sales	\$ 129,500	\$ 100,958	\$ 237,815	\$ 184,294
Cost of Sales	74,945	63,348	136,977	119,332
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Gross Profit	54,555	37,610	100,838	64,962
Commission and licensing fee income	2,825	1,799	6,587	3,024
Operating Expenses	36,065	30,233	67,655	57,589
Impairment of cost in Excess of Fair Value of net assets acquired	0	519		519
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Income from Operations	21,315	8,657	39,770	9,878
Interest and other Income, Net	642	456	913	894
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Income Before provision for Income Taxes	21,957	9,113	40,683	10,772
Provision for Income Tax	9,261	3,827	17,127	4,524
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Net Income	\$ 12,696	\$ 5,286	\$ 23,556	\$ 6,248
=====	=====	=====	=====	=====
Basic income per share	\$ 0.61	\$ 0.27	\$ 1.13	\$ 0.32
=====	=====	=====	=====	=====
Diluted income per share	0.58	0.26	1.07	0.31
=====	=====	=====	=====	=====
Weighted average common shares outstanding - Basic	20,794	19,613	20,835	19,731
=====	=====	=====	=====	=====
Weighted average common shares outstanding - Diluted	22,030	20,214	21,974	20,460
=====	=====	=====	=====	=====

BALANCE SHEET HIGHLIGHTS

	Jun 30, 2006	Dec 2005	Jun 30, 2005
	Consolidated	Consolidated	Consolidated
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	(Unaudited)		(Unaudited)
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Cash and cash equivalents	\$ 34,463	\$ 42,842	\$ 38,072
Investment Securities	56,166	66,249	45,730
Total Current Assets	182,957	140,972	135,654
Total Assets	249,323	211,728	197,430
Total Current Liabilities	45,071	26,906	28,613
Total Stockholder Equity	200,814	182,065	166,396

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