UNITED STATES
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 March 31, 2004

[ ] 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 0-23702

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

Delaware	13-3588231
(State or other jurisdiction of incorporation or organization)	(I.R.S. 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

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 and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ].

As of May 3, 2004, the latest practicable date, there were 13,333,905 shares of common stock, $.0001 par value, outstanding.

STEVEN MADDEN, LTD.
FORM 10-Q
QUARTERLY REPORT
March 31, 2004

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION
Item 1. Condensed Consolidated Financial Statements

STEVEN MADDEN, LTD. AND SUBSIDIARIES

Consolidated Balance Sheets
(in thousands)

	March 31, 2004 (unaudited)	December 31, 2003	March 31, 2003 (unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 22,302	$ 53,073	$ 44,614
Accounts receivable, net of allowances of $688, $452 and $402	7,790	4,281	3,616
Due from factor, net of allowances of $1,973, $1,926 and $1,903	39,565	28,748	32,525
Inventories	26,063	23,858	24,051
Marketable securities - available for sale	8,043	3,229	6,088
Prepaid expenses and other current assets	3,192	2,844	2,412
Prepaid taxes	2,588	4,270	
Deferred taxes	1,796	1,692	1,633
Total current assets	111,339	121,995	114,939
Property and equipment, net	19,303	18,391	17,360
Deferred taxes	5,618	5,618	3,699
Deposits and other	434	370	296
Marketable securities - available for sale	42,253	29,430	20,701
Cost in excess of fair value of net assets acquired	2,066	2,066	2,066
	$ 181,013	$ 177,870	$ 159,061
LIABILITIES			
Current liabilities:			
Current portion of capital lease obligations		$ 1	$ 9
Accounts payable	$ 11,291	11,087	9,575
Accrued expenses	3,852	5,767	11,301
Total current liabilities	15,143	16,855	20,885
Deferred rent	1,917	1,828	1,635
	17,060	18,683	22,520
Commitments, contingencies and other			
STOCKHOLDERS' EQUITY			
Preferred stock - $.0001 par value, 5,000 shares authorized; none issued; Series A Junior Participating preferred stock - $.0001 par value, 60 shares authorized; none issued			
Common stock - $.0001 par value, 60,000 shares authorized, 14,569, 14,459 and $14,104 shares issued, 13,324, 13,214 and 12,859 outstanding	1	1	1
Additional paid-in capital	79,407	79,136	73,194
Retained earnings	95,302	91,176	75,771
Stock subscription receivable	(175)	--	--
Unearned compensation	(2,448)	(3,008)	(4,561)
Other comprehensive gain:			
Unrealized gain on marketable securities	(143)	(127)	127
Treasury stock - 1,245 shares at cost	(7,991)	(7,991)	(7,991)
	163,953	159,187	136,541
	$ 181,013	$ 177,870	$ 159,061

See accompanying notes to consolidated financial statements - unaudited

STEVEN MADDEN, LTD. AND SUBSIDIARIES

Consolidated Statements of Operations
(unaudited)
(in thousands, except per share data)

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003
Net sales:		
Wholesale	$ 55,067	$ 57,592
Retail	23,701	21,106
	78,768	78,698
Cost of sales:		
Wholesale	35,668	37,836
Retail	11,828	9,897
	47,496	47,733
Gross profit:		
Wholesale	19,399	19,756
Retail	11,873	11,209
	31,272	30,965
Commission and licensing fee income	1,416	1,690
Operating expenses	(26,108)	(24,392)
Income from operations	6,580	8,263
Interest and other income, net	534	442
Income before provision for income taxes	7,114	8,705
Provision for income taxes	2,988	3,656
Net income	$ 4,126	$ 5,049
Basic income per share	$ 0.31	$ 0.39
Diluted income per share	$ 0.29	$ 0.36
Basic weighted average common shares outstanding	13,254	12,789
Effect of dilutive securities - options/warrants/restricted stock	1,120	1,083
Diluted weighted average common shares outstanding	14,374	13,872

See accompanying notes to consolidated financial statements - unaudited

STEVEN MADDEN, LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003
Cash flows from operating activities:		
Net income	$ 4,126	$ 5,049
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	1,106	1,343
Noncash compensation	656	774
Provision for bad debts	283	90
Deferred rent expense	89	103
Realized loss (gain) on marketable securities	3	(9)
Deferred taxes	(104)	
Changes in:		
Accounts receivable	(3,745)	(482)
Due from factor	(10,864)	(10,337)
Inventories	(2,205)	(4,606)
Prepaid expenses, prepaid taxes, deposits and other assets	1,270	(759)
Accounts payable and other accrued expenses	(1,711)	1,997
Net cash used in operating activities	(11,096)	(6,837)
Cash flows from investing activities:		
Purchase of property and equipment	(2,017)	(1,630)
Purchase of marketable securities	(20,707)	(10,942)
Sale/redemption of marketable securities	3,050	6,663
Net cash used in investing activities	(19,674)	(5,909)
Cash flows from financing activities:		
Proceeds from options and warrants exercised		652
Repayment of lease obligations	(1)	(5)
Net cash (used in) provided by financing activities	(1)	647
Net decrease in cash and cash equivalents	(30,771)	(12,099)
Cash and cash equivalents - beginning of period	53,073	56,713
Cash and cash equivalents - end of period	$ 22,302	$ 44,614

See accompanying notes to consolidated financial statements - unaudited

Notes to Consolidated Financial Statements - Unaudited
March 31, 2004

NOTE A - BASIS OF REPORTING

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the financial position of Steven Madden, Ltd. and subsidiaries (the "Company") and the results of its operations and cash flows for the periods presented. The results of its operations for the three-month period ended March 31, 2004 are not necessarily indicative of the operating results for the full year. It is suggested that these financial statements be read in conjunction with the financial statements and related disclosures for the year ended December 31, 2003 included in the Annual Report of Steven Madden, Ltd. on Form 10-K filed with the SEC on March 12, 2004.

NOTE B - MARKETABLE SECURITIES

Marketable securities consist primarily of corporate bonds which have strong credit ratings and maturities greater than three months and up to five years at the time of purchase. These securities, which are classified as available-for-sale, are carried at fair value, with unrealized gains and losses, net of any tax effect, reported in shareholders' equity as accumulated other comprehensive income (loss). Amortization of premiums and discounts are included in interest income and are not material. The values of these securities may fluctuate as a result of changes in market interest rates and credit risk.

NOTE C - INVENTORIES

Inventories, which consist of finished goods, are stated at the lower of cost (first-in, first-out method) or market.

NOTE D - REVENUE RECOGNITION

Wholesale revenue is recognized upon shipment. Allowances for estimated discounts and allowances are recognized when sales are recorded. Commission revenue is recognized when title of product transfers to the customer. Retail sales are recognized when the payment is received from customers and are recorded net of returns. Licensing revenue is recognized on the basis of net sales reported by the licensee.

NOTE E - NET INCOME PER SHARE OF COMMON STOCK

Basic income per share is based on the weighted average number of common shares outstanding during the period. Diluted income per share reflects the potential dilution assuming common shares were issued upon the exercise of outstanding options and the proceeds thereof were used to purchase outstanding common shares. Diluted income per share also reflects the unvested and unissued shares promised to employees which have a dilutive effect. For the purposes of calculating the diluted income per share for the three months ended March 31, 2004 and 2003, stock options representing approximately 100,000 and 751,000 shares, respectively, have been excluded because including the shares would be anti-dilutive.

NOTE F - STOCK-BASED COMPENSATION

Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation", encourages the use of the fair value based method of accounting for stock-based employee compensation. Alternatively, SFAS No. 123 allows entities to continue to apply the intrinsic value method prescribed by Accounting Principles Board ("APB") Opinion 25, "Accounting for Stock Issued to Employees", and related interpretations and provide pro forma disclosures of net income and earnings per share, as if the fair value based method of accounting had been applied to employee awards. The Company has elected to continue to apply the provisions of APB Opinion 25 and provide the disclosures required by

SFAS No. 123 and SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure", which was released in December 2003 as an amendment of SFAS No. 123. The following table illustrates the effect on net income and earnings per share if the fair value based method had been applied to all awards.

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003
Reported net income	$ 4,126	$ 5,049
Stock-based employee compensation included in reported net income, net of tax		83
Stock-based employee compensation determined under the fair value based method, net of tax	(820)	(564)
Pro forma net income	$ 3,306	$ 4,568
Basic income per share:		
As reported	$ 0.31	$ 0.39
Pro forma	$ 0.25	$ 0.36
Diluted income per share:		
As reported	$ 0.29	$ 0.36
Pro forma	$ 0.23	$ 0.33

NOTE G - COMPREHENSIVE INCOME

Comprehensive income for the three month periods ended March 31, 2004 and March 31, 2003, after considering other comprehensive income including unrealized gain (loss) on marketable securities of $(143) and $127, was $3,983 and $5,176, respectively.

NOTE H - COMMITMENTS, CONTINGENCIES AND OTHER

[1] Indictment:

On June 20, 2000, Steven Madden, the Company's former Chairman and Chief Executive Officer, was indicted in the United States District Courts for the Southern District and Eastern District of New York. The indictments alleged that Mr. Madden engaged in securities fraud and money laundering activities. In addition, the Securities and Exchange Commission filed a complaint in the United States District Court for the Eastern District of New York alleging that Mr. Madden violated Section 17(a) of the Securities Exchange Act of 1934, as amended. On May 21, 2001, Steven Madden entered into a plea agreement with the U.S. Attorney's Office, pursuant to which he pled guilty to four of the federal charges filed against him. In addition, Mr. Madden reached a separate settlement agreement with the Securities and Exchange Commission regarding the allegations contained in its complaint. As a result, Mr. Madden resigned as the Company's Chief Executive Officer and as a member of the Company's Board of Directors effective July 1, 2001. Mr. Madden has agreed to serve as the Company's Creative and Design Chief, a non-executive position. On April 4, 2002, Mr. Madden was sentenced in the United States District Court for the Southern District of New York to forty-one (41) months' imprisonment in connection with two of the federal charges to which he pled guilty.

NOTE H - COMMITMENTS, CONTINGENCIES AND OTHER (CONTINUED)

[1] Indictment: (continued)

On May 3, 2002, Mr. Madden was sentenced in the United States District Court for the Eastern District of New York to forty-one (41) months' imprisonment in connection with the remaining two charges to which he pled guilty. The sentences will run concurrently. Under the settlement agreement with the Securities and Exchange Commission, Mr. Madden has agreed to not serve as an officer or director of a publicly traded company for 7 years. Neither the indictments nor the Securities and Exchange Commission complaint allege any wrongdoing by the Company or its other officers and directors. Mr. Madden began serving his sentence in September of 2002.

In December 2001, the Company purchased a loss mitigation policy to cover costs arising out of lawsuits related to the June 2000 federal indictment of Steven Madden described above. The policy covers the Company's anticipated damages and legal costs in connection with such lawsuits. The Company is obligated to pay for damages and costs in excess of the policy limits. The cost of the policy was $6,950,000.

[2] Class action litigation:

Between June and August 2000 several class action lawsuits were commenced in the United States District Court for the Eastern District of New York against the Company, Steven Madden personally, and, in some of the actions, the Company's then President and its Chief Financial Officer.

A settlement of these actions has been reached, subject to notice to the putative class members, a hearing and approval by the District Court. The hearing on the settlement has been set for May 19, 2004. The tentative settlement is within the limits of insurance coverage described above.

[3] Shareholder derivative actions:

On or about September 26, 2000, a shareholder derivative action was commenced in the United States District Court for the Eastern District of New York, captioned, Herrera v. Steven Madden and Steven Madden, Ltd. A settlement of these actions has been reached, subject to notice to the Company's shareholders, a hearing and approval by the District Court. The hearing on the settlement has been set for May 19, 2004. The Company believes, after consultation with counsel, that its defense costs and certain attorneys' fees in connection with this action will be subject to coverage by the Company's insurance as supplemented by the loss mitigation policy described above.

On or about November 28, 2001, a shareholder derivative complaint was filed in the United States District Court for the Eastern District of New York, captioned Herrera v. Karson, et al. Named as defendants therein are the Company and certain of the Company's present and/or former directors. A settlement of these actions has been reached, subject to notice to the Company's shareholders, a hearing and approval by the District Court. The hearing on the settlement has been set for May 19, 2004. The Company believes, after consultation with counsel, that its defense costs and certain attorneys' fees in connection with this action will be subject to coverage by the Company's insurance as supplemented by the loss mitigation policy described above.

NOTE H - COMMITMENTS, CONTINGENCIES AND OTHER (CONTINUED)

[4] Other actions:

(a) In June 2003, an action was commenced in the United States District Court for the Central District of California against the Company captioned Global Brand Marketing, Inc. v. Steve Madden Ltd. The complaint sought injunctive relief and unspecified monetary damages for infringement of two separate patents. On April 13, 2004, the Company settled this litigation. The amount of settlement is not expected to have a material effect on the Company's financial position or result of operations.

(b) On December 15, 2003, the Company commenced an action against LaRue Distributors, Inc. ("LaRue") in the United States District Court for the Southern District of New York. The Company seeks a declaratory judgment that the Company properly terminated a license agreement with LaRue and monetary damages for breaches of the license agreement and trademark infringement by LaRue. Subsequently, LaRue served an answer and counterclaim alleging that the license agreement was improperly terminated by the Company and sought compensatory and punitive damages. The Company believes that it has substantial defenses to the counterclaim asserted by LaRue.

(c) The Company has been named as a defendant in various other lawsuits in the normal course of business. In the opinion of management, after consulting with legal counsels, the liabilities, if any, resulting from these matters should not have a material effect on the Company's financial position or results of operations.

[5] SEC request for information:

On April 26, 2004, the SEC sent the Company a letter requesting information and documents relating to, among other things, Steven Madden's employment with the Company. The Company intends to fully comply with the SEC's request.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Company's financial condition and results of operations should be read in conjunction with the unaudited Financial Statements and Notes thereto appearing elsewhere in this document.

Statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this document as well as statements made in press releases and oral statements that may be made by the Company or by officers, directors or employees of the Company acting on the Company's behalf 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 forward-looking statements. 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.

The following tables set forth information on operations for the periods indicated:

Selected Financial Information

Three Months Ended

March 31

($ in thousands)

	2004		2003	
Consolidated:				
Net Sales	$78,768	100%	$78,698	100%
Cost of Sales	47,496	60	47,733	61
Gross Profit	31,272	40	30,965	39
Other Operating Income	1,416	2	1,690	2
Operating Expenses	26,108	34	24,392	31
Income from Operations	6,580	8	8,263	10
Interest and Other Income Net	534	1	442	1
Income Before Income Taxes	7,114	9	8,705	11
Net Income	4,126	5	5,049	6

Selected Financial Information

Three Months Ended

March 31

($ in thousands)

	2004		2003	
By Segment				
WHOLESALE DIVISIONS:				
Steven Madden, Ltd. (Madden Womens):				
Net Sales	$25,534	100%	$28,895	100%
Cost of Sales	16,703	65	19,080	66
Gross Profit	8,831	35	9,815	34
Other Operating Income	520	2	563	2
Operating Expenses	6,824	27	6,843	24
Income from Operations	2,527	10	3,535	12
l.e.i. Footwear:				
Net Sales	$11,125	100%	$14,865	100%
Cost of sales	7,320	66	9,520	64
Gross Profit	3,805	34	5,345	36
Operating Expenses	2,910	26	3,543	24
Income from Operations	895	8	1,802	12
Madden Mens:				
Net Sales	$ 6,569	100%	$ 8,341	100%
Cost of sales	4,408	67	5,573	67
Gross Profit	2,161	33	2,768	33
Operating Expenses	1,834	28	2,084	25
Income from Operations	327	5	684	8
Candie's Footwear:				
Net Sales	$ 3,216	100%	--	--
Cost of sales	2,108	66	--	--
Gross Profit	1,108	34	--	--
Operating Expenses	959	30	--	--
Income from Operations	149	4	--	--
Diva Acquisition Corp. (Steven):				
Net Sales	$ 5,249	100%	$ 2,456	100%
Cost of sales	2,920	56	1,714	70
Gross Profit	2,329	44	742	30
Operating Expenses	1,049	20	661	27
Income from Operations	1,280	24	81	3
Stevies Inc.:				
Net Sales	$ 3,325	100%	$ 3,035	100%
Cost of sales	2,153	65	1,949	64
Gross Profit	1,172	35	1,086	36
Other Operating Income	--	--	9	0
Operating Expenses	683	21	628	21
Income from Operations	489	14	467	15

Selected Financial Information

Three Months Ended

March 31

($ in thousands)

	2004		2003	
By Segment (Continued)				
WHOLESALE DIVISIONS (Continued)				
Unionbay Men's Footwear:				
Net Sales	$ 49	100%	--	--
Cost of Sales	56	114	--	--
Gross Loss	(7)	(14)	--	--
Operating Expenses	163	333	--	--
Loss from Operations	(170)	(347)	--	--
RETAIL DIVISION:				
Steven Madden Retail Inc.:				
Net Sales	$23,701	100%	$21,106	100%
Cost of Sales	11,828	50	9,897	47
Gross Profit	11,873	50	11,209	53
Operating Expenses	11,104	47	10,045	47
Income from Operations	769	3	1,164	6
Number of Stores	83		82	
ADESSO MADDEN INC.:				
(FIRST COST)				
Other Operating Revenue	$ 896	100%	$ 1,118	100%
Operating Expenses	582	65	588	53
Income from Operations	314	35	530	47

RESULTS OF OPERATIONS

($ in thousands)

Three Months Ended March 31, 2004 vs. Three Months Ended March 31, 2003

Consolidated:

Total net sales for the three-month period ended March 31, 2004 remained virtually unchanged ($78,768 in 2004 as compared to $78,698 in 2003). The Company maintained a substantial portion of the sales and market share gains that it achieved in the prior year. During the first quarter of 2003, the Company generated a 18% growth in total net sales over the previous year.

Gross profit as a percentage of sales increased to 40% in 2004 from 39% in 2003, primarily due to cost effective sourcing in the Wholesale Division. Additionally, the Retail Division, which has a higher gross margin percentage, represented 30% of total net sales in 2004 compared to 27% in 2003.

Operating expenses increased to $26,108 in 2004 from $24,392 in 2003. The increase resulted from the Company's increased advertising expenditures in support of the brand, higher occupancy expenses, a reclassification of warehouse expense and the costs associated with the addition of Candie's and Unionbay Wholesale Divisions as well as increased licensing fees paid by the Company.

Income from operations was $6,580 in 2004 compared to $8,263 in 2003. Net income was $4,126 in 2004 compared to $5,049 in 2003. The decrease in income primarily resulted from the increases in operating expenses associated with the cost of new wholesale divisions.

Wholesale Divisions:

Steven Madden Ltd. (Madden Womens, l.e.i., Madden Mens and Candie's Footwear):

Sales from the Madden Womens Wholesale Division ("Madden Womens") accounted for $25,534 or 32%, and $28,895 or 37%, of total sales in 2004 and 2003, respectively. This decrease in sales was primarily a result of more conservative initial spring buying patterns among the Company's wholesale customers. Gross profit as a percentage of sales increased to 35% in 2004 from 34% in 2003, primarily due to cost effective sourcing and improved inventory management. Operating expenses remained virtually unchanged at $6,824 in 2004 compared to $6,843 in 2003. Income from operations for Madden Womens was $2,527 in 2004 compared to $3,535 in 2003.

Sales from the l.e.i. Footwear Wholesale Division ("l.e.i.") accounted for $11,125 or 14%, and $14,865 or 19%, of total sales in 2004 and 2003, respectively. The decrease in sales resulted from a reduction in the casual business. Gross profit as a percentage of sales decreased to 34% in 2004 from 36% in 2003 primarily due to an increase in markdown allowances caused by higher levels of promotional activities at retail. Operating expenses decreased to $2,910 in 2004 from $3,543 in 2003 due to decreases in selling and related expenses. Income from operations for l.e.i. was $895 in 2004 compared to $1,802 in 2003.

Sales from the Madden Mens Wholesale Division ("Madden Mens") accounted for $6,569 or 8%, and $8,341 or 11%, of total sales in 2004 and 2003, respectively. The sales decrease in the Men's business was the result of management's decision to reduce the number of doors in order to focus on more productive doors. Gross profit as a percentage of sales remained at 33% in 2004, the same as in 2003. Operating expenses decreased to $1,834 in 2004 from $2,084 in 2003, due to decreases in selling and related expenses. Income from operations for Madden Mens was $327 in 2004 compared to $684 in 2003.

Candie's Footwear, (which began shipping in the fourth quarter of 2003) generated net sales of $3,216 in the first quarter of 2004. It's customers are comprised of major department and specialty stores, including Belk, Macy's West, Rich's, Bon Marche, Robinson's, Filene's, Carson's and Nordstrom. The initial Candie's line was well received by both retailers and consumers and the Company anticipates that the brand will continue to gain market share during 2004.

Diva Acquisition Corp. ("Steven"):

Sales from Steven accounted for $5,249 or 7%, and $2,456 or 3%, of total sales in 2004 and 2003, respectively. The increase in sales was principally due to the addition of new retail doors, including Dillards, Macy's West and Parisians. Additionally, Steven initiated an open stock program during the first quarter of 2004, enabling customers to generate weekly reorders with improved turn and profitability. Gross profit as a percentage of sales increased to 44% in 2004 from 30% in 2003, primarily the result of cost effective sourcing and improved inventory management. Operating expenses increased to $1,049 in 2004 from $661 in 2003 due to increases in selling, designing, marketing and advertising expenses. Income from operations for Steven was $1,280 in 2004 compared to $81 in 2003.

Stevies Inc. ("Stevies"):

Sales from Stevies accounted for $3,325 or 4%, and $3,035 or 4%, of total sales in 2004 and 2003, respectively. This increase was partly anticipated as the shipment of Steve Madden kids to higher end department and better children's independent stores commenced during the first quarter of 2004. Stevies added new management teams in sales and the product development area to focus exclusively on children's product. Gross profit as a percentage of sales decreased to 35% in 2004 from 36% in 2003, primarily due to an increase in promotional activity. Operating expenses increased to $683 in 2004 from $628 in 2003 due to increases in selling and selling related expenses. Income from operations for Stevies was $489 in 2004 compared to $467 in 2003.

Unionbay Men's Footwear ("Unionbay"):

Unionbay, which launched in the fall of 2003, generated net sales of $49 in the first quarter of 2004. The consumer acceptance of the fall line was less than expected. As a result, the Company changed product direction and changed the division's executive management team in the fourth quarter of 2003 which led the Company to bypass shipments of spring Unionbay products. While prospects for the fall of 2004 are somewhat improved, management is cautious in its outlook on Unionbay's contribution during the remainder of 2004.

Retail Division:
- ----------------

Sales from the Retail Division accounted for $23,701 or 30% and $21,106 or 27% of total sales in 2004 and 2003, respectively. As of March 31, 2004, there were 83 retail stores compared to 82 retail stores as of March 31, 2003. Comparable store sales for the three-month period ended March 31, 2004 increased 8% over the same period of 2003. The increase was achieved through management's immediate reaction to at-once demand for boots late in the fourth quarter of 2003 and early into the first quarter of 2004. Gross profit as a percentage of sales decreased to 50% in 2004 from 53% in 2003, primarily due to an increase in promotional activity. Operating expenses for the Retail Division were $11,104 in 2004 and $10,045 in 2003. This increase was primarily due to increased incentive compensation associated with increased sales, higher occupancy expenses and higher advertising expenditures. Income from operations for the Retail Division was $769 in 2004 compared to $1,164 in 2003.

Adesso-Madden Division:
- -----------------------

Adesso-Madden, Inc. generated commission revenues of $896 in 2004, compared to commission revenues of $1,118 in 2003. This decrease was primarily the result of a shift in receipts by private label customers into the second quarter of this year and the migration of certain business from a direct-from-factory to a landed purchasing format. Income from operations for Adesso-Madden was $314 in 2004 compared to $530 in 2003.

LICENSE AGREEMENTS

Revenue generated from licensing was $520 in 2004 compared to $572 in 2003. As of March 31, 2004, the Company had five license partners covering five product categories of its Steve Madden brand. The product categories include, hosiery, sunglasses, eyewear, belts and outerwear.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $96,196 at March 31, 2004 compared to $105,140 at December 31, 2003. The decrease was the result of management's decision to move a portion of excess cash into long-term marketable securities.

Under the terms of a factoring agreement with Capital Factors, Inc., the Company is eligible to draw down 80% of its invoiced receivables at an interest rate of two points below the Prime Rate (as defined in such agreement). The agreement with Capital Factors expires December 31, 2004. Capital Factors maintains a lien on all of the Company's inventory and receivables and assumes the credit risk for all assigned accounts approved by them. Under the agreement, the Company has a credit line of $15 million dollars. As of March 31, 2004 the Company did not use any portion of the credit line.

As of March 31, 2004 the Company had invested approximately $50,296 in marketable securities consisting of corporate bonds, U.S. Treasury notes and government asset-backed securities.

The Company believes that based upon its current financial position and available cash and marketable securities, it will meet all of its financial commitments and operating needs for at least the next twelve months.

OPERATING ACTIVITIES

During the three-month period ended March 31, 2004, net cash used by operating activities was $11,096. Uses of cash was caused primarily by an increase in non-factored accounts receivable of $3,745, an increase in factored accounts receivable of $10,864, an increase in inventories of $2,205, and a decrease in accounts payable and other accrued expenses of $1,711. Sources of cash were provided principally by net income of $4,126 and decrease in prepaid expenses, prepaid taxes, deposits and other assets of $1,270.

The following table represents the Company's contractual obligations at March 31, 2004, which are only for leases of office, showroom and retail facilities under non-cancelable operating leases with terms expiring at various times through 2013. Future minimum annual lease payments under non-cancelable operating leases consist of the following at March 31:

2004	$ 9,455
2005	9,170
2006	9,249
2007	8,818
2008	7,205
Thereafter	17,403
	$ 61,300

At March 31, 2004, the Company had un-negotiated open letters of credit for the purchase of imported merchandise of approximately $8,286.

The Company has an employment agreement with Steve Madden, its Creative and Design Chief, which provides for an annual salary of $700,000 through June 30, 2011. Mr. Madden is entitled to receive base salary payments during periods that he is not actively engaged in the duties of Creative and Design Chief. The agreement also provides for an annual performance bonus, an annual option grant at exercise prices equal to the market price on the date of grant and a non-accountable expense allowance, however, the Company is not required to pay the bonus for any fiscal year that Mr. Madden is not actively engaged in the duties of Creative and Design Chief for at least six months, the Company is not required to grant an annual option if Mr. Madden is not actively engaged in the duties of Creative and Design Chief for at least six months out of the twelve months immediately preceding the grant date for such annual option and the Company is not required to pay the expense allowance for any month during which Mr. Madden is not actively engaged in the duties of Creative and Design Chief.

The Company has employment agreements with certain executives, which provide for the payment of compensation aggregating approximately $1,818 in 2004, $1,060 in 2005 and $234 in 2006. In addition, such employment agreements provide for incentive compensation based on various performance criteria as well as other benefits.

Significant portions of the Company's products are produced at overseas locations, the majority of which are located in Brazil, China, Italy and Spain. The Company has not entered into any long-term manufacturing or supply contracts with any of these foreign companies. The Company believes that a sufficient number of alternative sources exist outside of the United States for the manufacture of its products. In addition, the Company currently makes approximately ninety-seven percent (97%) of its purchases in U.S. dollars.

INVESTING ACTIVITIES

During the three-month period ended March 31, 2004, the Company invested $20,707 in marketable securities and received $3,050 from maturities and sales of securities. In addition, the Company incurred capital expenditures of $2,017 principally for leasehold improvements to its corporate office space and computer systems upgrades.

INFLATION

The Company does not believe that the relatively low rates of inflation experienced over the last few years in the United States, where it primarily competes, have had a significant effect on sales, expenses or profitability.

OTHER CONSIDERATIONS

Fashion Industry Risks: The success of the Company will depend in significant part upon its ability to anticipate and respond to product and fashion trends as well as to anticipate, gauge and react to changing consumer demands in a timely manner. There can be no assurance that the Company's products will correspond to the changes in taste and demand or that the Company will be able to successfully market products that respond to such trends. If the Company misjudges the market for its products, it may be faced with significant excess inventories for some products and missed opportunities with others. In addition, misjudgments in merchandise selection could adversely affect the Company's image with its customers resulting in lower sales and increased markdown allowances for customers which could have a material adverse effect on the Company's business, financial condition and results of operations.

The industry in which the Company operates is cyclical, with purchases tending to decline during recessionary periods when disposable income is low. Purchases of contemporary shoes and accessories tend to decline during recessionary periods and also may decline at other times. While the Company has fared well in recent years in a difficult retail environment, there can be no assurance that the Company will be able to return to its historical rate of growth in revenues and earnings, or remain profitable in the future. A recession in the national or regional economies or uncertainties regarding future economic prospects, among other things, could affect consumer-spending habits and have a material adverse effect on the Company's business, financial condition and results of operations.

In recent years, the retail industry has experienced consolidation and other ownership changes. In the future, retailers in the United States and in foreign markets may consolidate, undergo restructurings or reorganizations, or realign their affiliations, any of which could decrease the number of stores that carry the Company's products or increase the ownership concentration within the retail industry. While such changes in the retail industry to date have not had a material adverse effect on the Company's business or financial condition, there can be no assurance as to the future effect of any such changes.

Inventory Management: The fashion-oriented nature of the Company's products and the rapid changes in customer preferences leave the Company vulnerable to an increased risk of inventory obsolescence. Thus, the Company's ability to manage its inventories properly is an important factor in its operations. Inventory shortages can adversely affect the timing of shipments to customers and diminish sales and brand loyalty. Conversely, excess inventories can result in lower gross margins due to the excessive discounts and markdowns that might be necessary to reduce inventory levels. The inability of the Company to effectively manage its inventory would have a material adverse effect on the Company's business, financial condition and results of operations.

Dependence Upon Customers and Risks Related to Extending Credit to Customers: The Company's customers consist principally of department stores and specialty stores, including shoe boutiques. Certain of the Company's department store customers, including some under common ownership, account for significant portions of the Company's wholesale business.

The Company generally enters into a number of purchase order commitments with its customers for each of its lines every season and does not enter into long-term agreements with any of its customers. Therefore, a decision by a significant customer of the Company, whether motivated by competitive conditions, financial difficulties or otherwise, to decrease the amount of merchandise purchased from the Company or to change its manner of doing business could have a material adverse effect on the Company's business, financial condition and results of operations. The Company sells its products primarily to retail stores across the United States and extends credit based on an evaluation of each customer's financial condition, usually without collateral. While various retailers, including some of the Company's customers, have experienced financial difficulties in the past few years which increased the risk of extending credit to such retailers, the Company's losses due to bad debts have been limited. Pursuant to the Factoring Agreement between Capital Factors and the Company, Capital Factors currently assumes the credit risk related to approximately 95% of the Company's accounts receivables. However, financial difficulties of a customer could cause the Company to curtail business with such customer or require the Company to assume more credit risk relating to such customer's account receivable.

Impact of Foreign Manufacturers: Substantial portions of the Company's products are currently sourced outside the United States through arrangements with a number of foreign manufacturers in four different countries. During the year ended December 31, 2003, approximately 85% of the Company's products were purchased from sources outside the United States, primarily from China, Brazil, Italy and Spain.

Risks inherent in foreign operations include work stoppages, transportation delays and interruptions, changes in social, political and economic conditions which could result in the disruption of trade from the countries in which the Company's manufacturers or suppliers are located, the imposition of additional regulations relating to imports, the imposition of additional duties, taxes and other charges on imports, significant fluctuations of the value of the dollar against foreign currencies, or restrictions on the transfer of funds, any of which could have a material adverse effect on the Company's business, financial condition and results of operations. The Company does not believe that any such economic or political condition will materially affect the Company's ability to purchase products, since a variety of materials and alternative sources are available. The Company cannot be certain, however, that it will be able to identify such alternative sources without delay (if ever) or without greater cost to the Company. The Company's inability to identify and secure alternative sources of supply in this situation would have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's imported products are also subject to United States customs duties. The United States and the countries in which the Company's products are produced or sold, from time to time, impose new quotas, duties, tariffs, or other restrictions, or may adversely adjust prevailing quota, duty or tariff levels, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Possible Adverse Impact of Unaffiliated Manufacturers' Inability to Manufacture in a Timely Manner, Meet Quality Standards or to Use Acceptable Labor Practices: As is common in the footwear industry, the Company contracts for the manufacture of a majority of its products to its specifications through foreign manufacturers. The Company does not own or operate any manufacturing facilities and is therefore dependent upon independent third parties for the manufacture of all of its products. The Company's products are manufactured to its specifications by both domestic and international manufacturers. The inability of a manufacturer to ship orders of the Company's products in a timely manner or to meet the Company's quality standards could cause the Company to miss the delivery date requirements of its customers for those items, which could result in cancellation of orders, refusal to accept deliveries or a reduction in purchase prices, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Although the Company enters into a number of purchase order commitments each season specifying a time frame for delivery, method of payment, design and quality specifications and other standard industry provisions, the Company does not have long-term contracts with any manufacturer. As a consequence, any of these manufacturing relationships may be terminated, by either party, at any time. Although the Company believes that other facilities are available for the manufacture of the Company's products, both within and outside of the United States, there can be no assurance that such facilities would be available to the Company on an immediate basis, if at all, or that the costs charged to the Company by such manufacturers will not be greater than those presently paid.

The Company requires its licensing partners and independent manufacturers to operate in compliance with applicable laws and regulations. While the Company promotes ethical business practices and the Company's staff periodically visits and monitors the operations of its independent manufacturers, the Company does not control such manufacturers or their labor practices. The violation of labor or other laws by an independent manufacturer of the Company or by one of the Company's licensing partners, or the divergence of an independent manufacturer's or licensing partner's labor practices from those generally accepted as ethical in the United States, could have a material adverse effect on the Company's business, financial condition and results of operations.

Intense Industry Competition: The fashion footwear industry is highly competitive and barriers to entry are low. The Company's competitors include specialty companies as well as companies with diversified product lines. The recent market growth in the sales of fashionable footwear has encouraged the entry of many new competitors and increased competition from established companies. Most of these competitors, including Diesel, Kenneth Cole, Nine West, DKNY, Skechers, Nike and Guess, may have significantly greater financial and other resources than the Company and there can be no assurance that the Company will be able to compete successfully with other fashion footwear companies. Increased competition could result in pricing pressures, increased marketing expenditures and loss of market share, and could have a material adverse effect on the Company's business, financial condition and results of operations. The Company believes effective advertising and marketing, branding of the Steve Madden name, fashionable styling, high quality and value are the most important competitive factors and plans to continually employ these elements as it develops its products. The Company's inability to effectively advertise and market its products could have a material adverse effect on the Company's business, financial condition and results of operations.

Expansion of Retail Business: The Company's continued growth depends to a significant degree on further developing the Steve Madden(R), Stevies, Steven, Steve Madden Mens, l.e.i.(R) , Unionbay(R) and Candie's(R) brands, creating new product categories and businesses and operating Company-owned stores on a profitable basis. During the first quarter of 2004 the Company did not open any new Steve Madden retail stores but has plans to open approximately eight to ten

(8-10) additional stores during the remainder of 2004. The Company's recent and planned expansion includes the opening of stores in new geographic markets as well as strengthening existing markets. New markets have in the past presented, and will continue to present, competitive and merchandising challenges that are different from those faced by the Company in its existing markets. There can be no assurance that the Company will be able to open new stores, and if opened, that such new stores will be able to achieve sales and profitability levels consistent with management's expectations. The Company's retail expansion is dependent on a number of factors, including the Company's ability to locate and obtain favorable store sites, the performance of the Company's wholesale and retail operations, and the ability of the Company to manage such expansion and hire and train personnel. Past comparable store sales results may not be indicative of future results, and there can be no assurance that the Company's comparable store sales results can be maintained or will increase in the future. In addition, there can be no assurance that the Company's strategies to increase other sources of revenue, which may include expansion of its licensing activities, will be successful or that the Company's overall sales or profitability will increase or not be adversely affected as a result of the implementation of such retail strategies.

The Company's operations have increased and will continue to increase demand on the Company's managerial, operational and administrative resources. The Company has recently invested significant resources in, among other things, its management information systems and hiring and training new personnel. However, in order to manage currently anticipated levels of future demand, the Company may be required to, among other things, expand its distribution facilities, establish relationships with new manufacturers to produce its products, and continue to expand and improve its financial, management and operating systems. There can be no assurance that the Company will be able to manage future growth effectively and a failure to do so could have a material adverse effect on the Company's business, financial condition and results of operations.

Seasonal and Quarterly Fluctuations: The Company's results may fluctuate quarter to quarter as a result of the timing of holidays, weather, the timing of larger shipments of footwear, market acceptance of the Company's products, the mix, pricing and presentation of the products offered and sold, the hiring and training of additional personnel, inventory write downs, the cost of materials, the product mix between wholesale and licensing businesses, the incurrence of other operating costs and factors beyond the Company's control, such as general economic conditions and actions of competitors. In addition, the Company expects that its sales and operating results may be significantly impacted by the opening of new retail stores and the introduction of new products. Accordingly, the results of operations in any quarter will not necessarily be indicative of the results that may be achieved for a full fiscal year or any future quarter.

Trademark and Service Mark Protection: The Company believes that its trademarks and service marks and other proprietary rights are important to its success and its competitive position. Accordingly, the Company devotes substantial resources to the establishment and protection of its trademarks on a worldwide basis. Nevertheless, there can be no assurance that the actions taken by the Company to establish and protect its trademarks and other proprietary rights will be adequate to prevent imitation of its products by others or to prevent others from seeking to block sales of the Company's products on the basis that they violate the trademarks and proprietary rights of others. Moreover, no assurance can be given that others will not assert rights in, or ownership of, trademarks and other proprietary rights of the Company or that the Company will be able to successfully resolve such conflicts. In addition, the laws of certain foreign countries may not protect proprietary rights to the same extent as do the laws of the United States. The failure of the Company to establish and then protect such proprietary rights from unlawful and improper utilization could have a material adverse effect on the Company's business, financial condition and results of operations.

Foreign Currency Fluctuations: The Company generally purchases its products in U.S. dollars. However, the Company sources substantially all of its products overseas and, as such, the cost of these products may be affected by changes in the value of the relevant currencies. Changes in currency exchange rates may also affect the relative prices at which the Company and foreign competitors sell their products in the same market. There can be no assurance that foreign currency fluctuations will not have a material adverse effect on the Company's business, financial condition and results of operations.

Outstanding Options: As of May 3, 2004 the Company had outstanding options to purchase an aggregate of approximately 2,174,425 shares of Common Stock. Holders of such options are likely to exercise them when, in all likelihood, the market price of the Company's stock is significantly higher than the exercise price of the options. Further, while its options are outstanding, they may adversely affect the terms on which the Company could obtain additional capital, if required.

Economic and Political Risks: The present economic condition in the United States and concern about uncertainties could significantly reduce the disposable income available to the Company's customers for the purchase of our products. In addition, current unstable political conditions, including the potential or actual conflicts in Iraq, North Korea or elsewhere, or the continuation or escalation of terrorism, could have an adverse effect on the Company's business, financial condition and results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company does not engage in the trading of market risk sensitive instruments in the normal course of business. Financing arrangements for the Company are subject to variable interest rates primarily based on the prime rate. An analysis of the Company's credit agreement with Capital Factors, Inc. can be found in Note C. "Due From Factor" to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003. On December 31, 2003 and December 31, 2002, there were no direct borrowings outstanding under the credit agreement.

As of March 31, 2004, the Company had investments in marketable securities valued at $50,296, which consists principally of federal and state obligations. These obligations have various maturities through December 2008. These investments are subject to interest rate risk and will decrease in value if market interest rates increase. The Company currently has the ability to hold these investments until maturity. Should there be a significant increase in interest rates, the value of these investments would be negatively affected unless they were held to maturity. In addition, any further decline in interest rates would reduce the Company's interest income.

ITEM 4. CONTROLS AND PROCEDURES

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of its disclosure controls and procedures as of the end of the fiscal quarter covered by this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective as of the end of the fiscal quarter covered by this quarterly report. As required by Rule 13a-15(d) under the Exchange Act, the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the Company's internal controls over financial reporting to determine whether any changes occurred during the first quarter of 2004 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Based on that evaluation, there has been no such change during the first quarter of 2004.

Part II. OTHER INFORMATION

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ITEM 1. LEGAL PROCEEDINGS

Certain legal proceedings in which the Company is involved are discussed in Note J to the consolidated financial statements in the Company's 2003 Annual Report to Shareholders and Part I, Item 3, of the Company's Annual Report on Form 10-K for the year ended December 31, 2003. The following discussion is limited to recent developments concerning certain of the Company's legal proceedings and should be read in conjunction with those earlier Reports. Unless otherwise indicated, all proceedings discussed in those earlier Reports remain outstanding.

Class Action

Between June and August 2000, eight putative securities fraud class action lawsuits were commenced in the United States District Court for the Eastern District of New York against the Company, Steven Madden and, in five of the actions, Rhonda J. Brown (the former President and a former director of the Company) and Arvind Dharia. These actions were captioned: Wilner v. Steven Madden, Ltd., et al., 00 CV 3676 (filed June 21, 2000); Connor v. Steven Madden, et al., 00 CV 3709 (filed June 22, 2000); Blumenthal v. Steven Madden, Ltd., et al., 00 CV 3709 (filed June 23, 2000); Curry v. Steven Madden, Ltd., et al., 00 CV 3766 (filed June 26, 2000); Dempster v. Steven Madden Ltd., et al., 00 CV 3702 (filed June 30, 2000); Salafia v. Steven Madden, Ltd., et al., 00 CV 4289 (filed July 24, 2000); Fahey v. Steven Madden, Ltd., et al., 00 CV 4712 (filed August 11, 2000); Process Engineering Services, Inc. v. Steven Madden, Ltd., et al., 00 CV 5002 (filed August 22, 2000). By Order dated December 8, 2000, the Court consolidated these eight actions, appointed Process Engineering, Inc., Michael Fasci and Mark and Libby Adams as lead plaintiffs and approved their selection of lead counsel. A settlement of these actions has been reached, subject to notice to the putative class members, a hearing and approval by the District Court. The District Court has set May 19, 2004 as the date for the hearing on the settlement. The tentative settlement is within the limits of the Company's insurance coverage.

Shareholder Derivative Actions

On or about September 26, 2000, a putative shareholders derivative action was commenced in the United States District Court for the Eastern District of New York, captioned Herrera v. Steven Madden and Steven Madden, Ltd., 00 CV 5803 (JG). The Company is named as a nominal defendant in the action. A settlement of these actions has been reached, subject to notice to the Company's shareholders, a hearing and approval by the District Court. The District Court has set May 19, 2004 as the date for the hearing on the settlement. The Company believes, after consultation with counsel, that its defense costs and certain attorneys fees in connection with this action will be subject to coverage by the Company's insurance.

On or about November 28, 2001, a purported shareholder derivative complaint was filed in the United States District Court for the Eastern District of New York, captioned Herrera v. Karson, et al., 00 CV 7868. Named as defendants therein are the Company (as nominal defendant) and certain of the Company's present and/or former directors. A settlement of these actions has been reached, subject to notice to the Company's shareholders, a hearing and approval by the District Court. The Court has set May 19, 2004 as the date for the hearing on the settlement. The Company believes, after consultation with counsel, that its defense costs and certain attorneys fees in connection with this action will be subject to coverage by the Company's insurance.

Other Actions

On or about June 6, 2003, an action was commenced in the United States District Court for the Central District of California, captioned Global Brand Marketing, Inc. v. Steve Madden Ltd., Case Number 03-4029. On April 13, 2004 the parties agreed to a settlement of this action. The settlement amount is not expected to have a material effect on the Company's financial position or result of operations. A stipulation of dismissal of this action has been executed by the parties and filed with the District Court.

On December 15, 2003, the Company commenced an action against LaRue Distributors, Inc. ("LaRue") in the United States District Court for the Southern District of New York. The Company seeks a declaratory judgment that the Company properly terminated a license agreement with LaRue and monetary damages for breaches of the license agreement and trademark infringement by LaRue. Subsequently, LaRue served an answer and counterclaim alleging that the license agreement was improperly terminated by the Company and seeking compensatory and punitive damages. The Company filed a reply denying any liability with respect to the counterclaim. The Company believes that it has substantial defenses to the counterclaim asserted by LaRue.

SEC Request for Information

On April 26, 2004, the Securities and Exchange Commission (the "SEC") sent the Company a letter requesting information and documents relating to, among other things, Steven Madden's employment with the Company. The Company intends to fully comply with the SEC's request.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

(31.1) Certification of Chief Executive Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to section 302 of the Sarbanes-Oxley act of 2002.

(31.2) Certification of Chief Financial Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to section 302 of the Sarbanes-Oxley act of 2002.

(32.1) Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(32.2) Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K

During the quarter, the Company filed the following Current Reports on Form 8-K.

(i) A Current Report on Form 8-K dated January 22, 2004 and filed on January 26, 2004 updating the Company's earnings expectations for the fourth quarter and full year 2003.

(ii) A Current Report on Form 8-K dated February 26, 2004 and filed on March 3, 2004 announcing the Company's financial results for the fourth quarter and full year 2003.

(iii) A Current Report on Form 8-K dated March 23, 2004 and filed on March 25, 2004 reporting that the Company had increased its expected cash flow from operations for 2004

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

DATE: May 7, 2004

STEVEN MADDEN, LTD.

/s/ JAMIESON A. KARSON

Jamieson A. Karson
Chief Executive Officer

/s/ ARVIND DHARIA

Arvind Dharia
Chief Financial Officer

Exhibit No	Description
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to section 302 of the Sarbanes-Oxley act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to section 302 of the Sarbanes-Oxley act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13A-14 OR 15D-14 OF THE
SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Jamieson A. Karson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Steven Madden, Ltd.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

c. disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a. all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 7, 2004

By: /s/ JAMIESON A. KARSON

Jamieson A. Karson
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13A-14 OR 15D-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Arvind Dharia, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Steven Madden, Ltd.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

c. disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a. all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 7, 2004

By: /s/ ARVIND DHARIA

Arvind Dharia
Chief Financial Officer

Exhibit 32.1

STEVEN MADDEN, LTD.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Steven Madden, Ltd. (the "Company") on Form 10-Q for the quarter ended March 31, 2004 (the "Report"), I, Jamieson A. Karson, Chief Executive Officer of the Company, certify, pursuant to Section 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JAMIESON A. KARSON
- ----------------------------
Jamieson A. Karson
Chief Executive Officer
May 7, 2004

Exhibit 32.2

STEVEN MADDEN, LTD.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Steven Madden, Ltd. (the "Company") on Form 10-K for the quarter ended March 31, 2004 (the "Report"), I, Arvind Dharia, Chief Financial Officer of the Company, certify, pursuant to Section 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ARVIND DHARIA
- ------------------------------
Arvind Dharia
Chief Financial Officer
May 7, 2004