

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended: April 6, 2002

OR

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

Commission file number: **0-19848**

FOSSIL, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

75-2018505

(I.R.S. Employer
Identification No.)

2280 N. Greenville, Richardson, Texas 75082

(Address of principal executive offices)
(Zip Code)

(972) 234-2525

(Registrant's telephone number, including area code)

Indicate by check mark whether registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

The number of shares of Registrant's common stock, outstanding as of May 17, 2002: 30,610,578

ITEM 1. FINANCIAL STATEMENTS
FOSSIL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

April 6, 2002 (Unaudited) January 5, 2002

ASSETS

Current assets:

Cash and cash equivalents	\$ 66,193	\$ 67,491
Short-term marketable investments	5,428	5,360
Accounts receivable – net	72,190	74,035
Inventories	95,036	103,662
Deferred income tax benefits	10,194	8,718
Prepaid expenses and other current assets	<u>13,805</u>	<u>10,251</u>

Total current assets	262,846	269,517
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Investments in joint ventures	1,170	1,099
Property, plant and equipment – net	92,782	90,036
Intangible and other assets – net	7,552	7,814
Goodwill – net	<u>12,397</u>	<u>12,397</u>

	<u>\$ 376,747</u>	<u>\$ 380,863</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Notes payable	\$ 51	\$ 15,955
Accounts payable	21,492	21,266
Accrued expenses:		
Co-op advertising	12,266	14,838
Compensation	6,641	8,594
Other	22,894	27,679
Income taxes payable	<u>21,199</u>	<u>17,905</u>

Total current liabilities	84,543	106,237
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Deferred income tax liability	10,695	7,318
Other long-term liabilities	404	-
Minority interest in subsidiaries	3,146	3,285

Stockholders' equity:

Common stock, 30,471,583 and 30,284,369 shares issued and 30,470,211 and 30,284,369 shares outstanding, respectively	305	303
Treasury stock, 1,372 shares, at cost	-	-
	(36)	
Additional paid-in capital	20,014	15,241
Retained earnings	263,926	252,112
Accumulated other comprehensive loss	(4,146)	(3,633)
Deferred compensation	<u>(2,104)</u>	<u>-</u>

Total stockholders' equity	<u>277,959</u>	<u>264,023</u>
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	<u>\$ 376,747</u>	<u>\$ 380,863</u>
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See notes to condensed consolidated financial statements.

FOSSIL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME
UNAUDITED

(In thousands, except per share amounts)

	For the 13 Weeks Ended	For the 14 Weeks Ended	
	April 6, <u>2002</u>	April 7, <u>2001</u>	
Net sales	\$ 143,680	\$ 121,105	
Cost of sales	<u>72,188</u>	<u>61,370</u>	
Gross profit	71,492	59,735	
Operating expenses:			
Selling and distribution	39,756	32,582	
General and administrative	<u>12,472</u>	<u>10,812</u>	
Total operating expenses	<u>52,228</u>	<u>43,394</u>	
Operating income	19,264	16,341	
Interest expense	85	24	
Other income – net	<u>189</u>	<u>345</u>	
Income before income taxes	19,368	16,662	
Provision for income taxes	<u>7,553</u>	<u>6,661</u>	
Net income	\$ 11,815	\$ 10,001	
Other comprehensive income (loss), net of taxes:			
Currency translation adjustment	(576)	(1,520)	
Unrealized (loss) gain on short-term marketable investments		(11)	81
Forward contracts as hedge of intercompany foreign currency payments:			
Cumulative effect of implementing SFAS No. 133	-	(400)	
Increase in fair values	<u>74</u>	<u>681</u>	
Total comprehensive income	<u>\$ 11,302</u>	<u>\$ 8,843</u>	
Earnings per share:			
Basic	<u>\$ 0.39</u>	<u>\$ 0.33</u>	
Diluted	<u>\$ 0.37</u>	<u>\$ 0.32</u>	
Weighted average common shares outstanding:			
Basic	<u>30,340</u>	<u>30,134</u>	
Diluted	<u>31,768</u>	<u>31,145</u>	

See notes to condensed consolidated financial statements.

FOSSIL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED
(In thousands)

For the 13 Weeks Ended **For the 14 Weeks Ended**
April 6, 2002 April 7, 2001

Operating activities:		
Net income	\$ 11,815	\$ 10,001
Noncash items affecting net income:		
Minority interest in subsidiaries	302	548
Equity in net income of joint ventures	(71)	(95)
Depreciation and amortization	2,792	2,025
Tax benefit derived from exercise of stock options	914	151
Loss on disposal of assets	321	-
Increase in allowance for doubtful accounts	446	313
Decrease in allowance for returns - net of related inventory in transit	(708)	(779)
Deferred income taxes	1,902	320
Changes in operating assets and liabilities:		
Accounts receivable	2,844	5,594
Inventories	7,887	(8,691)
Prepaid expenses and other current assets	(3,553)	395
Accounts payable	260	(1,352)
Accrued expenses	(9,410)	(6,541)
Income taxes payable	<u>3,293</u>	<u>5,044</u>
Net cash from operating activities	19,034	6,933
Investing activities:		
Additions to property, plant and equipment	(5,322)	(3,054)
(Purchase) sale of short-term marketable investments	(68)	6,049
Investments in joint ventures	-	(165)
Decrease (increase) in intangible and other assets	<u>215</u>	<u>(313)</u>
Net cash (used in) from investing activities	(5,175)	2,517
Financing activities:		
Common stock issued upon exercise of stock options	1,780	314
Acquisition and retirement of common stock	(23)	(3,539)
Net acquisition of treasury stock	(36)	-
Distribution of minority interest earnings	(441)	(677)
Net decrease in notes payable	<u>(15,890)</u>	<u>(373)</u>
Net cash used in financing activities	(14,610)	(4,275)
Effect of exchange rate changes on cash and cash equivalents	<u>(547)</u>	<u>7</u>
Net (decrease) increase in cash and cash equivalents	(1,298)	5,182
Cash and cash equivalents:		
Beginning of period	<u>67,491</u>	<u>79,501</u>
End of period	<u>\$ 66,193</u>	<u>\$ 84,683</u>

See notes to condensed consolidated financial statements.

FOSSIL, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED

1. FINANCIAL STATEMENT POLICIES

Basis of Presentation. The condensed consolidated financial statements include the accounts of Fossil, Inc., a Delaware corporation, and its wholly and wholly and majority-owned subsidiaries (the “Company”). The condensed consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary to present a fair statement of the Company’s financial position as of April 6, 2002, and the results of operations for the thirteen-week period ended April 6, 2002, and fourteen-week period ended April 7, 2001. All adjustments are of a normal, recurring nature. Reclassification of certain amounts for the fourteen-week period ended April 7, 2001, have been made to conform to the presentation for the thirteen-week period ended April 6, 2002.

These interim financial statements should be read in conjunction with the audited financial statements and the notes thereto included in Form 10-K filed by the Company pursuant to the Securities Exchange Act of 1934 for the year ended January 5, 2002. Operating results for the thirteen-week period ended April 6, 2002, are not necessarily indicative of the results to be achieved for the full year.

The condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles which require the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the periods reported. Actual results could differ from those estimates. The Company has not made any changes in its critical accounting policies from those disclosed in its most recent annual report.

Business. The Company designs, develops, markets and distributes fashion watches and other accessories, principally under the “FOSSIL” and “RELIC” brands names. The Company’s products are sold primarily through department stores and other major retailers, both domestically and in over 90 countries worldwide.

2. INVENTORIES

Inventories consist of the following:

<i>(In thousands)</i>	April 6, <u>2002</u>	January 5, <u>2002</u>
Components and parts	\$ 5,596	\$ 4,659
Work-in-process	3,635	3,855
Finished merchandise on hand	61,747	70,547
Merchandise at Company stores	11,646	11,365
Merchandise in-transit from estimated customer returns	<u>12,412</u>	<u>13,236</u>
	<u>\$95,036</u>	<u>\$103,662</u>

3. FOREIGN CURRENCY HEDGING INSTRUMENTS

The Company periodically enters into forward contracts principally to hedge the future payment of intercompany inventory transactions with its non-U.S. subsidiaries. At April 6, 2002, the Company had hedge contracts to sell 31.3 million Euro for approximately \$27.4 million, expiring through December

unrealized gain is recognized in other comprehensive income under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities."

In implementing SFAS No. 133, as of December 31, 2000, the Company recognized a net unrealized loss of approximately \$400,000 in other comprehensive income. The net increase in fair value for the thirteen-week period ended April 6, 2002, and the fourteen-week period ended April 7, 2001, of approximately \$74,000 and \$681,000, respectively, are included in other comprehensive income (loss).

4. SEGMENT AND GEOGRAPHIC INFORMATION

(In thousands)

	For the 13 Weeks Ended April 6, 2002		For the 14 Weeks Ended April 7, 2001	
	<u>Net Sales</u>	<u>Operating Income</u>	<u>Net Sales</u>	<u>Operating Income</u>
U.S.- exclusive of Stores:				
External customers	\$ 78,860	\$ 17,359	\$ 68,326	\$ 12,941
Intergeographic	23,190	-	20,355	-
Far East and Export:				
External customers	12,042	5,277	12,781	6,795
Intergeographic	39,540	-	44,465	-
Stores	14,090	(4,636)	11,119	(3,474)
Europe	38,688	1,264	27,336	150
Japan	-	-	1,543	(71)
Intergeographic items	<u>(62,730)</u>	<u>-</u>	<u>(64,820)</u>	<u>-</u>
Consolidated	<u>\$143,680</u>	<u>\$19,264</u>	<u>\$121,105</u>	<u>\$16,341</u>

5. EQUITY AND EARNINGS PER SHARE

Under the Company's stock-based compensation plan, a limited number of shares of restricted common stock may be granted at no cost to certain key officers and employees. These shares carry voting and dividend rights; however, sale or transfer of the shares is restricted. These restricted stock awards vest over a specific period of time. During March 2002, the Chairman of the Board of Directors donated 77,500 shares of common stock to the Company. These shares were subsequently reissued as restricted stock, which generally vest over a period of five to nine years and have a zero exercise price. Approximately \$2.1 million was recorded as deferred compensation and an increase to additional paid-in capital based upon the fair value of the shares at the date of grant. The deferred compensation expense will be amortized into earnings over the vesting period.

The following table reconciles the numerators and denominators used in the computations of both basic and diluted EPS:

<i>(In thousands, except per share data)</i>	For the 13 Weeks Ended April 6, <u>2002</u>	For the 14 Weeks Ended April 7, <u>2001</u>
Numerator:		
Net income	<u>\$ 11,815</u>	<u>\$ 10,001</u>
Denominator:		
Basic EPS computation:		
Weighted average common shares outstanding	<u>30,340</u>	<u>30,134</u>
Basic EPS	<u>\$ 0.39</u>	<u>\$ 0.33</u>
Diluted EPS computation:		
Basic weighted average common shares outstanding	30,340	30,134
Stock option conversion	<u>1,428</u>	<u>1,011</u>
	<u>31,768</u>	<u>31,145</u>
Diluted EPS	<u>\$ 0.37</u>	<u>\$ 0.32</u>

6. RECENT ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 141, “Business Combinations,” and SFAS No. 142, “Goodwill and Other Intangible Assets.” These standards were adopted by the Company on July 1, 2001. Under SFAS No. 142, all goodwill and intangible assets with indefinite lives will not be amortized but will be tested for impairment annually and also in the event of an impairment indication. As required by SFAS No. 142, the results for periods prior to its adoption have not been restated. The pro forma effect, if SFAS No. 142 had been adopted effective December 31, 2000, would not have changed previously reported basic or diluted earnings per share for the fourteen-week period ended April 7, 2001.

The FASB also issued SFAS No. 144, “Accounting for the Impairment or the Disposal of Long-Lived Assets,” which was effective January 6, 2002 for the Company. SFAS No. 144 supersedes SFAS No.121 “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of.” The Company has evaluated the impact of the provisions of SFAS No. 144, and the results of such evaluation did not result in any material adjustments to the carrying value of its long-lived assets as of the balance sheet date.

7. SUBSEQUENT EVENT

On May 14, 2002, the Board of Directors of the Company declared a 3-for-2 stock split (“Stock Split”) of the Company’s \$0.01 par value common stock (“Common Stock”), which will be in the form of a 50% stock dividend payable on June 7, 2002 to stockholders of record on May 24, 2002. Retroactive effect will be given to the Stock Split in stockholders’ equity accounts and in all share and per share data in subsequent consolidated financial statements and notes thereto.

FOSSIL, INC. AND SUBSIDIARIES

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

The following is a discussion of the financial condition and results of operations of Fossil, Inc. and its wholly and majority-owned subsidiaries (the "Company") for the thirteen-week period ended April 6, 2002 (the "First Quarter"), as compared to the fourteen-week period ended April 7, 2001 (the "Prior Year Quarter"). This discussion should be read in conjunction with the Condensed Consolidated Financial Statements and the related Notes attached hereto.

General

Fossil is a design, development, marketing and distribution company that specializes in consumer products predicated on fashion and value. The FOSSIL brand name was developed by the Company to convey a distinctive fashion, quality and value message and a brand image reminiscent of "America in the 1950s" that suggests a time of fun, fashion and humor. Since its inception in 1984, the Company has grown from its original flagship FOSSIL watch product into a company offering a diversified range of accessories and apparel. The Company's principle offerings include an extensive line of watches sold under the FOSSIL and RELIC brands as well as complementary lines of small leather goods, belts, handbags, sunglasses, jewelry and FOSSIL brand apparel. In addition to developing its own brands, the Company leverages its development and production expertise by designing and manufacturing private label and licensed products for some of the most prestigious companies in the world, including national retailers, entertainment companies and fashion designers. During 2001, the Company acquired certain businesses located in Switzerland that provide the necessary infrastructure to design, source and produce fine quality Swiss-made timepieces. The Company anticipates launching its initial Swiss watch offering in late 2002.

The Company's products are sold primarily to department stores and specialty retail stores in over 90 countries worldwide through Company-owned foreign sales subsidiaries and through a network of independent distributors. The Company's foreign operations, including distributors, include a presence in Asia, Australia, Canada, the Caribbean, Europe, Central and South America and the Middle East. In addition, the Company's products are offered at Company-owned retail stores primarily located throughout the United States and in independently-owned, authorized FOSSIL retail stores and kiosks located in several major airports, on cruise ships and in certain international markets. The Company's successful expansion of its product lines worldwide and leveraging of its infrastructure have contributed to its increasing net sales and operating profits during the last five fiscal years.

First Quarter Highlights

- The Company achieved record First Quarter net sales of \$144 million with increases in virtually all business and product categories.
- Domestic watch sales increased 8.5% to \$42 million primarily as a result of a 25% increase in FOSSIL watches.
- The Company further expanded its RELIC accessories business with continued roll-out of leather and sunglass products.
- Sales generated from the Company's European-based operations grew 41% including \$7 million in sales from recent acquisitions.
- The Company operated 91 retail locations (44 outlet and 47 accessory) at the end of the First Quarter, compared to 77 stores (39 outlet and 38 accessory) at the end of the Prior Year Quarter. This retail store expansion and 3% same store sales growth generated sales increases of 27% for the First Quarter.
- The Company revised its sales and earnings guidance for fiscal 2002, estimating sales increases slightly above 15% and earnings per share in a range from \$1.75 - \$1.80, on a diluted basis.

Results of Operations

The following table sets forth, for the periods indicated, (i) the percentages of the Company's net sales represented by certain line items from the Company's condensed consolidated statements of income and (ii) the percentage changes in these line items between the First Quarter and the comparable period of the Prior Year Quarter.

	<u>Percentage of Net Sales</u>		<u>Percentage Change</u>
	<u>For the 13 Weeks Ended April 6, 2002</u>	<u>For the 14 Weeks Ended April 7, 2001</u>	<u>For the 13 Weeks Ended April 6, 2002</u>
Net sales	100.0%	100.0%	18.6%
Cost of sales	<u>50.2</u>	<u>50.7</u>	17.6
Gross profit margin	49.8	49.3	19.7
Selling and distribution expenses	27.7	26.9	22.0
General and administrative expenses	<u>8.7</u>	<u>8.9</u>	15.4
Operating income	13.4	13.5	17.9
Interest expense	0.0	0.0	n/a
Other income – net	<u>0.1</u>	<u>0.3</u>	(45.4)
Income before income taxes	13.5	13.8	16.2
Provision for Income taxes	<u>5.3</u>	<u>5.5</u>	13.4
Net income	<u>8.2%</u>	<u>8.3%</u>	18.1%

Net Sales. The following table sets forth certain components of the Company's consolidated net sales and the percentage relationship of the components to consolidated net sales for the periods indicated (in millions, except percentage data):

	<u>Amounts</u>		<u>% of Total</u>	
	<u>For the 13 Weeks Ended April 6, 2002</u>	<u>For the 14 Weeks Ended April 7, 2001</u>	<u>For the 13 Weeks Ended April 6, 2002</u>	<u>For the 14 Weeks Ended April 7, 2001</u>
International:				
Europe	\$ 38.7	\$ 27.4	27	23 %
Other	<u>12.0</u>	<u>14.3</u>	<u>8</u>	<u>12</u>
Total International	<u>50.7</u>	<u>41.7</u>	<u>35</u>	<u>35</u>
Domestic:				
Watch products	42.2	38.9	29	32
Other products	<u>36.7</u>	<u>29.4</u>	<u>26</u>	<u>24</u>
Total Domestic	<u>78.9</u>	<u>68.3</u>	<u>55</u>	<u>56</u>
Stores	<u>14.1</u>	<u>11.1</u>	<u>10</u>	<u>9</u>
Total Net Sales	<u>\$143.7</u>	<u>\$121.1</u>	<u>100</u>	<u>100</u> %

Sales from the Company's domestic watch business increased 8.5% during the First Quarter primarily due to a 25% increase in sales of FOSSIL watches and increases in licensed watch sales. The FOSSIL watch increase resulted from increased orders from retailers to replenish lower year-end inventory levels and

partially offset by sales decreases in the Company's private label and premiums business.

Sales from the Company's domestic leather and sunglass businesses increased 25% over the Prior Year Quarter. Continued product roll-outs of RELIC leather and sunglasses and sales increases across most FOSSIL leather categories fueled this growth. Sales from the Company's international operations grew 22% during the First Quarter led by a 41% increase in European sales or a 16% increase excluding recent acquisitions. The 16% sales increase in Europe was primarily related to continued growth in licensed watch sales and further expansion of FOSSIL jewelry. Sales from the Company's retail stores increased 27% as a result of an increase in the average number of stores opened during the period and blended same store sales increases of 3%.

Gross Profit. Gross profit margin increased to 49.8% in the First Quarter compared to 49.3% in the Prior Year Quarter. Gross profit margin was favorably impacted by a higher sales mix of FOSSIL watch, international and retail store sales all of which generate margins in excess of the Company's historical average gross profit margin. These increases in gross profit margin were offset by the effects of a higher mix of RELIC leather sales, which generally produce margins below the Company's consolidated gross profit margin, and a 5% decrease in the average Euro rate which had the effect of reducing gross profit margin by approximately 40 basis points.

Operating Expenses. Operating expenses, as a percentage of net sales, increased in the First Quarter to 36.4% compared to 35.8% in the Prior Year Quarter. The \$8.8 million increase was primarily related to increases in variable expenses to support net sales increases, expenses relating to expansion of the Company's administrative facilities and expenses relating to the Company's new distribution facility. Operating expenses relating to businesses acquired after the Prior Year Quarter were \$2.7 million.

Operating Income. The increase in gross profit margin and the increase in operating expenses as a percentage of net sales resulted in an operating profit margin of 13.4% for the First Quarter, compared to a 13.5% operating profit margin in the Prior Year Quarter.

Other Income - net. Other income - net decreased by approximately \$150,000 during the First Quarter. This decrease was primarily due to reduced interest income resulting from lower average cash balances invested during the period and lower yields due to substantial decreases in interest rates since the Prior Year Quarter.

Provision For Income Taxes. The Company's effective income tax rate decreased to 39% during the First Quarter compared to 40% in the Prior Year Quarter to reflect the lower worldwide effective tax rate being achieved by the Company.

Liquidity and Capital Resources

The Company's general business operations historically have not required substantial cash needs during the first several months of its fiscal year. Generally, starting in the second quarter the Company's cash needs begin to increase, typically reaching their peak in the September-November time frame. The Company's cash holdings and short-term marketable securities of \$72 million at the end of the First Quarter remained virtually unchanged from year-end 2001. Net cash generated from operating activities of approximately \$19 million during the First Quarter was used to finance approximately \$6 million of capital additions and to pay off approximately \$16 million outstanding under the Company's short-term credit facility.

Accounts receivable increased 22% over the Prior Year Quarter. Days sales outstanding decreased to 46 days in the First Quarter compared to 47 days in the Prior Year Quarter. Inventory increased 7% over the Prior Year Quarter to \$95 million. This increase was substantially below the First Quarter net sales increase of 18.6% and below the \$104 million of inventory at the end of fiscal 2001.

At the end of the First Quarter, the Company had working capital of \$178 million compared to working capital of \$174 million and \$163 million at the end of the Prior Year Quarter and fiscal 2001 year-end, respectively. The Company had no

cash on hand and amounts available under its credit facility will be sufficient to satisfy working capital requirements for at least the next eighteen months.

Forward-Looking Statements

Included within management's discussion of the Company's operating results, "forward-looking statements" were made within the meaning of the Private Securities Litigation Reform Act of 1995 regarding expectations for 2002. The actual results may differ materially from those expressed by these forward-looking statements. Significant factors that could cause the Company's 2002 operating results to differ materially from management's current expectations include, among other items, significant changes in consumer spending patterns or preferences, competition in the Company's product areas, international in comparison to domestic sales mix, changes in foreign currency valuations in relation to the United States dollar, principally the European Union's, an inability of management to control operating expenses in relation to net sales without damaging the long-term direction of the Company and the risks and uncertainties set forth in the Company's current report on Form 8-K dated March 30, 1999.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a multinational enterprise, the Company is exposed to changes in foreign currency exchange rates. The Company employs a variety of practices to manage this market risk, including its operating and financing activities and, where deemed appropriate, the use of derivative financial instruments. Forward contracts have been utilized by the Company to mitigate foreign currency risk. The Company's most significant foreign currency risks relate to the Euro. The Company uses derivative financial instruments only for risk management purposes and does not use them for speculation or for trading. There were no significant changes in how the Company managed foreign currency transactional exposures during the First Quarter and management does not anticipate any significant changes in such exposures or in the strategies it employs to manage such exposures in the near future.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

None

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the period covered by this Report.

SIGNATURES

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

FOSSIL, INC.

Date: May 20, 2002

Mike L. Kovar
Senior Vice President and Chief Financial Officer
(Principal financial and accounting officer duly authorized to sign on behalf of Registrant)

EXHIBIT INDEX

Exhibit
Number

Document Description

None