

FOSSIL INC  
Form 10-Q  
August 09, 2012

**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: June 30, 2012

OR

**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: 000-19848

**FOSSIL, INC.**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>75-2018505</b> (I.R.S. Employer Identification No.)
<b>901 S. Central Expressway, Richardson, Texas</b> (Address of principal executive offices)	<b>75080</b> (Zip Code)
<b>(972) 234-2525</b> (Registrant's telephone number, including area code)	

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 (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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's common stock outstanding as of August 3, 2012: 60,841,549.

## PART I FINANCIAL INFORMATION

## Item 1. Financial Statements

## FOSSIL, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

## UNAUDITED

## IN THOUSANDS

	June 30, 2012	December 31, 2011
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 138,836	\$ 287,498
Securities available for sale	185	155
Accounts receivable net of allowances of \$70,994 and \$79,820, respectively	226,405	302,467
Inventories	524,446	488,983
Deferred income tax assets-net	44,549	45,803
Prepaid expenses and other current assets	116,162	110,496
<b>Total current assets</b>	<b>1,050,583</b>	<b>1,235,402</b>
Investments	7,682	7,520
Property, plant and equipment net of accumulated depreciation of \$236,203 and \$217,245, respectively	301,469	282,050
Goodwill	181,435	44,054
Intangible and other assets-net	168,339	73,896
<b>Total long-term assets</b>	<b>658,925</b>	<b>407,520</b>
<b>Total assets</b>	<b>\$ 1,709,508</b>	<b>\$ 1,642,922</b>
<b>Liabilities and Stockholders Equity</b>		
Current liabilities:		
Accounts payable	\$ 131,726	\$ 157,883
Short-term debt	7,236	9,009
Accrued expenses:		
Compensation	45,568	58,745
Royalties	29,110	48,807
Co-op advertising	12,916	21,287
Transaction taxes	14,264	23,086
Other	61,907	56,122
Income taxes payable	21,394	16,339
<b>Total current liabilities</b>	<b>324,121</b>	<b>391,278</b>
Long-term income taxes payable	20,705	17,194
Deferred income tax liabilities	88,323	86,328
Long-term debt	105,880	6,236
Other long-term liabilities	25,662	25,040
<b>Total long-term liabilities</b>	<b>240,570</b>	<b>134,798</b>
<b>Commitments and contingencies (Note 11)</b>		
Stockholders equity:		

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Common stock, 61,310 and 68,370 shares issued at June 30, 2012 and December 31, 2011, respectively	613	684
Treasury stock, at cost, 6,215 shares at December 31, 2011	0	(450,700)
Additional paid-in capital	134,166	149,243
Retained earnings	979,647	1,384,522
Accumulated other comprehensive income	17,507	