

FOSSIL INC  
Form 4  
August 31, 2006

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KERCHO RANDY**

(Last) (First) (Middle)

2280 N. GREENVILLE AVE.

(Street)

RICHARDSON, TX 75082

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**FOSSIL INC [FOSL]**

3. Date of Earliest Transaction (Month/Day/Year)  
**08/29/2006**

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

Executive Vice President

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  |                                | (A) or (D) Code V Amount (D) Price                            |   |  |   |
| Common Stock                    | 08/29/2006                           |  | M                              | 60,696 A \$ 1.6297  | 193,700 <sup>(1)</sup>  | D  |   |
| Common Stock                    | 08/29/2006                           |  | S                              | 60,696 D \$ 18.5716   | 133,004 <sup>(1)</sup>  | D  |   |
| Common Stock                    |                                      |  |                                |   | 13,500  | I  | Custodian for minor child                             |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form**

SEC 1474 (9-02)

displays a currently valid OMB control number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable Expiration Date                         | Title Amount or Number of Shares                            |
| Stock Appreciation Right                   | \$ 18.41   |                                      |  |                                |   | 02/19/2007 02/19/2014                                    | Common Stock 12,000   |
| Stock Options (Right to buy)               | \$ 2.4692  |                                      |  |                                |   | 02/06/1998 02/06/2007                                    | Common Stock 50,600   |
| Stock Options (Right to buy)               | \$ 4.3333  |                                      |  |                                |   | 01/12/1999 01/12/2008                                    | Common Stock 75,900   |
| Stock Options (Right to buy)               | \$ 4.9723  |                                      |  |                                |   | 10/25/2003 10/25/2010                                    | Common Stock 56,200   |
| Stock Options (Right to buy)               | \$ 7.1111  |                                      |  |                                |   | 02/02/2001 02/02/2010                                    | Common Stock 44,900   |
| Stock Options (Right to buy)               | \$ 8.0185  |                                      |  |                                |   | 02/12/2000 02/12/2009                                    | Common Stock 50,600   |
| Stock Options (Right to buy)               | \$ 9.2223  |                                      |  |                                |   | 01/14/2003 01/14/2012                                    | Common Stock 56,200   |
| Stock Options (Right to buy)               | \$ 11.6667   |                                      |  |                                |   | 02/24/2004 02/24/2013                                    | Common Stock 37,500   |

|                              |            |            |  |   |        |            |            |              |      |
|------------------------------|------------|------------|--|---|--------|------------|------------|--------------|------|
| Stock Options (Right to buy) | \$ 19.1333 |            |  |   |        | 02/23/2005 | 02/23/2014 | Common Stock | 33,7 |
| Stock Options (Right to buy) | \$ 25.77   |            |  |   |        | 03/08/2006 | 03/08/2015 | Common Stock | 22,5 |
| Stock Options (Right to buy) | \$ 1.6297  | 08/29/2006 |  | M | 60,696 | 08/30/1997 | 08/30/2006 | Common Stock | 60,6 |

## Reporting Owners

| Reporting Owner Name / Address                                  | Relationships |           |                                |       |
|---|---------------|-----------|--------------------------------|-------|
|   | Director      | 10% Owner | Officer                        | Other |
| KERCHO RANDY<br>2280 N. GREENVILLE AVE.<br>RICHARDSON, TX 75082 |               |           | Executive<br>Vice<br>President |       |

## Signatures

RANDY S  
KERCHO

08/31/2006

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) After giving effect to the grants of restricted stock and restricted stock units reported herein, includes 34,875 shares of restricted stock, 3,000 restricted stock units and 6,984 shares held indirectly through a 401(k) plan account as of June 30, 2006.
- (2) Not applicable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.