

Fourth Quarter Results are in, record levels achieved for Fossil

Copyright (c) 2010 Chandra L Coleman Who says we're in a recession, not Fossil. Their fourth quarter report showed a 51 percent increase to \$70 million compared to \$46.3 million in 2008 and the company said they did this despite a difficult year in 2009. Fossil expects to increase their profits in 2010 by 9 to 11 percent, beating estimates and overall retail market. Net sales increased 13.7 percent to record levels of \$527.8 million versus \$464.1 million in 2008. Gross profits increased 22.8% to \$297.6 million or 56.4 percent of net sales versus \$242.4 million or 52.2 percent in 2008. Fiscal year results show a decrease of net sales of 2.2% to \$1.55 billion compared to \$1.58 billion in 2008 and gross profits decreased 0.7%. Both operating income and net income increased 2.8 percent and 0.8 percent respectively. To minimize dilution of earnings per share related to stock options exercised and common shares granted under the company's equity-based compensation program, Fossil's Board of Directors has authorized the repurchase of up to \$20 million of its common stock through open market purchases. CFO and Executive VP Mike Kovar said he is pleased with the fourth quarter net sales and earnings; it was a record year for net income. Global retail showed a 12.1 percent growth over the holidays. Fossil, who directly competes with Coach, Guess, and Movado, feels they will do better than analysts predict. Analyst's predictions are \$2.21 per share profit and Fossil is looking for it to be more like \$2.25 to \$2.35 per share increase. Based upon the current rate of the U.S. dollar compared to other foreign currencies, Fossil is looking positively toward the future in countries in which it does business. Their luxury brand watches such as Michele performed better than expected over the holiday quarter. Michael Kors watches were among the fastest-growing brands and best-sellers. Stock has tripled in value in the last year. Fourth quarter profits increased to \$70 million or \$1.03 per share in the period that ended January 2. Fossil is a global company specializing in design, distribution and marketing of fashion accessories for both men and women. Product offerings include footwear, apparel, sunglasses, belts, handbags, fashion watches and jewelry. Fossil watches are sold in over 100 countries worldwide through over 23 company-owned subsidiaries in over 350 company owned and operated retail stores and through e-commerce websites both in the United States and abroad. Fossil targets consumers across a broad range of ages. Sold to department stores, specialty retail and watch and jewelry stores in the U.S. and internationally, Fossil has a strong following and watch models for all price points.

About the Author

[Mens watches](#) and womens watches are hot items. Watch sales have been very strong and growing in recent months. For more information about the latest watches and sales, check out www.buzzaboutwatches.com.

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