Petit Michael J
Form 4
January 03, 2013

FORM 4

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

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

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

OMB APPROVAL	
OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person [*]
Petit Michael J

(Last) (First) (Middle)

140 CORPORATE BLVD

(Street)

NORFOLK, VA 23502

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
PORTFOLIO RECOVERY ASSOCIATES INC [PRAA]

3. Date of Earliest Transaction (Month/Day/Year)
12/31/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
President -Bankruptcy Services

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 (A) 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/31/2012		S (1)		1,000	D	$ 106.25	18,142	D	
Common Stock	12/31/2012		A (2)		3,948	A	$ 0	22,090	D	
Common Stock	12/31/2012		F (3)		834	D	$ 0	21,256	D	
Common Stock	12/31/2012		F (4)		550	D	$ 0	20,706	D	

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 displays a currently valid OMB control number.

SEC 1474 (9-02)

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 Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Petit Michael J 140 CORPORATE BLVD NORFOLK, VA 23502			President -Bankruptcy Services	

Signatures

/s/ Michael J. Petit	01/03/2013
**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) These sales are pursuant to a Rule 10b5-1 plan dated November 30, 2012.

(2) These shares were awarded pursuant to the Company's 2011 Long Term Equity Incentive Plan ("LTI Plan") in which the reporting person was granted both performance based and time vested restricted shares. These reported shares represent the shares earned under the Adjusted EBITDA performance category.

(3) The disposal of these shares are related to the vesting of an award originally granted pursuant to the Company's 2011 LTI Plan.

(4) The disposal of these shares are related to the vesting of an award originally granted pursuant to the Company's 2010 LTI Plan.

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. nt>

MUNICIPAL BONDS – 148.2% (100.0% of Total Investments)

Education and Civic Organizations – 18.3% (12.4% of Total Investments)

$ 1,760

Athens Housing Authority, Georgia, Student Housing Lease Revenue Bonds, UGAREF East Campus

6/19 at 100.00
Aa2
$ 1,971,235

Housing LLC Project, Series 2009, 5.250%, 6/15/35

5,000

Atlanta Development Authority, Georgia, Educational Facilities Revenue Bonds, Science Park LLC

7/17 at 100.00
Aa3
5,234,799

Project, Series 2007, 5.000%, 7/01/39

700

Carrollton Payroll Development Authority, Georgia, Student Housing Revenue Bonds, University

5/16 at 100.00
A1
702,912

of West Georgia, Series 2004A, 5.000%, 9/01/21 – SYNCORA GTY Insured

1,600

Cobb County Development Authority, Georgia, Revenue Bonds, KSU University II Real Estate

7/21 at 100.00
AA
1,756,112

Foundation, LLC Project, Series 2011, 5.000%, 7/15/41 – AGM Insured

1,340

Douglas County Development Authority, Georgia, Charter School Revenue Bonds, Brighten

10/23 at 100.00
N/R
1,464,995

Academy Project, Series 2013B, 7.000%, 10/01/43

625

Fulton County Development Authority, Georgia, Revenue Bonds, Georgia Tech Foundation

5/22 at 100.00
AA+
737,075

Technology Square Project, Refunding Series 2012A, 5.000%, 11/01/31

3,000

Fulton County Development Authority, Georgia, Revenue Bonds, Robert W. Woodruff Arts Center,

3/26 at 100.00
A2
3,480,270

Inc. Project, Refunding Series 2015A, 5.000%, 3/15/36

3,000

Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University,

10/23 at 100.00
AA+
3,459,420

Refunding Series 2013A, 5.000%, 10/01/43

Private Colleges and Universities Authority, Georgia, Revenue Bonds, Emory University, Series

2009, Tender Option Bond Trust 2015-XF0073:

730

18.017%, 3/01/17 (IF)

No Opt. Call
AA+
1,104,833
1,150

18.047%, 3/01/17 (IF)

No Opt. Call
AA+
1,712,856
1,325

Private Colleges and Universities Authority, Georgia, Revenue Bonds, Mercer University,

10/22 at 100.00
Baa2
1,520,345

Refunding Series 2012C, 5.250%, 10/01/30

1,000

Private Colleges and Universities Authority, Georgia, Revenue Bonds, Mercer University, Series
10/21 at 100.00
Baa2
1,108,690

2012A, 5.000%, 10/01/32

3,000

Private Colleges and Universities Authority, Georgia, Revenue Bonds, Savannah College of Art &
4/24 at 100.00
Baa2
3,296,790

Design Projects, Series 2014, 5.000%, 4/01/44

24,230

Total Education and Civic Organizations

27,550,332

Health Care – 12.2% (8.2% of Total Investments)

Baldwin County Hospital Authority, Georgia, Revenue Bonds, Oconee Regional Medical Center,

Series 1998:

205

5.250%, 12/01/22
5/16 at 100.00
CC
169,279
745

5.375%, 12/01/28
6/16 at 100.00
CC
614,692
715

Coweta County Development Authority, Georgia, Revenue Bonds, Piedmont Healthcare, Inc.
6/20 at 100.00
AA–
808,493

Project, Series 2010, 5.000%, 6/15/40

Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates, Northeast Georgia Health Services Inc., Series 2010B:

1,000

5.000%, 2/15/33

2/20 at 100.00
AA–
1,102,550
1,000

5.125%, 2/15/40

2/20 at 100.00
AA–
1,095,240
3,945

5.250%, 2/15/45

2/41 at 100.00
AA–
4,343,840
1,620

Greene County Development Authority, Georgia, Health System Revenue Bonds, Catholic Health

No Opt. Call
AA
1,830,260

East Issue, Series 2012, 5.000%, 11/15/37

2,540

Houston County Hospital Authority, Georgia, Revenue Bonds, Houston Healthcare Project, Series

10/17 at 100.00
A+
2,690,216

2007, 5.250%, 10/01/35

Macon-Bibb County Hospital Authority, Georgia, Revenue Anticipation Certificates, Medical

Center of Central Georgia Inc., Series 2009:

425

5.000%, 8/01/32

8/19 at 100.00
AA–
468,597
975

5.000%, 8/01/35

8/19 at 100.00
AA–
1,070,258
1,470

Medical Center Hospital Authority, Georgia, Revenue Anticipation Certificates, Columbus Regional

No Opt. Call
AA
1,671,302

Healthcare System, Inc. Project, Series 2010, 5.000%, 8/01/21 – AGM Insured

2,300

Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia

10/17 at 100.00
A
2,397,589

Medical Center, Series 2007, 5.000%, 10/01/33

16,940

Total Health Care

18,262,316

Housing/Multifamily – 2.7% (1.8% of Total Investments)

1,205

Atlanta Urban Residential Finance Authority, Georgia, Multifamily Housing Revenue Bonds,

11/23 at 100.00
BBB+
1,218,966

Trestletree Village Apartments, Series 2013A, 4.500%, 11/01/35

Savannah Economic Development Authority, Georgia, GNMA Collateralized Multifamily Housing

Revenue Bonds, Snap I-II-III Apartments, Series 2002A:

450

5.150%, 11/20/22 (Alternative Minimum Tax)

5/16 at 100.00
AA+
451,013
980

5.200%, 11/20/27 (Alternative Minimum Tax)

5/16 at 100.00
AA+
981,627
1,465

5.250%, 11/20/32 (Alternative Minimum Tax)

5/16 at 100.00
AA+
1,466,992
4,100

Total Housing/Multifamily

4,118,598

Housing/Single Family – 0.3% (0.2% of Total Investments)

Georgia Housing and Finance Authority, Single Family Mortgage Bonds, Series 2006C-2:

360

4.500%, 12/01/27 (Alternative Minimum Tax)

6/16 at 100.00
AAA
360,425
50

4.550%, 12/01/31 (Alternative Minimum Tax)

6/16 at 100.00
AAA
50,055
410

Total Housing/Single Family

410,480

Industrials – 1.5% (1.0% of Total Investments)

2,190

Cobb County Development Authority, Georgia, Solid Waste Disposal Revenue Bonds, Georgia

4/16 at 101.00
A–
2,207,038

Waste Management Project, Series 2004A, 5.000%, 4/01/33 (Alternative Minimum Tax)

Materials – 0.3% (0.2% of Total Investments)

390

Savannah Economic Development Authority, Georgia, Pollution Control Revenue Bonds, Union

No Opt. Call
Baa2
405,713

Camp Corporation, Series 1995, 6.150%, 3/01/17

Tax Obligation/General – 37.6% (25.4% of Total Investments)

2,000

Chatham County Hospital Authority, Georgia, Seven Mill Tax Pledge Refunding and Improvement

1/22 at 100.00
AA
2,311,140

Revenue Bonds, Memorial Health University Medical Center, Inc., Series 2012A, 5.000%, 1/01/31

1,500

Cherokee County Resource Recovery Development Authority, Georgia, Solid Waste Disposal

7/17 at 100.00
AA+
1,565,535

Revenue Bonds, Ball Ground Recycling LLC Project, Series 2007A, 5.000%, 7/01/37 –

AMBAC Insured (Alternative Minimum Tax)

1,000

Clark County Hospital Authority, Georgia, Hospital Revenue Bonds, Athens Regional Medical

1/17 at 100.00
Aa1
1,033,660

Center, Series 2007, 5.000%, 1/01/27 – NPFG Insured

600

Clarke County Hospital Authority, Georgia, Hospital Revenue Certificates, Athens Regional

1/22 at 100.00
Aa1
681,348

Medical Center, Series 2012, 5.000%, 1/01/32

1,725

Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Bonds, Performing Arts

No Opt. Call
AAA
2,057,321

Center, Refunding Series 2013, 5.000%, 1/01/21

East Point Building Authority, Georgia, Revenue Bonds, Water & Sewer Project Series 2006A:

3,000

5.000%, 2/01/30 – SYNCORA GTY Insured

5/16 at 100.00
N/R
3,003,960
2,000

5.000%, 2/01/34 – SYNCORA GTY Insured

5/16 at 100.00
N/R
2,002,420
1,090

Floyd County Hospital Authority, Georgia, Revenue Anticipation Certificates, Floyd Medical

5/16 at 100.00
Aa2
1,094,502

Center, Series 2003, 5.000%, 7/01/19 – NPFG Insured

1,135

Floyd County Hospital Authority, Georgia, Revenue Anticipation Certificates, Floyd Medical

No Opt. Call
Aa2
1,352,409

Center, Series 2012B, 5.000%, 7/01/23

3,000

Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Refunding &

4/25 at 100.00
AAA
3,521,070

Improvement Series 2015, 5.000%, 4/01/44

3,000

Gainesville and Hall County Hospital Authority, Georgia, Revenue Anticipation Certificates,

2/25 at 100.00
AA–
3,562,410

Northeast Georgia Health Services Inc., Series 2014A, 5.500%, 8/15/54

2,450

Georgia Environmental Loan Acquisition Corporation, Local Government Loan Securitization
3/21 at 100.00
Aaa
2,593,154

Bonds, Loan Pool Series 2011, 5.125%, 3/15/31

3,500

Georgia State, General Obligation Bonds, Refunding Series 2009I, 5.000%, 7/01/19
No Opt. Call
AAA
3,994,550
2,500

Georgia State, General Obligation Bonds, Series 2007E, 5.000%, 8/01/24
8/17 at 100.00
AAA
2,662,075
1,000

Georgia State, General Obligation Bonds, Series 2009B, 5.000%, 1/01/26
1/19 at 100.00
AAA
1,117,350
3,550

Georgia State, General Obligation Bonds, Series 2015A, 5.000%, 2/01/28
2/25 at 100.00
AAA
4,434,305
3,500

Gwinnett County School District, Georgia, General Obligation Bonds, Series 2013, 5.000%, 2/01/36
2/23 at 100.00
AAA
4,106,375
1,500

Habersham County Hospital Authority, Georgia, Revenue Anticipation Certificates, Series 2014B,
No Opt. Call
Aa3
1,711,815

5.000%, 2/01/37

445

La Grange-Troup County Hospital Authority, Georgia, Revenue Anticipation Certificates, Series

7/18 at 100.00
Aa2
483,764

2008A, 5.500%, 7/01/38

Liberty County Industrial Authority, Georgia, Revenue Bonds, Series 2014:

302

5.500%, 7/15/23

7/21 at 100.00
N/R
309,722
601

5.500%, 7/15/30

7/21 at 100.00
N/R
615,414
659

5.500%, 1/15/36

7/21 at 100.00
N/R
675,412
3,000

Sandy Springs Public Facilities Authority, Georgia, Revenue Bonds, Sandy Springs City Center

5/26 at 100.00
Aaa
3,541,770

Project, Series 2015, 5.000%, 5/01/47

3,000

The Carroll City-County Hospital Authority, Georgia, Revenue Anticipation Certificates Tanner

7/25 at 100.00
AA
3,414,660

Medical Center, Inc. Project, Series 2015, 5.000%, 7/01/41

2,260

Valdosta and Lowndes County Hospital Authority, Georgia, Revenue Certificates, South Georgia

10/21 at 100.00

Aa2

2,503,199

Medical Center Project, Series 2011B, 5.000%, 10/01/41

2,000

Winder-Barrow Industrial Building Authority, Georgia, Revenue Bonds, City of Winder Project,

12/21 at 100.00

A1

2,264,500

Refunding Series 2012, 5.000%, 12/01/29 – AGM Insured

50,317

Total Tax Obligation/General

56,613,840

Tax Obligation/Limited – 21.7% (14.6% of Total Investments)

3,250

Atlanta Development Authority, Georgia, Revenue Bonds, New Downtown Atlanta Stadium Project,

7/25 at 100.00

Aa3

3,798,340

Senior Lien Series 2015A-1, 5.250%, 7/01/44

Atlanta, Georgia, Tax Allocation Bonds Atlanta Station Project, Refunding Series 2007:

110

5.250%, 12/01/19 – AGC Insured

12/17 at 100.00

AA

117,706

50

5.250%, 12/01/20

No Opt. Call

AA

53,503

80

5.250%, 12/01/21 – AGC Insured

12/17 at 100.00
AA
85,459
1,080

5.000%, 12/01/23 – AGC Insured
12/17 at 100.00
AA
1,144,724
1,500

Atlanta, Georgia, Tax Allocation Bonds, Beltline Project Series 2008B. Remarketed, 7.375%, 1/01/31
1/19 at 100.00
A2
1,718,235
270

Atlanta, Georgia, Tax Allocation Bonds, Beltline Project Series 2008C. Remarketed, 7.500%, 1/01/31
1/19 at 100.00
A2
310,208

Atlanta, Georgia, Tax Allocation Bonds, Eastside Project, Series 2005B:

1,710

5.400%, 1/01/20
5/16 at 100.00
A–
1,716,618
2,750

5.600%, 1/01/30
5/16 at 100.00
A–
2,760,670
725

Atlanta, Georgia, Tax Allocation Bonds, Perry Bolton Project Series 2014, 5.000%, 7/01/41
7/23 at 100.00
A–
779,266
1,915

Atlanta, Georgia, Tax Allocation Bonds, Princeton Lakes Project, Series 2006, 5.500%, 1/01/31
5/16 at 100.00
BBB–
1,917,049

Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Bonds, Refunding

Series 1993:

250

5.500%, 10/01/18 – NPFG Insured

No Opt. Call
AA–
260,385
5,745

5.625%, 10/01/26 – NPFG Insured

10/19 at 100.00
AA–
6,770,022
405

Cobb-Marietta Coliseum and Exhibit Hall Authority, Georgia, Revenue Bonds, Refunding Series

No Opt. Call
AA–
488,110

2005, 5.500%, 10/01/26 – NPFG Insured

3,020

Georgia Local Governments, Certificates of Participation, Georgia Municipal Association, Series

No Opt. Call
AA–
3,408,463

1998A, 4.750%, 6/01/28 – NPFG Insured

750

Georgia Municipal Association Inc., Certificates of Participation, Atlanta Court Project,Series

5/16 at 100.00
N/R
751,875

2002, 5.125%, 12/01/21 – AMBAC Insured

Georgia Municipal Association Inc., Certificates of Participation, Riverdale Public Purpose

Project, Series 2009:

905

5.375%, 5/01/32 – AGC Insured

5/19 at 100.00
AA
1,009,663

1,165

5.500%, 5/01/38 – AGC Insured

5/19 at 100.00
AA
1,304,602
1,920

Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Bonds, Refunding

No Opt. Call
Aa1
2,111,078

Series 1992P, 6.250%, 7/01/20 – AMBAC Insured

1,000

Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Bonds, Third

7/26 at 100.00
AA+
1,178,560

Indenture, Series 2015B, 5.000%, 7/01/41

810

Tift County Hospital Authority, Georgia, Revenue Anticipation Certificates Series 2012,

No Opt. Call
Aa2
930,236

5.000%, 12/01/38

29,410

Total Tax Obligation/Limited

32,614,772

Transportation – 11.2% (7.5% of Total Investments)

2,000

Atlanta, Georgia, Airport General Revenue Bonds, Refunding Series 2011B, 5.000%, 1/01/30

1/21 at 100.00
AA–
2,202,520
2,000

Atlanta, Georgia, Airport General Revenue Bonds, Refunding Series 2012B, 5.000%, 1/01/31

No Opt. Call

AA–
2,292,240
2,810

Atlanta, Georgia, Airport General Revenue Bonds, Series 2012C, 5.000%, 1/01/42 (Alternative
1/22 at 100.00
AA–
3,053,908

Minimum Tax)

Atlanta, Georgia, Airport Passenger Facilities Charge and General Revenue Bonds, Refunding

Subordinate Lien Series 2014A:

2,575

5.000%, 1/01/32
1/24 at 100.00
AA–
3,012,621
3,750

5.000%, 1/01/34
1/24 at 100.00
AA–
4,361,288
1,500

Clayton County Development Authority, Georgia, Special Facilities Revenue Bonds, Delta Air
6/20 at 100.00
Baa3
1,857,435

Lines, Inc. Project, Series 2009A, 8.750%, 6/01/29

14,635

Total Transportation

16,780,012

U.S. Guaranteed – 19.5% (13.2% of Total Investments) (4)

5,100

Cherokee County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2001, 5.000%,
8/18 at 100.00
Aa2 (4)
5,627,084

8/01/35 (Pre-refunded 8/01/18) – AGM Insured

1,375

Cobb County Development Authority, Georgia, Student Housing Revenue Bonds, KSU Village II Real

7/17 at 100.00
N/R (4)
1,461,873

Estate Foundation LLC Project, Senior Series 2007A, 5.250%, 7/15/38 (Pre-refunded 7/15/17) –

AMBAC Insured

Coweta County Water and Sewer Authority, Georgia, Revenue Bonds, Series 2007:

1,000

5.000%, 6/01/32 (Pre-refunded 6/01/18)

6/18 at 100.00
Aa2 (4)
1,096,680
275

5.000%, 6/01/37 (Pre-refunded 6/01/18)

6/18 at 100.00
N/R (4)
301,587
1,725

5.000%, 6/01/37 (Pre-refunded 6/01/18)

6/18 at 100.00
Aa2 (4)
1,891,773
3,315

Decatur, Georgia, General Obligation Bonds, Series 2007, 5.000%, 1/01/31 (Pre-refunded

1/17 at 100.00
AA+ (4)
3,444,716

1/01/17) – AGM Insured

2,225

Douglasville-Douglas County Water and Sewer Authority, Georgia, Water and Sewerage Revenue

6/17 at 100.00
AA– (4)
2,351,158

Bonds, Series 2007, 5.000%, 6/01/37 (Pre-refunded 6/01/17) – NPFG Insured

1,500

Forsyth County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2007, 5.000%,

4/17 at 100.00
AAA
1,575,240

4/01/37 (Pre-refunded 4/01/17) – AGM Insured

Georgia Higher Education Facilities Authority, Revenue Bonds, USG Real Estate Foundation I LLC

Project, Series 2008:

25

6.000%, 6/15/28 (Pre-refunded 6/15/18)

6/18 at 100.00
AA (4)
28,029
125

6.000%, 6/15/28 (Pre-refunded 6/15/18)

6/18 at 100.00
AA (4)
140,146
995

Georgia Municipal Electric Authority, General Power Revenue Bonds, Project 1, Series 2007A-2,

1/17 at 100.00
AA– (4)
1,033,845

5.000%, 1/01/25 (Pre-refunded 1/01/17)

4,900

Gwinnett County School District, Georgia, General Obligation Bonds, Series 2008, 5.000%,

2/18 at 100.00
AAA
5,305,818

2/01/36 (Pre-refunded 2/01/18) (UB)

2,475

Paulding County School District, Georgia, General Obligation Bonds, Series 2007, 5.000%,

2/17 at 100.00
AA+ (4)
2,581,004

2/01/33 (Pre-refunded 2/01/17)

1,000

Unified Government of Athens-Clarke County, Georgia, Water and Sewerage Revenue Bonds,

1/19 at 100.00
Aa1 (4)
1,133,310

Series 2008, 5.500%, 1/01/38 (Pre-refunded 1/01/19)

1,280

Walton County Water and Sewerage Authority, Georgia, Revenue Bonds, The Oconee-Hard Creek

2/18 at 100.00
A2 (4)
1,387,034

Reservoir Project, Series 2008, 5.000%, 2/01/38 (Pre-refunded 2/01/18) – AGM Insured

27,315

Total U.S. Guaranteed

29,359,297

Utilities – 9.3% (6.3% of Total Investments)

525

Burke County Development Authority, Georgia, Pollution Control Revenue Bonds, Georgia Power

No Opt. Call
A+
530,786

Company – Vogtle Plant, First Series 2012, 1.750%, 12/01/49 (Mandatory put 6/01/17)

1,005

Georgia Municipal Electric Authority, General Power Revenue Bonds, Project 1, Series 2007A-2,

1/17 at 100.00
AA–
1,037,964

5.000%, 1/01/25

3,000

Georgia Municipal Electric Authority, General Power Revenue Bonds, Series 2012GG,

1/23 at 100.00
A+
3,376,260

5.000%, 1/01/43

130

Georgia Municipal Electric Authority, Senior Lien General Power Revenue Bonds, Series 1993Z,

No Opt. Call
A+
137,229

5.500%, 1/01/20 – FGIC Insured

Main Street Natural Gas Inc., Georgia, Gas Project Revenue Bonds, Series 2006B:

1,055

5.000%, 3/15/20

No Opt. Call
A
1,170,512
1,300

5.000%, 3/15/21

No Opt. Call
A
1,468,311
1,500

5.000%, 3/15/22

No Opt. Call
A
1,707,435

Main Street Natural Gas Inc., Georgia, Gas Project Revenue Bonds, Series 2007A:

350

5.125%, 9/15/17

No Opt. Call
A
369,495
950

5.000%, 3/15/18

No Opt. Call
A+
1,019,189
2,000

5.000%, 3/15/22

No Opt. Call

A+
2,310,540
1,500

Municipal Electric Authority of Georgia, Project One Revenue Bonds, Subordinate Lien Series
No Opt. Call
A+
873,525

2015A, 0.000%, 1/01/32

13,315

Total Utilities

14,001,246

Water and Sewer – 13.6% (9.2% of Total Investments)

260

Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 2004, 5.750%, 11/01/30 –
No Opt. Call
AA
364,874

AGM Insured

5

Cherokee County Water and Sewerage Authority, Georgia, Revenue Bonds, Series 2001, 5.000%,
8/18 at 100.00
Aa2
5,443

8/01/35 – AGM Insured

500

Columbus, Georgia, Water and Sewerage Revenue Bonds, Refunding Series 2014A,
5/24 at 100.00
AA
589,835

5.000%, 5/01/31

DeKalb County, Georgia, Water and Sewerage Revenue Bonds, Refunding Series 2006B:

6,000

5.250%, 10/01/32 – AGM Insured

10/26 at 100.00
AA
7,463,339
300

5.000%, 10/01/35 – AGM Insured

No Opt. Call
AA
359,502
5,350

DeKalb County, Georgia, Water and Sewerage Revenue Bonds, Second Resolution Series 2011A,

10/21 at 100.00
Aa3
6,301,390

5.250%, 10/01/41

1,000

Fulton County, Georgia, Water and Sewerage Revenue Bonds, Refunding Series 2013,

1/23 at 100.00
AA–
1,161,690

5.000%, 1/01/33

1,000

Milledgeville, Georgia, Water and Sewerage Revenue Refunding Bonds, Series 1996, 6.000%,

No Opt. Call
AA
1,149,330

12/01/21 – AGM Insured

2,000

South Fulton Municipal Regional Water and Sewer Authority, Georgia, Revenue Bonds, Refunding

1/24 at 100.00
AA
2,322,960

Series 2014, 5.000%, 1/01/30

695

Walton County Water and Sewerage Authority, Georgia, Revenue Bonds, The Oconee-Hard Creek

2/18 at 100.00
A2
742,448

Reservoir Project, Series 2008, 5.000%, 2/01/38 – AGM Insured	
	17,110
Total Water and Sewer	
	20,460,811 $ 200,362
Total Long-Term Investments (cost $208,106,637)	
	222,784,455
Floating Rate Obligations – (2.2)%	
	(3,245,000)
Variable Rate MuniFund Term Preferred Shares, at Liquidation Preference – (49.9)% (5)	
	(75,000,000)
Other Assets Less Liabilities – 3.9%	
	5,788,043
Net Assets Applicable to Common Shares – 100%	
	$ 150,327,498

Fair Value Measurements

Fair value is defined as the price that would be received upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

Level 1 – Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

Level 2 – Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of the end of the reporting period:

	Level 1	Level 2	Level 3	Total
Long-Term Investments:				
Municipal Bonds	$ —	$222,784,455	$ —	$222,784,455

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate securities reflected as financing transactions, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

As of February 29, 2016, the cost of investments was $204,739,255.

Gross unrealized appreciation and gross unrealized depreciation of investments as of February 29, 2016, were as follows:

Gross unrealized:	
Appreciation	$14,904,431
Depreciation	(103,929)
Net unrealized appreciation (depreciation) of investments	$14,800,502

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to common shares unless otherwise noted.

(2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.

(5) Variable Rate MuniFund Term Preferred Shares, at Liquidation Preference as a percentage of Total Investments is 33.7%.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction.

Item 2. Controls and Procedures.

a. The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).

b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: See EX-99 CERT attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Georgia Dividend Advantage Municipal Fund 2

By (Signature and Title)	/s/ Kevin J. McCarthy
	Kevin J. McCarthy Vice President and Secretary

Date: April 29, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)	/s/ Gifford R. Zimmerman
	Gifford R. Zimmerman Chief Administrative Officer (principal executive officer)

Date: April 29, 2016

By (Signature and Title)	/s/ Stephen D. Foy
	Stephen D. Foy Vice President and Controller (principal financial officer)

Date: April 29, 2016

statements and notes does not reflect the effect of such stock split. The following table gives pro forma effect of the 2004 Stock Split on the Company's fully diluted earnings per share:

Fiscal Year	**2003**	**2002**	**2001**
IN THOUSANDS, EXCEPT PER SHARE DATA			
Numerator:			
Net income	$ 68,335	$ 58,907	$ 43,683
Pro forma diluted common shares outstanding	73,182	72,357	70,290
Pro forma diluted EPS	$ 0.93	$ 0.81	$ 0.62

Common Share and Per Share Data in these notes to consolidated financial statements have been presented on a retroactive basis for all stock splits except for the Company's 2004 Stock Split.

Deferred Income Taxes are provided for under the asset and liability method for temporary differences in the recognition of certain revenues and expenses for tax and financial reporting purposes.

Fair Value of Financial Instruments is estimated to approximate the related book values unless otherwise indicated, based on market information available to the Company.

Reclassification of certain 2001 and 2002 amounts have been made to conform to the 2003 presentation.

Stock-Based Compensation Plans. The Company applies the intrinsic value method under Accounting Principles Board Opinion No. 25 and related Interpretations in accounting for its stock option plans. No compensation cost has been recognized for the Company's stock option plans because the quoted market price of the Common Stock at the date of the grant was not in excess of the amount an employee must pay to acquire the Common Stock. SFAS No. 123, "Accounting for Stock-Based Compensation," prescribes a fair value based method to record compensation cost for stock-based employee compensation plans. Pro forma disclosures as if the Company had adopted the fair value recognition requirements under SFAS No. 123 for stock option awards in fiscal years 2003, 2002 and 2001, respectively, are presented in the following table.

Fiscal Year	**2003**	**2002**	**2001**
IN THOUSANDS, EXCEPT PER SHARE DATA			
Net income, as reported	$ 68,335	$ 58,907	$ 43,683
Fair value based compensation expense, net of taxes	(4,549)	(3,790)	(3,050)
Pro forma net income	$ 63,786	$ 55,117	$ 40,633
Basic earnings per share:			
As reported	$ 1.47	$ 1.28	$ 0.97
Pro forma under SFAS No. 123	$ 1.37	$ 1.20	$ 0.90
Diluted earnings per share:			
As reported	$ 1.40	$ 1.22	$ 0.93
Pro forma under SFAS No. 123	$ 1.31	$ 1.14	$ 0.87

The award of shares under the Company's 2002 Restricted Stock Plan, (the "Restricted Stock Plan"), are accounted for at fair value, and the resulting compensation is amortized to expense over the related vesting periods. Amortization of this deferred compensation was $906,000, $283,000 and none in 2003, 2002 and 2001, respectively.

2. Acquisitions

In January 2003, Fossil Europe B.V., Ltd. ("Fossil B.V."), a wholly-owned subsidiary of the Company, acquired three FOSSIL stores in the Netherlands from Ticaway GmbH ("Ticaway"). In a related transaction, Fossil Europe GmbH, a wholly-owned subsidiary of the Company, acquired three FOSSIL stores in Germany from Ticaway. Prior to these transactions, the stores were operated by Ticaway pursuant to a Joint Retail Store Development and Trademark License Agreement. The combined purchase price for these acquisitions consisted of $100,000 in cash and 4,972 shares of the Company's Common Stock, valued at approximately $104,000. These acquisitions were recorded as a purchase and no goodwill was recorded in connection with these transactions.

In October 2002, the Company acquired the remaining fifty percent (50%) of the outstanding shares of SFJ, Inc., ("SFJ") a former joint venture with Seiko Instruments Inc., at no cost to the Company. The Company has renamed the business Fossil Japan, Inc. Prior to this transaction, the Company owned 50% of the equity in SFJ and accounted for this investment based upon the equity method. Accordingly, the Company recorded net losses of $124,000 and $265,000 during 2002 and 2001, respectively.

In July 2002, Fossil Canada Inc., a wholly owned subsidiary of the Company, acquired four full- price FOSSIL retail stores in Canada that were previously operated under a license agreement with Comark Inc. for approximately $400,000. This acquisition was recorded as a purchase and no goodwill was recorded in connection with this transaction.

In July 2002, Fossil B.V., acquired 100% of the capital stock in the Company's Swiss distributor, No-Time AG, for a purchase price of approximately $3.8 million in cash. Fossil B.V. also acquired three stores in Switzerland from X-Time AG for approximately $10,000 in cash. These acquisitions were recorded as purchases and resulted in goodwill of approximately $2.0 million.

In October 2001, the Company acquired the outstanding stock of two separate companies and certain assets of a third, all located in Switzerland, for a combined purchase price of approximately $3 million. These acquisitions were recorded as purchases and resulted in goodwill of approximately $1.5 million.

Effective August 2001, the Company acquired 99.6% of the outstanding capital stock of Vedette Industries, SA, the Company's distributor in France, for a cash purchase price of approximately $5.3 million. The terms of this transaction include a future earnout payment of approximately $1.5 million. The acquisition was recorded as a purchase and resulted in goodwill of approximately $2.5 million, including amounts relating to the earnout provision.

In August 2001, the Company acquired the worldwide rights to the ZODIAC brand name and related inventory for a purchase price of approximately $4.7 million. This acquisition was recorded as a purchase and $200,000 of goodwill was recorded in connection with this transaction.

In July 2001, the Company acquired 80% of the capital stock of FSLA, Pty. Limited, the Company's distributor in Australia, for a cash purchase price of approximately $300,000. The acquisition was recorded as a purchase and resulted in goodwill of approximately $200,000. The Company has renamed the business to Fossil (Australia) Pty. Ltd.

Effective July 2001, Fossil (East) Limited ("Fossil East") increased its equity interest in Pulse Time, Ltd. to 90% by acquiring an additional 30% of the capital stock from its minority holders in exchange for approximately 24,000 shares of Common Stock valued at $450,000. Additionally, in July 2001, Fossil East increased its equity interest in Trylink, Ltd. to 85% by acquiring an additional 34% of the capital stock from its minority holders in exchange for $225,000 in cash and approximately 14,000 shares of Common Stock valued at $225,000. Both of these acquisitions have been accounted for as a purchase and no goodwill was recorded in connection with either transaction.

In May 2001, Fossil UK Holdings, Ltd., an indirect wholly owned subsidiary of the Company, acquired 100% of the capital stock of the Avia Watch Company Ltd. ("Avia") as well as certain trademarks utilized by Avia from Roventa-Henex S.A. for a cash purchase price of approximately $5.0 million. The acquisition was recorded as a purchase and resulted in goodwill of approximately $3.3 million.

The results of these business combinations are included in the accompanying consolidated financial statements since the dates of their acquisition. The pro forma effects, as if transactions had occurred at the beginning of the years presented, are not significant.

3. Investments in Joint Ventures

In 2001, the Company entered into an agreement to transfer its 20% interest in SII Marketing International, Inc. ("SMI") to Seiko Instruments Incorporated ("SII") for no additional consideration in exchange for SII's agreement to indemnify the Company from certain existing and any future losses in connection with SMI. The write-off of the Company's remaining investments, accounted for on the equity basis, in SMI and recognition of certain transition costs of $4.8 million was reported as a separate item in other expense for fiscal year 2001. The Company's equity in SMI's net loss of $1.1 million for fiscal 2001 is included in other income (expense) net.

The Company maintains an equity interest in Fossil Spain, S.A. ("Fossil Spain") pursuant to a joint venture agreement with Sucesores de A. Cardarso for the marketing, distribution and sale of the Company's products in Spain. The Company has accounted for the investment based upon the equity method from the effective date of the transaction. The Company's equity in Fossil Spain's net income was $1.2 million, $770,000 and $497,000 for fiscal 2003, 2002 and 2001, respectively, and is included in other income (expense) net.

4. Inventories

Inventories consist of the following:

Fiscal Year	2003	2002
IN THOUSANDS		
Components and parts	$ 8,760	$ 9,481
Work-in-process	4,385	2,417
Finished merchandise on hand	83,059	83,470
Merchandise at Company stores	14,782	11,430
Merchandise in-transit from customer returns	15,803	15,025
	$ 126,789	$ 121,823

5. Property, Plant and Equipment

Property, plant and equipment consist of the following:

Fiscal Year	2003	2002
IN THOUSANDS		
Land	$ 8,828	$ 9,300
Buildings	44,125	35,516
Furniture, fixtures and equipment	50,084	45,271
Computer equipment and software	44,449	20,151
Leasehold improvements	21,912	19,851
Construction in progress	4,074	13,812
	173,472	143,901
Less accumulated depreciation and amortization	57,406	40,789
	$ 116,066	$ 103,112

6. Intangible and Other Assets

Intangibles and other assets consist of the following:

Fiscal Year	2003	2002
IN THOUSANDS		
Goodwill not subject to amortization	$ 17,136	$ 13,799
Trademarks	6,542	5,540
Patents and other	1,226	530
	7,768	6,070
Less accumulated amortization	979	933
Intangibles subject to amortization	6,789	5,137

Fiscal Year	2003	2002
Deposits	1,928	1,905
Cash surrender value of life insurance	1,667	1,008
	$ 27,520	$ 21,849

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7. Debt

Bank: U.S.-based. The Company has a $40 million short-term revolving credit facility with its primary bank ("U.S. Short-term Revolver"), which is renewed annually. The U.S. Short-term Revolver is unsecured and requires the maintenance of net worth, quarterly income, working capital and financial ratios. There were no borrowings under the U.S. Short-term Revolver as of fiscal year-end 2003 and 2002. None of the funds available under the facility are subject to a borrowing base calculation. All borrowings under the U.S. Short-term Revolver accrue interest at the bank's prime rate less 0.5%, 3.50% at year-end, or Eurodollar Base Rate plus 0.75%, 1.85% at year-end. There was no interest expense under the credit facility for fiscal years 2003 and 2002, and approximately $200,000 for fiscal year 2001.

At fiscal year-end 2003 and 2002, the Company had outstanding letters of credit of approximately $8.9 million and $5.2 million, respectively, to vendors for the purchase of merchandise.

Banks: Foreign-based. During October 2002, Fossil Japan restructured its short-term credit facility with its primary bank allowing borrowings of up to 400 million yen. All outstanding borrowings under the facility bear interest at the Euroyen rate. In connection with the financing agreement, Fossil Japan agreed to pay an unused fee of 0.3% per annum. The facility is collateralized by a U.S. bank. Japan-based borrowings, in U.S. dollars, under the facility were approximately $2.8 million and $2.5 million at fiscal year-end 2003 and 2002, respectively.

8. Other (Expense) Income Net

Other (expense) income net consists of the following:

Fiscal Year	2003	2002	2001
IN THOUSANDS			
Interest income	1,415	1,013	1,549
Minority interest in subsidiaries and affiliates	(3,221)	(1,958)	(1,430)
Equity in income (losses) of joint ventures net	1,200	842	(933)
Currency gain (loss)	598	(528)	336
Royalty income	561	611	740
Other (expense) income	(770)	176	783
	$ (217)	$ 156	$ 1,045

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9. Income Taxes

Deferred income tax assets reflect the net tax effects of deductible temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The tax effects of significant items comprising the Company's net deferred tax assets (liabilities), consist of the following:

Fiscal Year	**2003**	**2002**
IN THOUSANDS		
Current deferred tax assets (liabilities):		
Bad debt allowance	$ 5,002	$ 4,463
Returns allowance	7,057	7,296
263(A) capitalization of inventory	1,167	897
Forward contract losses	1,321	2,259
In-transit returns inventory	(4,552)	(4,241)
Miscellaneous tax (liabilities) assets items	(1,342)	2,923
Net current deferred tax assets	8,653	13,597
Long-term deferred tax liability:		
Undistributed earnings of certain foreign subsidiaries	(32,861)	(23,599)
Net deferred tax liabilities	$ (24,208)	$ (10,002)

Management believes that no valuation allowance against net deferred tax assets is necessary. The resulting provision for income taxes consists of the following:

Fiscal Year	**2003**	**2002**	**2001**
IN THOUSANDS			
Current provision:			
United States	$ 4,662	$ 5,304	$ 12,104
Foreign	20,109	15,041	9,479
Deferred provision	13,283	13,674	6,378
Tax equivalent related to exercise of stock options (credited to additional paid-in capital)	3,082	3,053	1,160
Provision for income taxes	$ 41,136	$ 37,072	$ 29,121
Tax expense (benefit) related to other comprehensive income (loss)	$ 923	$ (2,272)	$ 13

A reconciliation of income tax computed at the U.S. federal statutory income tax rate of 35% to the provision for income taxes is as follows:

Fiscal Year	**2003**	**2002**	**2001**
IN THOUSANDS			
Tax at statutory rate	$ 38,315	$ 33,593	$ 25,481
State, net of federal tax benefit	356	397	1,069
Other	2,465	3,082	2,571
Provision for income taxes	$ 41,136	$ 37,072	$ 29,121

Fiscal Year	2003	2002	2001

Deferred U.S. federal income taxes are not provided on undistributed earnings of certain foreign subsidiaries where management plans to continue reinvesting these earnings outside the United States indefinitely. Determination of such tax amounts that would be payable if earnings were distributed to the U.S. Company is not practical because potential offsets by U.S. foreign tax credits would be available under various assumptions involving the tax calculation.

10. Commitments

License Agreements. The Company has various license agreements to market watches bearing certain trademarks owned by various entities. In accordance with these agreements, the Company incurred royalty expense of approximately $29.8 million, $17.8 million and $11.2 million in fiscal years 2003, 2002 and 2001, respectively. These amounts are included in the Company's cost of sales and selling expenses. The Company has several agreements in effect at the end of fiscal year 2003 which expire on various dates from December 2004 through December 2009 and require the Company to pay royalties ranging from 7.0% to 20.0% of defined net sales. Future minimum royalty commitments under such license agreements at the close of fiscal year 2003 are as follows (amounts in thousands):

2004	$	22,092
2005		22,015
2006		23,598
2007		23,636
2008		19,666
Thereafter		6,828
	$	117,835

Leases. The Company leases its retail and outlet store facilities as well as certain of its office facilities and equipment under non-cancelable operating leases. Most of the retail store leases provide for contingent rental based on operating results and require the payment of taxes, insurance and other costs applicable to the property. Generally, these leases include renewal options for various periods at stipulated rates. Rent expense under these agreements was approximately $23.2 million, $20.6 million, and $17.5 million for fiscal years 2003, 2002 and 2001, respectively. Contingent rent expense has been immaterial in each of the last three fiscal years. Future minimum rental commitments under such non-cancelable leases at the close of fiscal year 2003 are as follows (amounts in thousands):

2004	$	18,760
2005		17,571
2006		15,148
2007		13,853
2008		12,529
Thereafter		28,615
	$	106,476

11. Stockholders' Equity and Benefit Plans

Common and Preferred Stock. *2002 Stock Split.* On May 13, 2002, the Board of Directors declared a three-for-two stock split ("2002 Stock Split") of the Company's Common Stock which was effected in the form of a stock dividend which was paid on June 7, 2002 to stockholders of record on May 24, 2002. Retroactive effect on prior years was given to the 2002 Stock Split in all share and per share data in these consolidated financial statements and notes.

2004 Stock Split. On March 12, 2004, the Board of Directors of the Company declared a three-for-two stock split of the Company's Common Stock which was effected in the form of a stock dividend to be paid on April 8, 2004 to stockholders of record on March 26, 2004. No retroactive effect has been given to the 2004 Stock Split in any of the share or per share data in these consolidated financial statements and notes.

The Company has 100,000,000 shares of authorized $0.01 par value Common Stock, with 46,627,673 and 46,392,123 shares issued and outstanding at the close of fiscal years 2003 and 2002, respectively. The Company has 1,000,000 shares of authorized $0.01 par value preferred stock with none issued or outstanding. Rights, preferences and other terms of preferred stock will be determined by the Board of Directors at the time of issuance.

Common Stock Repurchase Programs. During years 2000 and 1998, the Company's Board of Directors authorized management to repurchase up to 750,000 shares and 3.7 million shares, respectively, of the Company's Common Stock in the open market or privately negotiated transactions (the "Repurchase Programs"). During years 2003 and 2002, the Company repurchased and retired 568,324 and 3,558 shares, respectively, of its Common Stock under the Repurchase Programs at a cost of approximately $14.3 million and $59,000, respectively. At the end of 2003, the Company had approximately 63,000 shares available for repurchase relating to previous authorizations.

Deferred Compensation and Savings Plans. The Company has a savings plan in the form of a defined contribution plan (the "401(k) Plan") for substantially all U.S. based full-time employees of the Company. After one year of service (minimum of 1,000 hours worked), the Company matches 50% of employee contributions up to 3% of their compensation and 25% of the employee contributions between 4% and 6% of their compensation. The Company also has the right to make certain additional matching contributions not to exceed 15% of employee compensation. The Company's Common Stock is one of several investment alternatives available under the 401(k) Plan. Matching contributions made by the Company to the 401(k) Plan totaled approximately $600,000, $500,000 and $400,000 for fiscal years 2003, 2002 and 2001, respectively.

In December 1998, the Company adopted the Fossil, Inc. and Affiliates Deferred Compensation Plan (the "Deferred Plan"). Eligible participants may elect to defer up to 50% of their salary pursuant to the terms and conditions of the Deferred Plan. Eligible participants include certain officers and other highly compensated employees designated by the Deferred Plan's administrative committee. In addition, the Company may make employer contributions to participants under the Deferred Plan from time to time. The Company made no contributions to the Deferred Plan during fiscal years 2003, 2002 and 2001.

Restricted Stock Plan. The 2002 Restricted Stock Plan of the Company is intended to advance the best interests of the Company, its subsidiaries and its stockholders in order to attract, retain and motivate key employees by providing them with additional incentives through the award of shares of restricted stock. The Restricted Stock Plan is being fully funded with treasury shares contributed to the Company from a significant stockholder. During 2003 and 2002, respectively, 90,500 and 139,500 shares of restricted stock were contributed to the Restricted Stock Plan by the stockholder and reissued by the Company to the employees. The current restricted shares outstanding predominantly vest over a period ranging from one to nine years. These shares were accounted for at fair value and resulted in deferred compensation and additional paid in capital of approximately $1.8 million in fiscal 2003 and $2.6 million in fiscal 2002. At fiscal year-end 2003, the Company has reserved 520,000 common shares for future issuances under the Restricted Stock Plan.

Long-term Incentive Plan. An aggregate of 3,881,250 shares of Common Stock were initially reserved for issuance pursuant to the Incentive Plan, adopted April 1993. An additional 2,025,000 shares were reserved in each of 1995, 1998, 2001 and 2003 for issuance under the Incentive Plan. Designated employees of the Company, including officers and directors, are eligible to receive (i) stock options, (ii) stock appreciation rights, (iii) restricted or non-restricted stock awards, (iv) cash awards, or (v) any combination of the foregoing. The Incentive Plan is administered by the Compensation

Committee of the Company's Board of Directors (the "Compensation Committee"). Each option issued under the Incentive Plan terminates at the time designated by the Compensation Committee, not to exceed ten years. The current options outstanding predominately vest over a period ranging from three to five years and were priced at not less than the market value of the Company's Common Stock at the date of grant. The weighted average fair value of the stock options granted during fiscal years 2003, 2002 and 2001 was $9.78, $7.95 and $6.74, respectively.

Nonemployee Director Stock Option Plan. An aggregate of 337,500 shares of Common Stock were reserved for issuance pursuant to the Nonqualified Stock Option Plan, adopted April 1993. An additional 75,000 shares were reserved in fiscal year 2002 for issuance under this plan. During the first year individuals are elected as nonemployee directors of the Company, they receive a grant of 5,000 nonqualified stock options. In addition, on the first day of each subsequent calendar year, each non-employee director automatically receives a grant of an additional 4,000 nonqualified stock options as long as the person is serving as a non-employee director. Pursuant to this plan, 50% of the options granted will become exercisable on the first anniversary of the date of grant and in two additional installments of 25% on the second and third anniversaries. The exercise prices of options granted under this plan were not less than the fair market value of the Common Stock at the date of grant. The weighted average fair value of the stock options granted during fiscal years 2003, 2002 and 2001 was $15.07, $11.07 and $6.86, respectively.

The fair value of options granted under the Company's stock option plans during fiscal years 2003, 2002 and 2001 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used: no dividend yield, expected volatility of approximately 60% to 66%, risk free interest rate of 3.0% to 6.0%, and expected life of five to six years. The following tables summarize the Company's stock option activity:

Incentive Plan

	Exercise Price Per Share	Weighted Average Exercise Price Per Share	Outstanding	Weighted Average Exercise Price Per Share	Exercisable	Available for Grant
Balance, Fiscal 2000	$ 1.963-$21.750	$7.759	3,742,634	$4.896	1,861,253	798,042
Granted	$ 9.333-$15.293	$11.621	1,020,195			(1,020,195)
Shares designated for grant through the plan						2,025,000
Exercised	$ 1.963-$12.889	$5.824	(433,235)			
Canceled	$ 6.445-$21.473	$11.495	(193,801)			193,801
Exercisable	$ 1.963-$21.750				83,718	
Balance, Fiscal 2001	$ 1.963-$21.750	$8.721	4,135,793	$5.996	1,944,971	1,996,648
Granted	$13.440-$23.800	$14.606	1,034,329			(1,034,329)
Exercised	$ 1.963-$21.014	$6.686	(937,555)			
Canceled	$ 3.704-$22.490	$12.816	(174,551)			174,551
Exercisable	$ 1.963-$21.750				(418,693)	
Balance, Fiscal 2002	$ 1.963-$23.800	$10.530	4,058,016	$7.594	1,526,278	1,136,870
Granted	$16.960-$29.380	$18.531	764,300			(764,300)
Shares designated for grant through the plan						2,025,000
Exercised	$ 1.963-$21.170	$10.209	(779,125)			
Canceled	$ 7.333-$23.470	$14.810	(127,274)			127,274
Exercisable	$ 1.963-$23.800				(27,982)	
Balance, Fiscal 2003	$ 1.963-$29.380	$12.041	3,915,917	$8.479	1,498,296	2,524,844

Nonemployee Director Plan

	Exercise Price Per Share	Weighted Average Exercise Price Per Share	Outstanding	Weighted Average Exercise Price Per Share	Exercisable	Available for Grant
Balance, Fiscal 2000	$2.222-$15.417	$6.369	217,500	$4.797	171,279	68,531
Granted	$9.656-$14.000	$11.828	45,000			(45,000)
Exercised	$2.222-$ 5.630	$3.500	(27,000)			
Exercisable	$2.481-$15.417				19,596	
Balance, Fiscal 2001	$2.481-$15.417	$7.742	235,500	$6.614	190,875	23,531
Granted	$20.340	$20.340	15,000			(15,000)
Shares designated for grant through the plan						75,000
Exercised	$3.889-$ 5.630	$5.027	(29,250)			
Exercisable	$2.481-$15.417				(5,250)	
Balance, Fiscal 2002	$2.481-$20.340	$8.955	221,250	$7.660	185,625	83,531

	Exercise Price Per Share	Weighted Average Exercise Price Per Share	Outstanding	Weighted Average Exercise Price Per Share	Exercisable	Available for Grant
Granted	$28.550	$28.550	5,000			(5,000)
Exercised	$3.889-$14.000	$7.276	(22,500)			
Canceled	$9.583-$20.340	$14.709	(8,250)			8,250
Exercisable	$2.481-$20.340				(5,625)	
Balance, Fiscal 2003	$2.481-$28.550	$9.406	195,500	$8.395	180,000	86,781

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Additional weighted average information for options outstanding and exercisable as of fiscal year-end 2003:

	Range of Exercise Price	Number Of Shares	Options Outstanding: Weighted Average Exercise Price Per Share	Options Outstanding: Weighted Average Remaining Contractual Life	Options Exercisable: Number Of Shares	Options Exercisable: Weighted Average Exercise Price Per Share
Long-Term Incentive Plan:	$ 1.963-$ 9.500	945,079	$5.017	3.9 years	730,205	$4.298
	$ 9.501-$13.000	1,233,363	$11.323	6.4 years	570,965	$11.445
	$13.001-$29.380	1,737,475	$16.371	8.5 years	197,126	$15.374
		3,915,917			1,498,296	$8.479
Nonemployee Director Plan:	$ 2.481-$ 9.500	101,250	$4.556	2.8 years	101,250	$4.556
	$ 9.501-$13.000	38,250	$11.309	5.9 years	38,250	$11.309
	$13.001-$29.380	56,000	$16.876	7.6 years	40,500	$15.242
		195,500			180,000	$8.395

12. Supplemental Cash Flow Information

Fiscal Year	2003	2002	2001
IN THOUSANDS			
Cash paid during the year for:			
Interest	$ 36	$ 11	$ 216
Income taxes	$ 24,567	$ 17,608	$ 23,156

13. Major Customer, Segment and Geographic Information

Customers of the Company consist principally of major department stores and specialty retailers located throughout the United States, Europe and the Far East. There were no significant customers, individually or considered as a group under common ownership, which accounted for over 10% of net sales for fiscal years 2003, 2002 and 2001. The Company's majority owned facilities operate primarily in four geographic regions. The Company operates in two distinct distribution channels, wholesale and retail. In its wholesale operations the Company designs, develops, markets and distributes fashion and premium watches and other accessories to department stores, specialty shops, and independent retailers throughout the world. The Company's retail operations consist of its outlet and mall-based and full-priced retail stores and its website selling the Company's product directly to the consumer. Specific information related to the Company's reportable segments and geographic areas are contained in the following table. Intercompany sales of products between geographic areas are referred to as intergeographic items. All intercompany balances have been eliminated.

Fiscal Year 2003	Net Sales	Operating Income (Loss)	Long-lived Assets	Total Assets
IN THOUSANDS				
United States exclusive of Stores:			$ 79,631	$ 314,594
External customers	$ 337,059	$ 28,769		
Intergeographic	139,063			
Stores worldwide	104,118	2,639	20,204	45,278
Europe:			42,809	165,226
External customers	258,078	16,633		
Intergeographic	13,489			
Far East and Export:			5,577	62,443
External customers	81,920	61,709		
Intergeographic	246,648			
Intergeographic items	(399,200)			
Consolidated	$ 781,175	$ 109,750	$ 148,221	$ 587,541

Fiscal Year 2002	Net Sales	Operating Income (Loss)	Long-lived Assets	Total Assets
IN THOUSANDS				
United States exclusive of Stores:			$ 75,663	$ 268,915
External customers	$ 327,151	$ 33,637		
Intergeographic	103,046			
Stores worldwide	83,135	(8,432)	22,931	43,051
Europe	189,485	13,233	23,510	121,704
Far East and Export:			4,783	48,856
External customers	63,567	57,492		
Intergeographic	219,945			
Intergeographic items	(322,991)			
Consolidated	$ 663,338	$ 95,930	$ 126,887	$ 482,526

Fiscal Year 2001	Net Sales	Operating Income (Loss)	Long-lived Assets	Total Assets
IN THOUSANDS				
United States exclusive of Stores:			$ 62,315	$ 207,184
External customers	$ 290,859	$ 48,127		
Intergeographic	77,236			
Stores worldwide	68,243	(9,276)	25,951	46,465
Europe	130,330	2,408	19,513	92,035
Far East and Export:			3,567	35,179
External customers	56,109	35,595		
Intergeographic	192,678			
Intergeographic items	(269,914)			
Consolidated	$ 545,541	$ 76,854	$ 111,346	$ 380,863

Long-lived Assets and Total Assets above include goodwill allocated as follows:

Fiscal Year	2003	2002

Fiscal Year	2003	2002
IN THOUSANDS		
Europe	$ 16,103	$ 12,766
East	1,033	1,033
	$ 17,136	$ 13,799

The increase in the carrying amount of goodwill in 2003 is due to foreign currency translation adjustments.

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has had no changes in or disagreements with its accountants to report under this item.

Item 9A. Controls and Procedures

Controls Evaluation and Related CEO and CFO Certifications

The Company conducted an evaluation of the effectiveness of the design and operation of the "disclosure controls and procedures" ("Disclosure Controls"), as defined by Exchange Act Rules 13a 15(e) and 15d 15(e), as of the end of the period covered by this Annual Report. The controls evaluation was done under the supervision and with the participation of management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Attached as exhibits to this Annual Report are certifications of the CEO and the CFO, which are required in accordance with Rule 13a-14 of the Exchange Act. This "Controls and Procedures" section includes the information concerning the controls evaluation referred to in the certifications, and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

Definition of Disclosure Controls

Disclosure Controls are controls and procedures designed to reasonably assure that information required to be disclosed in the reports filed under the Exchange Act, such as this Annual Report, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure Controls are also designed to reasonably assure that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. The Company's Disclosure Controls include components of internal control over financial reporting, which consists of control processes designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles in the U.S. To the extent that components of the Company's internal control over financial reporting are included within our Disclosure Controls, they are included in the scope of the quarterly controls evaluation.

Limitations on the Effectiveness of Controls

The Company's management, including the CEO and CFO, does not expect that the Disclosure Controls or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Scope of the Controls Evaluation

The evaluation of the Company's Disclosure Controls included a review of the controls' objectives and design, the Company's implementation of the controls and the effect of the controls on the information generated for use in this Annual Report. In the course of the controls evaluation, the Company sought to identify data errors, control problems or acts of fraud and confirm that appropriate corrective action, including process improvements, were being undertaken. This type of evaluation is performed on a quarterly basis so that the conclusions of management, including the CEO and CFO, concerning the effectiveness of the controls can be reported in our Quarterly Reports on Form 10-Q and to supplement the disclosures made in the Company's Annual Report on Form 10-K. Many of the components of the Disclosure Controls are also evaluated on an ongoing basis by the Internal Audit Department and by other personnel in the finance department. The overall goals of these various evaluation activities are to monitor our Disclosure Controls, and to modify them as necessary. The Company's intent is to maintain the Disclosure Controls as dynamic systems that change as conditions warrant.

Among other matters, the Company also considered whether the evaluation identified any "significant deficiencies" or "material weaknesses" in internal control over financial reporting, and whether the Company had identified any acts of fraud involving personnel with a significant role in the Company's internal control over financial reporting. This information was important both for the controls evaluation generally, and because Item 5 in the certifications of the CEO and CFO requires that the CEO and CFO disclose that information to our Board's Audit Committee and to the Company's independent auditors. In the professional auditing literature, "significant deficiencies" are referred to as "reportable conditions," which are deficiencies in the design or operation of controls that could adversely affect the Company's ability to record, process, summarize and report financial data in the financial statements. Auditing literature defines "material weakness" as a particularly serious reportable condition in which the internal control does not reduce to a relatively low level the risk that misstatements caused by error or fraud may occur in amounts that would be material in relation to the financial statements and the risk that such misstatements would not be detected within a timely period by employees in the normal course of performing their assigned functions. The Company also sought to address other controls matters in the controls evaluation, and in each case if a problem was identified, the Company considered what revision, improvement and/or correction to make in accordance with its ongoing procedures.

Conclusions

Based upon the controls evaluation, the Company's CEO and CFO have concluded that as of the end of the period covered by this Annual Report, the Disclosure Controls, despite the limitations noted above, were effective to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to management, including the CEO and CFO, particularly during the period when the Company's periodic reports are being prepared. Further, there have been no changes in the Company's internal controls over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information under the headings "Directors and Nominees", "Executive Officers", "Section 16(a) Beneficial Ownership Reporting Compliance" and "Board Committees and Meetings" in the Company's proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year covered by this report, is incorporated herein by reference.

The Company has adopted a code of ethics that applies to all its directors and employees, including the principal executive officer, principal financial officer, principal accounting office and controller. The full text of the Company's Code of Conduct and Ethics is published on the Company's Investor Relations web site at www.fossil.com. The Company intends to disclose future amendments to certain provisions of the Code of Conduct and Ethics, or waivers of such provisions granted to executive officers and directors, on this web site within five business days following the date of such amendment or waiver.

Item 11. Executive Compensation

The information required in response to this Item is incorporated herein by reference to the Company's proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year covered by this report.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Equity Compensation Plan Information

The information required in response to this Item is incorporated herein by reference to the Company's proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year covered by this report.

Item 13. Certain Relationships and Related Transactions

The information required in response to this Item is incorporated herein by reference to the Company's proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year covered by this report.

Item 14. Principal Accountant Fees and Services

The information required in response to this Item is incorporated herein by reference to the Company's proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year covered by this report.

PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) Documents filed as part of Report.

EXHIBIT INDEX

Exhibit Number	Description
3.1	Second Amended and Restated Certificate of Incorporation of Fossil, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Report on Form 10-Q for the quarterly period ended July 4, 1998).
3.2	Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation of Fossil, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Report on Form 10-Q for the quarterly period ended July 1, 2000).
3.3	Amended and Restated Bylaws of Fossil, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Report on Form 10-Q for the quarterly period ended September 30, 2000).
10.1(2)	Fossil, Inc. 1993 Nonemployee Director Stock Option Plan (incorporated herein by reference to Exhibit 10.1 of the Company's Registration Statement of Form S-1, registration no. 33-45357, filed with the Securities and Exchange Commission).
10.2(2)	Fossil, Inc. 1993 Long-Term Incentive Plan (incorporated herein by reference to Exhibit 10.2 of the Company's Registration Statement of Form S-1, registration no. 33-45357, filed with the Securities and Exchange Commission).
10.3(2)	Fossil, Inc. 1993 Savings and Retirement Plan (incorporated herein by reference to Exhibit 10.3 of the Company's Registration Statement of Form S-1, registration no. 33-45357, filed with the Securities and Exchange Commission).
10.4	Non-Competition Agreement dated December 31, 1992 between Fossil, Inc. and Mr. Jal S. Shroff (incorporated herein by reference to Exhibit 10.12 of the Company's Registration Statement of Form S-1, registration no. 33-45357, filed with the Securities and Exchange Commission).
10.5	Amended and Restated Buying Agent Agreement dated March 21, 1992 between Fossil, Inc. and Fossil East Ltd. (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the year ended December 31, 1993).

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Explanation of Responses:

10.6	Subordination Agreement of Fossil Trust for the benefit of First Interstate Bank of Texas, N.A. dated as of August 31, 1994 (incorporated by reference to Exhibit 10.7 of the Company's Report on Form 10-Q for the quarterly period ended September 30, 1994).
10.7	Master Licensing Agreement dated as of August 30, 1994, by and between Fossil, Inc. and Fossil Partners, L.P. (incorporated by reference to Exhibit 10.12 of the Company's Report on Form 10-Q for the quarterly period ended September 30, 1994).
10.8	Agreement of Limited Partnership of Fossil Partners, L.P. (incorporated by reference to Exhibit 10.13 of the Company's Report on Form 10-Q for the quarterly period ended September 30, 1994).
10.9	Overhead Allocation Agreement by and between Fossil Partners, L.P. and Fossil Stores I, Inc. dated December 1, 1994 (incorporated by reference to Exhibit 10.35 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994).
10.10	Stock Pledge Agreement entered into on May 2, 1995 by and between Fossil, Inc. and First Interstate Bank of Texas, N.A. (incorporated by reference to Exhibit 10.3 of the Company's Report on Form 10-Q for the quarterly period ended June 30, 1995).
10.11(2)	First Amendment to the Fossil, Inc. 1993 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 of the Company's Report on Form 10-Q for the quarterly period ended July 4, 1998).
10.12(2)	Second Amendment to the Fossil, Inc. 1993 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 of the Company's Report on Form 10-Q for the quarterly period ended July 4, 1998).
10.13(2)	Amendment to the Fossil, Inc. 1993 Non-Employee Director Stock Option Plan (incoporated by reference to Exhibit 10.24 of the Company's Report on Form 10-K for the year-ended January 2, 1999).
10.14(2)	Fossil, Inc. and Affiliates Deferred Compensation Plan (incoporated by reference to Exhibit 10.25 of the Company's Report on Form 10-K for the year-ended January 2, 1999).
10.15	Joint Venture Agreement by and between Sucesores de A. Cadarso and Fossil Europe B.V., dated as of July 27, 2000 (without exhibits) (incorporated by reference to Exhibit 10.1 of the Company's Report on Form 10-Q for the quarterly period ended September 30, 2000).
10.16(2)	Third Amendment to the Fossil, Inc. 1993 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 of the Company's Report on Form 10-Q for the quarterly period ended July 7, 2001).
10.17(2)	2002 Restricted Stock Plan of Fossil, Inc. (incoporated by reference to Exhibit 10.32 of the Company's Report on Form 10-K for the year-ended January 5, 2002).
10.18	Stock Purchase Agreement by and between Fossil Europe B.V. and Thomas Steinemann dated June 25, 2002 (without exhibits) (incorporated by reference to Exhibit 10.1 of the Company's Report on Form 10-Q for the quarterly period ended July 6, 2002).
10.19	Fourth Amendment to Fourth Amended and Restated Loan Agreement dated June 25, 2002 by and among Wells Fargo Bank Texas, National Association, a national banking association formerly known as Wells Fargo Bank (Texas), National Association, Fossil Partners, L.P., Fossil, Inc., Fossil Intermediate, Inc., Fossil Trust, Fossil Stores I, Inc. and Fossil Stores II, Inc. (without exhibits) (incorporated by reference to Exhibit 10.2 of the Company's Report on Form 10-Q for the quarterly period ended July 6, 2002).

10.20	Asset Purchase Agreement among Fossil Canada Inc. and Comark Inc. and Fossil, Inc. dated July 31, 2002 (without exhibits) (incorporated by reference to Exhibit 10.3 of the Company's Report on Form 10-Q for the quarterly period ended July 6, 2002).
10.21	Fifth Amendment to Fourth Amended and Restated Loan Agreement dated June 24, 2003 by and among Wells Fargo Bank Texas, National Association, a national banking association formerly known as Wells Fargo Bank (Texas), National Association, Fossil Partners, L.P., Fossil, Inc., Fossil Intermediate, Inc., Fossil Trust, Fossil Stores I, Inc. and Fossil Stores II, Inc. (without exhibits) (incorporated by reference to Exhibit 10.1 of the Company's Report on Form 10-Q for the quarterly period ended July 5, 2003).
21.1(3)	Subsidiaries of Fossil, Inc.
23.1(1)	Consent of Independent Auditors.
31.1(1)	Certification of Principal Executive Officer
31.2(1)	Certification of Principal Financial Officer
32.1(3)	Certification of Chief Executive Officer Pursuant to Section 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
32.2(3)	Certification of Chief Finanical Officer Pursuant to Section 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.

(1) Filed herewith.

(2) Management contract or compensatory plan or arrangement.

(3) Filed with the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2004.

(b) Reports on Form 8-K

The Company filed a report on Form 8-K (Item 12) on November 12, 2003 for a press release, dated November 11, 2003, announcing financial results for the quarter ended October 4, 2003.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 in the City of Richardson, State of Texas, on May 18, 2004.

FOSSIL, INC.

/s/ KOSTA N. KARTSOTIS

Kosta N. Kartsotis, President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ TOM KARTSOTIS *Tom Kartsotis*	Chairman of the Board and Director (Principal Executive Officer)	May 18, 2004
/s/ KOSTA N. KARTSOTIS *Kosta N. Kartsotis*	President, Chief Executive Officer and Director	May 18, 2004
/s/ MIKE L. KOVAR *Mike L. Kovar*	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	May 18, 2004
/s/ MICHAEL W. BARNES *Michael W. Barnes*	President, International and Special Markets Division and Director	May 18, 2004
/s/ RICHARD H. GUNDY *Richard H. Gundy*	President, FOSSIL Watches and Director	May 18, 2004
/s/ JAL S. SHROFF *Jal S. Shroff*	Director	May 18, 2004
/s/ KENNETH W. ANDERSON *Kenneth W. Anderson*	Director	May 18, 2004
/s/ ALAN J. GOLD *Alan J. Gold*	Director	May 18, 2004

/s/ MICHAEL STEINBERG *Michael Steinberg*	Director	May 18, 2004
/s/ DONALD J. STONE *Donald J. Stone*	Director	May 18, 2004
/s/ ANDREA CAMERANA *Andrea Camerana*	Director	May 18, 2004

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INDEPENDENT AUDITORS' REPORT

Directors and Stockholders of Fossil, Inc.

We have audited the consolidated financial statements of Fossil, Inc. and subsidiaries as of January 3, 2004 and January 4, 2003, and for each of the three years in the period ended January 3, 2004, and have issued our report thereon dated March 12, 2004; such consolidated financial statements and report are included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedule of Fossil, Inc. and subsidiaries listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP
Dallas, Texas
March 12, 2004

SCHEDULE II

FOSSIL, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

Fiscal Years 2001, 2002, and 2003
(in thousands)

Classification	Balance at Beginning of Period	Additions: Charged (Credited) to Operations	Deductions: Actual Returns or Writeoffs	Balance at End of Period
Fiscal Year 2001:				
Accounts receivable allowances:				
Sales returns	21,247	29,385	(28,175)	22,457
Bad debts	9,481	3,037	(808)	11,710
Cash discounts	184	331	(190)	325
Inventory in transit for estimated customer returns	(12,269)	(16,586)	15,619	(13,236)
Fiscal Year 2002:				
Accounts receivable allowances:				
Sales returns	22,457	35,832	(33,476)	24,813
Bad debts	11,710	2,839	(1,932)	12,617
Cash discounts	325	419	(465)	279
Inventory in transit for estimated customer returns	(13,236)	(21,725)	19,936	(15,025)
Fiscal Year 2003:				
Accounts receivable allowances:				
Sales returns	24,813	36,044	(34,224)	26,633
Bad debts	12,617	3,414	(3,122)	12,909
Cash discounts	279	696	(549)	426
Inventory in transit for estimated customer returns	(15,025)	(20,761)	19,983	(15,803)

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3.2	Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation of Fossil, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Report on Form 10-Q for the quarterly period ended July 1, 2000).
3.3	Amended and Restated Bylaws of Fossil, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Report on Form 10-Q for the quarterly period ended September 30, 2000).
10.1(2)	Fossil, Inc. 1993 Nonemployee Director Stock Option Plan (incorporated herein by reference to Exhibit 10.1 of the Company's Registration Statement of Form S-1, registration no. 33-45357, filed with the Securities and Exchange Commission).
10.2(2)	Fossil, Inc. 1993 Long-Term Incentive Plan (incorporated herein by reference to Exhibit 10.2 of the Company's Registration Statement of Form S-1, registration no. 33-45357, filed with the Securities and Exchange Commission).
10.3(2)	Fossil, Inc. 1993 Savings and Retirement Plan (incorporated herein by reference to Exhibit 10.3 of the Company's Registration Statement of Form S-1, registration no. 33-45357, filed with the Securities and Exchange Commission).
10.4	Non-Competition Agreement dated December 31, 1992 between Fossil, Inc. and Mr. Jal S. Shroff (incorporated herein by reference to Exhibit 10.12 of the Company's Registration Statement of Form S-1, registration no. 33-45357, filed with the Securities and Exchange Commission).
10.5	Amended and Restated Buying Agent Agreement dated March 21, 1992 between Fossil, Inc. and Fossil East Ltd. (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the year ended December 31, 1993).
10.6	Subordination Agreement of Fossil Trust for the benefit of First Interstate Bank of Texas, N.A. dated as of August 31, 1994 (incorporated by reference to Exhibit 10.7 of the Company's Report on Form 10-Q for the quarterly period ended September 30, 1994).
10.7	Master Licensing Agreement dated as of August 30, 1994, by and between Fossil, Inc. and Fossil Partners, L.P. (incorporated by reference to Exhibit 10.12 of the Company's Report on Form 10-Q for the quarterly period ended September 30, 1994).
10.8	Agreement of Limited Partnership of Fossil Partners, L.P. (incorporated by reference to Exhibit 10.13 of the Company's Report on Form 10-Q for the quarterly period ended September 30, 1994).
10.9	Overhead Allocation Agreement by and between Fossil Partners, L.P. and Fossil Stores I, Inc. dated December 1, 1994 (incorporated by reference to Exhibit 10.35 of the Company's Annual Report on Form 10-K for the year ended December 31, 1994).
10.10	Stock Pledge Agreement entered into on May 2, 1995 by and between Fossil, Inc. and First Interstate Bank of Texas, N.A. (incorporated by reference to Exhibit 10.3 of the Company's Report on Form 10-Q for the quarterly period ended June 30, 1995).
10.11(2)	First Amendment to the Fossil, Inc. 1993 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 of the Company's Report on Form 10-Q for the quarterly period ended July 4, 1998).
10.12(2)	Second Amendment to the Fossil, Inc. 1993 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 of the Company's Report on Form 10-Q for the quarterly period ended July 4, 1998).

10.13[(2)]	Amendment to the Fossil, Inc. 1993 Non-Employee Director Stock Option Plan (incoporated by reference to Exhibit 10.24 of the Company's Report on Form 10-K for the year-ended January 2, 1999).
10.14[(2)]	Fossil, Inc. and Affiliates Deferred Compensation Plan (incoporated by reference to Exhibit 10.25 of the Company's Report on Form 10-K for the year-ended January 2, 1999).
10.15	Joint Venture Agreement by and between Sucesores de A. Cadarso and Fossil Europe B.V., dated as of July 27, 2000 (without exhibits) (incorporated by reference to Exhibit 10.1 of the Company's Report on Form 10-Q for the quarterly period ended September 30, 2000).
10.16[(2)]	Third Amendment to the Fossil, Inc. 1993 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 of the Company's Report on Form 10-Q for the quarterly period ended July 7, 2001).
10.17[(2)]	2002 Restricted Stock Plan of Fossil, Inc. (incoporated by reference to Exhibit 10.32 of the Company's Report on Form 10-K for the year-ended January 5, 2002).
10.18	Stock Purchase Agreement by and between Fossil Europe B.V. and Thomas Steinemann dated June 25, 2002 (without exhibits) (incorporated by reference to Exhibit 10.1 of the Company's Report on Form 10-Q for the quarterly period ended July 6, 2002).
10.19	Fourth Amendment to Fourth Amended and Restated Loan Agreement dated June 25, 2002 by and among Wells Fargo Bank Texas, National Association, a national banking association formerly known as Wells Fargo Bank (Texas), National Association, Fossil Partners, L.P., Fossil, Inc., Fossil Intermediate, Inc., Fossil Trust, Fossil Stores I, Inc. and Fossil Stores II, Inc. (without exhibits) (incorporated by reference to Exhibit 10.2 of the Company's Report on Form 10-Q for the quarterly period ended July 6, 2002).
10.20	Asset Purchase Agreement among Fossil Canada Inc. and Comark Inc. and Fossil, Inc. dated July 31, 2002 (without exhibits) (incorporated by reference to Exhibit 10.3 of the Company's Report on Form 10-Q for the quarterly period ended July 6, 2002).
10.21	Fifth Amendment to Fourth Amended and Restated Loan Agreement dated June 24, 2003 by and among Wells Fargo Bank Texas, National Association, a national banking association formerly known as Wells Fargo Bank (Texas), National Association, Fossil Partners, L.P., Fossil, Inc., Fossil Intermediate, Inc., Fossil Trust, Fossil Stores I, Inc. and Fossil Stores II, Inc. (without exhibits) (incorporated by reference to Exhibit 10.1 of the Company's Report on Form 10-Q for the quarterly period ended July 5, 2003).
21.1[(3)]	Subsidiaries of Fossil, Inc.
23.1[(1)]	Consent of Independent Auditors.
31.1[(1)]	Certification of Principal Executive Officer
31.2[(1)]	Certification of Principal Financial Officer
32.1[(3)]	Certification of Chief Executive Officer Pursuant to Section 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
32.2[(3)]	Certification of Chief Finanical Officer Pursuant to Section 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.

(1) Filed herewith.

(2) Management contract or compensatory plan or arrangement.

(3) Filed with the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2004.

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