UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the Quarterly Period Ended October 1, 2011

or

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

Commission file number: 1-16153

Coach, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**52-2242751**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

516 West 34th Street, New York, NY 10001
(Address of principal executive offices); (Zip Code)

(212) 594-1850
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [ü] Yes [ ] No

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

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

Large Accelerated Filer [ü]	Accelerated Filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller Reporting Company [ ]

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

On October 28, 2011, the Registrant had 291,826,211 outstanding shares of common stock, which is the Registrant's only class of common stock.

The document contains 35 pages excluding exhibits.

COACH, INC.

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SPECIAL NOTE ON FORWARD-LOOKING INFORMATION

This Form 10-Q contains certain "forward-looking statements," based on current expectations, that involve risks and uncertainties that could cause our actual results to differ materially from our management's current expectations. These forward-looking statements can be identified by the use of forward-looking terminology such as "believe," "may," "will," "should," "expect," "intend," "estimate," "are positioned to," "continue," "project," "guidance," "target," "forecast," "anticipated," "plan," "potential," the negative of these terms or comparable terms. Future results will vary from historical results and historical growth is not indicative of future trends, which will depend upon a number of factors, including but not limited to: (i) the successful execution of our growth strategies; (ii) the effect of existing and new competition in the marketplace; (iii) our exposure to international risks, including currency fluctuations; (iv) changes in economic or political conditions in the markets where we sell or source our products; (v) our ability to successfully anticipate consumer preferences for accessories and fashion trends; (vi) our ability to control costs; (vii) the effect of seasonal and quarterly fluctuations in our sales on our operating results; (viii) our ability to protect against infringement of our trademarks and other proprietary rights; and such other risk factors as set forth in the Company's Annual Report on Form 10-K for the fiscal year ended July 2, 2011. Coach, Inc. assumes no obligation to revise or update any such forward-looking statements for any reason, except as required by law.

WHERE YOU CAN FIND MORE INFORMATION

Coach's quarterly financial results and other important information are available by calling the Investor Relations Department at (212) 629-2618.

Coach maintains a website at www.coach.com where investors and other interested parties may obtain, free of charge, press releases and other information as well as gain access to our periodic filings with the SEC.

PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

COACH, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except share data)
(unaudited)

	October 1, 2011	July 2, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 845,719	$ 699,782
Short-term investments	2,256	2,256
Trade accounts receivable, less allowances of $9,937 and $9,544, respectively	153,061	142,898
Inventories	519,586	421,831
Other current assets	168,526	185,621
Total current assets	1,689,148	1,452,388
Property and equipment, net	586,914	582,348
Goodwill	351,978	331,004
Other assets	250,038	269,376
Total assets	$ 2,878,078	$ 2,635,116
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 144,244	$ 118,612
Accrued liabilities	486,329	473,610
Current portion of long-term debt	800	795
Total current liabilities	631,373	593,017
Long-term debt	23,264	23,360
Other liabilities	406,938	406,170
Total liabilities	1,061,575	1,022,547
See note on commitments and contingencies		
Stockholders' Equity:		
Preferred stock: (authorized 25,000,000 shares; $0.01 par value) none issued	-	-
Common stock: (authorized 1,000,000,000 shares; $0.01 par value) issued and outstanding - 291,310,968 and 288,514,529 shares, respectively	2,914	2,886
Additional paid-in-capital	2,106,830	2,000,426
Accumulated deficit	(354,971)	(445,654)
Accumulated other comprehensive income	61,730	54,911
Total stockholders' equity	1,816,503	1,612,569
Total liabilities and stockholders' equity	$ 2,878,078	$ 2,635,116

See accompanying Notes to Condensed Consolidated Financial Statements.

COACH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(amounts in thousands, except per share data)
(unaudited)

	Quarter Ended	
	October 1, 2011	October 2, 2010
Net sales	$ 1,050,359	$ 911,669
Cost of sales	285,706	235,498
Gross profit	764,653	676,171
Selling, general and administrative expenses	442,687	390,511
Operating income	321,966	285,660
Interest income, net	114	248
Other expense	(1,476)	(810)
Income before provision for income taxes	320,604	285,098
Provision for income taxes	105,621	96,222
Net income	$ 214,983	$ 188,876
Net income per share		
Basic	$ 0.74	$ 0.64
Diluted	$ 0.73	$ 0.63
Shares used in computing net income per share		
Basic	289,778	296,304
Diluted	296,068	301,249

See accompanying Notes to Condensed Consolidated Financial Statements.

COACH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)
(unaudited)

	Quarter Ended	
	October 1, 2011	October 2, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 214,983	$ 188,876
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	32,054	32,251
Provision for bad debt	3,083	2,015
Share-based compensation	24,606	22,342
Excess tax benefit from share-based awards	(14,969)	(2,587)
Deferred income taxes	34,289	9,896
Other, net	1,366	(4,408)
Changes in operating assets and liabilities:		
Increase in trade accounts receivable	(10,816)	(23,749)
Increase in inventories	(102,017)	(97,681)
Decrease in other assets	7,224	4,443
Increase (decrease) in accounts payable	24,646	(1,935)
Increase in accrued liabilities	1,234	15,093
Increase in other liabilities	9,283	32,900
Net cash provided by operating activities	224,966	177,456
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interest in equity method investment	-	(776)
Acquisition of distributor	(7,595)	-
Purchases of property and equipment	(30,895)	(23,080)
Purchases of investments	-	(90,592)
Proceeds from maturities and sales of investments	-	99,928
Net cash used in investing activities	(38,490)	(14,520)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(65,253)	(44,774)
Repurchase of common stock	(59,000)	(137,500)
Repayment of long-term debt	(91)	(86)
Proceeds from share-based awards, net	66,868	39,477
Excess tax benefit from share-based awards	14,969	2,587
Net cash used in financing activities	(42,507)	(140,296)
Effect of changes in foreign exchange rates on cash and cash equivalents	1,968	2,261
Increase in cash and cash equivalents	145,937	24,901
Cash and cash equivalents at beginning of period	699,782	596,470
Cash and cash equivalents at end of period	$ 845,719	$ 621,371

See accompanying Notes to Condensed Consolidated Financial Statements.

Notes to Condensed Consolidated Financial Statements
(dollars and shares in thousands, except per share data)
(unaudited)

1. Basis of Presentation and Organization

The accompanying unaudited condensed consolidated financial statements include the accounts of Coach, Inc. ("Coach" or the "Company") and all 100% owned subsidiaries. These condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted from this report as is permitted by SEC rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented not misleading. This report should be read in conjunction with the audited consolidated financial statements and notes thereto, included in the Company's Annual Report on Form 10-K filed with the SEC for the year ended July 2, 2011 ("fiscal 2011").

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all normal and recurring adjustments necessary to present fairly the consolidated financial position, results of operations and changes in cash flows of the Company for the interim periods presented. The results of operations for the quarter ended October 1, 2011 are not necessarily indicative of results to be expected for the entire fiscal year, which will end on June 30, 2012 ("fiscal 2012").

The Company evaluated subsequent events through the date these financial statements were issued, and concluded there were no events to recognize or disclose.

2. Acquisition

On July 3, 2011, Coach acquired 100% of its domestic retail business in Singapore from the former distributor, Valiram Group, for an aggregate purchase price of $7,595. The results of the acquired business have been included in the consolidated financial statements since July 3, 2011 within the Direct-to-Consumer segment. This acquisition will provide the Company with greater control over the brand in Singapore, enabling Coach to raise brand awareness and grow market share with regional consumers.

The following table summarizes the estimated fair values of the assets acquired as of the date of acquisition:

Assets Acquired	Estimated Fair Value at July 3, 2011	
Current assets	$	1,684
Fixed assets		619
Goodwill		5,292
Total assets acquired	$	7,595

Prior to this acquisition, Valiram Group operated five retail and department store locations in Singapore. Management believes the strength of these established locations supported a premium above the fair value of the individual assets acquired. Unaudited pro forma information related to these acquisitions is not included as the impact of this transaction is not material to the consolidated results of the Company.

During October 2011, the Company entered into an agreement to acquire 100% of its domestic retail business in Taiwan from the current distributor, with the transition expected in early January 2012.

3. Stockholders' Equity

Activity for the quarters ended October 1, 2011 and October 2, 2010 in the accounts of Stockholders' Equity is summarized below:

	Common Stockholders' Equity	Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balances at July 3, 2010	$ 2,969	$ 1,502,982	$ (30,053)	$ 29,395	$ 1,505,293
Net income	-	-	188,876	-	188,876
Unrealized losses on cash flow hedging derivatives, net of tax	-	-	-	(5,364)	(5,364)
Translation adjustments	-	-	-	11,256	11,256
Comprehensive income					194,768
Shares issued for stock options and employee benefit plans	24	39,453	-	-	39,477
Share-based compensation	-	22,342	-	-	22,342
Excess tax benefit from share-based compensation	-	2,587	-	-	2,587
Repurchase of common stock	(36)	-	(137,464)	-	(137,500)
Dividend declared	-	-	(44,294)	-	(44,294)
Balances at October 2, 2010	$ 2,957	$ 1,567,364	$ (22,935)	$ 35,287	$ 1,582,673
Balances at July 2, 2011	$ 2,886	$ 2,000,426	$ (445,654)	$ 54,911	$ 1,612,569
Net income	-	-	214,983	-	214,983
Unrealized losses on cash flow hedging derivatives, net of tax	-	-	-	(565)	(565)
Translation adjustments	-	-	-	7,384	7,384
Comprehensive income					221,802
Shares issued for stock options and employee benefit plans	39	66,829	-	-	66,868
Share-based compensation	-	24,606	-	-	24,606
Excess tax benefit from share-based compensation	-	14,969	-	-	14,969
Repurchase of common stock	(11)	-	(58,989)	-	(59,000)
Dividend declared	-	-	(65,311)	-	(65,311)
Balances at October 1, 2011	$ 2,914	$ 2,106,830	$ (354,971)	$ 61,730	$ 1,816,503

The components of accumulated other comprehensive income, as of the dates indicated, are as follows:

	October 1, 2011	July 2, 2011
Cumulative translation adjustments	$ 66,796	$ 59,412
Cumulative effect of previously adopted accounting pronouncements and minimum pension liability, net of taxes	(3,036)	(3,036)
Net unrealized losses on cash flow hedging derivatives, net of taxes of $2,222 and $899	(2,030)	(1,465)
Accumulated other comprehensive income	$ 61,730	$ 54,911

4. Earnings Per Share

Basic net income per share is calculated by dividing net income by the weighted-average number of shares outstanding during the period. Diluted net income per share is calculated similarly but includes potential dilution from the exercise of stock options and employee benefit and share awards.

The following is a reconciliation of the weighted-average shares outstanding and calculation of basic and diluted net income per share:

	Quarter Ended	
	October 1, 2011	October 2, 2010
Net income	$ 214,983	$ 188,876
Total weighted-average basic shares	289,778	296,304
Dilutive securities:		
Employee benefit and share award plans	1,534	1,380
Stock option programs	4,756	3,565
Total weighted-average diluted shares	296,068	301,249
Net income per share:		
Basic	$ 0.74	$ 0.64
Diluted	$ 0.73	$ 0.63

At October 1, 2011, options to purchase 2,067 shares of common stock were outstanding but not included in the computation of diluted earnings per share, as these options' exercise prices, ranging from $59.97 to $66.76, were greater than the average market price of the common shares.

At October 2, 2010, options to purchase 7,235 shares of common stock were outstanding but not included in the computation of diluted earnings per share, as these options' exercise prices, ranging from $38.41 to $51.56, were greater than the average market price of the common shares.

5. Share-Based Compensation

The following table shows the total compensation cost charged against income for share-based compensation plans and the related tax benefits recognized in the income statement for the periods indicated:

	Quarter Ended	
	October 1, 2011	October 2, 2010
Share-based compensation expense	$ 24,606	$ 22,342
Income tax benefit related to share-based compensation expense	7,208	7,828

Stock Options

A summary of option activity under the Coach stock option plans as of October 1, 2011 and changes during the period then ended is as follows:

	Number of Options Outstanding	Weighted-Average Exercise Price
Outstanding at July 2, 2011	16,832	$ 31.73
Granted	2,074	61.71
Exercised	(2,856)	31.94
Forfeited or expired	(143)	36.08
Outstanding at October 1, 2011	15,907	35.58
Vested and expected to vest at October 1, 2011	15,777	32.35
Exercisable at October 1, 2011	9,930	29.88

At October 1, 2011, $61,029 of total unrecognized compensation cost related to non-vested stock option awards is expected to be recognized over a weighted-average period of 1.1 years.

The weighted-average grant-date fair value of individual options granted during the first quarter of fiscal 2012 and fiscal 2011 was $15.34 and $11.17, respectively. The total intrinsic value of options exercised during the first quarter of fiscal 2012 and fiscal 2011 was $69,909 and $21,361, respectively. During the first quarter of fiscal 2012 and fiscal 2011 the total cash received from these option exercises was $91,219 and $50,117, respectively, and the actual tax benefit realized from these option exercises was $26,611 and $7,892, respectively.

Share Unit Awards

The grant-date fair value of each Coach share unit award is equal to the fair value of Coach stock at the grant date. The following table summarizes information about non-vested share units as of and for the period ended October 1, 2011:

	Number of Non-vested Share Units	Weighted-Average Grant-Date Fair Value
Non-vested at July 2, 2011	4,321	$ 33.81
Granted	1,393	61.03
Vested	(1,276)	31.07
Forfeited	(117)	32.28
Non-vested at October 1, 2011	4,321	43.06

At October 1, 2011, $135,482 of total unrecognized compensation cost related to non-vested share awards is expected to be recognized over a weighted-average period of 1.2 years.

The weighted-average grant-date fair value of share awards granted during the first quarter of fiscal 2012 and fiscal 2011 was $61.03 and $38.45, respectively. The total fair value of shares vested during the first quarter of fiscal 2012 and fiscal 2011 was $73,330 and $34,608, respectively.

6. Fair Value Measurements

In accordance with Accounting Standards Codification ("ASC") 820-10, "*Fair Value Measurements and Disclosures*," the Company categorizes its assets and liabilities, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as set forth below. The three levels of the hierarchy are defined as follows:

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities. Coach currently does not have any Level 1 financial assets or liabilities.

Level 2 — Observable inputs other than quoted prices included in Level 1. Level 2 inputs include quoted prices for identical assets or liabilities in non-active markets, quoted prices for similar assets or liabilities in active markets, and inputs other than quoted prices that are observable for substantially the full term of the asset or liability.

Level 3 — Unobservable inputs reflecting management's own assumptions about the input used in pricing the asset or liability.

The following table shows the fair value measurements of the Company's assets and liabilities at October 1, 2011 and July 2, 2011:

	Level 2		Level 3	
	October 1, 2011	July 2, 2011	October 1, 2011	July 2, 2011
Assets:				
Long-term investment - auction rate security [a]	$ -	$ -	$ 6,000	$ 6,000
Derivative assets - zero-cost collar options [b]	2,924	2,020	-	-
Total	$ 2,924	$ 2,020	$ 6,000	$ 6,000
Liabilities:				
Derivative liabilities - zero-cost collar options [b]	$ 5,257	$ 1,062	$ -	$ -
Derivative liabilities - cross-currency swap [c]	-	-	6,141	651
Total	$ 5,257	$ 1,062	$ 6,141	$ 651

[a] The fair value of the security is determined using a model that takes into consideration the financial conditions of the issuer and the bond insurer, current market conditions and the value of the collateral bonds.

[b] The Company enters into zero-cost collar options to manage its exposure to foreign currency exchange rate fluctuations resulting from Coach Japan's and Coach Canada's U.S. dollar-denominated inventory purchases. The fair value of these cash flow hedges is primarily based on the forward curves of the specific indices upon which settlement is based and includes an adjustment for the counterparty's or Company's credit risk.

[c] The Company is a party to a cross-currency swap transaction to manage its exposure to foreign currency exchange rate fluctuations resulting from Coach Japan's U.S. dollar-denominated fixed rate intercompany loan. The fair value of this cash flow hedge is primarily based on the forward curves of the specific indices upon which settlement is based and includes an adjustment for the Company's credit risk.

As of October 1, 2011 and July 2, 2011, the Company's investments included an auction rate security ("ARS"), deemed a long-term investment classified within other assets, as the auction for this security has been unsuccessful. The underlying investments of the ARS are scheduled to mature in 2035. We have determined that the significant majority of the inputs used to value this security fall within Level 3 of the fair value hierarchy as the inputs are based on unobservable estimates. The fair value of the Company's ARS has been $6,000 since the end of the second quarter of fiscal 2009.

As of October 1, 2011 and July 2, 2011, the fair value of the Company's cross-currency swap derivatives were included within accrued liabilities. The Company uses a management model to value these derivatives, which includes a combination of observable inputs, such as tenure of the agreement and notional amount and unobservable inputs, such as the Company's credit rating. The table below presents the changes in the fair value of the cross-currency swaps during the first three months of fiscal 2012 and 2011:

	Cross-Currency Swaps	
Balance at July 2, 2011	$	651
Unrealized loss, recorded in accumulated other comprehensive income		5,490
Balance at October 1, 2011	$	6,141
Balance at July 3, 2010	$	2,418
Unrealized loss, recorded in accumulated other comprehensive income		6,905
Balance at October 2, 2010	$	9,323

The Company's short-term investments of $2,256 and $90,592 as of October 1, 2011 and July 2, 2011, respectively, consist of U.S. treasury bills and commercial paper which are classified as held-to-maturity based on our positive intent and ability to hold the securities to maturity. They are stated at amortized cost, which approximates fair market value due to their short maturities.

7. Commitments and Contingencies

At October 1, 2011, the Company had letters of credit available of $300,000, of which $167,209 were outstanding. The letters of credit, which expire at various dates through 2014, primarily collateralize the Company's obligation to third parties for the purchase of inventory.

In the ordinary course of business, Coach is a party to several pending legal proceedings and claims. Although the outcome of such items cannot be determined with certainty, Coach's General Counsel and management are of the opinion that the final outcome will not have a material effect on Coach's financial position, results of operations or cash flows.

8. Derivative Instruments and Hedging Activities

Substantially all purchases and sales involving international parties are denominated in U.S. dollars, which limits the Company's exposure to foreign currency exchange rate fluctuations. However, the Company is exposed to market risk from foreign currency exchange risk related to Coach Japan's and Coach Canada's U.S. dollar-denominated inventory purchases and Coach Japan's $109,110 U.S. dollar-denominated fixed rate intercompany loan. Coach uses derivative financial instruments to manage these risks. These derivative transactions are in accordance with the Company's risk management policies. Coach does not enter into derivative transactions for speculative or trading purposes.

Coach Japan and Coach Canada enter into certain foreign currency derivative contracts, primarily zero-cost collar options, to manage the exchange rate risk related to their inventory purchases. As of October 1, 2011 and July 2, 2011, $168,993 and $171,030 of foreign currency forward contracts were outstanding, respectively.

Coach Japan's cross currency swap transaction requires an exchange of a yen fixed interest rate for a U.S. dollar fixed interest rate and an exchange of yen and U.S. dollar based notional values at maturity on December 29, 2011.

The Company's derivative instruments are designated as cash flow hedges. The effective portion of gains or losses on the derivative instruments are reported as a component of other comprehensive income and reclassified into earnings in the same periods during which the hedged transaction affects earnings. The ineffective portion of gains or losses on the derivative instruments are recognized in current earnings and are included within net cash provided by operating activities.

Notes to Condensed Consolidated Financial Statements
(dollars and shares in thousands, except per share data)
(unaudited)

The following tables provide information related to the Company's derivatives:

Derivatives Designated as Hedging Instruments	Balance Sheet Classification	Fair Value	
		At October 2, 2011	At July 2, 2011
Foreign exchange contracts	Other Current Assets	$ 2,924	$ 2,020
Total derivative assets		$ 2,924	$ 2,020
Foreign exchange contracts	Accrued Liabilities	$ 11,398	$ 1,713
Total derivative liabilities		$ 11,398	$ 1,713

Derivatives in Cash Flow Hedging Relationships	Amount of Loss Recognized in OCI on Derivatives (Effective Portion)	
	Quarter Ended	
	October 1, 2011	October 2, 2010
Foreign exchange contracts	$ (2,332)	$ (5,816)
Total	$ (2,332)	$ (5,816)

For the first quarter of fiscal 2012 and fiscal 2011, the amounts above are net of tax of $2,469 and $3,882, respectively.

Location of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	
	Quarter Ended	
	October 1, 2011	October 2, 2010
Cost of Sales	$ (2,913)	$ (840)
Total	$ (2,913)	$ (840)

During the three months ended October 1, 2011 and October 2, 2010, there were no material gains or losses recognized in income due to hedge ineffectiveness.

The Company expects that $3,311 of net derivative losses included in accumulated other comprehensive income at October 1, 2011 will be reclassified into earnings within the next 12 months. This amount will vary due to fluctuations in the Japanese yen and Canadian dollar exchange rates.

Hedging activity affected accumulated other comprehensive (loss) income, net of tax, as follows:

	October 1, 2011	July 2, 2011
Balance at prior year end balance sheet date	$ (1,465)	$ (2,092)
Net losses transferred to earnings	1,767	10,021
Change in fair value, net of tax	(2,332)	(9,394)
Balance at end of period	$ (2,030)	$ (1,465)

9. Goodwill and Intangible Assets

The change in the carrying value of goodwill for the first three months of fiscal 2012 ended October 1, 2011, by operating segment, is as follows:

	Direct-to-Consumer	Indirect	Total
Goodwill balance at July 2, 2011	$ 329,488	$ 1,516	$ 331,004
Acquisition of Singapore retail business	5,292	-	5,292
Foreign exchange impact	15,682	-	15,682
Goodwill balance at October 1, 2011	$ 350,462	$ 1,516	$ 351,978

At October 1, 2011 and July 2, 2011, intangible assets not subject to amortization consisted of $9,788 of trademarks.

10. Segment Information

The Company operates its business in two reportable segments: Direct-to-Consumer and Indirect. The Company's reportable segments represent channels of distribution that offer similar merchandise and service and utilize similar marketing strategies. Sales of Coach products through Company-operated stores in North America, Japan, Hong Kong, Macau, mainland China and Singapore, and the Internet constitute the Direct-to-Consumer segment. The Indirect segment includes sales to wholesale customers in over 20 countries, including the United States, and royalties earned on licensed product. In deciding how to allocate resources and assess performance, the Company's executive officers regularly evaluate the net sales and operating income of these segments. Operating income is the gross margin of the segment less direct expenses of the segment. Unallocated corporate expenses include production variances, general marketing, administration and information systems expenses, as well as distribution and consumer service expenses.

In connection with the acquisition of the retail business in Singapore, the Company evaluated the composition of its reportable segments and concluded that sales in this region should be included in the Direct-to-Consumer segment. Accordingly, prior year comparable sales and operating income have been reclassified to conform to the current year presentation.

Notes to Condensed Consolidated Financial Statements
(dollars and shares in thousands, except per share data)
(unaudited)

	Direct-to-Consumer	Indirect	Corporate Unallocated	Total
Quarter Ended October 1, 2011				
Net sales	$ 910,275	$ 140,084	$ -	$ 1,050,359
Operating income	364,898	77,950	(120,882)	321,966
Income before provision for income taxes	364,898	77,950	(122,244)	320,604
Depreciation and amortization expense	21,448	2,567	8,039	32,054
Additions to long-lived assets	18,889	7,193	9,897	35,979
Quarter Ended October 2, 2010				
Net sales	$ 777,222	$ 134,447	$ -	$ 911,669
Operating income	301,469	74,928	(90,737)	285,660
Income before provision for income taxes	301,469	74,928	(91,299)	285,098
Depreciation and amortization expense	21,220	3,036	7,995	32,251
Additions to long-lived assets	20,026	2,171	4,593	26,790

The following is a summary of the common costs not allocated in the determination of segment performance:

	Quarter Ended	
	October 1, 2011	October 2, 2010
Production variances	$ 8,677	$ 16,367
Advertising, marketing and design	(50,692)	(37,406)
Administration and information systems	(64,260)	(57,496)
Distribution and customer service	(14,607)	(12,202)
Total corporate unallocated	$ (120,882)	$ (90,737)

11. Stock Repurchase Program

Purchases of Coach’s common stock are made subject to market conditions and at prevailing market prices, through the open market. Repurchased shares of common stock become authorized but unissued shares and may be issued in the future for general corporate and other purposes. The Company may terminate or limit the stock repurchase program at any time.

Coach accounts for stock repurchases and retirements by allocating the repurchase price to common stock, additional paid-in-capital and retained earnings. The repurchase price allocation is based upon the equity contribution associated with historical issuances, beginning with the earliest issuance. During the fourth quarter of fiscal 2010, cumulative stock repurchases allocated to retained earnings have resulted in an accumulated deficit balance. Since its initial public offering, the Company has not experienced a net loss in any fiscal year, and the net accumulated deficit balance in stockholders’ equity is attributable to the cumulative stock repurchase activity.

For the first quarter of fiscal 2012 and fiscal 2011, the Company repurchased and retired 1,067 and 3,585 shares of common stock at an average cost of $55.30 and $38.35 per share, respectively. As of October 1, 2011, Coach had $902,627 remaining in the stock repurchase program.

12. Recent Accounting Developments

In May 2011, Accounting Standards Codification 820-10 “*Fair Value Measurements and Disclosures*,” was amended to clarify certain disclosure requirements and improve consistency with international reporting standards. This amendment is to be applied prospectively and is effective for the Company beginning January 1, 2012. The Company does not expect its adoption to have a material effect on its consolidated financial statements.

Notes to Condensed Consolidated Financial Statements
(dollars and shares in thousands, except per share data)
(unaudited)

Accounting Standards Codification Topic 220, "*Comprehensive Income*," was amended in June 2011 to require entities to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendment does not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income under current GAAP. This guidance is effective for the Company's fiscal year and interim periods beginning July 1, 2012. The Company is currently evaluating this guidance, but does not expect its adoption to have a material effect on its consolidated financial statements.

In September 2011, Accounting Standards Codification 350-20 "*Intangibles - Goodwill and Other – Goodwill*" was amended to allow entities to assess qualitative factors to determine if it is more-likely-than-not that goodwill might be impaired, and whether it is necessary to perform the two-step goodwill impairment test required under current accounting standards. This guidance is effective for the Company's fiscal year beginning July 1, 2012. The Company does not expect its adoption to have a material effect on its consolidated financial statements.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of Coach's financial condition and results of operations should be read together with Coach's condensed consolidated financial statements and notes to those statements, included elsewhere in this document. When used herein, the terms "Coach," "Company," "we," "us" and "our" refer to Coach, Inc., including consolidated subsidiaries.

EXECUTIVE OVERVIEW

Coach is a leading American marketer of fine accessories and gifts for women and men. Our product offerings include women's and men's bags, accessories, business cases, footwear, wearables, jewelry, sunwear, travel bags, watches and fragrance. Coach operates in two segments: Direct-to-Consumer and Indirect. The Direct-to-Consumer segment includes sales to consumers through Company-operated stores in North America, Japan, Hong Kong, Macau, mainland China, Singapore, and the Internet. The Indirect segment includes sales to wholesale customers in over 20 countries, including the United States, and royalties earned on licensed product. As Coach's business model is based on multi-channel international distribution, our success does not depend solely on the performance of a single channel or geographic area.

In order to sustain growth within our global framework, we continue to focus on two key growth strategies: increased global distribution, with an emphasis on North America and China, and improved store sales productivity. To that end, we are focused on five key initiatives:

- Build market share in North America's growing accessories market in part by expanding our North American retail store base by opening stores in new markets and adding stores in under-penetrated existing markets. We believe that North America can support about 500 retail stores in total, including up to 30 in Canada. We expect to open about 15 net new retail stores and 25 factory outlets in fiscal 2012. The pace of our future retail store openings will depend upon the economic environment and will reflect opportunities in the marketplace. In addition, as part of our culture of innovation and continuous improvement, we have implemented a number of initiatives to accelerate the level of distinctive newness, elevate our product offering and enhance the in-store experience. These initiatives will enable us to maximize productivity and continue to leverage our leadership position in the market.

- Raise brand awareness and build market share in markets in which Coach is under-penetrated, most notably in Asia, where China is our largest geographic growth opportunity, given the size of the market, its rate of growth, and our increasing brand awareness. We currently plan to open about 30 new locations in China during fiscal 2012, with the majority in mainland China. Outside of Asia, we are developing the brand opportunity as we expand into Europe and South America.

- Focus on the Men's opportunity for the brand, notably in North America and Asia, while drawing on our long heritage in the category. We have implemented a number of initiatives to elevate our Men's product offering through image-enhancing and accessible locations. We are leveraging the Men's opportunity by opening new locations, notably in factory, and as a productivity driver with a broadened assortment, dual-gender stores and shop-in-shop store executions.

- Continue to expand market share with the Japanese consumer, driving growth in Japan primarily by opening new retail locations. We believe that Japan can support about 180 retail locations in total. We currently plan to open approximately 15 net new locations, most notably Men's, during fiscal 2012.

- Raise brand awareness and maximize e-commerce sales through our digital strategy, coach.com, our global e-commerce sites, marketing sites and social networking. The Company utilizes and continues to explore implementing new technologies such as our global web presence, with 17 informational websites in 18 countries, with e-commerce enabled in the United States, Canada and Japan, social networking and blogs as cost-effective consumer communication opportunities to increase on-line and store sales.

We believe the growth strategies outlined above will allow us to deliver long-term superior returns on our investments and drive increased cash flows from operating activities. Although the current macroeconomic environment has improved, consumers, notably in North America and Japan, remain cautious. The Company believes long-term growth can still be achieved through a combination of expanded distribution with an emphasis on Asia, along with a focus on innovation to support productivity and disciplined expense control. Our multi-channel distribution model is diversified and includes substantial international and factory businesses, which complement our full-price U.S. business. With an essentially debt-free balance sheet and significant cash position, we believe we are well positioned to manage our business to take advantage of profitable growth opportunities while returning cash to shareholders through common stock repurchases and dividends.

FIRST QUARTER OF FISCAL 2012 HIGHLIGHTS

The key metrics of the first quarter of fiscal 2012 were:

- Earnings per diluted share increased 15.8% to $0.73.
- Net sales increased 15.2% to $1.05 billion.
- Direct-to-consumer sales rose 17.1% to $910 million.
- Comparable store sales in North America increased 9.2%, primarily due to overall improved conversion in our factory and full-priced stores.
- In North America, Coach opened nine new factory stores including eight Men's, bringing the total number of retail and factory stores to 345 and 152, respectively, at the end of the first quarter of fiscal 2012.
- Coach China results continued to be strong with double-digit growth in comparable stores. Coach China opened five net new locations, bringing the total number of locations at the end of the first quarter of fiscal 2012 to 71.
- Coach Japan opened two net new locations, bringing the total number of locations at the end of the first quarter of fiscal 2012 to 171.

RESULTS OF OPERATIONS

FIRST QUARTER FISCAL 2012 COMPARED TO FIRST QUARTER FISCAL 2011

The following table summarizes results of operations for the first quarter of fiscal 2012 compared to the first quarter of fiscal 2011:

	Quarter Ended					
	October 1, 2011		October 2, 2010		Variance	
	(dollars in millions, except per share data) (unaudited)					
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	$ 1,050.4	100.0%	$ 911.7	100.0%	$ 138.7	15.2%
Gross profit	764.7	72.8	676.2	74.2	88.5	13.1
Selling, general and administrative expenses	442.7	42.1	390.5	42.8	52.2	13.4
Operating income	322.0	30.7	285.7	31.3	36.3	12.7
Interest income, net	0.1	0.0	0.2	0.0	(0.1)	nm *
Other expense	(1.5)	(0.1)	(0.8)	(0.1)	(0.7)	nm *
Provision for income taxes	105.6	10.1	96.2	10.6	9.4	9.8
Net income	215.0	20.5	188.9	20.7	26.1	13.8
Net income per share:						
Basic	$ 0.74		$ 0.64		$ 0.10	16.4%
Diluted	0.73		0.63		0.10	15.8

* - Percentage change is not meaningful

Net Sales

Net sales by business segment in the first quarter of fiscal 2012, compared to the first quarter of fiscal 2011, were as follows:

	Quarter Ended (unaudited)				
	Net Sales			Percentage of Total Net Sales	
	October 1, 2011	October 2, 2010	Rate of Change	October 1, 2011	October 2, 2010
	(dollars in millions)				
Direct-to-Consumer	$ 910.3	$ 777.2	17.1%	86.7%	85.3%
Indirect	140.1	134.4	4.2	13.3	14.7
Total net sales	$ 1,050.4	$ 911.7	15.2	100.0%	100.0%

Direct-to-Consumer

Net sales increased 17.1% to $910.3 million during the first quarter of fiscal 2012 from $777.2 million during the same period in fiscal 2011, primarily driven by sales increases in our Company-operated stores in North America and China.

In North America, net sales increased 14.3% driven by a 9.2% increase in comparable store sales, including online sales, and sales from new and expanded stores. Since the end of the first quarter of fiscal 2011, Coach opened 24 new factory stores, and expanded seven factory stores in North America. In Japan, net sales increased 10.4% driven by an approximately $16.2 million or 9.4% positive impact from foreign currency exchange. Since the end of the first quarter of fiscal 2011, Coach opened eight net new locations and expanded three locations in Japan. Coach China results continued to be strong with double-digit percentage growth in comparable store sales. Since the end of the first quarter of fiscal 2011, Coach opened 22 net new stores in Hong Kong and mainland China.

Indirect

Net sales increased 4.2% to $140.1 million in the first quarter of fiscal 2012 from $134.4 million during the same period of fiscal 2011. The increase was driven primarily by a 6.1% increase in Coach International Wholesale net shipments. Licensing revenue of approximately $4.8 million and $4.2 million in the first quarter of fiscal 2012 and fiscal 2011, respectively, is included in Indirect sales.

Operating Income

Operating income increased 12.7% to $322.0 million in the first quarter of fiscal 2012 as compared to $285.7 million in the first quarter of fiscal 2011. Operating margin decreased to 30.7% as compared to 31.3% in the same period of the prior year.

Gross profit increased 13.1% to $764.7 million in the first quarter of fiscal 2012 from $676.2 million during the same period of fiscal 2011. Gross margin was 72.8% in the first quarter of fiscal 2012 as compared to 74.2% during the same period of fiscal 2011.

Selling, general and administrative expenses increased 13.4% to $442.7 million in the first quarter of fiscal 2012 as compared to $390.5 million in the first quarter of fiscal 2011, driven primarily by increased selling expenses and investments in our digital and e-commerce infrastructure. As a percentage of net sales, selling, general and administrative expenses decreased to 42.1% during the first quarter of fiscal 2012 as compared to 42.8% during the first quarter of fiscal 2011 as we leveraged our selling expense base on higher sales.

Selling expenses were $303.5 million, or 28.9% of net sales, in the first quarter of fiscal 2012 compared to $269.1 million, or 29.5% of net sales, in the first quarter of fiscal 2011. The dollar increase in selling expenses was due to higher operating expenses in Coach China and North American stores due to higher sales and new store openings. Coach China and North American store expenses as a percentage of sales decreased primarily due to operating efficiencies and sales leverage. The decrease in Coach Japan operating expenses in constant currency of $1.2 million was offset by the impact of foreign currency exchange rates which increased reported expenses by approximately $6.0 million.

Advertising, marketing, and design costs were $57.8 million, or 5.5% of net sales, in the first quarter of fiscal 2012, compared to $51.0 million, or 5.6% of net sales, during the same period of fiscal 2011. The increase was primarily due to marketing expenses related to consumer communications, which includes our digital strategy through coach.com, our global e-commerce sites, marketing sites and social networking. The Company operates informational websites in 18 countries, and utilizes social networking and blogs as cost-effective consumer communication opportunities to increase on-line and store sales and build brand awareness. Also contributing to the increase were new design expenditures and development costs for new merchandising initiatives.

Distribution and consumer service expenses were $15.4 million, or 1.4% of net sales, in the first quarter of fiscal 2012, compared to $12.9 million, or 1.5% of net sales, in the first quarter of fiscal 2011. To support our growth in China and the region, during the second half of fiscal 2010 we established an Asia distribution center in Shanghai, owned and operated by a third-party, allowing us to better manage the logistics in this region. During the first quarter of fiscal 2012, the Asia distribution center contributed to the increase in distribution and consumer service expenses; however in the long run, the Company expects the Asia distribution center to reduce costs as a percentage of net sales.

Administrative expenses were $66.0 million, or 6.3% of net sales, in the first quarter of fiscal 2012 compared to $57.5 million, or 6.3% of net sales, during the same period of fiscal 2011. The increase in administrative expenses was primarily due to higher share-based compensation and systems investment.

Provision for Income Taxes

The effective tax rate was 32.94% in the first quarter of fiscal 2012 as compared to 33.75% in the first quarter of fiscal 2011. The decrease in the effective tax rate is primarily attributable to higher profitability in lower tax rate jurisdictions in which income is earned, due to the increased globalization of the Company.

Net Income

Net income was $215.0 million in the first quarter of fiscal 2012 as compared to $188.9 million in the first quarter of fiscal 2011. This increase was primarily due to an improvement in operating income as well as a decrease in the Company's effective tax rate.

FINANCIAL CONDITION

Cash Flow

Net cash provided by operating activities was $225.0 million in the first quarter of fiscal 2012 compared to $177.5 million in the first quarter of fiscal 2011. The increase of $47.5 million was primarily the result of $26.1 million higher net income in the current period, as well as changes in deferred income taxes year-over-year. Deferred income taxes were a source of cash of $34.3 million in fiscal 2012 compared to $9.9 million in fiscal 2011, due to the timing of certain deferred tax items. In total, cash outflows from working capital accounts were in line year-over-year, at approximately $70 million. During the first quarter the Company invests in inventory for the holiday selling season and typically generates higher levels of trade receivables.

Net cash used in investing activities was $38.5 million in the first quarter of fiscal 2012 compared to $14.5 million in the first quarter of fiscal 2011, an increase of $24.0 million, due to increased capital investment. The company acquired its domestic retail business in Singapore from the former distributor for an aggregate purchase price of $7.6 million. Additionally, purchases of property and equipment were $30.9 million in the current fiscal period, which was $7.8 million higher than the prior year period, reflecting planned increased capital investment. Proceeds from maturities and sales of investments, net of purchases of investments, resulted in investing cash inflows of $9.3 million in the prior fiscal period. The Company had no comparable investment activity in the current fiscal year period.

Net cash used in financing activities was $42.5 million in the first quarter of fiscal 2012 compared to $140.3 million in the first quarter of fiscal 2011. The decrease of $97.8 million in net cash used in the current fiscal period was primarily attributable to $78.5 million less cash expended for repurchases of common stock and $27.4 million incremental proceeds from exercises of share-based awards, partially offset by $20.5 million of higher dividend payments, due to the higher dividend payment rate in the current fiscal period.

Revolving Credit Facilities

On July 26, 2007, the Company renewed its $100 million revolving credit facility with certain lenders and Bank of America, N.A. as the primary lender and administrative agent (the “Bank of America facility”), extending the facility expiration to July 26, 2012. At Coach’s request and the lenders’ consent, the Bank of America facility can be expanded to $200 million. The facility can also be extended for two additional one year periods, at Coach’s request and the lenders’ consent.

Coach’s Bank of America facility is available for seasonal working capital requirements or general corporate purposes and may be prepaid without penalty or premium. During the first three months of fiscal 2012 and fiscal 2011 there were no borrowings under the Bank of America facility. As of October 1, 2011 and July 2, 2011, there were no outstanding borrowings under the Bank of America facility. The Company’s borrowing capacity as of October 1, 2011 was $92.4 million, due to outstanding letters of credit.

Coach pays a commitment fee of 6 to 12.5 basis points on any unused amounts and interest of LIBOR plus 20 to 55 basis points on any outstanding borrowings. Both the commitment fee and the LIBOR margin are based on the Company’s fixed charge coverage ratio. At October 1, 2011, the commitment fee was 7 basis points and the LIBOR margin was 30 basis points.

The Bank of America facility contains various covenants and customary events of default. Coach has been in compliance with all covenants since its inception.

To provide funding for working capital and general corporate purposes, Coach Japan has available credit facilities with several Japanese financial institutions. These facilities allow a maximum borrowing of 4.1 billion Japanese yen, or approximately $53.2 million, at October 1, 2011. Interest is based on the Tokyo Interbank rate plus a margin of 30 basis points. There were no borrowings during the first three months of fiscal 2012 or fiscal 2011. As of October 1, 2011 and July 2, 2011, there were no outstanding borrowings under the Japanese credit facilities.

To provide funding for working capital and general corporate purposes, Coach Shanghai Limited has a credit facility that allows a maximum borrowing of 63 million Chinese renminbi, or approximately $10 million, at October 1, 2011. Interest is based on the People's Bank of China rate. There were no borrowings during the first three months of fiscal 2012 or fiscal 2011. As of October 1, 2011 and July 2, 2011, there were no outstanding borrowings under this facility.

Common Stock Repurchase Program

During fiscal 2011, the Company completed its $1.0 billion common stock repurchase program, which was put into place in April 2010. In January 2011, the Company's Board of Directors approved a new common stock repurchase program to acquire up to $1.5 billion of Coach's outstanding common stock through June 2013. Purchases of Coach common stock are made subject to market conditions and at prevailing market prices, through open market purchases. Repurchased shares become authorized but unissued shares and may be issued in the future for general corporate and other uses. The Company may terminate or limit the stock repurchase program at any time.

During the first three months of fiscal 2012 and fiscal 2011, the Company repurchased and retired 1.1 million and 3.6 million shares respectively, or $59.0 million and $137.5 million of common stock, respectively, at an average cost of $55.30 and $38.35 per share, respectively. As of October 1, 2011, Coach had $902.6 million remaining in the stock repurchase program.

Liquidity and Capital Resources

The Company expects total capital expenditures for the fiscal year ending June 30, 2012 to be approximately $200 million. Capital expenditures will be primarily for new stores in North America, Japan, Hong Kong and mainland China. We will also continue to invest in corporate infrastructure and department store and distributor locations. These investments will be financed primarily from cash on hand and operating cash flows.

Coach experiences significant seasonal variations in its working capital requirements. During the first fiscal quarter Coach builds inventory for the holiday selling season, opens new retail stores and generates higher levels of trade receivables. In the second fiscal quarter, working capital requirements are reduced substantially as Coach generates greater consumer sales and collects wholesale accounts receivable. During the first three months fiscal 2012, Coach purchased approximately $383 million of inventory, which was funded by operating cash flow.

Management believes that cash flow from continuing operations and on hand cash will provide adequate funds for the foreseeable working capital needs, planned capital expenditures, dividend payments and the common stock repurchase program. Any future acquisitions, joint ventures or other similar transactions may require additional capital. There can be no assurance that any such capital will be available to Coach on acceptable terms or at all. Coach's ability to fund its working capital needs, planned capital expenditures, dividend payments and scheduled debt payments, as well as to comply with all of the financial covenants under its debt agreements, depends on its future operating performance and cash flow, which in turn are subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond Coach's control.

Reference should be made to our most recent Annual Report on Form 10-K for additional information regarding liquidity and capital resources.

Seasonality

Because Coach products are frequently given as gifts, Coach has historically realized, and expects to continue to realize, higher sales and operating income in the second quarter of its fiscal year, which includes the holiday months of November and December. In addition, fluctuations in sales and operating income in any fiscal quarter are affected by the timing of seasonal wholesale shipments and other events affecting retail sales. Over the past several years, we have achieved higher levels of growth in the non-holiday quarters, which has reduced these seasonal fluctuations.

NON-GAAP MEASURES

Currency Fluctuation Effects

The percentage increase in sales and U.S. dollar increases in operating expenses in the first quarter of fiscal 2012 for Coach Japan have been presented both including and excluding currency fluctuation effects from translating these foreign-denominated amounts into U.S. dollars and comparing these figures to the same periods in the prior fiscal year.

We believe that presenting Coach Japan sales and operating expense increases, including and excluding currency fluctuation effects, will help investors and analysts to understand the effect on these valuable performance measures of significant year-over-year currency fluctuations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion of results of operations and financial condition relies on our consolidated financial statements that are prepared based on certain critical accounting policies that require management to make judgments and estimates that are subject to varying degrees of uncertainty. We believe that investors need to be aware of these policies and how they impact our financial statements as a whole, as well as our related discussion and analysis presented herein. While we believe that these accounting policies are based on sound measurement criteria, actual future events can and often do result in outcomes that can be materially different from these estimates or forecasts. The accounting policies and related risks described in our Annual Report on Form 10-K for the year ended July 2, 2011 are those that depend most heavily on these judgments and estimates. As of October 1, 2011, there have been no material changes to any of the critical accounting policies contained therein.

Recent Accounting Developments

In May 2011, Accounting Standards Codification 820-10 "*Fair Value Measurements and Disclosures*," was amended to clarify certain disclosure requirements and improve consistency with international reporting standards. This amendment is to be applied prospectively and is effective for the Company beginning January 1, 2012. The Company does not expect its adoption to have a material effect on its consolidated financial statements.

Accounting Standards Codification Topic 220, "*Comprehensive Income*," was amended in June 2011 to require entities to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendment does not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income under current GAAP. This guidance is effective for the Company's fiscal year and interim periods beginning July 1, 2012. The Company is currently evaluating this guidance, but does not expect its adoption to have a material effect on its consolidated financial statements.

In September 2011, Accounting Standards Codification 350-20 "*Intangibles - Goodwill and Other – Goodwill*" was amended to allow entities to assess qualitative factors to determine if it is more-likely-than-not that goodwill might be impaired, and whether it is necessary to perform the two-step goodwill impairment test required under current accounting standards. This guidance is effective for the Company's fiscal year beginning July 1, 2012. The Company does not expect its adoption to have a material effect on its consolidated financial statements.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

The market risk inherent in our financial instruments represents the potential loss in fair value, earnings or cash flows arising from adverse changes in interest rates or foreign currency exchange rates. Coach manages these exposures through operating and financing activities and, when appropriate, through the use of derivative financial instruments with respect to Coach Japan and Coach Canada. The use of derivative financial instruments is in accordance with Coach's risk management policies. Coach does not enter into derivative transactions for speculative or trading purposes.

The following quantitative disclosures are based on quoted market prices obtained through independent pricing sources for the same or similar types of financial instruments, taking into consideration the underlying terms and maturities and theoretical pricing models. These quantitative disclosures do not represent the maximum possible loss or any expected loss that may occur, since actual results may differ from those estimates.

Foreign Currency Exchange

Foreign currency exposures arise from transactions, including firm commitments and anticipated contracts, denominated in a currency other than the entity's functional currency, and from foreign-denominated revenues and expenses translated into U.S. dollars.

Substantially all of Coach's fiscal 2012 non-licensed product needs are purchased from independent manufacturers in countries other than the United States. These countries include China, United States, Italy, Hong Kong, India, Thailand, Vietnam, Macau, Philippines, Turkey, Colombia, Malaysia, Mexico, Peru, South Africa and Taiwan. Additionally, sales are made through international channels to third party distributors. Substantially all purchases and sales involving international parties, excluding consumer sales at Coach Japan, Coach Canada, Coach China and Coach Singapore, are denominated in U.S. dollars and, therefore, are not subject to foreign currency exchange risk.

In Japan and Canada, Coach is exposed to market risk from foreign currency exchange rate fluctuations resulting from Coach Japan and Coach Canada's U.S. dollar denominated inventory purchases. Coach Japan and Coach Canada enter into certain foreign currency derivative contracts, primarily zero-cost collar options, to manage these risks. As of October 1, 2011 and July 2, 2011, open foreign currency forward contracts designated as hedges with a notional amount of $169.0 million and $171.0 million, respectively, were outstanding.

Coach is also exposed to market risk from foreign currency exchange rate fluctuations with respect to Coach Japan as a result of its $109.1 million U.S. dollar-denominated fixed rate intercompany loan from Coach. To manage this risk, on June 30, 2011, Coach Japan entered into a cross currency swap transaction, the terms of which include an exchange of a yen fixed interest rate for a U.S. dollar fixed interest rate. The loan matures on December 29, 2011, at which point the swap requires an exchange of Japanese yen and U.S. dollar based notional values.

The fair value of open foreign currency derivatives included in current assets at October 1, 2011 and July 2, 2011 was $2.9 and $2.0 million, respectively. The fair value of open foreign currency derivatives included in current liabilities at October 1, 2011 and July 2, 2011 was $11.4 million and $1.7 million, respectively. The fair value of these contracts is sensitive to changes in Japanese yen and Canadian dollar exchange rates.

Coach believes that exposure to adverse changes in exchange rates associated with revenues and expenses of foreign operations, which are denominated in Japanese yen, Chinese renminbi, Hong Kong dollar, Macanese pataca, Canadian dollars, Singapore dollar and the euro, are not material to the Company's consolidated financial statements.

Interest Rate

Coach is exposed to interest rate risk in relation to its investments, revolving credit facilities and long-term debt.

The Company's investment portfolio is maintained in accordance with the Company's investment policy, which identifies allowable investments, specifies credit quality standards and limits the credit exposure of any single issuer. The primary objective of our investment activities is the preservation of principal while maximizing interest income and minimizing risk. We do not hold any investments for trading purposes. The Company's investment portfolio consists of U.S. government and agency securities as well as corporate debt securities. As the Company does not have the intent to sell and will not be required to sell these securities until maturity, investments are classified as held-to-maturity and stated at amortized cost, except for auction rate securities, which are classified as available-for-sale. At both October 1, 2011 and July 2, 2011, the Company's investments, classified as held-to-maturity, consisted of commercial paper and treasury bills valued at $2.3 million. As the adjusted book value of the commercial paper and treasury bills equals its fair value, there were no unrealized gains or losses associated with these investments. At October 1, 2011 and July 2, 2011, the Company's investments, classified as available-for-sale, consisted of a $6.0 million auction rate security. At October 1, 2011, as the auction rate security's adjusted book value equaled its fair value, there were no unrealized gains or losses associated with this investment.

As of October 1, 2011, the Company had no outstanding borrowings on its Bank of America facility, its revolving credit facilities maintained by Coach Shanghai, nor its Coach Japan facility. The fair value of any future borrowings may be impacted by fluctuations in interest rates.

As of October 1, 2011, Coach's outstanding long-term debt, including the current portion, was $24.1 million. A hypothetical 10% change in the interest rate applied to the fair value of debt would not have a material impact on earnings or cash flows of Coach.

ITEM 4. Controls and Procedures

Based on the evaluation of the Company's disclosure controls and procedures, as that term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, each of Lew Frankfort, the Chairman and Chief Executive Officer of the Company, and Jane Nielsen, Executive Vice President and Chief Financial Officer of the Company, have concluded that the Company's disclosure controls and procedures are effective as of October 1, 2011.

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Reference should be made to our most recent Annual Report on Form 10-K for additional information regarding discussion of the effectiveness of the Company's controls and procedures.

PART II – OTHER INFORMATION

ITEM 1. Legal Proceedings

Coach is involved in various routine legal proceedings as both plaintiff and defendant incident to the ordinary course of its business, including proceedings to protect Coach's intellectual property rights, litigation instituted by persons alleged to have been injured upon premises within Coach's control and litigation with present or former employees.

As part of Coach's policing program for its intellectual property rights, Coach actively files lawsuits in the U.S. and abroad alleging acts of trademark counterfeiting, trademark infringement, patent infringement, trade dress infringement, trademark dilution and/or state or foreign law claims. At any given point in time, Coach may have a number of such actions pending. These actions often result in seizure of counterfeit merchandise and/or out of court settlements with defendants. From time to time, defendants will raise, either as affirmative defenses or as counterclaims, the invalidity or unenforceability of certain of Coach's intellectual properties.

Although Coach's litigation with present or former employees is routine and incidental to the conduct of Coach's business, as well as for any business employing significant numbers of U.S.-based employees, such litigation can result in large monetary awards when a civil jury is allowed to determine compensatory and/or punitive damages for actions claiming discrimination on the basis of age, gender, race, religion, disability or other legally protected characteristic or for termination of employment that is wrongful or in violation of implied contracts.

Coach believes that the outcome of all pending legal proceedings in the aggregate will not have a material adverse effect on Coach's business or consolidated financial statements.

ITEM 1A. Risk Factors

There are no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended July 2, 2011.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company's share repurchases during the first quarter of fiscal 2012 were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (1)
	(in thousands, except per share data)			
Period 1 (7/3/2011 - 8/6/2011)	-	$ -	-	$ 961,627
Period 2 (8/7/2011 - 9/3/2011)	556	52.69	556	932,318
Period 3 (9/4/2011 - 10/1/2011)	511	58.14	511	902,627
Total	1,067		1,067	

(1) The Company repurchases its common shares under repurchase programs that were approved by the Board of Directors as follows:

Date Share Repurchase Programs were Publicly Announced	Total Dollar Amount Approved	Expiration Date of Plan
January 25, 2011	$ 1.5 billion	June 2013

ITEM 6. Exhibits

(a) Exhibits

10.1	Performance Restricted Stock Unit Award Grant Notice and Agreement, dated August 4, 2011, between Coach andMichael Tucci
10.2	Employment Offer Letter dated July 19, 2011 between Coach to Jane Nielsen
10.3	Consulting Agreement dated October 7, 2011 between Coach and Michael F. Devine, III, which is incorporated by reference from Exhibit 10.1 to Coach's Current Report on Form 8-K filed on October 7, 2011
31.1	Rule 13(a) – 14(a)/15(d) – 14(a) Certifications
32.1	Section 1350 Certifications
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase

SIGNATURE

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

COACH, INC.
(Registrant)

By: /s/ Jane Nielsen
Name: Jane Nielsen
Title: Executive Vice President,
Chief Financial Officer and
Chief Accounting Officer

Dated: November 9, 2011

COACH

2010 Stock Incentive Plan
Performance Restricted Stock Unit Award Grant Notice and Agreement

MICHAEL D. TUCCI

Coach, Inc. (the "**Company**") is pleased to confirm that you have been granted a performance restricted stock unit award (the "**Award**"), effective as of August 4, 2011 (the "**Award Date**"), as provided in this Performance Restricted Stock Unit Award Grant Notice and Agreement (including all annexes attached hereto, this "**Agreement**") pursuant to the Coach, Inc. 2010 Stock Incentive Plan (as amended, the "**Plan**"). The Award is subject to all of the terms and conditions set forth in this Agreement.

1. **Defined Terms**. Capitalized terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Definition Annex attached hereto as Annex A.

2. **Award.** Subject to the restrictions, limitations and conditions described in this Agreement, the Company hereby awards to you as of the Award Date performance restricted stock units (the "**PRSUs**") in accordance with the terms and conditions of this Agreement. PRSUs are considered Performance Stock Units under the Plan. Each PRSU represents the right to receive one share of Common Stock upon the satisfaction of the terms and conditions of this Agreement and the Plan (and in particular the terms and conditions set forth on Annex B) (the "**Restrictions**"). While the Restrictions are in effect, the PRSUs are not transferable by you by means of sale, assignment, exchange, pledge, or otherwise. The number of PRSUs subject to the Award shall be determined in accordance with the terms of Annex B.

3. **Vesting**. The PRSUs will remain restricted and may not be sold or transferred by you until they have become vested pursuant to the terms of this Agreement and the vesting provisions set forth on Annex B.

4. **Distribution of the Award.** Except as otherwise provided by Section 5(d), on, or as soon as reasonably practicable following, each Vesting Date (and in no event later than the last date permitted by Treasury Regulation Section 1.409A-3(d)), the Committee will release the portion of the Award that has become vested as of such Vesting Date. Applicable withholding taxes will be settled by withholding a number of shares of Common Stock with a market value not less than the amount of such taxes (determined at the minimum applicable rates), and the net number of shares of Common Stock subject to the Award shall be distributed to you; *provided* that in the event that the Company is liquidated in bankruptcy (a) the Committee will not release shares of Common Stock pursuant to the Award and (b) all payments made pursuant to the Award will be made in a per-share cash payment equal to the fair market value per share of Common Stock on the distribution date.

5. **Termination of Employment**.

(a) **Death or Disability.** If prior to the Tranche 2 Vesting Date you cease active employment with the Company because of your death or Disability (i) any portion of the Award that relates to a Performance Period that ended on or prior to the Date of Termination that would have become vested had you remained employed by the Company through the applicable Vesting Date shall become vested effective as of the applicable Vesting Date and (ii) any portion of the Award that relates to a Performance Period that has not ended on or prior to the Date of Termination shall thereupon be forfeited; *provided*, *however*, that the Committee may, in its sole discretion, cause any or all of the Section 5(a) Portion to become vested effective as of the Date of Termination.

(b) **Termination without Cause or for Good Reason.** Except as otherwise provided in Section 5(d) with respect to certain terminations of employment in connection with a Change in Control, if prior to the Tranche 2 Vesting Date your employment is terminated by the Company without Cause or by you for Good Reason, all PRSUs that would have been eligible to become vested with respect to the Award had you remained employed through the Tranche 2 Vesting Date shall become vested as of each applicable Vesting Date, pursuant to the terms and conditions set forth on Annex B, based on the Company's performance through each applicable Measurement Date.

(c) **Termination for Cause or without Good Reason.** If prior to the Tranche 2 Vesting Date your employment is terminated by the Company for Cause or by you without Good Reason (including, without limitation, by reason of your retirement) all unvested portions of the Award shall thereupon be forfeited.

(d) **Certain Terminations of Employment in connection with a Change in Control.** Notwithstanding Section 5(b), if your employment is terminated by the Company without Cause or by you for Good Reason prior to the Tranche 2 Vesting Date and upon, or within the 12 month period immediately following, a Change in Control, then, effective as of the Date of Termination, the Award shall become vested with respect to (i) any PRSUs that relate to a Performance Period that ended on or prior to the Date of Termination that would have become vested had you remained employed by the Company through the applicable Vesting Date and (ii) the Section 5(d) Portion, and, notwithstanding Section 4, such vested portion of the Award shall be distributed in accordance with the provisions of Section 3 and Annex B as soon as reasonably practicable following the date of such vesting.

6. **Forfeiture**. Notwithstanding anything contained in this Agreement to the contrary, you shall be subject to the restrictive covenants set forth on Annex D hereto (the "**Restrictive Covenants**"), and you acknowledge and agree that the Company is granting you the Award in consideration for your agreement to be bound by such Restrictive Covenants. Accordingly, if you (a) violate any of the covenants set forth in Sections 1 or 2 of the Restrictive Covenants or (b) materially violate any of the covenants set forth in Sections 3, 4 or 5 of the Restrictive Covenants, then (i) any portion of the Award that has not been distributed to you prior to the date of such violation shall thereupon be forfeited and (ii) you shall be required to pay to the Company the amount of all PRSU Gain. The forfeiture provisions of this Section 6 shall also apply, and you shall also be required to pay to the Company the amount of all PRSU Gain, if you willfully commit any act of fraud, embezzlement, misappropriation, material misconduct or breach of fiduciary duty against the Company (or any predecessor thereto or successor thereof) having a material adverse impact on the Company.

7. **Award Not Transferable**. The Award will not be assignable or transferable by you, other than by a qualified domestic relations order or by will or by the laws of descent and distribution, and will be exercisable during your lifetime only by you (or your legal guardian or personal representative).

8. **Transferability of Award Shares**. The shares you will receive under the Award on or following each Vesting Date (or such other vesting date pursuant to Section 5) generally are freely tradable in the United States. However, you may not offer, sell or otherwise dispose of any shares in a way which would: (a) require the Company to file any registration statement with the Securities and Exchange Commission (or any similar filing under state law or the laws of any other country) or to amend or supplement any such filing or (b) violate or cause the Company to violate the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, any other state or federal law, or the laws of any other country. The Company reserves the right to place restrictions required by law on any shares of Common Stock received by you pursuant to the Award.

9. **Conformity with the Plan.** The Award is intended to conform in all respects with, and is subject to applicable provisions of, the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. By your acceptance of this Agreement, you agree to be bound by all of the terms of this Agreement (including the terms of any annex attached hereto) and the Plan.

10. **No Rights to Continued Employment.** Nothing in this Agreement confers any right on you to continue in the employ of the Company and any of its affiliates or direct or indirect subsidiaries or affects in any way the right of the Company and any of its affiliates or direct or indirect subsidiaries to terminate your employment at any time with or without cause.

11. **Miscellaneous**.

(a) **Amendment or Modifications**. The grant of the Award (and the allocation of PRSUs for any Performance Period) is documented by the minutes of the Committee, which records are the final determinant of the number of PRSUs granted in any Performance Period and the conditions of any such grant. The Committee may amend or modify the Award in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Award, *provided* that no such amendment or modification shall directly or indirectly impair or otherwise adversely affect your rights under this Agreement (including, without limitation, under Annex B) without your prior written consent. Except as in accordance with the two immediately preceding sentences, this Agreement may be amended, modified or supplemented only by an instrument in writing signed by both parties hereto.

(b) **Governing Law**. All matters regarding or affecting the relationship of the Company and its stockholders shall be governed by the General Corporation Law of the State of Maryland. All other matters arising under this Agreement shall be governed by the internal laws of the State of New York, including matters of validity, construction and interpretation. You and the Company agree that all claims in respect of any action or proceeding arising out of or relating to this Agreement shall be heard or determined in any state or federal court sitting in New York, New York and you and the Company agree to submit to the jurisdiction of such courts, to bring all such actions or proceedings in such courts and to waive any defense of inconvenient forum to such actions or proceedings. A final judgment in any action or proceeding so brought shall be conclusive and may be enforced in any manner provided by law.

(c) **Successors and Assigns**. Except as otherwise provided herein, this Agreement will bind and inure to the benefit of the respective successors and permitted assigns and heirs and legal representatives of the parties hereto whether so expressed or not.

(d) **Severability**. Whenever feasible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

12. **Section 409A**.

(a) **In General.** The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder may be subject to Section 409A, the Company may adopt (without any obligation to do so or to indemnify you for failure to do so) such limited amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company reasonably determines are necessary or appropriate to (i) exempt the amounts payable hereunder from Section 409A and/or preserve the intended tax treatment of the amounts payable hereunder or (ii) comply with the requirements of Section 409A. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from you or any other individual to the Company or any of its affiliates, employees or agents.

(b) **Specified Employee Separation from Service.** Notwithstanding anything to the contrary in this Agreement, if you are determined to be a “specified employee” within the meaning of Section 409A as of the date of your “separation from service” as defined in Treasury Regulation Section 1.409A-1(h) (or any successor regulation), and if any payments or entitlements provided for in this Agreement constitute a “deferral of compensation” within the meaning of Section 409A and therefore cannot be paid or provided in the manner provided herein without subjecting you to additional tax, interest or penalties under Section 409A, then any such payment and/or entitlement which would have been payable during the first six months following your “separation from service” shall instead be paid or provided to you in a lump sum payment on the first business day immediately following the six-month anniversary of your “separation from service” (or, if earlier, the date of your death).

[signature page follows]

In witness whereof, the parties hereto have executed and delivered this Agreement.

COACH, INC.

____
Sarah Dunn

Senior Vice President of Human Resources

Date: August 4, 2011

I acknowledge that I have read and understand the terms and conditions of this Agreement and of the Plan and I agree to be bound thereto.

AWARD RECIPIENT:

____
MICHAEL D. TUCCI

Employee ID#: ______________________

Date: _______________

DEFINITION ANNEX

For purposes of this Agreement, the following terms have the meanings set forth below:

(a) "**Award**" shall have the meaning set forth in the preamble to this Agreement.

(b) "**Award Date**" shall have the meaning set forth in the preamble to this Agreement.

(c) "**Board**" shall mean the Board of Directors of the Company.

(d) The Company shall have "**Cause**" to terminate the Executive's employment upon (i) the Executive's failure to attempt in good faith to substantially perform the duties of his/her appointed office (other than any such failure resulting from the Executive's physical or mental incapacity) which is not remedied within 30 days after receipt of written notice from the Company specifying such failure; (ii) the Executive's failure to attempt in good faith to carry out, or comply with, in any material respect any lawful and reasonable directive of the Board, which is not remedied within 30 days after receipt of written notice from the Company specifying such failure; (iii) the Executive's commission at any time of any act or omission that results in, or may reasonably be expected to result in, a conviction, plea of no contest, or imposition of unadjudicated probation for any felony (or any other crime involving fraud, embezzlement, material misconduct or misappropriation having a material adverse impact on the Company); (iv) the Executive's unlawful use (including being under the influence) or possession of illegal drugs on the Company's premises or while performing the Executive's duties and responsibilities; or (v) the Executive's willful commission at any time of any act of fraud, embezzlement, misappropriation, misconduct, or breach of fiduciary duty against the Company (or any predecessor thereto or successor thereof) having a material adverse impact on the Company.

i) A "**Change in Control**" shall occur upon any of the following events:

(i) A "Person" (which term, for purposes of this Section, shall have the meaning it has when it is used in Section 13(d) of the Exchange Act, but shall not include the Company, any underwriter temporarily holding securities pursuant to an offering of such securities, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Voting Stock of the Company) is or becomes the Beneficial Owner (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of Voting Stock representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or

(ii) The Company consummates a reorganization, merger or consolidation of the Company or the Company sells, or otherwise disposes of, all or substantially all of the Company's property and assets, or the stockholders of the Company approve a liquidation or dissolution of the Company (other than a reorganization, merger, consolidation or sale which would result in all or substantially all of the beneficial owners of the Voting Stock of the Company outstanding immediately prior thereto continuing to beneficially own, directly or indirectly (either by remaining outstanding or by being converted into voting securities of the resulting entity), more than fifty percent (50%) of the combined voting power of the voting securities of the Company or such entity resulting from the transaction (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's property or assets, directly or indirectly) outstanding immediately after such transaction in substantially the same proportions relative to each other as their ownership immediately prior to such transaction); or

(iii) During any period of 12 consecutive months, individuals who, at the beginning of such period, constitute the Board together with any new Director(s) (other than a Director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in paragraphs "i" or "ii" above) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the Directors then still in office who either were Directors at the beginning of the 12-month period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof.

(f) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(g) "**Committee**" shall mean the Human Resources Committee of the Board.

(h) "**Common Stock**" shall mean the $0.01 par value common stock of the Company.

(i) "**Company**" shall mean Coach, Inc., a Maryland corporation.

(j) "**Date of Termination**" shall mean (i) if the Executive's employment is terminated by his death, the date of his death and (ii) if the Executive's employment is terminated for any other reason, the date specified in the written notice of termination delivered by the Executive to the Company (or if no such date is specified, the last day of the Executive's active employment with the Company).

(k) "**Disability**" shall mean any mental or physical illness, condition, disability or incapacity that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, and which:

(i) Prevents the Executive from discharging all of his essential job responsibilities and employment duties;

(ii) Shall be attested to in writing by a physician or group of physicians selected by the Executive and acceptable to the Company; and

(iii) Has prevented the Executive from so discharging his duties for any 180 days in any 365 day period.

A Disability shall be deemed to have occurred on the 180th day in such 365 day period.

(l) "**Executive**" shall mean the executive named on the first page of this Agreement.

(m) "**Fair Market Value**" shall mean, as of any given date, the fair market value of a share of Common Stock on such date determined by such methods or procedures as may be established from time to time by the Committee. Unless otherwise determined by the Committee, the Fair Market Value of a share of Common Stock as of any date shall be the closing price for a share of Common Stock as reported on the New York Stock Exchange (or any national securities exchange on which the Common Stock is then listed) for such date or, if no such prices are reported for that date, the closing price on the next preceding date for which such prices were reported.

(n) A performance level of "**Good**" with respect to any Performance Goal shall have the meaning set forth on Annex C.

(o) The Executive shall have "**Good Reason**" to resign his employment upon the occurrence of any of the following: (i) failure of the Company to continue the Executive in the position of his/her appointed office; (ii) a material diminution in the nature or scope of the Executive's responsibilities, duties or authority (including, without limitation, the Executive's failure to continue to serve as member of the Board); (iii) relocation of the Company's executive offices more than 50 miles away from the executive offices at which he/she has agreed to work; (iv) failure of the Company to timely make any material payment or provide any material benefit under the Executive's employment agreement with the Company, or the Company's material reduction of any compensation, equity or benefits that the Executive is eligible to receive under his employment agreement; or (v) the Company's material breach of the Executive's employment agreement; *provided, however,* that notwithstanding the foregoing the Executive may not resign his employment for Good Reason unless: (x) the Executive provides the Company with at least 30 days prior written notice of his intent to resign for Good Reason (which notice is provided not later than the 60th day following the occurrence of the event constituting Good Reason) and (y) the Company does not remedy the alleged violation(s) within such 30-day period; and, *provided, further*, that Executive may resign his employment for Good Reason if in connection with any Change in Control the surviving entity does not assume his employment agreement (or, with the written consent of the Executive, substitute a substantially identical agreement) with respect to the Executive in writing delivered to the Executive prior to, or as soon as reasonably practicable following, the occurrence of such Change in Control

(p) A performance level of "**Marginal**" with respect to any Performance Goal shall have the meaning set forth on Annex C.

(q) "**Measurement Date**" shall have the meaning set forth on Annex B.

(r) A performance level of "**Outstanding**" with respect to any Performance Goal shall have the meaning set forth on Annex C.

(s) "**Performance Criteria**" shall mean the criteria that the Committee selects for purposes of establishing the Performance Goals. The Performance Criteria that will be used to establish Performance Goals are limited to the following: net earnings (either before or after one or more of the following: interest, taxes, depreciation and amortization); economic value-added (as determined by the Committee); gross or net sales or revenue; net income (either before or after taxes); adjusted net income; operating earnings, income or profit; cash flow (including, but not limited to, operating cash flow and free cash flow); funds from operations; return on capital; return on investment; return on stockholders' equity; return on assets or net assets; stockholder returns; return on sales; gross or net profit or operating margin; costs; productivity; expenses; operating efficiency; cost reduction or savings; customer satisfaction; working capital; earnings or diluted earnings per share; adjusted earnings per share; price per share of Common Stock; implementation or completion of critical projects; market share; and economic value, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices. The Committee shall, within the time prescribed by Section 162(m) of the Code, define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Period.

(t) “**Performance Goals**” shall mean the Performance Goals (as defined in the Plan) established in writing by the Committee for any Performance Period, based on the Performance Criteria, and set forth on Annex C.

(u) “**Performance Period Tranche 1**” shall mean the period beginning on July 3, 2011 and ending on June 29, 2013, and “**Performance Period Tranche 2**” shall mean the period beginning on June 30, 2013 and ending on June 27, 2015 (each, a “**Performance Period**” and, collectively, the “**Performance Periods**”).

(v) “**Plan**” shall have the meaning set forth in the preamble to this Agreement.

(w) “**PRSU**” shall have the meaning set forth in Section 2 of this Agreement.

(x) “**PRSU Gain**” shall mean an amount equal to the product of (i) the number of shares of Common Stock that are distributed pursuant to the PRSU Award and (ii) the Fair Market Value per share of Common Stock on the date of such distribution.

(y) “**Section 409A**” shall mean Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or guidance that may be issued after the date hereof.

(z) “**Section 5(a) Portion**” shall mean a number of PRSUs equal to the excess of (i) the sum of (A) **36,150** PRSUs (the Target Number of Performance Period Tranche 1 PRSUs) and (B) the Target Number of Performance Period Tranche 2 PRSUs or, if the Date of Termination occurs prior to the determination of such Target Number, the ratio of (x) **$2,100,000** to (y) the Fair Market Value per share of Common Stock on the first day of the fiscal year in which the Date of Termination due to death or Disability occurs, over (ii) the Target Number of PRSUs for any period that ended on or prior to the Date of Termination.

(aa) “**Section 5(d) Portion**” shall mean a number of PRSUs equal to the excess of (i) the sum of (A) **36,150** PRSUs (the Target Number of Performance Period Tranche 1 PRSUs) and (B) the Target Number of Performance Period Tranche 2 PRSUs or, if the Date of Termination occurs prior to the determination of such Target Number, the ratio of (x) $**2,100,000** to (y) the Fair Market Value per share of Common Stock on the first day of the fiscal year in which the Date of Termination occurs, over (ii) the Target Number of PRSUs for any performance period that ended on or prior to the Date of Termination.

(bb) A performance level of "**Superior**" with respect to any Performance Goal shall have the meaning set forth on Annex C.

(cc) "**Target Number of PRSUs**" shall, with respect to each of Performance Period Tranche 1 and Performance Period Tranche 2, mean that certain number of PRSUs calculated in accordance with the formula set forth on Annex B for the applicable Performance Period.

(dd) "**Tranche 2 Vesting Date**" shall mean the Vesting Date set forth in Annex B for the Performance Period Tranche 2 PRSUs.

(ee) "**Vesting Date**" shall mean each vesting date shown on the vesting schedule on Annex B.

(ff) "**Voting Stock**" shall mean all capital stock of the Company which by its terms may be voted on all matters submitted to stockholders of the Company generally.

PERFORMANCE RESTRICTED STOCK UNIT TERMS

As set forth in that certain Performance Restricted Stock Unit Award Grant Notice and Agreement to which this Annex B is attached (the **"Agreement"**), this Annex B sets forth certain terms and conditions related to the PRSUs granted pursuant to this Agreement. Capitalized terms not defined herein are defined in this Agreement or in the Definitions Annex attached to this Agreement as Annex A.

Award Date: August 4, 2011

Performance Period Tranche 1: July 3, 2011 through June 29, 2013 (i.e., the Company's 2012 through 2013 fiscal years)

Performance Period Tranche 2: June 30, 2013 through June 27, 2015 (i.e., the Company's 2014 through 2015 fiscal years)

Target Value of Award: The aggregate target value of the Award is $4,200,000, divided as follows:

(a) $2,100,000 based on performance as measured against specified pre-established Performance Goals set forth on Annex C for Performance Period Tranche 1.

(b) $2,100,000 based on performance as measured against specified pre-established Performance Goals set forth on Annex C for Performance Period Tranche 2.

Target Number of PRSUs: The Target Number of PRSUs shall be determined as follows:

(a) Performance Period Tranche 1: **36,150** PRSUs

(b) Performance Period Tranche 2: That number of PRSUs equal to the ratio of (i) $2,100,000, to (ii) the Fair Market Value per share of Common Stock on the date the Committee approves the performance goals for Performance Period Tranche 2

Fractional PRSUs shall not be granted, and the number of PRSUs determined pursuant to (b) will be rounded down to the nearest whole number to eliminate fractional PRSUs.

Actual Number of PRSUs: The actual number of PRSUs which will be eligible to vest pursuant to the Award may be greater than or less than the Target Number of PRSUs based on the Company's achievement of the Performance Goals set forth on Annex C, as determined as of the last day of each Performance Period (each, a "Measurement Date"), as follows:

With respect to the performance of the Company in each of Performance Period Tranche 1 and Performance Period Tranche 2, the actual number of PRSUs eligible to vest, as determined as of the applicable Measurement

Date, shall be:

(i) Zero, if the Company performance level for such Performance Period is less than or equal to Marginal;
(ii) 67% of the Target Number of PRSUs for such Performance Period if the Company performance level for such Performance Period is Good;
(iii) 100% of the Target Number of PRSUs for such Performance Period if the Company performance level for such Performance Period is Superior; and
(iv) 133% of the Target Number of PRSUs for such Performance Period if the Company performance level for such Performance Period is Outstanding.

If the Company performance level for a Performance Period is between Marginal and Good, between Good and Superior, or between Superior and Outstanding, the number of PRSUs that may become vested with respect to such Performance Period shall be determined by means of linear interpolation.

The PRSUs determined as of each Measurement Date shall vest in accordance with the Vesting Schedule set forth below for the applicable Performance Period.

Vesting Schedule:

(a) Vesting of PRSUs:

Subject to subsection (b), below, the PRSUs determined as of each Measurement Date shall become vested on the applicable Vesting Dates as follows:

The Vesting Dates for the Performance Period Tranche 1 PRSUs shall be June 28, 2014 with respect to the first 50% of Performance Period Tranche 1 PRSUs, and June 27, 2015 with respect to the second 50% of the Performance Period Tranche 1 PRSUs.

The Vesting Date for the Performance Period Tranche 2 PRSUs shall be July 2, 2016.

(b) Termination of Employment Prior to Vesting Date:

Notwithstanding the foregoing subsection (a), in the event of the Executive's termination of employment prior to the Tranche 2 Vesting Date, any unvested PRSUs shall be subject to forfeiture in accordance with Section 5 of this Agreement (and no PRSUs that are forfeited pursuant to Section 5 of this Agreement shall become vested pursuant to this Annex B).

Dividend Equivalents:

(a) Subject to subsection (b) below, the Executive shall be eligible to receive Dividend Equivalents (as defined in the Plan) with respect to the Award (the "Dividend Equivalent PRSUs"). For purposes of determining the amount of Dividend Equivalent PRSUs on each dividend record date, an amount representing dividends payable on the number of shares of Common Stock equal to the number of PRSUs subject to the Award with respect to Performance Periods beginning on or prior to such dividend record date shall be deemed reinvested in Common Stock and credited as additional PRSUs as of the dividend payment date; *provided* that, for purposes of such determination, (i) with respect to any portion of the Award relating to Performance Periods ending prior to the fiscal year in which the dividend record date occurs, the Company's performance will be based on actual results for such prior Performance Periods, and (ii) with respect to any portion of the Award relating to Performance Periods which have not ended prior to the fiscal year in which the dividend record date occurs, the Company's performance will be deemed to be Outstanding. Subject to subsection (b), below, the Dividend Equivalent PRSUs shall vest on the Vesting Date applicable to the underlying PRSUs (or, if earlier, the date such underlying PRSUs are distributed to the Executive pursuant to Section 5 of this Agreement) and shall be distributed in accordance with the terms of this Agreement.

(b) All Dividend Equivalent PRSUs (including Dividend Equivalent PRSUs paid with respect to any prior year's Dividend Equivalent PRSUs) will be subject to forfeiture if the underlying PRSUs are forfeited in accordance with the forfeiture and vesting provisions set forth in Section 5 of this Agreement and this Annex B.

Performance Goals:

The Award is intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code.

The Performance Goals set forth on Annex C shall be established and the level of achievement of such Performance Goals shall be determined in the following manner:

No later than 90 days following the commencement of each Performance Period, the Committee shall, in writing, select the Performance Criteria for such Performance Period and establish the Performance Goals and the Target Number of PRSUs which may be earned for such Performance Period based on the Performance Criteria. Following the completion of each Performance Period, the Committee shall certify in writing whether and the extent to which the Performance Goals have been achieved for such Performance Period.

Notwithstanding any other provision of this Agreement (or any of its annexes), the Award shall be subject to any additional limitations set forth in Section 162(m) of the Code or any regulations or rulings thereunder that are requirements for qualification as "performance-based compensation," and this Agreement shall be deemed amended to the extent necessary to conform to such requirements.

PERFORMANCE GOALS

I. Performance Period Tranche 1 PRSUs

The Performance Goal for the Performance Period Tranche 1 PRSUs shall equal the target to be approved by the Human Resources Committee on August 4, 2011 for the sum of aggregate sales by the Coach N.A. Retail Division (including full price stores, factory stores and coach.com), during fiscal year 2012 and fiscal 2013.

Each of the terms "Good," "Marginal," "Outstanding" and "Superior", with respect to such Performance Goal for the Performance Period Tranche 1 PRSUs, shall have the same value as adopted by the Human Resources Committee on August 4, 2011.

II. Performance Period Tranche 2 PRSUs

The Performance Goal(s) for the Performance Period Tranche 2 PRSUs shall equal the performance goals to be adopted by the Human Resources Committee of the Board under the Company's 2010 Stock Incentive Plan (together with any successor plan adopted by the Company that provides for "performance-based compensation" within the meaning of Section 162(m) of the Code, the "Stock Plan").

Each of the terms "Good," "Marginal," "Outstanding" and "Superior", with respect to any Performance Goal for Performance Period Tranche 2 PRSUs, shall have the same value as adopted by the Human Resources Committee on the date such goals are approved by the Committee.

RESTRICTIVE COVENANTS

1. The Executive shall not, at any time during his employment or during the 12-month period following the Date of Termination (the "**Restricted Period**") directly or indirectly engage in, have any equity interest in, or manage or operate any (a) Competitive Business (as defined below), or (b) new luxury accessories business that competes directly with the existing or planned product lines of the Company; *provided, however,* that the Executive shall be permitted to acquire a passive stock or equity interest in such a business provided the stock or other equity interest acquired is not more than five percent (5%) of the outstanding interest in such business. For purposes of these Restrictive Covenants, "**Competitive Business**" shall mean any entity that, as of the date of the Executive's termination of employment, the Committee has designated in its sole discretion as an entity that competes with any of the businesses of the Company, *provided* that the Committee may change its designation of Competitive Businesses at any time that is not less than 90 days prior to the Executive's termination of employment upon written notice thereof to the Executive (and any such change within the 90 day period immediately preceding the Executive's termination of employment shall not be effective).

2. During the Restricted Period, the Executive will not, directly or indirectly recruit or otherwise solicit or induce any employee, director, consultant, wholesale customer, vendor, supplier, lessor or lessee of the Company to terminate its employment or arrangement with the Company, otherwise change its relationship with the Company, or establish any relationship with the Executive or any of his affiliates for any business purpose.

3. Except as required in the good faith opinion of the Executive in connection with the performance of the Executive's duties hereunder or as specifically set forth in this Section 3, the Executive shall, in perpetuity, maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for his benefit or the benefit of any person, firm, corporation or other entity any confidential or proprietary information or trade secrets of or relating to the Company, including, without limitation, information with respect to the Company's operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, business plans, designs, marketing or other business strategies, compensation paid to employees or other terms of employment, or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such confidential or proprietary information or trade secrets. The parties hereby stipulate and agree that as between them the foregoing matters are important, material and confidential proprietary information and trade secrets and affect the successful conduct of the businesses of the Company (and any successor or assignee of the Company). Upon termination of the Executive's employment with the Company for any reason, the Executive will promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the Company's customers, business plans, designs, marketing or other business strategies, products or processes, *provided* that the Executive may retain his rolodex, address book and similar information and any non-proprietary documents he received as an employee or director.

4. Notwithstanding Section 3, the Executive may respond to a lawful and valid subpoena or other legal process or other government or regulatory inquiry but shall give the Company prompt notice thereof (except to the extent legally prohibited), and shall, as much in advance of the return date as is reasonably practicable, make available to the Company and its counsel copies of any documents sought which are in the Executive's possession or to which the Executive otherwise has reasonable access. In addition, the Executive shall reasonably cooperate with and assist the Company and its counsel at any time and in any manner reasonably requested by the Company or its counsel (with due regard for the Executive's other commitments if he is not employed by the Company) in connection with any litigation or other legal process affecting the Company of which the Executive has knowledge as a result of his employment with the Company (other than any litigation with respect to his employment agreement). In the event of such requested cooperation, the Company shall reimburse the Executive's reasonable out of pocket expenses.

5. The Executive shall not disparage the Company, any of its products or practices, or any of its directors, officers, agents, representatives, or employees, either orally or in writing, at any time. The Company (including without limitation its directors) shall not disparage the Executive, either orally or in writing, at any time. Notwithstanding the foregoing, nothing in this Section 5 shall limit the ability of the Company or the Executive, as applicable, to provide truthful testimony as required by law or any judicial or administrative process.

6. The Executive agrees that all strategies, methods, processes, techniques, marketing plans, merchandising schemes, themes, layouts, mechanicals, trade secrets, copyrights, trademarks, patents, ideas, specifications and other material or work product ("**Intellectual Property**") that the Executive creates, develops or assembles in connection with his employment hereunder shall become the permanent and exclusive property of the Company to be used in any manner it sees fit, in its sole discretion. The Executive shall not communicate to the Company any ideas, concepts, or other intellectual property of any kind (other than in his capacity as an officer of the Company) which (a) were earlier communicated to the Executive in confidence by any third party as proprietary information, or (b) the Executive knows or has reason to know is the proprietary information of any third party. Further, the Executive shall adhere to and comply with the Company's Global Business Integrity Program Guide. All Intellectual Property created or assembled in connection with the Executive's employment hereunder shall be the permanent and exclusive property of the Company. The Company and the Executive mutually agree that all Intellectual Property and work product created in connection with the Executive's employment, which is subject to copyright, shall be deemed to be "work made for hire," and that all rights to copyrights shall be vested in the Company. If for any reason the Company cannot be deemed to have commissioned "work made for hire," and its rights to copyright are thereby in doubt, then the Executive agrees not to claim to be the proprietor of the work prepared for the Company, and to irrevocably assign to the Company, at the Company's expense, all rights in the copyright of the work prepared for the Company.

7. As used in these Restrictive Covenants, the term "**Company**" shall include the Company and any of its affiliates or direct or indirect subsidiaries.

8. The Company and the Executive expressly acknowledge and agree that the agreements and covenants contained in these Restrictive Covenants are reasonable. In the event, however, that any agreement or covenant contained in these Restrictive Covenants shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, and/or over the maximum geographical area as to which it may be enforceable and/or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

July 19 2011

Jane Nielsen
3 Parley Lane
Ridgefield,
CT 06877

Dear Jane,

It is with great pleasure that I confirm our offer for the position of Chief Financial Officer and Executive Vice President of Coach, reporting to Jerry Stritzke, President and Chief Operating Officer, Coach Inc. You will be an Executive Officer of Coach, Inc. and a member of the Coach Operating Group.

If you accept our offer, we will agree the earliest possible mutually acceptable start date. Our offer includes an annual compensation package valued, at grant, at maximum at $2,093,338 and, in addition, a one-time sign-on package valued, at grant, at $3,100,000. Our offer has a total maximum value, over the first five years of your employment of over $13,566,687, with further upside possible due to stock price appreciation, and dividend reinvestment on RSU's.

Base Salary

$575,000 per annum.

Your salary will be paid monthly on the last Thursday of each calendar month.

Performance reviews are typically conducted at the end of our fiscal year, which presently runs from approximately July 1 through June 30. Any merit increases for which you may be eligible would also be determined at that time, and would take effect in September. You will be eligible for a merit increase beginning in September, 2012.

Incentive Compensation

You will be eligible to participate in the Coach, Inc. Performance-Based Annual Incentive Plan ("SOPS"), a cash incentive program under which payout is based solely on Coach's financial performance. The target bonus is 75% of your salary actually paid during the fiscal year *("actual earnings").* The maximum bonus is 100% and assumes the highest possible level of company financial performance. You will be eligible for this program beginning in fiscal year 2012. To be eligible for the bonus, you understand and agree you must be employed with Coach as of the payout date. If you resign your employment or are terminated for "cause," you are not eligible for this bonus for the fiscal year in which your employment is terminated. For the purposes of this letter, termination for "cause" is defined by Coach and includes but shall not be limited to: (1) poor performance as an employee of Coach, (2) violation of Coach's rules of conduct as provided in our Employee Guide, (3) any willful or grossly negligent breach of your duties, or (4) fraud, embezzlement or any other similar dishonest conduct
Any SOPS bonus is paid within three months of the end of the fiscal year. After you are hired, please refer to the Benefits & Pay section of the Coach intranet for the governing terms of the SOPS bonus plan.

In addition, Coach's Board of Directors has adopted the following incentive repayment policy affecting all performance-based compensation Coach pays to members of its Operating Group:

> In the event of a material restatement of the company's financial results, the Human Resources Committee of the Board of Directors ("the Committee") will review the circumstances that caused the restatement and consider accountability to determine whether an Operating Group member was negligent or engaged in misconduct. If the Committee determines that this was the case, and that the amount paid to that Operating Group member of a cash incentive award (for example SOPS), or the shares vesting of a performance-based long-term incentive award, would have been less during any period had the financial statements been correct, then the Committee will recover compensation from the responsible Operating Group member as it deems appropriate.
>
> Your acceptance of this offer includes your acceptance of a binding agreement to return to the company the full amount of any compensation demanded by the Committee under this policy. This agreement will survive the longer of (i) six months following your departure from Coach, or (ii) up to six months after payment of the relevant incentive compensation.

Sign On Package

You will receive a special, one time, sign-on package valued at $3,100,000; $1,400,000 of which will be payable as cash ("Cash Bonus"), 50%, within six (6) weeks of your start date, and 50% after 12 months of service, less applicable withholding taxes. In accepting our offer, you agree that you will repay a pro-rata portion of the Cash Bonus if you voluntarily resign your employment within two years of your start date, or if your employment is terminated for "cause," as defined above. Full repayment of this Cash Bonus must occur within 30 days of your termination date. Any repayment hereunder shall be net of withholding taxes, if such repayment takes place in the same calendar year of the payment of the Cash Bonus, and, thereafter, will be on the gross amount.

You will receive the remaining value of your sign on package as a special grant of Coach, Inc. Restricted Stock Units (RSUs) valued at $1,700,000 ("Sign-on RSUs"). The number of RSUs you receive will be based on the closing stock price on date of grant. The grant date will be the first business day of the fiscal month coincident with or next following your start date. The award will vest 30% on the third anniversary of the grant date, 50% on the fourth anniversary of the grant date and 20% on the fifth anniversary of the grant date. In the event of death or permanent disability before the vesting of these awards, The Sign-on RSU's will vest in full, as of the date of death or the date on which you are determined to be permanently and totally disabled.

Equity Compensation

You will receive a new hire stock option grant valued at $500,000 on the date of the grant. The number of stock options you receive will be based on the grant price (closing price on the grant date) and on an industry standard valuation model, Black-Scholes, which determines the value of a stock option. The grant date will be the first business day of the fiscal month coincident with or next following your start date. Stock options are exercisable 1/3 after 1 year, 1/3 after 2 years, and 1/3 after 3 years. Coach may make additional, annual stock option grants each August. Any future grants will be determined based on your position, performance, time in job and other criteria Coach determines it its discretion, which are subject to change.

You will also receive a new hire RSU grant valued at $400,000 on the date of grant. The number of RSUs you receive will be based on the closing stock price on date of grant. The grant date will be the same date as your new hire stock option grant and Sign on RSU grant. The award will vest in full on the third anniversary of the grant date, conditioned upon your continued employment with us on that date. Coach may make additional, annual RSU grants each August. Any future grants will be determined based on your position, performance, time in job and other criteria Coach determines it its discretion, which are subject to change.

With regard to all equity grants, including the Sign on RSUs, after you are hired, you will receive an email alert to view and accept your Grant Agreements and have access to the Coach, Inc. Stock Incentive Plan (“the Plan”) prospectus through our service provider Fidelity via the internet. Sample forms of the stock grant agreements are included with this letter for your review; the Plan’s terms, as they may be changed from time to time, are controlling.

For clarification, in the event of death or permanent disability before the vesting of these awards, the new hire option award will vest as of the date of death or the date on which you are determined to be permanently and totally disabled. For the new hire RSU award, the HR Committee of our Board may approve a pro-rata vesting of the RSU’s, which would occur on the original vesting date,

Stock Ownership Requirements

Coach’s Board of Directors has implemented stock ownership requirements for all Vice Presidents and above. The recommended amount of stock ownership for your position is Coach stock valued at twice your annual salary, or 50,000 shares, whichever has lesser value. You will be required to meet this requirement by the time you have reached your fifth anniversary with the Company. Details about this program may be found in the Your Coach Benefits Summary Kit, included with this letter.

In addition to general restrictions on trading other types of Coach securities, as well as blackout periods, and to ensure that you do not inadvertently trade Coach securities when a non-public material event is taking place and to provide the Chairman and CEO with advance notice, you will be required to provide the Coach legal department at least 24 hours’ notice of your intent to exercise stock options, or buy or sell Coach shares, along with the details (number of shares/options) of any proposed transaction.

Transportation Allowance

While you are employed, you will be eligible for a monthly transportation allowance equal to 5.45% of your base salary (up to $3,000) plus $1,000. The allowance is subject to applicable federal, FICA, state/local taxes.

Benefits

Your other major benefits will include medical, dental, vision benefits for you and your family, Life insurance, short and long term disability for you, Coach, Inc. Savings & Profit Sharing Plan, Employee Stock Purchase Plan, employee discount program, four (4) weeks of vacation and two (2) floating holidays per year. Information about your benefits is provided in the Your Coach Benefits Summary Kit included with this letter. For clarification, there are no pre-existing condition exceptions in our medical plan, provided the conditions for you or your family members are currently covered by another plan.

Relocation

You are eligible for relocation under the Coach Relocation Policy, details of which are provided in the Your Coach Benefits Summary Kit included with this letter. We will extend the requirement to complete the relocation from the normal 12 month to 18 months following the date on which you start employment with us. When you have accepted our offer, Neil Corp, Relocation Coordinator, will be in touch to get started on managing your relocation. Should you resign your employment within two years of your start date, or if your employment is terminated for "cause," as defined above, Coach may require you to repay relocation expenses.

Severance

If your employment at Coach should cease involuntarily (e.g. position elimination) for any reason other than "cause," as defined above you will receive 12 months of the base salary in effect at the time of your termination under the Coach, Inc. Severance Pay Plan. For more information, please view the Severance Plan document on the Coach intranet. To receive separation pay, you will be required to sign a waiver and release agreement in the form provided by Coach; this agreement will include restrictions on your ability to compete with Coach and solicit Coach Employees.

Section 409A of the IRS Code.

It is expressly intended and contemplated that this letter comply with the provisions of Section 409A and that the payments hereunder will either be exempt from Section 409A or will comply with the provisions of Section 409A. This letter will be administered and interpreted in a manner consistent with this intent,

and any provision that would cause the letter to fail to satisfy Section 409A will be amended to satisfy Section 409A or be exempt therefrom (which amendment may be retroactive to the extent permitted by Section 409A), which shall be done as soon as possible. In no event shall Coach be relieved of its obligation to make any payment due under this letter by reason of this paragraph. Notwithstanding any other provision of this letter, if you are a “specified employee” within the meaning of Treas. Reg. §1.409A-1(i)(1), then the payment of any amount or the provision of any benefit under this letter which is considered deferred compensation subject to Section 409A of the Code shall be deferred for six (6) months after your “separation from service” or, if earlier, your death to the extent required by Section 409A(a)(2)(B)(i) of the Code (the “409A Deferral Period”). In the event payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. For purposes of any provision of this letter providing for reimbursements to you, such reimbursements shall be made no later than the end of the calendar year following the calendar year in which you incurred such expenses, and in no event shall the unused reimbursement amount during one calendar year be carried over into a subsequent calendar year. For purposes of this letter, you shall not be deemed to have terminated employment unless you have a “separation from service” within the meaning of U.S. Treasury Regulations Section 1.409A-1(h), where it is reasonably anticipated that no further services will be performed after such date or that the level of bona fide services you will perform after that date (whether as an employee or independent contractor) will permanently decrease to no more than 20 percent of the average level of bona fide services performed by you over the immediately preceding 36-month period. All rights to payments and benefits under this letter shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A of the Code.

Terms and Conditions

If you accept Coach's offer of employment, our relationship is "employment-at-will." That means you are free, at any time, for any reason, to end your employment with Coach and that Coach may do the same, providing that either party will give the other party three (3) months’ notice of intention to end employment. Our agreement regarding employment-at-will may not be changed, except specifically in writing signed by both the Human Resources Committee of the Coach, Inc. Board of Directors (“the

Committee”) and you. Coach may in its discretion add to, discontinue, or change compensation, duties, benefits and policies. Notwithstanding the foregoing two sentences, nothing in the preceding two sentences shall be construed as diminishing the financial obligations of either of the parties hereunder, including, without limitation, Coach’s obligations to pay Salary, Bonus, Cash Bonus, Severance, Equity Compensation, etc., pursuant to the pertinent provisions set forth above. Our offer of employment is contingent on the following:

- Formal ratification of this offer by the Human Resources Committee of the Coach, Inc. Board of Directors.

- You passing a credit/background check and verification of your identity and authorization to be employed in the United States.
- You returning a signed copy of this offer letter before your first day of work.
- You completing new hire paper work; tax forms etc. on, or prior to, your first day of work
- Your agreement to be bound by, and adhere to, all of Coach's policies in effect during your employment with Coach, and our Confidentiality, Information Security and Privacy Agreement.

Jane, we are all excited at the prospect of your joining us at Coach to build a great future, both for Coach and for yourself. This is Coach's entire offer of employment. As you review this offer, please feel free to call me at (___) ___-____ or (___) ___-____ with any questions. To accept the offer, and acknowledge you are not relying on any promise or representation that is not contained in this letter, please sign in the space below and return both copies to me on or before July 25th in the enclosed envelope.

Sincerely,

Sarah Dunn
SVP Human Resources
Coach, Inc.

I accept your offer of employment:

Jane Nielsen Date

EXHIBIT 31.1

I, Lew Frankfort, certify that,

1. I have reviewed this Quarterly Report on Form 10-Q of Coach, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2011

By: /s/ Lew Frankfort
Name: Lew Frankfort
Title: Chairman and Chief Executive Officer

I, Jane Nielsen, certify that,

1. I have reviewed this Quarterly Report on Form 10-Q of Coach, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2011

By: /s/ Jane Nielsen
Name: Jane Nielsen
Title: Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Coach, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended October 1, 2011 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2011

By: /s/ Lew Frankfort
Name: Lew Frankfort
Title: Chairman and Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Coach, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended October 1, 2011 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2011

By: /s/ Jane Nielsen
Name: Jane Nielsen
Title: Executive Vice President and Chief Financial Officer