

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 22, 2005

Coach, Inc.

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(Exact name of registrant as specified in its charter)

Maryland	1-16153	52-2242751
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(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

516 West 34th Street, New York, NY 10001

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(Address of principal executive offices) (Zip Code)

(212) 594-1850

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(Registrant's telephone number, including area code)

Item 1.01: Entry into a Material Definitive Agreement.

On August 22, 2005, Coach, Inc. entered into three-year extensions to the employment agreements of three key executives: Lew Frankfort, Chairman and Chief Executive Officer; Reed Krakoff, President and Executive Creative Director; and Keith Monda, President and Chief Operating Officer. These amendments extend the terms of the executives' employment agreements from July 2008 through August 2011.

Mr. Frankfort's extended agreement provides for an initial base salary (beginning September 1, 2005) of \$1,000,000 per year, with an initial maximum bonus pursuant to Coach's Performance-Based Annual Incentive Plan equal to 200% of his annual base salary. Pursuant to his extension, on August 22, 2005, Mr. Frankfort received a grant of options to purchase 532,717 shares of Coach common stock at an exercise price of \$32.37 per share; subject generally to Mr. Frankfort's continued employment with us, 25% of these options will vest on August 22, 2009, 25% will vest on August 22, 2010, and 50% will vest on August 22, 2011. The options will expire on August 22, 2015.

Mr. Krakoff's extended agreement provides for an initial base salary (beginning September 1, 2005) of \$2,000,000 per year, with an initial maximum bonus pursuant to Coach's Performance-Based Annual Incentive Plan equal to 150% of his annual base salary. Under his agreement extension, Mr. Krakoff is

entitled to receive additional cash bonuses of \$1,095,000 on each of July 1, 2009 and July 1, 2010 and \$2,190,000 on July 1, 2011. He will be eligible to receive additional bonuses of up to \$1,867,500 in each of fiscal years 2009 and 2010 and up to \$3,735,000 in fiscal year 2011 based on Coach's attaining pre-set financial or other operating criteria determined by the Human Resources and Governance Committee in its discretion in accordance with Section 162(m) of the United States Internal Revenue Code of 1986 (the "Code"). Pursuant to his extension, on August 22, 2005, Mr. Krakoff received a grant of options to purchase 1,686,581 shares of Coach common stock at an exercise price of \$32.37 per share; subject generally to Mr. Krakoff's continued employment with us, 25% of these options will vest on August 22, 2009, 25% will vest on August 22, 2010 and 50% will vest on August 22, 2011. The options will expire on August 22, 2015.

Mr. Monda's extended agreement provides for an initial base salary (beginning September 1, 2005) of \$750,000 per year, with an initial maximum bonus pursuant to Coach's Performance-Based Annual Incentive Plan equal to 150% of his annual base salary. Pursuant to his extension, on August 22, 2005, Mr. Monda received a grant of options to purchase 532,717 shares of Coach common stock at an exercise price of \$32.37 per share; subject generally to Mr. Monda's continued employment with us, 25% of these options will vest on August 22, 2009, 25% will vest on August 22, 2010, and 50% will vest on August 22, 2011. The options will expire on August 22, 2015.

Additional terms of the stock options received by all three executives are the same as the options they received under their initial employment agreements in July 2003; these terms are more fully described under the heading "Executive Compensation--Employment Agreements" in the Proxy Statement for Coach's 2004 Annual Meeting of Stockholders, which was filed with the Securities and Exchange Commission on September 29, 2004. Except as otherwise described above, all of the remaining terms of the executives' original employment agreements remain in effect.



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 hereunto duly authorized.

Dated: August 26, 2005

COACH, INC.

By: /s/ Carole P. Sadler

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Carole P. Sadler  
Senior Vice President, General Counsel  
and Secretary

EXHIBIT INDEX

99.1

Press Release, dated August 24, 2005

Coach Announces Extensions to Long-Term Employment Agreements for Three Key Executives; Provides First Quarter Business Update; Earnings of at Least \$0.25 Projected, up at Least 47% and Ahead of Analysts' Expectations

NEW YORK--(BUSINESS WIRE)--Aug. 24, 2005--Coach, Inc. (NYSE: COH), a leading marketer of modern classic American accessories, today announced that three key executives: Lew Frankfort, Chairman and CEO, Reed Krakoff, President and Executive Creative Director, and Keith Monda, President and Chief Operating Officer, entered into three-year extensions to their original five-year employment agreements, which will now be in effect through August 2011.

The company also announced that its first quarter results to date are tracking ahead of plan. The company now expects that fiscal first quarter sales and earnings for the period ending October 1, 2005 will increase to at least \$445 million and \$0.25 per diluted share, respectively. This compares with prior year's sales of \$344 million and earnings of \$0.17 per share and represents increases of at least 29% and 47%, respectively. The analysts' consensus estimate is currently \$0.24 per share. The company also expects fiscal year 2006 sales of about \$2.1 billion and earnings per share of at least \$1.25.

Lew Frankfort, Chairman and Chief Executive Officer of Coach, Inc., said, "I am very pleased to announce that Reed Krakoff and Keith Monda have joined me in extending their employment agreements with the company, underscoring our optimism and continued commitment towards the business. Clearly, our management team has communicated a consistent vision and instilled a culture of innovation and continuous improvement throughout Coach, driving the company to deliver exceptional financial performance during the last several years. I believe that ensuring the continuity of this leadership will be a key factor in providing excellent results well into the future."

Mr. Frankfort added, "We have seen robust sales continue throughout the summer and into the start of the fall season across all business units. All of our key performance metrics continue to demonstrate the vibrancy of the Coach brand. And we reaffirm the first quarter comparable store sales guidance presented during our August conference call. Consumers have enthusiastically embraced our transitional and fall offerings, including the updated Hamptons Weekend, Soho and Hamptons Leather collections, the new sophisticated Signature Patchwork handbag group and the Chelsea collection in leather and Optic Signature fabrications."

Coach will present at the Goldman Sachs Global Retailing Conference Thursday, September 8, 2005 at 8:55 a.m. (EDT). The audio portion of the presentation will be webcast live and archived for a period of five business days and is available to the general public. To access the live audio portion of the presentation, log onto: [http://customer.talkpoint.com/GOLD006/090705a\\_mk/default.asp?entity=coach](http://customer.talkpoint.com/GOLD006/090705a_mk/default.asp?entity=coach) or [www.coach.com/investors](http://www.coach.com/investors). (Due to the length of this URL, it may be necessary to copy and paste this hyperlink into your Internet browser's URL address field. You may also need to remove an extra space in the URL if one exists).

In should be noted that forward guidance excludes the earnings impact from the implementation of accounting for share-based payments (Statement of Financial Accounting Standards No. 123R), which is currently required in the first quarter of fiscal year 2006.

Coach, with headquarters in New York, is a leading American marketer of fine accessories and gifts for women and men, including handbags, women's and men's small leathersgoods, business cases, weekend and travel accessories, footwear, watches, outerwear, scarves, sunwear, and related accessories. Coach is sold worldwide through Coach stores, select department stores and specialty stores, through the Coach catalog in the U.S. by calling 1-800-223-8647 and through Coach's website at [www.coach.com](http://www.coach.com). Coach's shares are traded on The New York Stock Exchange under the symbol COH.

This press release contains forward-looking statements based on management's current expectations. These statements can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "intend," "estimate," "are positioned to," "continue," "project," "guidance," "forecast," "anticipated," or comparable terms. Future results may differ materially from management's current expectations, based upon risks and uncertainties such as expected economic trends, the ability to anticipate consumer preferences, the ability to control costs, etc. Please refer to Coach's latest Annual Report on Form 10-K for a complete list of risk factors.

Analysts & Media:  
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