

**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): January 20, 2010

Coach, Inc.

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(Exact name of registrant as specified in its charter)

Maryland

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(State of  
Incorporation)

1-16153

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(Commission File Number)

52-2242751

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(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)

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**Item 2.02: Results of Operations and Financial Condition.**

On January 20, 2010, Coach, Inc. (the “Company”) issued a press release (the “Press Release”) in which the Company announced its financial results for its fiscal quarter ended December 26, 2009. All information in the press release is being furnished to the Securities and Exchange Commission and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to liability under that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

The attached press release includes the following Non-GAAP financial information:

- Sales for Coach Japan have been presented both including and excluding currency fluctuation effects from translating foreign-denominated sales into U.S. dollars and compared to the same period in the prior fiscal year.

The Company believes that it is appropriate to present this supplemental information, for the following reasons:

- Presenting Coach Japan sales including and excluding currency fluctuation effects will help investors and analysts to understand the effect on this valuable performance measure of significant year-over-year currency fluctuations.

**Item 9.01: Financial Statements and Exhibits.**

(c) *Exhibits.* The following exhibit is being furnished herewith:

99.1 Text of Press Release, dated January 20, 2010

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**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: January 21, 2010

COACH, INC.

By: /s/ Todd Kahn

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Todd Kahn

Senior Vice President, General Counsel  
and Secretary

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99.1 Text of Press Release, dated January 20, 2010

## Coach Reports Second Quarter Earnings of \$0.75, Up 12%

### *Sales Rise 11% To Over \$1 Billion*

NEW YORK--(BUSINESS WIRE)--January 20, 2010--Coach, Inc. (NYSE: COH), a leading marketer of modern classic American accessories, today announced sales of \$1.07 billion for its second fiscal quarter ended December 26, 2009, compared with \$960 million reported in the same period of the prior year, an increase of 11%. Net income for the quarter totaled \$241 million, with earnings per diluted share of \$0.75. This compared to net income of \$217 million and earnings per diluted share of \$0.67 in the prior year's second quarter.

Lew Frankfort, Chairman and Chief Executive Officer of Coach, Inc., said, "We were very pleased with the strong sales and earnings growth we generated this holiday, driven in part by a return to positive North American comparable store sales. Our performance reflected continued traction of the initiatives we have put in place to adapt to the changed environment. Our customers embraced our innovative and relevant products and collections while our focus on digital and social media delivered a more engaging brand experience for many consumers."

For the second fiscal quarter, operating income totaled \$381 million, up 9% from the \$348 million reported in the comparable year ago period, while the operating margin was 35.8% versus 36.3% reported for the prior year. During the quarter, gross profit increased 11% to \$771 million from \$692 million a year ago. Gross margin was 72.4% versus 72.1% a year ago, reflecting the re-engineering of key collections globally and margin improvement in our North American factory business, offset in part by channel mix. As expected, SG&A expenses as a percentage of net sales increased to 36.6%, compared to the 35.8% reported in the year-ago quarter as the company lapped certain significant and unusual cost-saving items.

The company also announced that during the second fiscal quarter, it repurchased and retired nearly 8.6 million shares of its common stock at an average cost of \$35.03, spending a total of \$300 million. At the end of the period, \$410 million remained under the company's repurchase authorization.

For the six months ended December 26, 2009, net sales were \$1.83 billion, up 7% from the \$1.71 billion reported in the first six months of fiscal 2009. Net income totaled \$382 million, up 5% from the \$363 million reported a year ago, while earnings per share rose 8% to \$1.19 from \$1.10.

Second fiscal quarter sales results in each of Coach's primary channels of distribution were as follows:

- Direct-to-consumer sales increased 14% to \$934 million from \$818 million last year. North American comparable store sales for the quarter rose 3.2%. In Japan, sales fell 2% on a constant-currency basis, while dollar sales rose 7% driven by a stronger yen. China sales remained robust, as POS sales continued to comp at a double-digit rate.
- Indirect sales decreased 8% to \$131 million in the second quarter from the \$143 million reported for the prior year. This decline was primarily due to reduced shipments into U.S. department stores, as the company continues to tightly manage inventories in that channel given sales levels at POS. International POS sales rose during the period, notably in locations focused on the domestic consumer.

During the second quarter of fiscal 2010, the company opened three retail stores and two factory stores in North America, bringing the total to 343 retail stores and 118 factory stores as of December 26, 2009. In Japan, Coach opened one shop-in-shop, taking the total to 163 at the end of the quarter. In China, four net new locations were opened during the quarter, taking the total to 37.

Mr. Frankfort continued, "Our pricing and product initiatives have resonated with our consumer base, both here in North America and internationally. The response to Madison and Poppy, our lead collections for holiday, was strong, as was the reaction to our holiday gifting and marketing campaigns which built on our successes from the prior quarter. For early spring, we're excited about the new Peyton collection, which launched on December 26<sup>th</sup>, and is off to a great start. And later this week, we're re-launching Poppy, featuring new styles and a fresh color palette."

"We were especially pleased by the strengthening of our North America retail business during the holiday season, as revenues from new and existing stores increased by 16% and comparable store sales rose 3%. The trend in our domestic business built steadily over the quarter, with December our strongest month, reflecting Coach's position as a gift resource. The most significant comp driver this holiday was conversion, reflecting the vitality of the brand and the strength of our product assortment."

"Our holiday results bode well for the future. Despite the challenging retail environment, we're confident that we'll continue to deliver healthy sales and earnings growth over the balance of the fiscal year. We're well positioned for the 'new normal', and expect to further expand our North American market share, irrespective of category growth. We will leverage the abundant growth opportunities available to us both domestically and internationally, as we become an increasingly global brand," Mr. Frankfort concluded.

Coach will host a conference call to review second fiscal quarter results at 8:30 a.m. (ET) today, January 20, 2010. Interested parties may listen to the webcast by accessing [www.coach.com/investors](http://www.coach.com/investors) on the Internet or dialing into 1-888-405-2080 and asking for the Coach earnings call led by Andrea Shaw Resnick, SVP of Investor Relations & Corporate Communications. A telephone

replay will be available starting at 12:00 noon today, for a period of five business days. The number to call is 1-866-352-7723. A webcast replay of this call will be available for five business days on the Coach website.

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, fragrance, jewelry 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," "target," "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.*

**COACH, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
For the Quarters and Six Months Ended December 26, 2009 and December 27, 2008  
(in thousands, except per share data)  
(unaudited)

	QUARTER ENDED		SIX MONTHS ENDED	
	December 26, 2009	December 27, 2008	December 26, 2009	December 27, 2008
Net sales	\$ 1,065,005	\$ 960,256	\$ 1,826,442	\$ 1,712,785
Cost of sales	294,066	268,220	505,325	462,556
Gross profit	770,939	692,036	1,321,117	1,250,229
Selling, general and administrative expenses	390,102	343,673	717,033	668,380
Operating income	380,837	348,363	604,084	581,849
Interest income (expense), net	112	532	(484)	3,178
Income before provision for income taxes	380,949	348,895	603,600	585,027
Provision for income taxes	139,999	131,989	221,823	222,310
Net income	<u>\$ 240,950</u>	<u>\$ 216,906</u>	<u>\$ 381,777</u>	<u>\$ 362,717</u>
Net income per share				
Basic	\$ 0.76	\$ 0.67	\$ 1.20	\$ 1.11
Diluted	\$ 0.75	\$ 0.67	\$ 1.19	\$ 1.10
Shares used in computing net income per share				
Basic	<u>317,458</u>	<u>323,655</u>	<u>317,761</u>	<u>327,881</u>
Diluted	<u>321,381</u>	<u>325,168</u>	<u>321,137</u>	<u>329,716</u>

**COACH, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
At December 26, 2009, June 27, 2009 and December 27, 2008  
(in thousands)  
(unaudited)

	December 26, 2009	June 27, 2009	December 27, 2008
<b>ASSETS</b>			
Cash, cash equivalents and short term investments	\$ 1,103,177	\$ 800,362	\$ 424,153
Receivables	178,849	108,707	192,024
Inventories	269,200	326,148	383,081
Other current assets	165,166	161,192	221,579
Total current assets	1,716,392	1,396,409	1,220,837
Long term investments	6,000	6,000	6,000
Property and equipment, net	564,483	592,982	600,437
Other noncurrent assets	582,255	568,945	510,687
Total assets	<u>\$ 2,869,130</u>	<u>\$ 2,564,336</u>	<u>\$ 2,337,961</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Accounts payable	\$ 120,167	\$ 103,029	\$ 125,650

Accrued liabilities	457,557	348,619	391,260
Revolving credit facilities	-	7,496	1,896
Current portion of long-term debt	<u>737</u>	<u>508</u>	<u>503</u>
Total current liabilities	578,461	459,652	519,309
Long-term debt	24,339	25,072	25,076
Other liabilities	400,764	383,570	327,565
Stockholders' equity	<u>1,865,566</u>	<u>1,696,042</u>	<u>1,466,011</u>
Total liabilities and stockholders' equity	<u>\$ 2,869,130</u>	<u>\$ 2,564,336</u>	<u>\$ 2,337,961</u>

**CONTACT:**

Coach

Analysts & Media:

Andrea Shaw Resnick, 212-629-2618

SVP Investor Relations & Corporate Communications